

Building Momentum for GROWTH



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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 labal

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)

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, 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

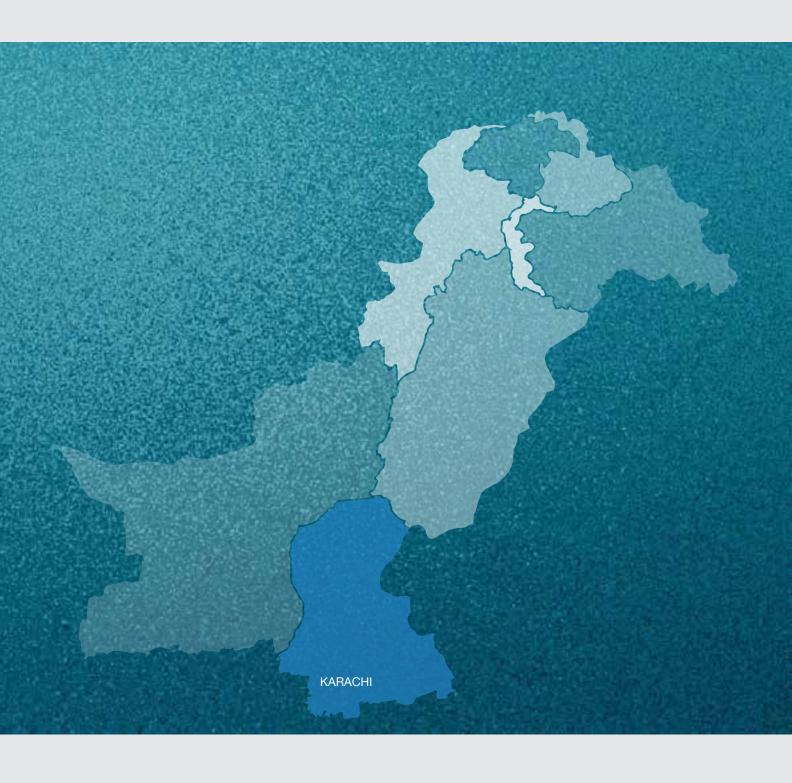
Website: www.cyanlimited.com

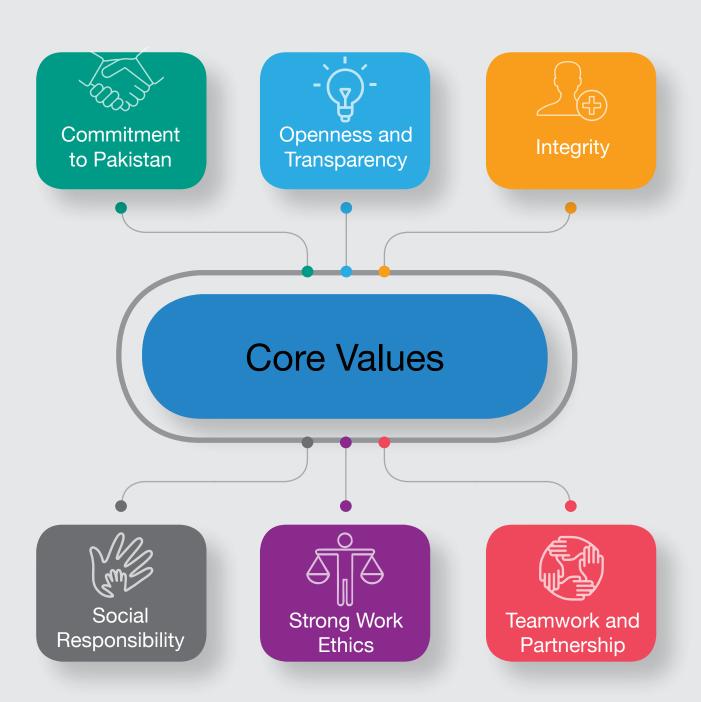
^{*}As determined by the Board of Directors

Group Structure



Geographical Presence only in Karachi





Strategic Objectives

Overall strategic objectives, management's objectives and strategies for meeting those objectives

At Cyan Limited, our aim is to solicit our strategic objectives in such a manner that our approach and endeavor to create a positive impact, remains intact.

Objectives

Focus: Generate attractive returns on Equity Portfolio. Our success is a result of achieving growth through indepth analysis and management of risk while taking into account the ever changing investment environment. As we move ahead, our focus remains steadfast and impeccable. We are committed to generate attractive returns on the Equity Portfolio.

Aim: Maximize Shareholders' Wealth Our aim is to maximize shareholders' wealth as we believe that our growth projectiles and their success are all connected with the trust and confidence that we get from our valued shareholders. Our strong business strategies only work with superior execution, so we endeavor that our strategic planning is aligned with the increase in wealth of our stakeholders.

Pursue: Private Transactions Cyan Limited believes in committing its employees, capital and ideas to help entrepreneurs and high potential companies to thrive in Pakistan. We further believe that by taking private companies to PSX can help better growth prospects for the target companies.

Strategy to Meet Objective

Monitoring our portfolio of investments frequently.

Maximizing resource utilization in the best possible manner.

Continuously seeking profitable avenues in high-growth sectors.

Code of Conduct

FOR EMPLOYEES:

This code is developed and adopted with a view to develop and promote the highest standards of ethical behavior, professionalism, integrity and commitment amongst the employees of the company. It is adopted with the end view of promoting good corporate governance.

The company makes it mandatory for all its employees to perform their duties and responsibilities in accordance with this code.

The company is guided by the following principles in all activities for attainment of the organizational objectives:

1. ABIDANCE OF LAWS / RULES

- a. All employees shall conform to and abide by the company policies, applicable laws, regulations and directives which may from time to time be in force.
- b. The employees shall not take part in, subscribe in aid of, or assist in any way, any political movement that is in disinterest of Cyan.

2. INTEGRITY

- a. Conduct themselves with the highest standards of ethics, professional integrity and dignity in all dealings with the public, clients, investors and employees, and not engage in acts discreditable to Cyan and the profession. If they become aware of any irregularity that might affect the interests of Cyan, they shall inform the senior management immediately.
- Maintain all books, data, information and records with scrupulous integrity, reporting in an accurate and timely manner all transactions/reports.
- c. Avoid all such circumstance in which there is personal interest conflict, or may appear to be in conflict, with the interests of Cyan or its clients.
- d. Not use their employment status to seek personal gain from those doing business or seeking to do business with Cyan, nor accept such gain, gift, favor, entertainment or other benefits, if offered.

3. CONFIDENTIALITY

Maintain the privacy and confidentiality of all the information acquired during the course of professional activities and refrain from disclosing the same unless otherwise required by statutory authorities/law. All such information will remain as a trust and will only be used for the purpose for which it is intended and will not be used for the personal benefits of any individual(s). Inside information about Cyan's clients/affairs shall not be used for their own gain, or for that of others either directly or indirectly.

4. PROFESSIONALISM

Serve Cyan honestly and faithfully and strictly serve Cyan's affairs and the affairs of its constituents. Disclose and assign to Cyan all interest in any invention, improvement, discovery or work of authorship that they may make or conceive and which may arise out of their employment with Cyan. If their employment is terminated, all rights to property and information generated or obtained as part of their employment relationship will remain the exclusive property of Cyan.

5. BUSINESS/WORK ETHICS

- a. Respect fellow colleagues and work as a team. They shall at all times be courteous and not let any personal differences affect their work.
- b. Ensure good attendance and punctuality and demonstrate a consistently good record in this area.
- c. Maintain a standard of personal hygiene and dress appropriately for attendance at work.
- d. As a personal responsibility, safeguard both the tangible and intangible assets of Cyan that are under their personal control and shall not use Cyan assets for their personal benefits except where permitted by Cyan.
- e. Not indulge in any kind of harassment including sexual harassment or intimidation whether committed by or against any senior/junior, coworker, customer, vendor or visitor. They shall not use language, written or spoken in intra office communication(s) or communication(s)

with individual(s) outside the office that may contain any statement or material that is offensive to others.

- f. Employees shall also not indulge in any of the following activities except with the prior permission of the competent authority:
 - Borrow money from or in any way place themselves under pecuniary obligation to broker or money lender or any employee of Cyan or any firm or person having dealings with Cyan;
 - ii. Buy or sell stock, share or securities of any description without funds to meet the full cost in the case of purchase or scrip's for delivery in the case of sale. However, they can make a bona fide investment of their own funds in such stock, shares and securities in line with the employees trading policy;
 - iii. Lend money in their private capacity to a constituent of Cyan or have personal dealings with a constituent in the purchase or sale of bills of exchange, Government paper or any other securities;
 - iv. Guarantee in their private capacity the pecuniary obligation of another person or agree to indemnify in such capacity any person from loss;
 - v. Act as agent for an insurance company otherwise than as agent for on behalf of Cyan;
 - vi. Be connected with the formation or management of a joint stock company;
 - vii. Engage in any other commercial business or pursuit either on their own account or as agent for another or others;
 - viii. Accept or seek any outside employment or office whether stipendiary or honorary; and
 - ix. Undertake part time work for a private or public body or private person, or accept fee thereof.

FOR DIRECTORS:

The Code is developed and adopted with a view

to focus the Board and each Director on areas of ethical risk; provide guidance to directors to help them recognize and deal with ethical issues; provide mechanisms to report unethical conduct; and help foster a culture of honesty and accountability.

1. CONFLICT OF INTEREST

Directors including the Chairman must avoid any conflicts of interest between the director and the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the the Board of Directors. A "conflict of interest" can occur when:

- a. A director's personal interest is adverse to or may appear to be adverse to the interests of the Company as a whole;
- A director, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position as a director of the Company;

Some of the more common conflicts which directors should avoid are listed below:

- c. Relationship of Company with thirdparties. Directors may not receive a personal benefit from a person or firm which is seeking to do business or to retain business with Cyan. A director shall recuse him or herself from any Company Board decision involving another firm or Company with which the director is affiliated:
- d. Compensation from non-Company sources. Directors may not accept compensation (in any form) for services performed for the Company from any source other than the Company;
- e. Gifts. Directors may not offer, give or receive gifts from persons or entities who deal with Cyan in those cases where any such gift is being made in order to influence the directors' actions as members of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest; and
- f. Personal use of Company assets. Directors may not use Company assets, labor or information for personal use unless approved by the Chairman of the Board or as part of

a compensation or expense reimbursement program available to all directors.

2. CORPORATE OPPORTUNITIES

Directors are prohibited from:

- a. Taking for themselves or their companies opportunities that are discovered through the use of Company property, Company information or position as a director;
- b. Using the Company's property or information for personal gain; or
- c. Competing with the Company for business opportunities. However, if the Company is disinterested and the directors determine that the Company will not pursue an opportunity that relates to the Company's business, a director may then do so.

3. CONFIDENTIALITY

Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as a director, except when disclosure is authorized or legally mandated. For purposes of this Code, "confidential information" includes all non-public information relating to the Company.

4. COMPLIANCE WITH LAWS, RULES AND REGULATIONS: FAIR DEALING

Directors must comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Company, including insider trading laws. Directors must deal fairly, and must oversee fair dealing by employees and officers, with the Company's customers, suppliers, competitors and employees.

5. ENCOURAGING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR.

Directors should promote ethical behavior and take steps to ensure the Company:

- a. Encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; and
- b. Encourages employees to report violations of laws, rules, regulations or the Company's Code of Conduct to appropriate personnel.

6. COMPLIANCE STANDARDS

Directors should communicate any suspected violations of this Code promptly to the Chairman of the Audit Committee. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action(s) will be taken in the event of any violations of the Code.



Cyan Seven

Committed Management Team

Company has a strong management team with demonstrated commitment to ethical values and a proven track record.

• Sizeable Market Share

Company has a sizeable market share or a clearly defined road map to achieve one.

• Scalable Business Model

Company has a proven and scalable business model with an operational record of at least three years.

Target Margin

Company has an EBITDA of at least PKR 200 million and has remained positive for the past three years.

Target Revenue

Company has revenues of at least PKR 500 million or a tangible growth plan to achieve this target in the short term.

Minimum Investment Size

The Company is seeking to raise at least PKR 100 million.

Exit Potential

The ability of an exit for Cyan i.e. to sell its stake in 1-3 years via trade sale, IPO, share buyback/redemption, etc.

Cyan Expertise

Capital market expertise of \$50mn public equities portfolio managed over the last 8 years and a team that has combined 50 years' experience in public equities Knowledge
base of various
industries
(Agribusiness,
Power,
Consumers etc.)
and Operations
(Governance,
Board Level
Involvement) due
to the DH group
platform.

Combining
the two, Cyan
can help to
formalize and
grow companies
leading their way
to list themselves
on the PSX
for increased
representation of
companies on the
stock exchange.



ANIMAL PROTEIN

The contribution of livestock sector is around 13.2% in the country's GDP and 62% towards the agriculture sector. It mainly provides milk and meat for human consumption. According to our estimate, the per capita local production of meat stands at 21 Kg.

- Beef consumption in Pakistan is approximately 6.4 kg per year per person as compared to 3.8 kg in China and 5.4 kg in Iran.
- Consumption of poultry meat in Pakistan is 5.9 kg per year per person as compared to 11.6 kg in China and 23 kg in Iran.

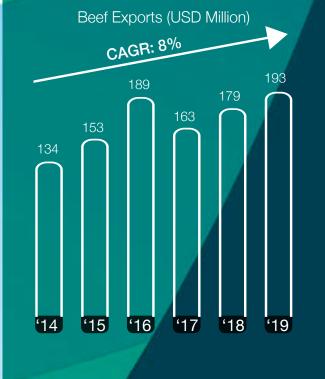


Market Size:

Livestock expenditure in Pakistan was PKR 5,101 billion in FY19, according to Pakistan Economic Survey. The biggest proportion of overall meat produced consists of beef

followed by chicken and mutton. Pakistan also exports beef to various countries and its exports has been growing at a 5-year CAGR of 8%.





Source: Pakistan Economic Survey, Trade Development Authority of Pakistan, OECD, Cyan Research



PHARMACEUTICAL

The total contribution of the pharmaceutical sector in the country's GDP is approximately 1%. The industry is growing at a 5-year CAGR of 11% on the back of rising demand in the country led by the increasing population. Amongst the regional countries, China has the highest spending per capita of USD 92 while Pakistan has the lowest spending per capita of USD 13. Moreover, there are approximately 650 pharmaceutical manufacturing units operating in the country.

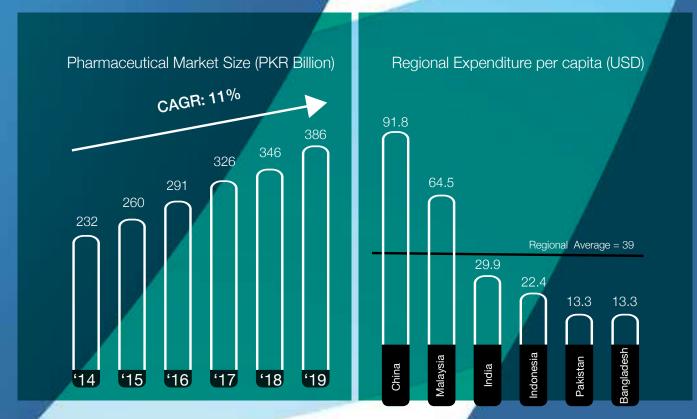
- Pakistan does not have even one US FDA approved plant, while India has over 500 US FDA approved sites, the highest number outside the USA.
- Although there are less than 30 multinational pharmaceutical companies, they generate around 67% of the industry's revenue.



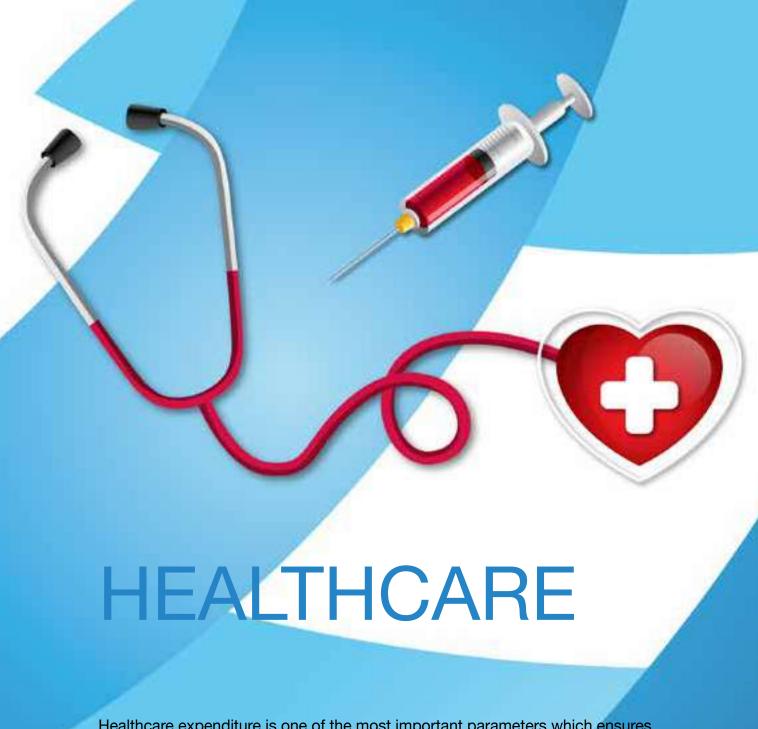
Market Size:

The pharmaceutical industry in Pakistan is valued at PKR 386 billion (USD 2.8 billion). Pakistan's per capita pharmaceutical

expenditure is USD 13, lower than the regional average of USD 39.



Source: Pakistan Pharmaceutical Manufacturers' Association, Pakistan Economic Survey and State Bank of Pakistan, ICAP, PACRA, Cyan Research



Healthcare expenditure is one of the most important parameters which ensures the robust economic growth of a nation. According to Pakistan Economic Survey'19, the registered number of doctors, dentists and nurses are 220,829, 22,595 and 108,474, respectively. Accordingly, population per doctor, dentist and nurse for the country are 963, 9,413 and 1,962 respectively.

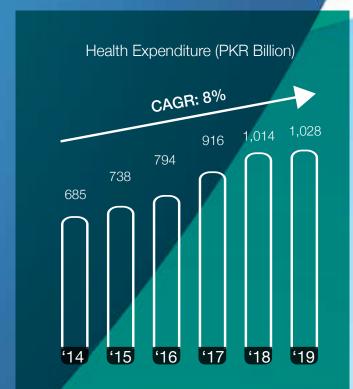
- Total number of infant deaths in Pakistan was 338,000 during 2018 as compared to 57,000 in Afghanistan and 74,000 in Bangladesh.
- Around 37.6% of children under 5 years of age are estimated to have a stunted growth in Pakistan, whereas, the rate stands at 40.9% in Afghanistan and 42.1% in Somalia.

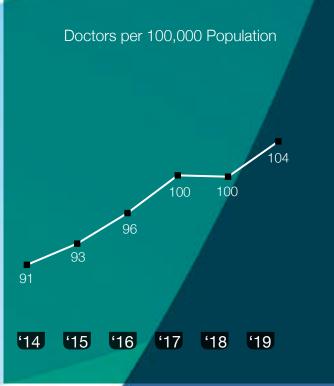


Market Size:

Healthcare industry of Pakistan is valued at PKR1,028billion(USD7.5billion), constituting 2.7% of Pakistan's GDP. The contribution of public healthcare in the country's GDP is 0.7%, whereas the remaining contribution is of private healthcare segment. The

demand for healthcare services in Pakistan has increased steadily due to rising income levels, high population growth, increase in lifestyle diseases (such as diabetes and cardiac issues) and increased accessibility within rural areas.





Source: Pakistan Economic Survey and State Bank of Pakistan, WHO, Unicef, Cyan Research



EDUCATION

Pakistan's literacy ratio (10 years and above) is 62% that is one of the lowest amongst the regional peers. At a provincial level, Punjab has the highest literacy ratio of 65% followed by Sindh, KPK and Baluchistan with 62%, 55% and 56%, respectively.

- The total number of enrolled students in Pakistan is around 19.3 million at primary level, which drops to 6.4 million students at the lower secondary level.
- Pakistan ranks at 152nd position globally according to human development index, as compared to Bangladesh at 135th and India at 129th position.

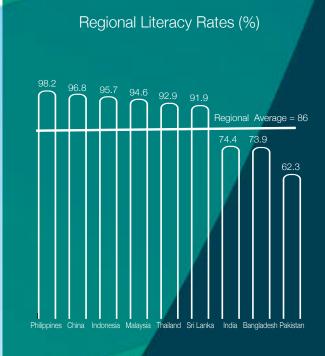


Market Size:

The total share of educational industry (public sector) is about 2.4% in the country's GDP, resulting in a total expenditure of about PKR 925 billion (USD 6.8 billion). However, in absolute terms, expenditure on education is growing at a 5-year CAGR of 11%. The sector is divided between public and

private institutions, along with several nongovernment organizations running charitable education foundations. The Government of Pakistan is determined to enhance the resources available to education sector by ensuring proper and timely utilization of funds.





Source: World Bank, Pakistan Economic Survey, UNICEF and State Bank of Pakistan, Cyan Research



LOGISTICS

Logistics industry contributes about 5.7% in Pakistan's GDP with a significant share of the sector outside the formal economy. The sector holds immense importance within any economy because it helps streamline the processes and improve efficiency. However, in Pakistan the sector is marred with fragmentation, unorganized businesses and poor infrastructure. With the advent of CPEC and resulting upgradation of infrastructure, the sector is expected to grow at a fast pace. Besides, the sector might experience increased share of formal industry as a result of increasing infrastructure activity. The total length of new road network under the economic corridor is estimated at 966 km along with expansion and reconstruction of 1,830 km rail network.

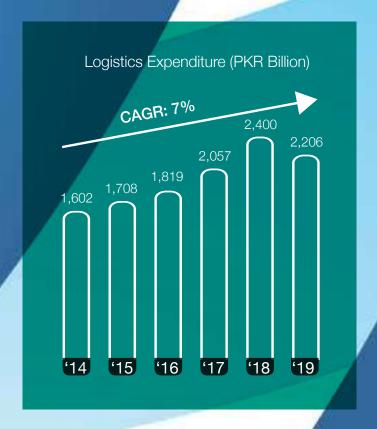
- According to Logistics Performance Index (LPI) of the World Bank, Pakistan is ranked at 122nd position with a LPI score of 2.42, lower than that of Bangladesh and India.
- Approximately 50% of agricultural products go stale during transportation due to lack of proper cold-chain logistics and processing facilities.



Market Size:

According to Cyan's estimate, the market size of the industry is around PKR 2,206 billion (USD 16 billion). Road transport services comprise 77% of the total market followed by sea transportation comprising 19%, while air transport, rail transport and

warehousing form the rest of the industry. The sector has overdependence on road transportation due to weak rail infrastructure, which if countered, could make the industry more profitable and efficient.



Source: Paklstan Economic Survey, Worldbank, State Bank of Pakistan, CPEC, Cyan Research



The Information Technology (IT) sector is one of the fastest growing industries in Pakistan witnessing a 5-year CAGR of 16% and contributing around 1.7% towards the country's GDP. The sector consists of two major segments namely, IT solutions and E-Commerce. The IT solutions division has been growing at a 5-year CAGR of 15% whereas E-Commerce division has grown by 53% during the same time period. The proliferation of tech-startups and their buyouts by foreign companies is likely to enhance the sector contribution and it may witness exponential growth in coming years.

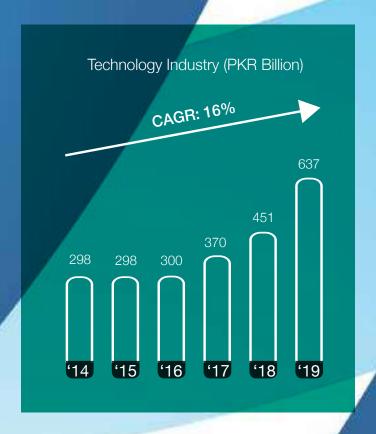
- Cellphone penetration in Pakistan is nearly 74%, one of the highest in South Asia.
- Pakistan is ranked number 4th in the world for freelance development.



Market Size:

The total market size stands at PKR 637 Billion (USD 4.7 Billion), with IT solutions contributing 92% to the total expenditure, while the remaining share is of E-Commerce. The market has been largely untapped and

vast potential exists to contribute strongly in the future. There are a total of 300,000 IT experts in Pakistan, with 10,000 new professionals produced each year.



Source: State Bank of Pakistan, Pakistan Economic Survey, Kaymu (now known as Daraz) and Ministry of Information Technology, Board of Investment Pakistan, Pakistan Telecommunication Authority, Cyan Research



Retail industry is one of the largest subsectors of services sector, contributing around 19% in Pakistan's GDP. The sector has been growing at a 5-year CAGR of 9%, consistently surpassing the GDP growth rate. The advent of e-commerce has completely revolutionized the retail industry, providing specific customer segments with ample new growth opportunities. This is supported by the fact that the broadband penetration has increased to 36.2% compared to 30.6% last year.

 According to Bloomberg, almost twothirds of Pakistan's population is aged under 30, who could be classified as the new millennial, inclined to spend more than save.



Market Size:

The retail sector is valued at PKR 7,288 billion (USD 53 billion). Digitization of retail through e-commerce has resulted in robust growth of the sector over the last few years. The growing young population has provided an impetus to the sector in terms of growing demand. This growth is beneficial for the

country as it aids in economic expansion, creates job opportunities and attracts foreign investment into the country through appealing global brands into the local market. The sub-sectors that have huge growth potential are food & beverages, apparel and footwear.



Source: Pakistan Economic Survey & State Bank of Pakistan, Pakistan Telecommunication Authority, Cyan Research



CHEMICALS

Chemicals are one of the most integral driving forces behind industrial progress in any economy, with direct usage as raw material in production of over 70,000 industrial and consumers products. One of the most essential sub-categories of chemicals is Petrochemicals that account for around 38% of the total chemical imports in the country. This presents a huge opportunity for setting up an integrated petrochemical complex in Pakistan, that can help to substantially reduce the country's import bill by around USD 2 billion per annum.

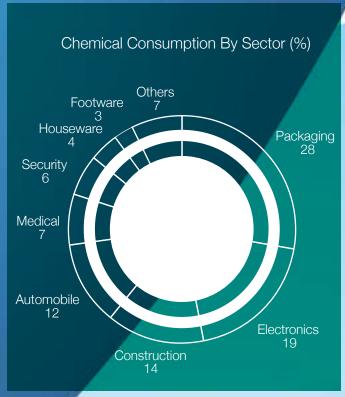
- Pakistan does not have any Naphtha cracker plant compared to 9 plants in India and 8 in Iran.
- Petrochemicals account for 14% of global oil and 8% of gas demand.

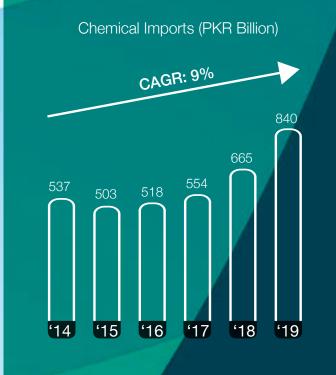


Market Size:

Pakistan is mainly reliant on imports to cover its chemical needs. Over the last 5 years, the import of chemicals has been growing rapidly and the import bill for FY19 stood at PKR 840 billion (USD 6.2 billion), almost 12% of Pakistan's total import bill. Petrochemicals have the largest share in

chemical imports. The chemical sector is set for a robust growth in the upcoming years mainly due to the strong growth outlook of major downstream sectors including plastics, electronics, construction and automobiles.





Source: State Bank of Pakistan, International Energy Agency, Cyan Research

Notice of the 60th Annual General Meeting

Notice is hereby given that the Sixtieth (60th) Annual General Meeting (AGM) of Cyan Limited will be held at Karachi at 2:00 p.m. on Thursday the May 21, 2020 at The TDF Business Hub, Ground Floor, Dawood Center, M.T. Khan Road, Karachi to transact the following businesses:

ORDINARY BUSINESS

- 1. To confirm the minutes of the 59th Annual General Meeting of the Company held on March 29, 2019.
- 2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2019 together with the Auditors' and Directors' Reports thereon and Chairman's Review Report.
- 3. To approve the payment of final cash dividend at the rate of Rs. 1.00/- per share i.e. 10% for the year ended December 31, 2019 as recommended by the Board of Directors.
- 4. To appoint Auditors for the year ending December 31, 2020 and to fix their remuneration.
- 5. To elect seven (7) directors of the Company as fixed by the Board of Directors, in accordance with Section 159(1) of the Companies Act, 2017 for a term of three years commencing from May 22, 2020. The following retiring directors are eligible to offer themselves for re-election:
 - Hasan Reza- Ur Rahim
 - Kulsum Dawood
 - iii. Kamran Nishat
 - iv. Inam ur Rahman
 - v. Shafiq Ahmed
 - vi. Sulaiman Saddruddin Mehdi
 - vii. Faisal Nadeem

SPECIAL BUSINESS

6. To approve the issue of Bonus Shares in the ratio of 5 bonus shares for every hundred (100) existing Ordinary Shares held by the shareholders (5%) as recommended by the Board of Directors in their meeting held on February 24, 2020. To give effect to the above, the Directors have recommended to consider and, if thought fit, pass, with or without modification(s), the following resolutions as ordinary resolutions:

RESOLVED that a sum of Rs. 29.313.861/-(Rupees Twenty nine million three hundred thirteen thousand eight hundred sixty one only) be capitalized out of the un-appropriated profit of the Company and applied towards the issue of 2,931,386 Ordinary Shares of Rs.10/- each as fully paid bonus shares to be allotted to the shareholders in proportion of 5 (in numbers) shares for every hundred (100) existing Ordinary Shares held by the Members of the Company who are registered on the books of the Company at the close of business on Thursday May 28, 2020, and that, after allotment, such new shares shall rank pari passu in all respects with the existing Ordinary Shares of the Company. These bonus shares will not be eligible for the final cash dividend of 10% for the year ended December 31, 2019.

FURTHER RESOLVED that Members' fractional entitlement to Bonus Shares may be consolidated and sold on the Pakistan Stock Exchange Limited and net sale proceeds of such fractional entitlements when realized be paid to a charitable institution.

FURTHER RESOLVED that for the purpose of giving effect to the foregoing, the Chief Executive or the Company Secretary be and are hereby singly authorized to give such directions as may be necessary and settle any questions or any difficulties that may arise in the distribution of the said Bonus Shares or in the payment of the sale proceeds of the fractions.

7. To transact any other business with the permission of the Chair.

Attached to this notice of meeting being sent to the members is a statement under Section 134(3) and 166(3) of the Companies Act, 2017.

By order of the Board

AHSAN IQBAL Karachi, April 30, 2020 Company Secretary

NOTES:

CORONA VIRUS CONTINGENCY PLANNING

- In view of the recent outbreak of COVID-19 and the restriction imposed by the Government of Sindh on large public gatherings at one place, the Securities and Exchange Commission of Pakistan (SECP) has, vide circular No. EMD/ MISC/82/2012 dated March 17, 2020, advised the companies to modify their usual planning for annual general meetings for the well-being of the shareholders and avoid large gatherings by provision of video link facilities.
- Considering the restriction imposed by the Government on public gatherings and SECP's directives, the Company intends to convene this AGM with minimum number of shareholders in person while ensuring compliance with the quorum requirements and requests the Members to consolidate their attendance and voting at the AGM through proxies.
- Furthermore, the Members who are willing to attend and participate in the AGM can do so through video-link. To attend the AGM through video-link, Members are required to register their particulars by sending an email at ahsan.iqbal@ cyanlimited.com. The Members registering to connect through video-link facility are required to mention their Name, Folio Number and Number of Shares held in their name in the email with subject 'Registration for CYAN's AGM' alongwith valid copy of CNIC (both sides). Video link and login credentials will be shared with the Members whose emails, containing all the required particulars, are received at the given email address at least 24 hours before the time of AGM. The Members are also encouraged to send their comments/suggestions, related to the agenda items of the AGM on the above mentioned email address.
- The Company will follow the best practices and comply with the instructions of the Government and SECP to ensure protective measures are in place for wellbeing of its Members. Therefore, the Members are encouraged to attend the AGM through video-link or by consolidating their attendance through proxies.

Notice of Closure of Share Transfer Books for Attending AGM and Dividend Entitlement

The Share transfer books of the Company will remain closed from Friday May 15, 2020 to Thursday May 21, 2020 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. CDC Share Registrar Services Limited, CDC House-99B, Block 'B', S.M.C.H.S., main Shahrah–e-Faisal, Karachi-74000, by the close of business (3:00 p.m. Ramadan timings) on Thursday May 14, 2020 will be treated in time for the purpose of payment of final cash dividend to the transferees and to attend and vote at the AGM.

Notice of Closure of Share Transfer Books for Bonus Entitlement

The Share transfer books of the Company will remain closed from Friday May 29, 2020 to Friday June 05, 2020 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. CDC Share Registrar Services Limited, CDC House-99B, Block 'B', S.M.C.H.S., main Shahrah–e-Faisal, Karachi-74000, by the close of business 5:00 p.m. on Thursday May 28, 2020 will be treated in time for the entitlement of bonus shares.

Participation in the Annual General Meeting

A member entitled to attend and vote at the meeting may appoint any other member as his/her proxy to attend and vote. A Corporation being a member may appoint any person, whether or not a member of the Company, as its Proxy. A Proxy, duly appointed, shall have such rights as respects speaking and voting at the Meeting as are available to a member.

In order to be effective, Proxy Forms, duly filled and signed, must be received at the Registered Office of the Company, not less than forty-eight (48) working hours before the Meeting. A blank Proxy Form is attached at the end of the report.

CDC account holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting

i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original passport at the time of attending the meeting. ii. In case of corporate entity, the Board of Directors' resolution /power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies

- In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
- ii. Attested copies of valid CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy Form.
- iii. The proxy shall produce original valid CNIC or original passport at the time of the meeting.
- iv. In case of corporate entity, the Board of

- Directors' resolution /power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form to the Company.
- v. Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the forms.

<u>Deduction of Income Tax from Dividend under</u> <u>Section 150 of the Income Tax Ordinance, 2001</u> ("Income tax Ordinance")

The rates of deduction of withholding tax for filers and non-filers as prescribed under Section 150 of the Income Tax Ordinance 2001, are as under:

- (a) For filers of income tax returns 15.00%
- (b) For non-filer of income tax returns 30.00%

Withholding tax on Dividend in case of Joint

Account Holders

Members who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his/her shareholding.

If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher side, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the Annual General Meeting date.

Folio/CDC A/c No.	Total No of Shares	Name of Principal Shareholder and CNIC #	Share Holding	Name of Joint Shareholders and CNIC #	Share Holding
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Valid Tax Exemption Certificate for Exemption from Withholding Tax

A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 and wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of commencement of Book closure otherwise tax will be deducted according to the applicable law.

Unclaimed Dividend

Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar CDC House-99B, Block 'B', S.M.C.H.S., main Shahrah-e-Faisal, Karachi-74000 to collect / enquire about their unclaimed dividend, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend.

Change of Address and Zakat Deduction

Shareholders (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Company's Registrar. All the shareholders holding their shares through the CDC are requested to please update their addresses and Zakat status with their participants.

Postal Ballot and E-voting:

- a) Pursuant to the Companies (Postal Ballot) Regulations, 2018 for the purpose of election of directors and for any other agenda item subject to the requirements of sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.
- b) If the number of persons who offer themselves to be elected is more than the number of directors fixed under Section I59(1) of the Companies Act, 2017, then the Company shall provide its members with the option of e-voting or voting by postal ballot in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018.
- c) Shareholders who wish to participate through e-voting kindly provide immediately or not later than 14 days before the date of General meeting through a letter duly signed by them as per the Company record with his/her/its details i.e. Name, Folio / CDC A/C No., Email Address, and Contact Number to the Share Registrar of the Company i.e. CDC Share Registrar Services Limited, CDC House, 99-8, Block 'B', S.M.C.H. Society, Main Shahrah-e-Faisal, Karachi.
- d) Voting lines for Election of Directors will be open for Members from May 15, 2020 at 9:00 am till May 20, 2020 at 3:00 p.m. Ramadan timings.

Deposit of Physical Shares into CDC Accounts

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017.

The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange limited.

CNIC Number

Shareholders holding physical shares were requested to submit copies of their valid CNICs/NTN Certificates along with the folio numbers to the Company's Share Registrar: M/s. CDC Share Registrar Services Limited.,

CDC House-99B, Block 'B', S.M.C.H.S., main Shahrah-e-Faisal, Karachi-74000. No dividend will be payable unless the CNIC number is printed on the dividend warrants, so please let us have your CNIC numbers, failing which we will not be responsible if we are not able to pay the dividend.

Dividend Mandate

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

Election of Directors

In terms of Section 158 read with Section 161 of the Companies Act, 2017 (the Act), the Board of Directors of Cyan Limited (the Company) shall complete its 3 years term on April 30, 2020. The Company had earlier planned to hold its election of directors in the 60th Annual General Meeting (AGM) that was scheduled to be held on April 29, 2020. However, due to lock down on account of COVID-19 outbreak, SECP vide its Circular No. 6 issued on March 22, 2020 granted a general extension of 30 days for holding AGM till May 29, 2020 in terms of Section 132 of the Act and for the delay in election of directors, SECP advised filing of impediment report under Section 158(2) of the Act. In order to safeguard the interest of the members and ensure protection of its employees and members in the light of the risks posed by the COVID-19, the Company rescheduled its 60th AGM and holding the election of directors of the company on May 21, 2020.

Pursuant to the Circular, the Company filed the impediment report hence the current directors have continued their terms in accordance with Section 158(2) of the Act, the Circular and the impediment report filed with the Registrar under the Circular.

In terms of Section 159(1) of the Companies Act, 2017, the Directors have fixed the number of elected directors at seven (7) to be elected in the AGM for the next term of three year.

Any person who seeks to contest the election of directors shall, whether he is a retiring director or otherwise, file with the Company the following documents and information at its registered office not later than fourteen days before the day of the above said meeting:

- a) His/her Folio No./CDC Investors Account No./CDC Participant No./Sub-Account No.
- b) Notice of his/her intention to offer himself/ herself for the election of directors in terms of Section 159(3) of the Companies Act, 2017.
- c) Consent to act as director on Form 28 under section 167 of the Companies Act, 2017.
- d) A detailed profile along with his/her office address for placement onto the Company's website https://www.cyanlimited.com.
- e) The selection of independent directors shall be as per requirements of Section 166 of the Companies Act, 2017. Any member intending to contest as independent director shall submit a declaration that he/she qualifies the criteria of eligibility and independence notified under the Companies Act, 2017 and rules and regulations issued thereunder.
- f) An attested copy of Computerized National Identity Card (CNIC).
- g) A declaration that:
 - He/she is not ineligible to become a director of the Company under any applicable laws and regulations (including Pakistan Stock Exchange Limited Regulations).
 - He/she is not serving as a director of more than seven listed companies.
 - Neither he/she nor his/her spouse is engaged in the business of brokerage or is a sponsor director or officer of a corporate brokerage house.
 - He/she is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of Company and Pakistan Stock Exchange Limited Regulations.

STATEMENT OF MATERIAL FACTS UNDER SECTION 166 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning election of directors, given in agenda items No.5 of the Notice, to be transacted at the Sixtieth (60th) Annual General Meeting of the Company.

Section 166(3) of the Companies Act 2017 (the Act) requires that a statement of material facts is required to be annexed to the notice of the general meeting called for the purpose of election of directors which shall indicate the justification for choosing independent director.

The Company is required to have at least two (2) independent directors on the Board under the Listed Companies (Code of Corporate Governance) Regulations, 2019. The independent directors shall also be elected through the process of election of directors in terms of section 159 of the Companies Act, 2017 and Articles of Association of the Company.

As regards the justification for choosing independent directors, candidates should be eligible for election as director of a listed company under Section 153 of the Act and meet the criteria of independence laid down under section 166(2) of the Act and the Companies (Manner and Selection of Independent Directors) Regulation, 2018 and his/her name is included in the data bank of independent directors maintained by the Pakistan Institute of Corporate Governance (PICG) duly authorized by the Securities & Exchange Commission of Pakistan.

The Directors of the Company have no interest in the above said business except being eligible for reelection as director of the company.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017, REGARDING THE SPECIAL BUSINESS

This statement sets out the material facts concerning the Special Business, given in agenda items No.6 of the Notice, to be transacted at the Sixtieth (60th) Annual General Meeting of the Company.

The Board of Directors are of the view that the Company's financial position and its reserves justify the capitalization of free reserves amounting to Rs. 29,313,861 for the issue of Bonus Shares in the ratio of 5 (in number) Bonus Shares for every hundred (100) Ordinary Shares held i.e. 5%.

The new ordinary shares when issued shall rank *pari passu* with the existing ordinary shares in all respects.

The Directors of the Company, directly or indirectly, are not personally interested in this business except to the extent of their shareholding in the company.

Directors' Report

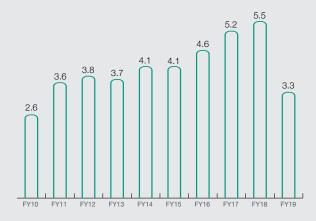
The Board of Directors is pleased to present the 60th Annual Report of the company together with the audited financial statements for the financial year ended December 31, 2019.

Economy Review

Pakistan's economic performance remained subdued in FY19 as the country posted a real GDP growth rate of 3.3%, as compared to 5.5% in FY18. The growth is mainly attributable to agricultural sector growth of 0.8%, industrial sector growth of 1.4% and services sector growth of 4.7%.

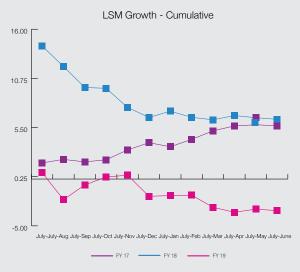
The agriculture sector's performance for FY19 remained lackluster as it fell behind the growth of 3.9% in FY18 and targeted growth of 3.8%. The growth was restricted owing to acute water shortage faced by the country resulting in reduced area under cultivation and high input prices. This has led to lower fertilizer offtake. Industrial sector grew by 1.4% as compared to 4.9% in FY18 as contractionary policies and PKR devaluation hampered growth. Wholesale and retail trade almost halved as compared to last year, which dragged the overall growth of services sector in FY19 from 6.2% to 4.7%.

GDP Growth Rate %

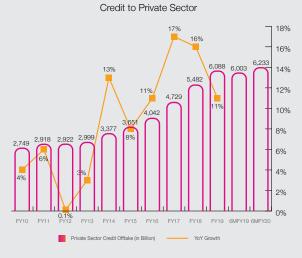


The macroeconomic slowdown is depicted by the Large-Scale Manufacturing (LSM) growth that clocked in at -3.4% YoY in FY19. It was dragged by Automobiles (-11.8%), Iron and Steel (-11.2%), Coke and Petroleum (-8.4%), Pharmaceuticals (-7.7%) and Food, Beverages and Tobacco (-7.3%). The sector has suffered due to unfavorable interest rates leading to increased cost of debt and exchange rate devaluation leading to significantly high raw material's prices. However, electricity generation and electricity & gas distribution contributed positively

towards industrial growth that clocked in at 1.4%.



The Inflation clocked in at 6.8% in FY19 compared to 4.7% in the preceding year, as per the new methodology. The hike in the average inflation rate is attributed to surge in food prices, lagged impact of PKR depreciation and higher utility prices. The average inflation in 1HFY20 increased to 11.1% compared to 6.0% in the corresponding period last year. Nonetheless, the average inflation for 1HFY20 has remained within the SBP's target range of 11% - 12% for FY20.



The private sector credit offtake in FY19 increased by PKR 606 billion against the increase of PKR 753 billion in FY18, resulting in the growth of 11% YoY as compared to 16% YoY in the preceding year. The major reasons behind this slowdown were high interest rates environment and adoption of stabilization policies. The major sectors that witnessed strong growth were Electricity, gas and

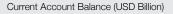
water supply (23.6%), Commerce and trade (17.4%) and Manufacturing (15.2%).

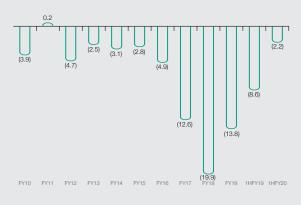
The mounting pressure on the external front led by balance of payment crisis started to subside during FY19. The Current Account Deficit (CAD) as a % of GDP clocked in at 4.9% in FY19 against 6.3% posted in FY18. CAD shrunk to USD 13.8 billion in FY19 compared to USD 19.9 billion in FY18. This was mainly on account of 13.5% decline in trade deficit due to effective import compression policies and currency devaluation. On the other hand, remittances witnessed an increase of 9.7% during the year to clock-in at USD 21.8 billion.

The imposition of regulatory duties and PKR devaluation further brought down the CAD during 1HFY20, to USD 2.2 billion as compared to USD 8.6 billion during the same period last year.

On the fiscal front, Pakistan posted its highest ever fiscal deficit of PKR 3.4 trillion in FY19 in lieu of excessive expenditure by the government on markup payments and defense expenditure coupled with subdued performance observed in tax and non-tax collections. Markup payments and defense expenses witnessed an increase of 39.4% YoY and 11.3% YoY respectively. The incumbent government curtailed PSDP expenditure and announced tax relief reversal, which proved to be insufficient as revenue collection fell short of target. Total revenue declined by 6.3% YoY in FY19 whereas, total expenditure increased by 11.4% YoY. As a result, fiscal deficit as % of GDP stood at 8.9% for FY19 against the target of 4.9%, and the last year's fiscal deficit of 6.6%. However, Pakistan posted primary balance surplus of PKR 286 billion (0.7% of GDP) during 1HFY20.

During CY19, the SBP raised the policy rate by 325 bps at 13.25%. Looking ahead, inflationary





CPI vs Policy Rate



Fiscal Deficit as % of GDP



Tax Revenues % of GDP



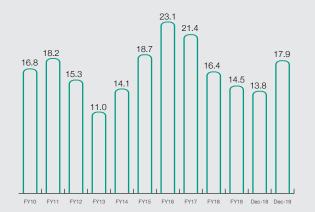
pressures are expected to subside given stable exchange rate and commodity price outlook. Overall inflation is expected to remain within the SBP's forecasted range of 11-12%.

The reserve position of the country remained critical during the first half of CY19. The bilateral inflows from friendly economies such as KSA, UAE and Qatar, were utilized to fund commercial borrowing repayment, Eurobond maturity and repayment of multilateral borrowings resulting in continued pressure on currency amid thin import cover. As a result, Pakistan entered the 39-month IMF program under the Extended Fund Facility (USD 6 billion) to address the structural imbalances in the economy. The foreign exchange reserves increased by 30% to stand at USD 17.9 billion at the end of CY19.

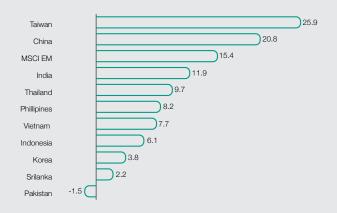
Going ahead, the economic growth in upcoming years seems to improve gradually. With the support of IMF and other multilateral lenders, the balance of payment position of the country has started to improve. Inflation is expected to subside in CY20, thus providing room to the central bank to adopt monetary easing stance. The rate cut is expected to provide a much-needed growth impetus in the economy, where the central bank projects the GDP growth rate at around 3.5% during FY20. Although the revised revenue target of PKR 5.2 trillion for FY20 seems to be quite ambitious and difficult to achieve, fiscal consolidation along with revenue expansion has been one of the key areas of focus of the incumbent government.

Stock Market Review

Foreign Exchange Reserves (USD Bn)



Regional Markets CY19 USD Return (%)



KSE-100 provided a total return of 9.9% (-1.5% in USD terms) in CY19. The bourse turned positive during CY19 after posting negative returns for two consecutive years. This was mainly due to subsiding macroeconomic uncertainty, improvement in foreign inflows and a pause in Monetary tightening regime. Index went down to 28,765 in August 2019 and high up to 41,769 in December 2019 before closing at 40,735 points.

The index performance remained subdued during the first half of CY19 due to Balance of Payment crisis. However, the investor confidence was regained post entry into the IMF program and visible improvement in structural imbalances of the economy, mainly at the external front. The rupee remained stable at PKR155/USD during the second half of CY19 and SBP reserves stood at USD 11.3 billion during December 2019 as compared to USD 7.2 billion at the start of the year.

Consequently, overall activity of KSE-All index improved as average daily traded volumes increased to 378 million shares in CY19 from 185 million in CY18. However, average daily traded value decreased to PKR 5.9 billion in CY19 from PKR 7.9 billion per day in the same period last year.

KSE-100 Event Chart

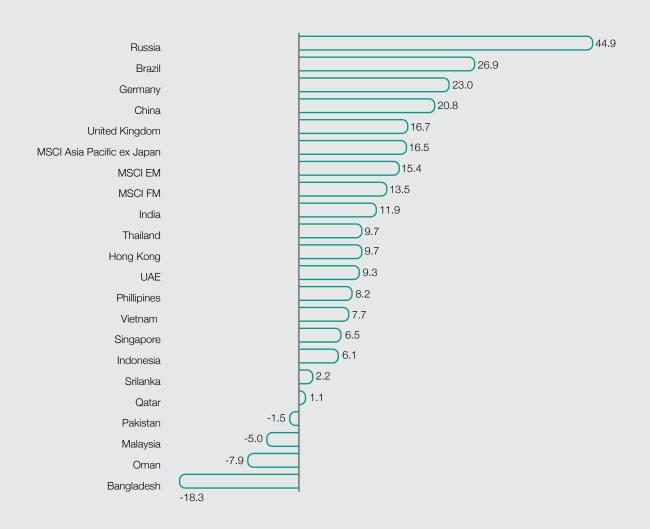


Multiyear low valuations along with improving macros, attracted foreign interest in Pakistan's market as foreigners remained net buyer during CY19. It was the first time in the last five calendar years when foreigners remained net buyers, where CY19 witnessed a net foreign inflow of USD 55.7 million. In terms of sector-wise inflow, Banks (USD 69 million) witnessed the highest inflow, followed by Fertilizer (USD 34 million) and Cements (USD 28 million).

We believe that implementation of stabilization policies during the last one year has yielded positive results that has been reflected in the contraction of CAD and stability in foreign exchange reserves and exchange rate. CPI inflation is expected to decline in CY20 that may trigger SBP to opt to monetary easing. Moreover, the yield curve is inverted and the decline in fixed income rates may trigger mutual funds investors to convert their investments from income funds to equity funds. The attractive stock market valuations from the historical perspective as well as regional comparison and strong fundamentals will provide boost to the stock market. The KSE-100 index is currently trading at a forward P/E of 7.0, magnifying the potential to deliver double digit returns in CY20.

Worldwide Indices Performance in CY19

CY19 Dollar Based Returns (%)



Sector Reviews

In 2019, Leather & Tanneries, Textile Weaving, Investment Banks and Sugar & Allied Industries outperformed the KSE-100 index. However, the worst performing sectors were Woolen, Refinery, Automobile Parts, Tobacco and Engineering.

Sectors that contributed positively to the index in terms of points contribution were Banks, Fertilizer, E&Ps, Investment Banks and Automobile Assemblers; whereas sectors that dragged down the index were Cement, Tobacco, Refineries, Pharmaceuticals and Food & Personal Care Products.

Banking sector remained in the limelight due to high interest rate environment resulting in expansion in net interest margins. Dollar denominated returns amid currency devaluation led to strong performance in E&Ps and Power sectors. The increase in international margins amid shutdown of some plants in China resulted in robust performance by the chemical sector. Textile sector has outperformed, improving export competitiveness courtesy favorable currency movement, subsiding uncertainties over US-China trade war and government's focus towards improving exports.

Cement sector was one of the major laggards during CY19 due to cost pressures brought in by currency devaluation and high interest rates. Depressed demand and over-supply concerns resulted in limited pricing power and reduced gross margins of the sector. Automobile Assemblers performance

remained subdued as well due to increased cost of production from PKR depreciation against greenback and depressed consumer demand. Refineries have also remained under stress given depressed demand of furnace oil and exchange losses arising from rupee devaluation.

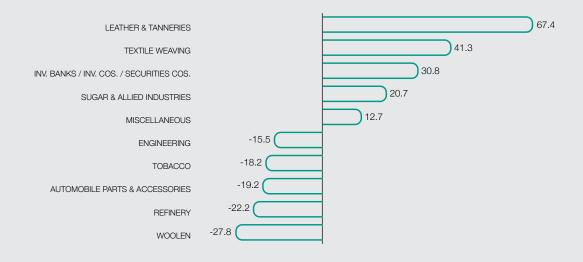
Company Performance

During the year the company maintained its exposure towards public equities at 92% (average), whereas 8% was vested towards mutual funds and Government Securities. The equity exposure was based on the clarity on economic front after entry into the IMF programme and favorable balance of payment outlook after PKR depreciation against the USD.

The equity portfolio was realigned to have a balance between high growth and high yield investments to this effect, sizable investments were made in Banks, textile composite, Oil and Gas Marketing Companies, Technology and Communication and Oil and Gas Exploration Companies. Dividends earned from equity portfolio amounted to Rs.94 million for the year 2019 that was in line with last year, where as the company earned realized capital gain of Rs.138 million and unrealized loss of Rs.2 million as opposed to realized gain of Rs. 229 million and unrealized loss of Rs.420 million respectively in the corresponding period last year.

During the year 2019 profit after tax stood at Rs.98 million as compared to loss after tax Rs.218 million reported last year.

CY19 Sector Performance (%)



The brief summary of the financial highlights for the year ended December 31, 2019 and 2018 is as under:

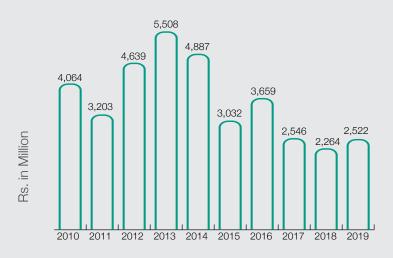
Rs. in Million

	2019	2018	Change	
Return on investments	100	97	3%	
Gain on sale of investments - net	138	229	(40%)	
Other income	16	13	3%	
	253	339	(25%)	
Unrealized diminution	(2)	(420)	99%	
	251	(81)	410%	
Operating & administrative expenses	(144)	(115)	25%	
Financial charges	(11)	(15)	(27%)	
Profit /(Loss) before tax	95	(211)	145%	
Taxation	3	(7)	143%	
Profit /(Loss) after tax	98	(218)	145%	
Earnings / (Loss) per share – Rupees	1.67	(3.72)	145%	

Portfolio Breakup based on Top ten Holding * as at December 31, 2019 (%) Sectorwise Breakup based on Top ten Holding * as at December 31, 2019 (%) 33 12 BAFL 10 MEBL TRG Commercial Banks
Textile Composite
Oil & Gas Marketing Companies
Technology & Communication 43 HBL 33 10 FABL DAWH ■ Inv. Banks / Inv. Cos. / Securities Cos SNGP UBL PSO

*Top Ten Holding represent 91% of Total Equity Portfolio

Total Assets



Earnings per Share

During the year the company posted earnings per share of Rs.1.67 compared to loss per share of Rs.3.72 in 2018.

Appropriation and Dividend

The Company's profit after tax for the year ended December 31, 2019 stood at Rs.98 million compared to loss after tax of Rs.218 million last year.

Objectives and Corporate Strategy

Company's sound and satisfactory performance for last five years as compared to KSE-100 Index is backed by achievement of our corporate objectives. We are committed to mounting good asset quality portfolio and continuously build the Company at sound footing with diversified pool of income stream. The key elements of our corporate strategy have been to effectively employ available resources and maximize profitability while managing and mitigating related risks.

Liquidity, Cash Flows and financing arrangement

The Company has an effective cash management system, powered by a team of dedicated and competent employees, preparing forecasts and regularly monitoring Company's cash needs. Inflows and outflows of cash and other liquid assets, including investments, are managed on net adjusted return basis. The Company has running finance facility of Rs.2,000 million which has been partially utilized during the year and will be used as and when any investment opportunity arises.

Capital Structure

In the past years the Company has issued bonus shares which increased paid-up capital of the Company to Rs. 586.28 million. Shareholders' fund at the year-end totaled Rs.2,116 million. The liquidity position of the Company remains strong with a year-end current ratio of 6.

Risk management & Strategy for Mitigating Risks

Company also manages a portfolio of short-term investments, made after thorough financial evaluation. The credit risk in short term investments is minimized through diversification in investments among Government Securities and highly rated money market mutual funds. Short term investments include public equities having good financial health and highly rated money market mutual funds.

Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Company's credit risk mainly arises from deposits

with banks, loan to employees, Investments in mutual funds and trade and other receivables. For banks and financial institutions, management keeps deposits with reputed institutions. For investment in mutual funds, management keeps surplus funds in high rated mutual funds. Credit risk on account of dividend receivable is minimal due to the statutory protection. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. Further, risk of investment in mutual funds is also minimal as Company is exposed to high rated money market funds for liquidity management.

Market risk

Market risk is the risk of change in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. However, the Company is exposed to interest rate risk and equity price risk.

The Company is exposed to market risk with respect to its investments, long term loans, short term deposits and bank balances. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in the equity market. The market risks associated with the Company's business activities are interest rate risk and price risk. The Company is not exposed to material currency risk.

Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company only consider exposure towards money market mutual funds therefore it is exposed to interest rate risk, however the same is mitigated via investing in these funds with less than 90 days duration.

Equity price risk

The Company is exposed to equity price risk because of investments held by the Company and classified on the Statement of Financial Position as at fair value through profit or loss and Other Comprehensive Income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio within the eligible stocks.

Foreign currency risk

The Company is not exposed to risk from foreign currency exchange rate fluctuations.

Relationships with Stakeholders

The Company recognizes and respects the rights of each and every stakeholder including shareholders, employees, creditors, local communities and others. The Company encourages active participation of shareholders in all general meetings of the Company and values their views towards better governance and operational management. The Company is also aware of its legal and constructive obligations towards its stakeholders where it operates and takes proper actions to timely respond to their expectations after taking into account a realistic view of their interests associated with the Company. A detailed overview is made at all shareholders meeting for keeping them abreast with the overall performance of the Company.

Information Technology

We strongly believe that role of IT is very important for progress of any business. In order to achieve better market infrastructure and implementations of sound techniques for controls of risks, the role of IT is very important. The company implemented certain key applications, i.e. human resource management, enterprise general ledger and fixed assets module. Due to implementation of above modules, the operational capabilities of relevant department of the Company improved and these developments supported the improvement of internal controls and effective management information system.

Human Resources Development, Training & Succession Planning

The Company has employed experienced and qualified human resources to meet the challenges ahead. Company also plans to strengthen its team, use employee performance evaluation methods and benchmark surveys to further strengthen organization structure and effectiveness.

Staff training is carried out on a continuous basis throughout the year, based on the employee training need particularly in the area of knowledge enhancement and skills. Training and human resources development always remains very important for the Company. The Company HR Manual is designed in such a way that always gives proper reward, sense of encouragement and motivation amongst the staff members.

The Company not only attracts the best talent but also grooms and develops their abilities for future leadership roles. The Company believes in empowering employees by providing them with challenging opportunities to enhance their potential and develop their abilities. Clear roles and job descriptions are defined, based on which, succession plan is prepared for sensitive and critical positions in the Company.

Internal Control

The internal control framework has been effectively implemented through an in-housed Internal Audit function established by the Board which is independent of the External Audit function. The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy. The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders' wealth at all levels within the Company. The Internal Audit function has carried out its duties under the charter defined by the audit Committee. The Audit Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required. Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

Corporate Social Responsibility (CSR)

Sustainable and responsible development is not only binding by local laws on corporate entities, but it is more about moral obligation which needs to be followed and practiced with the best spirit. Cyan strongly believes that improving its environmental and social performance is inevitable for its financial success. The Company always emphasizes on culture of excellence, good governance, transparency, integrity and accountability. We continued with our CSR program with focus on:

- Education
- Health Sector
- Community Building
 - Children Welfare
 - Heritage Preservation
 - Relief Activities

Energy Conservation

The Company's energy conversation measures include usage of LEDs all around the Company areas and shutting down auxiliaries and equipment's wherever possible.

Occupational Health, Safety & Environment Protection

We are committed to achieve excellence in health, safety and environment across our business. Cyan maintains a safe working environment and takes responsibility for the health and wellbeing of its staff and stakeholders. All new employees are required to go through a compulsory medical checkup at the time of appointment.

Community investment & welfare schemes

Support of community development continued to be a significant element of Cyan's CSR policy. The Company is committed to work with community in a way that delivers positive and lasting change for people in need.

Corporate Relations

Corporate relations promote efficiency, productivity and decent work. Indeed, a participative and mutually respecting relations, advance cooperation, enhance productivity and promote trust thereby reducing dislike and exploitation. During the year recreational and motivational activities in the form of cricket matches were organized with other institutions.

Employment of special persons

Being a caring employer, Cyan takes special interest in creating employment opportunities for special persons.

Business Ethics and Anti-Corruption Measures

It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest ethical and legal standards. Unethical practices of any sort are not to find their way into our business. All employees must act at all times in the interest of Company's shareholders and no employee shall ever commit an illegal or an unethical act, or instruct and encourage another employee to do so.

The Company has communicated the Code of Conduct to all its directors and employees and has also placed it on its website.

Contribution to National Exchequer

Cyan made a sizeable contribution of Rs.52.17 million to the National Exchequer by way of taxes, during the year 2019.

Credit Rating

On December 31, 2019 JCR-VIS Credit Rating Company Limited has reaffirmed the entity ratings of 'A/A-1' (A /A-One) to Cyan Limited (CL). Outlook on ratings is 'Stable'.

Related Party Transactions

During the year all transactions made with associated companies/related parties were duly recommended by Board's Audit Committee and approved by the Board of Directors of the Company. All transactions with related parties are on arm's length basis.

Board of Directors

The total numbers of Directors are seven (07) as per the following:

a. Male: 06b. Female: 01

The composition of board is as follows:

Category	Names
Independent Director	Kamran Nishat
Non-executive Directors	Inam ur Rahman
	Hasan Reza-Ur Rahim
	Shafiq Ahmed
Executive Directors	Sulaiman S. Mehdi
	Faisal Nadeem
Female Non-executive Director	Kulsum Dawood

Conflict of Interest among BOD Members

Any conflict of interest is managed as per provisions of the Cyan's Code of Conduct for Directors, Acts, and rules and regulations of SECP and Pakistan Stock Exchange.

CEO Performance Review

Each year, the Board reviews performance of the CEO against pre-determined operational and strategic goals. The Board adopts the monitoring role, giving full authority to the CEO to manage the Company, implement strategic decisions and policies of the Board and align the Company's direction.

Directors' Remuneration Policy

The Company in its 51st AGM held on April 30, 2011 approved the Director's Remuneration (other than Group Executives) for attending the Board and the Board Committees' meetings in compliance with the requirements of Article 78(a) of the Company's Article of Association.

Directors' Training Program

All seven directors have a minimum of fourteen years of education. All the directors have obtained certification under the directors' training program stipulated in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Safeguarding of Company Records

Due to increasing dependence on IT for recording

and reporting of financial transactions, due attention has been given to IT enabled tools for security of financial records. We archived financial and supporting record using Cloud services enabling timely and convenient retrieval of relevant documents. For ensuring safety of documentation, the Company has hired services of Data Recall, an organization responsible for maintaining documents in a sealed box at the state of the art designed facility. At the location, each box and cabinet are bar coded providing efficient and effective traceability.

Board Meetings

During the year under review, five (5) meetings of the Board of Directors were held, which were presided over by the Chairman. The Chief Financial Officer and Company Secretary also attended the meetings required by the Listed Companies (Code of Corporate Governance) Regulations, 2019. Attendance by each director was as follows:

	No. of meetings held	No. of meetings attended
Hassan Reza-ur Rahim (Chairman/Director)	5	5
Kulsum Dawood (Director)	5	5
Kamran Nishat (Director)	5	5
Inam Ur Rahman (Director)	5	3
Shafiq Ahmed (Director)	5	5
Sulaiman S. Mehdi (CEO/Director)	5	5
Faisal Nadeem (Director)	5	5

Board Audit Committee Meetings

	No. of meetings held	No. of meetings attended
Kamran Nishat (Chairman)	5	5
Inam Ur Rahman (Member)	5	5
Shafiq Ahmed (Member)	5	5

Board Investment Committee Meetings

	No. of meetings held	No. of meetings attended
Hasan Reza-Ur Rahim (Chairman)	3	3
Inam Ur Rahman (Member)	3	3
Shafiq Ahmed (Member)	3	2

Board HR & Remuneration Committee Meetings

	No. of meetings held	No. of meetings attended
Kamran Nishat (Chairman)	1	1
Hasan Reza-Ur Rahim (Member)	1	1
Inam Ur Rahman (Member)	1	1

Code of Conduct

The board of directors adopted the Code of Conduct for Directors and for employees and the same has been circulated to board members and employees in terms of requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The code of conduct is also placed at the company's website.

Corporate and Financial Reporting Framework

- The financial statements prepared by the management of the Company, present fairly its State of Affairs, the Results of its Operations, Cash Flows and Statement of Changes in Equity.
- b) The Company has maintained proper books of accounts as required under the Companies Act, 2017.
- c) The Company has followed consistent and appropriate accounting policies in the preparation of the financial statements. All changes, wherever made during the year have been adequately disclosed and accounting estimates are on the basis of prudent and reasonable judgment.
- d) The International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) The fundamentals of the Company are strong and it has the ability to continue as a going concern free from uncertainties.
- g) The Company has followed the best practices of the Corporate Governance as laid down in the Listed Companies (Code of Corporate Governance) Regulations, 2019 and there has been no material departure there from.
- h) There are no statutory payments on account of taxes, duties, levies and charges which are outstanding except in the ordinary course of business and described in the financial statements.
- i) The value of investments of the Provident Fund as maintained by the Company on the basis of audited accounts as on June 30, 2019 is Rs.38.19 million.
- j) There was no trading of shares by Directors, Chief Executive, Chief Financial Officer,

Company Secretary, their spouses and minor children during the year.

K) All of the company directors are Certified Directors under Directors' Training Program from approved institutes as prescribed by SECP.

Ownership

As at December 31, 2019, there were 1,668 shareholders on the record of the Company.

Pattern of Shareholding

The pattern of Shareholding of the Company as at December 31, 2019, along with the necessary information is available at the end of this report.

Auditors

The present auditors M/s. A.F. Fergusons & Co. (Chartered Accountants) being eligible, has provided their consent for appointment at the 60th annual general meeting. The Audit Committee has recommended the appointment of M/s. A.F. Ferguson & Co. as Statutory Auditors of the company for the year ending December 31, 2020. The Board has endorsed this recommendation.

Key operating and financial data

A Statement summarizing the key financial and operating data for the last nine years along with the current year is included in the report.

Forward Looking Information

Pakistan's economy is on track with CPEC turning from a dream to reality, Pakistan has attained serious attention from the world at large. There is optimism within the business community and overall improved economic activity. The Company is actively undertaking portfolio management business and corporate finance advisory business and the outlook is positive. The management team under its CEO is fully committed to deliver a superior risk adjusted return to the shareholders.

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

Karachi: February 24, 2020

CEO's Message

After providing negative returns for two consecutive years, the KSE-100 index turned positive during CY19. The index increased by 9.9% during CY19 to close at 40,735 points though it went down to 28,765 points during August 2019. However, in USD terms, the index decreased by 1.5% in CY19 against the negative return of 27% in CY18.

Subsiding political headwinds and entry into the IMF program provided a much-needed breather to the economy. The incumbent government gradually implemented stabilization measures in line with the IMF's recommendations to address the macroeconomic imbalances.

After successive selling in the last four years, foreign investors remained net buyers during CY19 supported by attractive valuations. Foreigners bought shares worth USD 55.7 million (net) during this year. The clarity on economic front, exchange rate stability and entry into the IMF program increased confidence of foreign investors. Among sectors, the Banking sector witnessed the largest buying (USD 69 million) followed by Fertilizer (USD 34 million) and Cement (USD 28 million).

Amongst the best performing sectors of the index, Banking remained quite prominent due to rising net interest margins followed by E&Ps, Power and Textile. Cement sector remained under pressure due to slowdown in construction activities. Automobile assemblers remained under stress amid a weak consumer demand and high cost of debt. The performance of refineries remained subdued due to a depressed demand of furnace oil and exchange losses emanating from PKR depreciation against greenback.

Cyan's portfolio increased by 20.83% during the year against 9.9% return posted by the KSE-100 Index. The outperformance was primarily due to above market performance of Dawood Lawrencepur Limited, which is the portfolio's largest holding (29.14%). Average exposure to equities during the year remained at 92%, whereas 8% was invested in mutual funds and government securities. The equity portfolio was aligned towards high growth investments and to this effect investments were made in Banks, OMCs, E&Ps, Cement, Textile composite, Technology, Food & Personal Care products and Pharmaceuticals.

Achieving Milestones

Eight years ago, the market capitalization of the Company was PKR1.95 billion, which has declined to PKR 1.85 billion in 2019. During this period, the Company managed to pay a total dividend of PKR 5.5 billion providing the shareholders with a total return

of 277%. The benchmark KSE-100 Index provided a return of 259% during the same period reflecting Cyan's outperformance of 18 percentage points. This translates into an 8-year Compounded Annual Growth Rate (CAGR) of 18%.

Engaging New Opportunities

We are also aggressively looking to explore corporate advisory services for adding new stream of revenue.

Economic Outlook

With the support of the IMF, the incumbent government has taken painful but essential steps which has led the economy to the path of recovery. This is reflected in the Current Account Deficit position that narrowed to USD 2.15 billion in 1HFY20 vis-à-vis USD 8.6 billion in the corresponding period last year and USD 13.8 billion in FY19. Accordingly, SBP's foreign exchange reserves improved from USD 7.3 billion at CY18 to USD 11 billion at CY19 on account of the IMF's help and foreign flows from multilateral agencies. Moreover, the government has attracted considerable foreign investments in local debt instruments.

PKR devaluation against the greenback followed by higher food prices due to supply constraints fueled double digit inflation during CY19. It is expected to subside during CY20 that may result in monetary easing that would ultimately provide growth impetus to the economy.

The important economic measures taken by the government would restore the confidence of foreign investors who remained net-sellers from CY16 to CY18. Besides, strong corporate earnings growth coupled with attractive valuations from regional perspective will entice investors who have ample domestic liquidity.

Acknowledgments

I would like to thank all our Shareholders and the Board of Directors for their immense support. The Company's accomplishments and present standing could not have been possible without the commitment and efforts of our employees who deserve full compliment. I am confident that the team will continue to grow and constantly deliver on expectations of all stakeholders.

Sulaiman S. Mehdi

Cheif Executive Officer

Karachi: February 24, 2020

Chairman's Review

We are pleased to present the Annual Report of Cyan Limited for the year ended December 31, 2019.

Pakistan's economy went through a period of adjustments during CY19 where reforms to address fiscal woes and macroeconomic imbalances remained the key theme. Fiscal consolidation measures coupled with monetary tightening led to suppressed demand, which resulted in a subdued GDP growth of 3.3% during FY19 compared to 5.5% during FY18. With the help of the IMF Program and an improved balance of payment position, SBP's foreign exchange reserves improved to USD 11.3 billion at CY19 from USD 7.2 billion at CY18.

The KSE-100 Index provided a return of 9.9% in CY19. It is attributed to a successful entry into the IMF Program, marked improvement in the current account balance, expectations of the policy rate cut from the year 2020 and unprecedented foreign inflows in local debt securities. Foreigners were net-buyers in CY19 to the tune of approximately USD 55.7 million though they were the net-sellers during the period CY15 to CY18. Due to PKR depreciation, market capitalization of the KSE-All share index eroded by 8.4% declining from USD 55 billion to USD 50.4 billion.

Moving ahead, significant PKR depreciation vis-àvis USD helped to curtail imports thereby reducing uncertainty regarding balance of payments. Higher prices of food items and utilities have kept inflation on an uptick. Yet, it is expected to fall in the SBP's range of 11% to 12% for FY20. The improved fiscal space through growing tax base and disciplined spending will allow the government to implement pro-growth policies and bring economic stability. Although the GDP growth is expected to remain tepid in FY20, smooth progress in the IMF program

would put Pakistan on the long-term sustainable growth path.

During the year, the Board of Directors of Cyan Limited performed its duties diligently and in conformity with the Companies Act 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of Pakistan Stock Exchange. It upheld the best interests for the shareholders and provided adequate advice and oversight to management. The key areas that were focused upon and assessed included, but were not limited to, the strategic process, key business drivers & performing milestones, impact of global & domestic economic environments, operational & reputational risks affecting business, board dynamics, managerial capability and information flows. All significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decisionmaking process, which led to a harmonious partnership with the management.

I would like to conclude by extending my gratitude and thanks to the Directors, for their earnest contributions towards the advancement of Cyan Limited. I am also thankful to the Shareholders for placing your trust in the Board and management's ability to deliver results. Furthermore, the Board also thanks and appreciates the management teams' for selfless contributions and wish them successes in the Company's all future endeavors.

Hasan Reza Ur Rahim

Chairman

Karachi: February 24, 2020

Corporate Social Responsibility

At Cyan, we consider it our social responsibility to build a more enlightened and empowered society in Pakistan that can contribute towards the progress and growth of the country as a whole. Whilst we continue to make efforts to grow our business, we also recognize that our success in the long-term is defined by our ability to add value to all our stakeholders, which includes those involved in our business operations, as well as those who are part of the larger community in which we co-exist.

Since inception, Cyan's Corporate Social Responsibility (CSR) efforts in Pakistan have been multi-pronged and have included a drive to protect our natural environment and to ensure that our businesses operate in an ethical, sound and responsible manner.

Over the past years we have continued supporting our beliefs by contributing with the renowned institutions who strive to generate maximum social value to build a better, more sustainable realm for all. They include;

- The Dawood Foundation
- The Citizen Foundation (TCF)
- Marie Adelaide Leprosy Centre (MALC)
- Fatimid Foundation
- Indus Hospital
- SIUT
- Patients Aid Foundation
- Make A Wish Foundation
- Education Trust Nasra School
- HANDS
- Layton Rahmatulla Benevolent Trust (LRBT)
- Patients Behbood Society

Cyan considers the following factors while shortlisting the project:

- Associating to a cause which is in-line with the identified sectors
- Credibility and repute of the charity organization seeking assistance

The focus of our endeavors includes following areas;

- Education
- Health Sector
- Community Building
 - Children Welfare
 - Sports Development
 - Relief Activities
 - Women Empowerment
 - Heritage Preservation



EDUCATION

During the past few years, Pakistan's adult literacy rate has declined from 60% to 58%, clearly indicating decreasing penetration in the country. Education is a state responsibility as per the constitution; however, quality education remains accessible to only a few with the Net Primary Enrolment Ratio static at 57% since past five years. 65% of all primary school children do not end up studying further than 5th grade.

30% of the adult population has not received even a single year of schooling. And to accommodate new population, Pakistan needs ~3.3 schools per hour for the next 5 years.

At Cyan, we certainly believe that the way to uplift Pakistan is by investing in the education of our future generations.



HEALTH SECTOR

The accessibility and quality of healthcare is a common metric to assess the developmental stage of a country. According to estimates provided by the Pakistan Bureau of Statistics, there are 1,283 hospitals, 5,438 labs & diagnostic centers, 196,000 clinics and over 7,300 pharmacies. However, the quality of healthcare infrastructure ranks low amongst peer countries. There are 2,000 people per hospital

bed in Pakistan. On average, only 3,500 beds are added while ~4 million people are added to population each year. There are twice the numbers of doctors in the country than nurses.

Cyan is cognizant of the fact that healthcare system should exist as a fundamental element that assures life and high standards of living, and it should be available to everyone.



COMMUNITY BUILDING

Cyan also encourages and participates in efforts to build and sustain the culture and community of Pakistani society. Our endeavors are aimed at sustaining values of society by preserving the richly diversified culture and heritage of Pakistan.

Calendar of Major Events

February 2019	Cyan's Board of Directors meeting was held to approve the financial statements for the year ended December 31, 2018.
March 2019	59th Annual General Meeting of the shareholders of the Company was held on March 29, 2019.
April 2019	Cyan's Board of Directors meeting was held to approve the first quarter accounts for the period ended March 31, 2019.
August 2019	Cyan's Board of Directors meeting was held to approve the interim Financial Statements for the half year ended June 30, 2019.
October 2019	Cyan's Board of Directors meeting was held to approve the Financial Statements for the nine months and quarter ended September 30, 2019
December 2019	Cyan's Board of Directors meeting was held to approve the Annual Corporate Strategy including Budget 2020.

Risk and Opportunity Report

The Company's business activities are subject to significant risk factors that could affect Company's operations, earnings, cash flows and other financial performance. Cyan management strives to manage risks in an organized manner in order to conduct business in a well-controlled environment.



STRENGTHS

Successful track record of managing public equities portfolio

We aim to generate consistent alpha by constructing a portfolio based on proprietary fundamental and quantitative research. The portfolio combines our style exposures with unrecognized value identified through both top-down and bottom-up approaches by maintaining strict risk control measures.

• Group foot print in multiple sectors

The Dawood Hercules (DH) Group is one of the largest Pakistani conglomerates having presence in various sectors of the economy comprising Fertilizers, Real Estate, Food, Power Generation, Technology, Financial Services and Petrochemicals. This diversity allows the Group to develop human and intellectual capital across multiple industries and helps Oyan in various business engagements.

• Team with diversified skill sets

Our greatest asset is the team we have assembled at Cyan. We believe that diversity of ideas and experiences contribute to the development of the company. Our team has a thorough understanding of myriad industries and high-growth companies operating in private space. Our team is fully resourced and capable of meeting the demands required by the changing financial landscape.

Successful history of PIPE deals

Private Investments in Public Equity (PIPE) deals have become an important source of financing for many public companies. These are appealing for public companies because they usually face fewer hurdles than stock offerings. Cyan in tandem with the Group has executed a couple of PIPE deals which has resulted in considerable value for the shareholders.

Good understanding of high potential sectors

Footprint of DH group in food, energy and infrastructure sectors enables us to have profound knowledge of potential sectors such as Retail, Food, Health, Education, Logistics and Pharma. Besides, our team has extensive experience and brings a combination of deep industry knowledge and expert perspectives from other industries to offer our shareholders sustainable return.

WEAKNESSES

• Quality Human Resource

Cyan seeks candidates who are not only qualified and possess technical abilities, but also competent to meet given deadlines. Keeping pace with rapid changes in technology is a cause of concern amongst talent management. Despite better hiring practices and training programmes, finding and retaining high-caliber talent is difficult and hinders Cyan from realizing its full potential.

• Small Capital

Cyan operates with a small capital which impedes its capacity to undertake stake in large entities in private space. Additionally, as a small investor, it's difficult to build diversified portfolio and spread capital across various industries.

OPPORTUNITIES

• Using network to identify new investment opportunities

DH Group has established various business concerns in petrochemicals, fertilizer, real estate, IT and power generation sectors and has proved its business standing by virtue of its outstanding achievements. Capitalizing on the wide network of group, Cyan care investment potential

Targeting new high potential growth sectors

It is widely acknowledged that Pakistan has immense economic potential. It has an abundance of natural resources. Nature has blessed the country with many types of fossil fuels and minerals which can put the country on a path to prosperity. We strongly believe that there are many industries which have not yet been evaluated to its full potential and can be targeted to achieve spectacular returns

• Turnaround Companies

o succeed and maintain that success every business needs a combination of severa factors. But not all of them are able to, due to lack of funds, ineffective teams or inefficient products and services. Cyan's team is dedicated to working with companies experiencing financial and structural challenges and has the expertise to bringing these companies' performance on track.

THREATS

Key Team members being poached

Like every business, employee turnover is one of the most profound risks our business faces and can cut across every major area of exposure. It is possible that our top talent may be at a risk of being enticed away by a competitor. A succession plan which includes training existing staff and planning other risk-management activities help us to cope with this threat.

Corporate Governance

Shareholder's Information

Registered Office Cyan Limited

4th Floor, Dawood Centre, M. T. Khan Road,

Karachi.

Tel # (92-21) 35634290-3 Fax # (92-21) 35680218

Web site: www.cyanlimited.com Email: info@cyanlimited.com Share Registrar Office

CDC Share Registrar Services Limited 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 Website: www.cdcrsl.com Email: info@cdcrsl.com

Listing on Stock Exchange

Cyan Limited equity shares are listed on Pakistan Stock Exchange (PSX).

Listing Fees

The annual listing fee for the financial year 2019-2020 has been paid to the stock exchange within the prescribed time limit.

Stock Code

The stock code for dealing in equity shares of Cyan Limited at PSX is CYAN.

Investor Service Centre

Cyan Limited share department is operated by CDC Share Registrar Services Limited. It also functions as an Investor Service Centre and is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the Registration function. The team is headed by Mr. Abdul Samad at Registrar Office and Company Secretary at Cyan's Registered Office.

The share department undertakes activities pertaining to dematerialization of shares, shares transfer and transmission, issue of duplicate/re-validated dividend warrants, issue of duplicate / replaced share certificates, change of address and other related matters.

For assistance, shareholders may contact either the Registered Office or the Share Registrar Office.

Contact Person:

Cyan Limited
Mr. Ahsan Iqbal
Company Secretary
Tel# (92-21) 35634290-3

Contact Person:

Registrar Office Mr. Mohsin Rajab Ali Senior Manager Tel # (92-21) 111-111-500

Services Standards

Cyan has always endeavored to provide investors with prompt services. Well reputed and experienced firm of the share registrar services has been entrusted with the responsibility of ensuring that services are rendered within the specified time limits.

Statutory Compliance

During the year the Company has complied with all applicable provisions, filed all returns / forms and furnished all the relevant information as required under the Companies Act, 2017 and allied laws and rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the Listing Regulations, wherever applicable.

Withholding of Tax on Dividend:

The rates of deduction of withholding tax for filers and non filers as prescribed under:

(a) For filers of income tax returns:(b) For non-filer of income tax returns:30%

General Meetings & Voting Rights

Pursuant to section 132 of The Companies Act, 2017, Cyan holds a General Meeting of Shareholders at-least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Sindh, Punjab and FATA.

All shares issued by the Company carry equal voting rights. Generally, matters at the General Meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member-One Vote". If majority of shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.

Proxies

Pursuant to Section 137 of the Companies Act, 2017 and according to the Memorandum and Articles of Association of the Company, every member of the Company who is entitled to attend and vote at a General Meeting of the Company, can appoint another member as his / her proxy to attend and vote instead of himself / herself.

The instrument appointing proxy, duly signed by the shareholder appointing that proxy should be deposited at the office of the Company not less than forty-eight hours before the meeting.

Web Presence

The website of the Company has been maintained in accordance with directives of SECP vide various SROs. Updated information regarding the Company can be accessed at Cyan web site, www.cyanlimited.com. The web site contains the latest financial results of the Company.

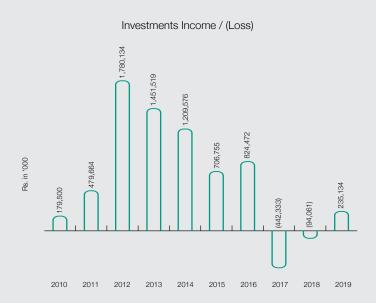
Critical Performance Indicator

Ten Years at a Glance

Particulars	2010	2011 Rupees	2012 in '000	2013
Investments Income / (Loss) Profit / (Loss) Before Taxation Profit / (Loss) After Taxation	179,500 114,268 108,312	479,664 (172,089) (197,508)	1,780,134 1,503,026 1,428,207	1,451,519 1,212,275 1,176,049
Pay Out Information %				
Cash Dividend	25	25	40	100
Stock Dividend	50	40	50	-
Balance Sheet				
Paid Up Capital	279,179	390,851	586,277	586,277
Equity	3,884,527	3,154,067	4,463,798	5,311,292
Investments	3,927,349	2,947,025	4,533,865	5,383,322
Cash & Bank Balances	10,296	19,230	13,494	17,835
Fixed Assets	1,944	1,590	26,194	22,814
Total Assets	4,064,279	3,202,647	4,638,820	5,507,511
Operating Performance				
Earning / (Loss) per share (Rupees)	2.77	(3.37)	24.36	20.06
Break up value per share (Rupees)	139.14	80.7	76	91.00
Return on investments %	3.01	(5.61)	37.49	24.10

2014	2015	2016	2017	2018	2019
		Rupees	s in '000		
1,209,576	706,755	824,472	(442,333)	(94,061)	235,134
1,027,245	495,907	734,281	(535,857)	(211,002)	94,873
898,787	335,035	711,233	(537,901)	(218,086)	97,942
675 -	40 -	50	-	25	10 5
586,277	586,277	586,277	586,277	586,277	586,277
4,590,513	2,515,137	3,172,603	2,270,093	1,834,130	2,116,330
4,780,356	2,825,317	3,612,508	2,440,890	2,108,946	2,367,523
21,844	159,891	906	5,269	9,570	1,869
18,752	15,623	14,017	14,088	13,471	39,345
4,886,548	3,032,369	3,659,044	2,546,226	2,264,085	2,521,702
15.33	5.71	12.13	(9.17)	(3.72)	1.67
78.30	42.90	54.11	38.72	31.28	36.10
22.47	14.78	29.18	(18.12)	(3.85)	11.15

Key Financial Highlights

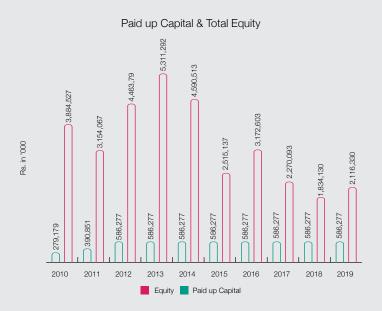


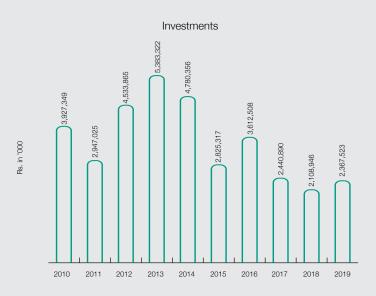




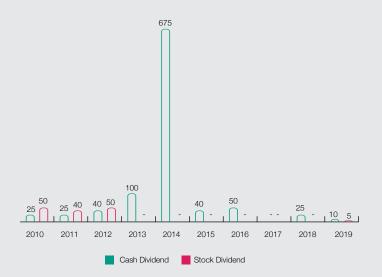


Profit/ (Loss) before & after Tax





Cash & Stock Dividend (%)



Ratios

Ratios	Unit	2014	2015	2016	2017	2018	2019
Profitability							
Profit before tax ratio	%	84	70	85	126	258	38
Gross yield on earning assets	%	25	24	24	(17)	(4)	11
Cost / income ratio	%	16	30	15	(26)	(158)	62
Return on equity	%	20	13	22	(24)	(12)	5
Return on capital employed	%	18	9	25	(20)	(11)	5
Liquidity Ratios							
Current ratio	Times	18	6	8	9	5	6
Investment / Market Ratios							
Earnings / (loss) per share - Basic	Rs.	15.33	5.71	12.13	(9.17)	(3.72)	1.67
Price earnings ratio	Times	5.60	15.60	6.35	(3.66)	(10.50)	18.86
Price to book ratio	Times	1.10	1.72	1.24	0.77	1.01	0.73
Dividend yield ratio	%	79	4	6.49	-	6.40	-
Dividend payout ratio	Times	4.40	0.70	0.41	-	-	-
Dividend cover ratio	%	440	70	41	-	-	-
Market Value per share							
At the end of the year	Rs.	85.92	89.10	77.08	33.56	39.06	31.50
High during the year	Rs.	138.50	150.50	94.90	91.70	50.57	40.63
Low during the year	Rs.	71.79	65.17	62.50	31.50	28.75	16.40
Capital Structure Ratios							
Earning assets to total assets ratio	Times	0.99	0.99	0.99	0.96	0.94	0.94
Net assets per share	Times	78.30	42.90	54.11	38.72	31.28	36.10

Comments on Ratios

Comments on six years Earning Asset Ratios

More than 95% of the average assets of the company were used to generate earnings for the company during the preceding 6 years indicating the efficient use of resources.

Comments on six years Profitability Ratios

The earnings of the company have been quite volatile in the last 6 years primarily because of the active portfolio management. The company reported negative performance in 2017 and 2018 as the KSE-100 index's performance remained dismal. However, the ratios improved in 2019 because of market performance.

Comments on six years Balance Sheet Analysis

The total assets and equity of the company have decreased over the years because of decline in investments due to bumper dividend and negative performance of the market. However, in 2019 total assets and equity increased by 11% and 15%, respectively.

Comments on six years Liquidity ratios

The company has maintained a current ratio of greater than 1.0x in last six years demonstrating sufficient capacity to meet its short-term obligations. Further, all investments are categorized as short-term investment with an objective to use these funds as and when required.

Comments on six years Profit and Loss Analysis

Performance of the equity market can be considered as the major driver of the earnings of the company. Consequently, variation in the earnings per share can be witnessed from 15.33 in CY14 to 1.67 in CY19. Apart from that, dividends and capital appreciation (realized and unrealized capital gains) in value of the overall portfolio including the strategic investments are the main contributors for revenues and hence profitability.

Share Price Sensitivity Analysis

Cyan Share Price on the PSX

Month	Highest	Lowest	Volume
Jan-19	40.63	38.00	186,000
Feb-19	39.98	28.70	139,500
Mar-19	30.25	27.00	463,000
Apr-19	26.09	21.83	206,500
May-19	25.00	20.00	81,500
June-19	24.24	20.00	81,500
Jul-19	20.60	16.80	137,000
Aug-19	18.28	16.40	676,500
Sep-19	19.62	17.30	112,500
Oct-19	23.01	19.60	208,500
Nov-19	39.00	20.75	412,000
Dec-19	39.38	31.02	278,000

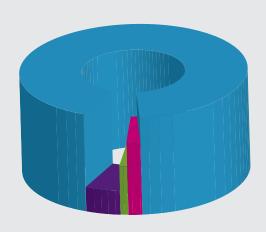
Statement of Value Addition

Value added	2019	2019		
	Rs. 000	%	Rs. 000	%
Return on investments	99,841		96,899	
Capital gain	137,591		228,757	
Unrealized loss - Net	(2,298)		(419,717)	
Other income	15,695		12,422	
Gross Revenue	250,829		(81,639)	
Less: Administrative expenses	51,218		68,571	
	199,611	100	(150,210)	100`
Value Allocated				
To Employees Salaries, allowances and other benefits	115,541	58	58,103	-39
To Shareholders Cash Dividend Bonus	58,628 29,314	29 15	146,569 -	-98 -
To Government Company Taxation	(3,069)	-2	7,084	-5
To Society Workers' Welfare Fund	(24,246)	-12	-	-
To expansion Depreciation and amortization	13,443	7	2,689	-2
To growth				
As Reserve and Retained earning	10,000	5	(364,656)	244
	199,611	100	(150,210)	100

Key Operating Highlights

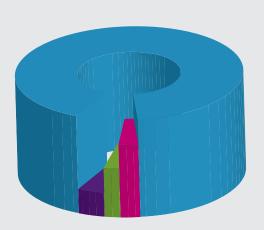
BALANCE SHEET COMPOSITION

Total Assets 2019



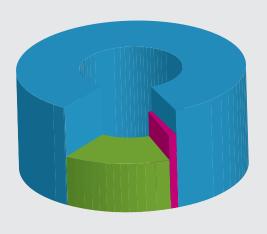


Total Assets 2018



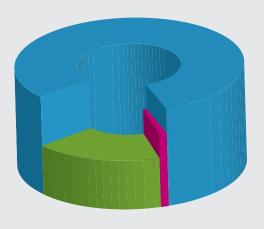


Shareholders' Equity and Liabilities -2019



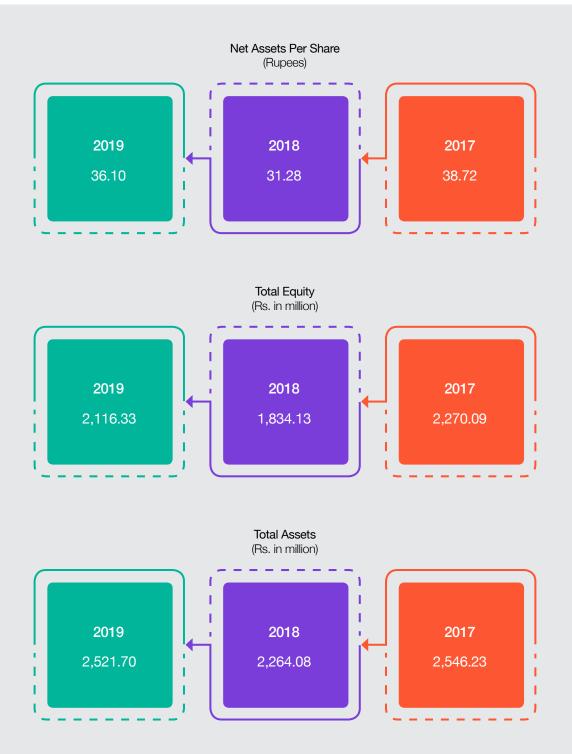


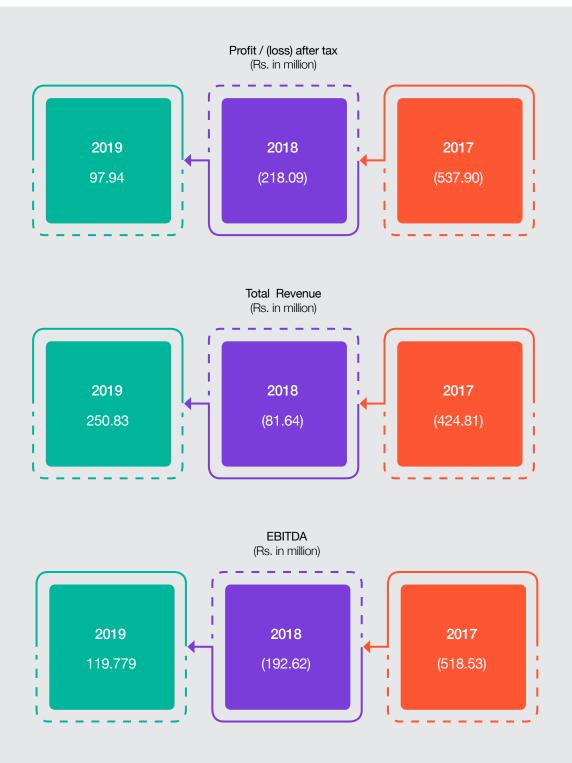
Shareholders' Equity and Liabilities -2018



Share Capital and	81%
Reserve Non-Current Liabilities Current Liabilities	1% 18%

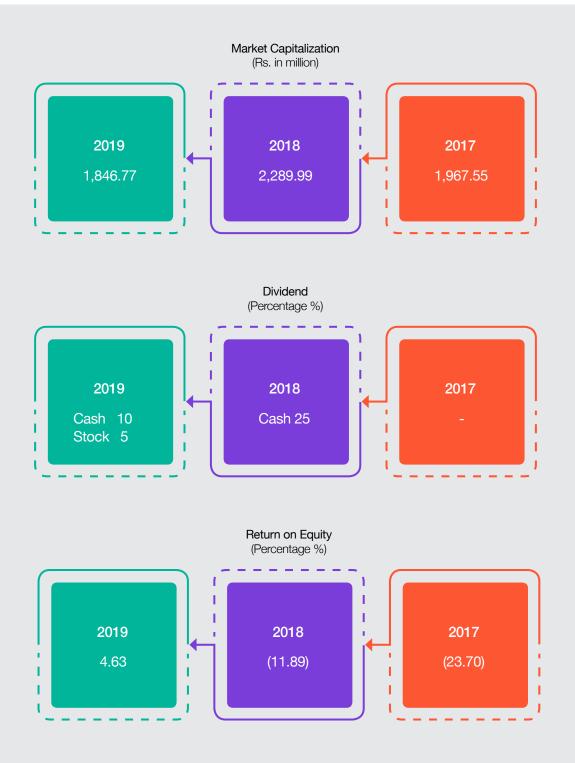
Key Figures & Highlights





Key Figures & Highlights





Horizontal Analysis

Balance Sheet

Particulars	2014 F	2015 Rupees in '000	2016
Cash and bank deposits	21,844	159,891	906
Loan to employee	16,020	14,060	12,315
Investments	4,780,356	2,825,317	3,612,508
Deferred tax	-	-	-
Amounts due from other insurers / reinsurers	2,464	2,464	2,464
Accrued investment income	-	-	-
Reinsurance recoveries against outstanding claims	5,406	5,406	5,406
Advances, prepayments deposit & sundry receivables	41,706	9,608	11,428
Fixed assets	18,752	15,623	14,017
Total Assets	4,886,548	3,032,369	3,659,044
Issued, subscribed and paid up share capital	586,277	586,277	586,277
Unappropriated profit	3,535,458	1,378,815	1,708,968
Reserves	133,088	133,088	133,088
Remeasurement of post employees benefits	(3,697)	(3,480)	(2,611)
Surplus on revaluation - OCI investments	339,387	420,437	746,881
Provision for outstanding claims [including IBNR]	8,805	8,805	8,805
Deferred liabilities	9,377	8,369	10,528
Deferred tax	16,171	45,166	13,803
Other non current laibility	-	-	-
Amounts due to other insurers / reinsurers	587	587	587
Accrued expenses and Other creditor and accrual	97,217	245,295	48,112
Accrued mark-up	-	-	1,796
Short term running finance	-	-	183,265
Taxation - net	143,659	179,522	187,197
Unclaimed dividend	20,219	29,488	32,348
Total Shareholders' Equity and Liabilities	4,886,548	3,032,369	3,659,044

2017	2018	2019	15 Over 14		17 Over 16		19 Over 18
F	Rupees in '000			Pei	rcentage Char	nge	
5,269	9,570	1,869	631.97%	-99.43%	481.57%	81.63%	-80.47%
10,463	8,484	6,376	-12.25%	-12.41%	-15.04%	-18.91%	-24.85%
2,440,890	2,108,946	2,367,523	-40.90%	27.86%	-32.43%	-13.60%	12.26%
52,235	74,051	83,815	-	-	100.00%	41.77%	13.19%
2,464	-	-	-	-	-		_
3,875	-	-	-	-	100.00%	100.00%	_
5,406	5,406	5,406	-	-	-	100.00%	_
10,536	44,157	17,368	-76.96%	18.94%	-7.81%	319.11%	-60.67%
15,088	13,471	39,345	-16.69%	-10.28%	7.64%	-10.72%	192.07%
2,546,226	2,264,085	2,521,702	-37.94%	20.67%	-30.41%	-11.08%	11.38%
586,277	586,277	586,277	_	_	_	_	_
1,024,498	659,843	757,785	-61.00%	23.94%	-40.05%	-35%	14.84%
133,088	133,088	133,088	-	-	-	-	_
(2,142)	(1,855)	(384)	5.87%	-24.97%	-17.96%	-13.40%	-79.30%
528,372	456,777	639,564	23.88%	77.64%	-29.26%	-13.55%	40.02%
8,805	8,805	8,805	-	-	-	-	_
12,237	15,281	17,358	-10.75%	25.80%	16.23%	24.88%	13.59%
-	-	-	179.30%	-69.44%	100.00%	-	-
-	-	9,143	-	-	-	-	100.00%
587	587	587	-	-	-	-	-
5,624	29,157	66,805	152.32%	-74.60%	-88.31%	418.44%	129.12%
400	6,346	5,464	-	-	-99.78%	1,486.50%	-13.90%
_	211,800	189,982	-	-	-	100.00%	-10.30%
217,809	125,380	80,501	24.96%	4.28%	16.35%	-42.44%	-35.79%
30,671	32,599	26,727	45.84%	9.70%	-5.18%	6.29%	-18.01%
2,546,226	2,264,085	2,521,702	-37.94%	20.67%	-30.41%	-11.08%	11.38%

Vertical Analysis

Balance Sheet

Particulars	2014	2015 Rupees	2016 s in '000	2017
Cash and bank deposits	21,844	159,891	906	5,269
Loan to employee	16,020	14,060	12,315	10,463
Investments	4,780,356	2,825,317	3,612,508	2,440,890
Deferred tax	-	-	-	52,235
Amounts due from other insurers / reinsurers	2,464	2,464	2,464	2,464
Accrued investment income	-	-	-	3,875
Reinsurance recoveries against outstanding claims	5,406	5,406	5,406	5,406
Advances, prepayments deposit & sundry receivables	41,706	9,608	11,428	10,536
Fixed assets	18,752	15,623	14,017	15,088
Total Assets	4,886,548	3,032,369	3,659,044	2,546,226
Issued, subscribed and paid up share capital	586,277	586,277	586,277	586,277
Unappropriated profit	3,535,458	1,378,815	1,708,968	1,024,498
Reserves	133,088	133,088	133,088	133,088
Remeasurement of post employees benefits	(3,697)	(3,480)	(2,611)	(2,142)
Surplus on revaluation - OCI investments	339,387	420,437	746,881	528,372
Provision for outstanding claims [including IBNR]	8,805	8,805	8,805	8,805
Deferred liabilities	9,377	8,369	10,528	12,237
Deferred tax	16,171	45,166	13,803	-
Other non current laibility	-	-	-	-
Amounts due to other insurers / reinsurers	587	587	587	587
Accrued expenses and Other creditor and accrual	97,217	245,295	48,112	5,624
Accrued mark-up	-	-	1,796	400
Short term running finance	-	-	183,265	-
Taxation - net	143,659	179,522	187,197	217,809
Unclaimed dividend	20,219	29,488	32,348	30,671
Total Shareholders' Equity and Liabilities	4,886,548	3,032,369	3,659,044	2,546,226

2018	2019	2014	2015	2016	2017	2018	2019
Rupees	in '000			Percentag	e Change		
9,570	1,869	0.45%	5.27%	0.02%	0.21%	0.42%	0.07%
8,484	6,376	0.43%	0.46%	0.34%	0.41%	0.42 %	0.25%
2,108,946	2,367,523	97.83%	93.17%	98.73%	95.86%	93.16%	93.90%
74,051	83,815	91.0070	90.1770	90.7070	2.05%	3.27%	3.32%
74,001	- 00,010	0.05%	0.08%	0.07%	0.10%	0.21 /0	0.02 /0
		0.0070	0.0070	0.07 /0	0.15%		
5,406	5,406	0.11%	0.18%	0.15%	0.13%	0.24%	0.21%
44,157	17,368	0.85%	0.10%	0.13%	0.42%	1.95%	0.69%
13,471	39,345	0.38%	0.52%	0.31%	0.42%	0.59%	1.56%
10,471	09,040	0.3070	0.02/0	0.0070	0.0970	0.0970	1.50 /0
2,264,085	2,521,702	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2,204,000	2,021,702	100.00 /0	100.00 /0	100.00 /0	100.00 /0	100.00 /0	100.00 /0
586,277	586,277	12.00%	19.33%	16.02%	23.03%	25.89%	23.25%
659,843	757,785	72.35%	45.47%	46.71%	40.24%	29.14%	30.06%
133,088	133,088	2.72%	4.39%	3.64%	5.23%	5.88%	5.28%
(1,855)	(384)	-0.08%	-0.11%	-0.07%	-0.08%	-0.08%	-0.02%
456,777	639,564	6.95%	13.86%	20.41%	20.75%	20.17%	25.36%
8,805	8,805	0.18%	0.29%	0.24%	0.34%	0.39%	0.35%
15,281	17,358	0.19%	0.28%	0.29%	0.48%	0.67%	0.69%
-	-	0.33%	1.49%	0.38%	-	-	-
-	9,143	-	-	-	-	-	0.36%
587	587	0.01%	0.02%	0.01%	0.02%	0.03%	0.02%
29,157	66,805	1.99%	8.09%	1.31%	0.22%	1.29%	2.65%
6,346	5,464	-	-	0.05%	0.02%	0.28%	0.22%
211,800	189,982	-	-	5.00%	-	9.35%	7.53%
125,380	80,501	2.94%	5.92%	5.12%	8.55%	5.55%	3.19%
32,599	26,727	0.41%	0.97%	0.88%	1.20%	1.44%	1.06%
2,264,085	2,521,702	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Horizontal Analysis

Profit and Loss Account

Particulars	2014	2015 Rupees i	2016 n '000	2017
Investment income / (Loss)	1,209,576	706,755	824,472	(442,333)
Other income	17,901	7,319	35,882	17,525
Financial charges	(140)	(83)	(13,040)	(14,622)
General and administration expenses	(200,092)	(218,084)	(113,033)	(96,427)
Taxation	(128,458)	(160,872)	(23,048)	(2,044)
Profit / (Loss) after tax	898,787	335,035	711,233	(537,901)
Earnings / (Loss) per share - Rupees (Basic)	15.33	5.71	12.13	(9.17)

Vertical Analysis

Profit and Loss Account

Particulars	2014	2014 2015 2016 Rupees in '000			
Investment income / (Loss)	1,209,576	706,755	824,472	(442,333)	
Other income	17,901	7,319	35,882	17,525	
Financial charges	(140)	(83)	(13,040)	(14,622)	
General and administration expenses	(200,092)	(218,084)	(113,033)	(96,427)	
Taxation	(128,458)	(160,872)	(23,048)	(2,044)	
Profit / (Loss) after tax	898,787	335,035	711,233	(537,901)	

2018	2019	15 Over 14	16 Over 15	17 Over 16	18 Over 17	19 Over 18
Rupees in	'000			Percentag	e Change	
(94,061)	235,134	-41.57%	16.66%	-153.65%	-78.74%	349.98%
12,422	15,695	-59.11%	390.26%	-51.16%	-29.12%	26.35%
(14,689)	(11,463)	-40.71%	15,610.84%	12.13%	0.46%	-21.96%
(114,674)	(144,493)	8.99%	-48.17%	-14.69%	18.92%	26.00%
(7,084)	3,069	25.23%	-85.67%	-91.13%	246.58%	-143.32%
(218,086)	97,942	-62.7%	112.00%	-175.63%	-59.46%	144.91%
(3.72)	1.67	-62.7%	112.00%	-175.63%	-59.46%	144.91%

2018 Rupees in	2019	2015	2016	2017 Percentage	2018 Chango	2019
rupees in	000			reicentage	Orialige	
(94,061)	235,134	210.95%	115.92%	82.23%	43.13%	240.07%
12,422	15,695	2.18%	5.04%	-3.26%	-5.70%	16.02%
(14,689)	(11,463)	-0.02%	-1.83%	2.72%	6.74%	-11.70%
(114,674)	(144,493)	-65.09%	-15.89%	17.93%	52.58%	-147.53%
(7,084)	3,069	-48.02%	-3.24%	0.38%	3.25%	3.14%
(218,086)	97,942	100%	100%	100%	100%	100%

Comments on Horizontal & Vertical Analysis

Comments on Horizontal Analysis of Balance Sheet

The investment portfolio is highly correlated with KSE-100 index, which has led to significant volatility in investments during the last six years. Deferred liabilities grew over past six years as the Company operates an unfunded approved gratuity scheme for all permanent employees. Reserves remained constant during the last six years on account of unchanged general reserve and reserve for exceptional losses. The surplus on revaluation has significantly improved as compared to last year due to positive performance of KSE-100 index and hence the Portfolio.

Comments on Vertical Analysis of Balance Sheet

More than 95% of the average assets of the Company contributed towards the earnings of the Company during the preceding years indicating the efficient use of assets. Ratio of fixed assets has increased to 1.56% as compared to less than 1% in the preceding years due to IFRS 16 application. Ratio of surplus on revaluation has been increased over the years due to positive performance of KSE-100 index

Comments on Horizontal Analysis of Profit & Loss

The investment income of the company has significantly improved during the current year due to positive performance of the local bourse. General and administrative expenses have been reduced since 2014 on account of higher efficiencies and productivity of team. The Company reported profit during CY19 on account of gains on investments.

Comments on Vertical Analysis of Profit & Loss

Ratio of investment income has significantly improved during the year as compared to 2018 due to better performance of the equity portfolio.

Summary of Six Years Cash Flow at a glance

	2014	2015	2016	2017	2018	2019
			Rupees	in '000		
Cash & Cash equivalents at the beginning of the year	17,835	24,844	162,891	(179,359)	8,269	(199,230)
Net Cash flow used in operating activities	(1,692,674)	(2,520,881)	(505,975)	(173,198)	(278,834)	(27,459)
Net Cash flow from investing activities	1,699,683	2,658,928	163,725	360,826	71,341	47,857
Net Cash flow from financing activities	-	-	-	-	-	(6,281)
Net increase/(decrease) in cash & cash equivalent	7,009	138,047	(342,250)	187,628	(207,499)	14,117
Cash & Cash equivalents at the end of the year	24,844	162,891	(179,359)	8,269	(199,230)	(185,113)

Comments on Cash Flows

Over the years, the company has effectively managed its cash flows as reflected in the above summary.

Cash Flow from investing activities has remained positive since 2014 as proceeds from sale of investments exceeds the investments in securities.

Quarterly Analysis

For the Year Ended December 31, 2019

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
		[Rupees in 000)	
Revenue	130,236	(85,891)	(126,372)	332,856	250,829
Return on investments	12,177	38,922	24,944	23,798	99,841
Gain / (loss) on sale of investments - net	69,066	(62,628)	(3,672)	134,825	137,591
Other income	3,234	4,898	3,866	3,697	15,695
Unrealised appreciation on re-measurement of investments classified					
as financial assets at fair value through profit or loss - net	45,759	(67,083)	(151,510)	170,536	(2,298)
					-
Profit /(loss) after taxation	65,543	(121,321)	(95,292)	249,012	97,942
Net assets	1,999,162	1,865,538	1,801,928	2,116,330	2,116,330

Comments

Analysis of Quarterly results

Significant portion of the Company's investments are marked to market; and the interim operating results of the Company reflect the fluctuations in the capital market and shifts in allocations. Notable outperformance of the equity market was witnessed during the last quarter of CY19, where KSE-100 posted a positive return of around 27%. Moreover, dividend income is essentially seasonal as dividend announcements are generally made periodically and accrued as income through a consistently followed accounting policy.

Operating revenues

The company reported a positive revenue of PKR 250.83 million during CY19 as compared to negative PKR 81.64 million in the preceding calendar year. The improvement in revenue has been mainly on the back of 9.9% return posted by KSE-100 during CY19. Unrealized gain has been reported during the forth quarter in line with the performance of the KSE-100 index on account of subsiding balance of payment crisis and favorable interest rate outlook.

Profit after tax

Except for the second and third quarters, the company generated unrealized gain on investments in the remaining two quarters, which were the main contributors towards positive performance.

Dupont Analysis

Year	Asset Turnover Ratio	Equity Mulitplier	Net (Loss) / Profit Margin (%)	ROE (%)
2018	(0.04)	1.23	-267%	-11.89%
2019	0.10	1.19	39%	4.63%

As per Dupont Analysis, ROE improved from negative 11.89% in 2018 to positive 4.63% in 2019 due to positive Asset Turnover Ratio.

Positive return on investments (revenue) was reported in 2019 as the performance of Cyan is highly correlated with stock market which provided positive return during the year. Asset turnover ratio turned positive this year, reflecting efficient usage of company resources.

Equity Multiplier slightly declined due to an increase in equity on account of an uptick in unappropriated profits and surplus on revaluation of AFS investments.

Board of Directors

HASAN REZA-UR RAHIM

(Chairman)



Mr. Rahim is an accomplished professional who has over 35 years of domestic and international experience in the Banking and Financial Services industry. Currently he is the Chairman of Cyan Limited and he also serves on the Boards of Dawood Hercules Corporation Limited, Dawood Lawrencepur Limited, Atlas Insurance Limited and Hum Network Limited. Previously, he was the Executive Director in-charge of the Chairman's Corporate Office of the Dawood Hercules Group ("DHG") which consists of several listed and unlisted companies and is one of the largest entrepreneurial groups in Pakistan. DHG has a market capitalization exceeding USD 3.5 Billion for companies listed on the Pakistan Stock Exchange.

Furthermore, Mr. Rahim spent 15 years at JPMorgan where he held several senior positions both in Pakistan and abroad. His accomplishments include assisting in establishing and heading the Global Corporate Bank in Bahrain, Qatar and Saudi Arabia, was Senior Country Officer of Pakistan and was an integral part of the Regional Corporate Finance team based in Singapore. He has originated, led and executed large complex M&A transactions and Privatizations totaling USD 5.0 billion, Sovereign Debt and Bond issues of over USD 2.0 billion in the Telecom, Airlines, Banking, Oil &Gas and Petrochemical industries.

Earlier in his career Mr. Rahim, also had senior roles with MashreqBank psc, ANZ Grindlays Bank plc and commenced his career with Exxon Chemical Pakistan Limited. He was also posted and lived in Zurich, Singapore, Bahrain and Dubai and received his Bachelor's degree from the University of Delaware in USA.

KULSUM DAWOOD

(Director)

Kulsum Dawood is a philanthropist and passionately promotes education and human development. She is the Lead Trustee on the Board of The Dawood Foundation (TDF) which was established in 1961. TDF has been involved with the construction of schools and colleges, and is now undertaking scalable content and technology-based projects for knowledge dissemination through informal learning spaces. It has recently invested in the MagnifiScience Center, which will be the first-of-its-kind interactive science museum of Pakistan.

Mrs. Dawood is a certified Director of Corporate Governance from the Pakistan Institute of Corporate Governance (PICG). She has attended courses on Family Business at the International Institute for Management Development (IMD) in Switzerland, and at the Institute European d' Administration des Affaires (INSEAD). She is a graduate from Government College of Home Economics, Karachi.

For the last two decades, Mrs. Dawood has been a regular participant at the Annual Meeting of the World Economic Forum in Davos, Switzerland.

INAM UR RAHMAN

(Director)

Inam ur Rahman joined the Board of Directors of Cyan Limited in March 2017.

Bringing more than 27 years of experience across diversified industries including energy & renewables, education, enterprise technology, foods, textiles, fashion & apparel, lifestyle, and business consulting, lnam ur Rahman currently serves in corporate governance roles across various public-listed firms associated with the 100-year old Dawood Hercules Group. He was appointed as Chief Executive Officer of the group's parent investment company, Dawood Hercules Corporation, on 1st December 2016.

An environmentalist at heart, Inam launched Reon Energy, an enterprise solar power EPC, and continues to serve as Chief Executive of Tenaga Generasi Limited, a 50 megawatt wind power plant.

Inam ur Rahman passion is to develop and grow people. He has taught at the undergraduate level, and at present devotes his time in governance roles at Karachi School of Business & Leadership.

Inam holds an MBA degree from Lahore University of Management Sciences (LUMS), in addition to an engineering degree from UET Lahore.

KAMRAN NISHAT

(Director)

Mr. Kamran Nishat is a qualified Chartered Accountant and currently serving M&P Pakistan as its Managing Director & Chief Executive Officer. In addition to being a Director of Ali Gohar Pharmaceuticals Limited, he serves on the boards of Briogene Private Limited and Cyan Limited while serving as the CEO of M&P Express Logistics (Private) Limited (formely known as OCS Pakistan Private Limited), Tech Sirat (Private) Limited, TechSirat Technologies (Pvt) Limited, OCS road and rail cargo (Pvt) Ltd, Logex (Pvt) Ltd and VeriBest brands (Pvt) Ltd.

Moreover, Mr. Nishat has had variety of experiences which include being the member of Accounting and Auditing Standards Committee (South) of the Institute of Chartered Accountants of Pakistan, member of Information Technology Committee (South) of the Institute of Chartered Accountants of Pakistan, member of Management Association of Pakistan, Ex-Officio Member (Former President) Of American Business Counsel, Senior Manager at Sidat Hyder Morshed Associates (Private) Limited from the years 1997 till 1999, Group Financial Controller at MIMA Group in 1997, General Manager Corporate Affairs at Dawood Hercules Chemicals Limited, Deputy Managing Director at Central Cotton Mills Limited from 1988 till 1996 and Manager Finance at Al-Ghazi Tractors.

Board of Directors



SHAFIQ AHMED (Director)

Mr. Shafiq Ahmed joined The Dawood Group in 2007 and has worked for several Group concerns in different senior positions, including the Chief Executive Officer of Dawood Lawrencepur Limited and Tenaga Generasi Limited and currently looking after the Group's private companies comprising of Patek (Private) Limited, Dawood Corporation (Private) Limited and Towershare (Private) Limited as Chief Executive Officer. He is also serving on the Board of Directors of Dawood Lawrencepur Limited, Tenaga Generasi Limited, Reon Alpha Limited, Patek (Private) Limited, Dawood Corporation (Private) Limited, Towershare (Private) Limited and Inbox Business Technologies Limited.

Prior to joining Dawood Group, he served in senior management position in Pakistan National Shipping Corporation and has also been associated with Ernst & Young Ford Rhodes Sidat Hyder & Co., Chartered Accountants for nine years. Having a flair for textiles, energy and accounting, his career spans over 25 years working with industry leaders and pioneers in these fields.

He is a Chartered Accountant from the Institute of Chartered Accountants of Pakistan and a degree in Law from University of Karachi. Shafiq is also a certified director from Pakistan Institute of Corporate Governance.

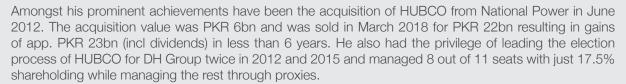
SULAIMAN S. MEHDI(Director / Chief Executive Officer)

Sulaiman is the CEO Cyan Ltd., formerly Central Insurance Company Limited (CICL). In 2011, Sulaiman orchestrated the business restructuring of CICL (insurance) to Cyan (investments), a landmark transaction, and the first of its kind in Pakistan.

Before Cyan, he has served PICIC DFI, PICIC Asset Management Company Ltd., Allied Bank (ABL) and ABL Asset Management Company Limited. He has had the privilege of establishing two leading AMCs of this country.

As a senior executive he has been working on strategy, organization, mergers and acquisitions. He is a proven business leader with a track record of delivering sustainable change and superior results in Pakistan.

Sulaiman's experience spans over 18 years in multiple areas of financial services including investments, operations, marketing, legal and corporate affairs.



He is the youngest Chairman of the Pakistan Stock Exchange Limited. He is also Chairman Pebbles Ltd. - the real estate arm of Dawood Hercules (DH) Group and is spearheading all real estate initiatives of the Group. He serves on the Board of Governors of The Institute of Business Management (IOBM). He is



the Founding member of the Presidential Initiative for Artificial Intelligence and Computing (PIAIC) and a Member of the Committee on Emerging Technologies of MOIT. He represents Sindh as an Independent Member on Private Power and Infrastructure Board (PPIB).

He has also served on the Board of Dawood Lawrencepur Limited, FOCUS Pakistan (an Aga Khan Foundation backed NGO), Inbox Business Technologies (Pvt.) Ltd., Inbox Consulting (Pvt.) Ltd., Inbox Corporation (Pvt.) Ltd. and Sach International (Pvt.) Ltd.

He holds a master's degree and is also a fellow member of The Institute of Corporate Secretaries of Pakistan (FCIS). He is also a Certified Director from the Pakistan Institute of Corporate Governance (PICG).



FAISAL NADEEM(Director / Chief Financial Officer)

Mr. Faisal is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and Qualified Chartered Management Accountant from Chartered Institute of Management Accountants (CIMA-UK). He worked at the senior executive level in the leading financial institutions where he was involved in the areas of financial management, core finance, risk management and internal control. He is a Certified Director of Corporate Governance from the Pakistan Institute of Corporate Governance (PICG) and presently on the Board of Cyan Limited and Pebbles Pvt. Ltd. – the real estate arm of Dawood Hercules (DH) Group.

Before joining Cyan, he served as the Chief Financial Officer and Company Secretary at ABL Asset Management Company Limited, a subsidiary of Allied Bank Limited.

Management Team



AHSAN IQBAL (Company Secretary)

Mr. Ahsan started his career with Cyan in January 2016. He is an ACCA member. He has more than ten years of experience of Financial Reporting, Taxation and corporate statues & compliance services applicable on a Public Listed Company.

Previously, he was associated with A.F. Ferguson & Co., Chartered Accountants and Ernst & Young Ford Rhodes.

KIRAN HASSAN (Head of Internal Audit)

Ms. Kiran Hassan is the Head of Internal Audit of Cyan. She Joined Cyan in July 2019. She is an Associate Certified Management Accountant (ACMA) and has more than 10 years of diversified experience in the field of Finance, Internal Audit, Controls & Risk Management in local and multinational companies.

Prior to joining Cyan, she was associated with Orix Leasing, Alkaram Textile, First Women Bank Limited and Griffin Nagda (UAE).





NARESH KUMAR
(Investment Associate)

Mr. Kumar joined Cyan in August 2017. He is a CFA Charter holder and a fellow member of Association of Chartered Certified Accountants (ACCA). He has more than ten years of diversified experience of investment analysis, portfolio management, investment advisory and wealth management.

Prior to joining Cyan, he was working with ABL Asset Management Company Limited (ABL AMC) as an Equity Fund Manager, where he managed equity funds of worth USD 120 million. Before ABL AMC, he was associated with Magnus Investment Advisors Limited where he spearheaded various departments including the Portfolio Management Department."

SYEDA HUMAIRA AKHTAR

(Senior Investment Analyst)

Humaira holds more than seven years of experience in the capital market of Pakistan. She brings in expertise in financial modelling, investment and security analysis, credit analysis, and risk management.

Humaira has worked with renowned Financial Institutions of Pakistan including United Bank Limited, Standard Chartered Bank, KASB Securities. Before joining Cyan, she was working as a Deputy Head of Research at BMA Capital Management Limited.

She is a double Gold Medalist and holds a Masters degree in Finance from Institute of Business Management. Ms. Akhtar is also a CFA and FRM charter holder.

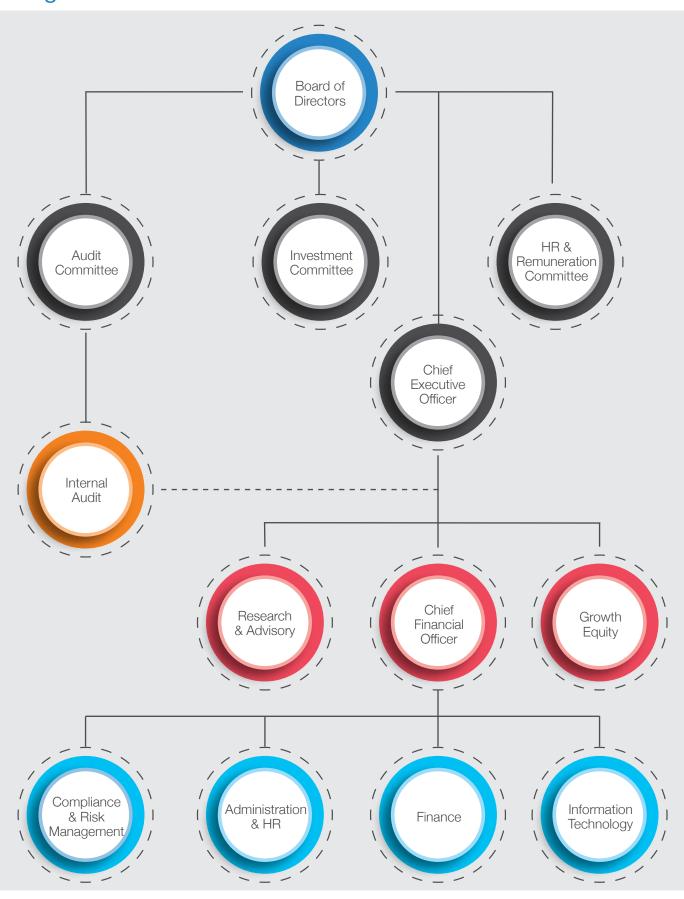




M. HASSAAN KHAN (Investment Analyst)

Mr. Hassaan started his career in June 2017 with Alfalah GHP as an associate investment advisor in their portfolio management department. Currently, He is working at Cyan Limited as an Investment Analyst in their Growth Equity Team. He is also a CFA level III candidate and has done BSc. (Honors) Accounting & Finance from Lahore University of Management Sciences.

Organizational Structure



Board Committees

The Board has established three Committees namely Board Audit Committee, Board HR & Remuneration Committee and Board Investment Committee for effective governance of the Company.

The compositions, role and responsibilities of the Board Committees are clearly defined in their respective Terms of References.

Board Audit Committee

The Board Audit Committee is composed of the following Directors:

•	Mr. Kamran Nishat	Chairman
•	Mr. Inam Ur Rahman	Member
•	Mr. Shafiq Ahmed	Member

Terms of Reference

The Committee shall ensure that adequate internal control policies and procedures for safeguarding of company's assets have been developed by the company. The Committee shall review the efficiency and effectiveness of the operations including nonfinancial control of the entity. The Committee shall also review the Company's Statement of Compliance, which includes statement on internal control systems, prior to endorsement by the Board of Directors.

It shall perform the following functions:

a. External Audit Function

- i. The Committee shall, among other things, be responsible for recommending to the Board of Directors the appointment of external auditors by the Company and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the company in addition to audit of its financial statements;
- ii. The Committee shall evaluate on an annual basis, the qualification, independence, performance and scope of work of the external auditor; and
- iii. The Committee shall ensure that significant findings and recommendations made by external auditor and management response thereon are discussed and appropriately acted upon.

b. Internal Controls

The Committee shall:

- Ascertain that the integrity of internal control system including financial and operational controls, risk management, accounting system and reporting structure are adequate and effective:
- ii. Determine the appropriateness of measures to safeguard the Company's assets;
- Evaluate the security of computer systems and applications and any contingency plans for processing financial and other information in the event of a computer systems breakdown;
- iv. Review the Company's system for monitoring compliance with laws, regulations and other external requirements and with management policies and directives and other internal requirements;
- Review the details of any investigation, review or inquiry made by any statutory body concerning the conduct of the Company's activities or the preparation of its financial statements; and
- vi. Monitor the compliance with the best practices of Corporate Governance and identification of significant violations thereof.

c. Internal Audit Function

The Committee shall:

- Review and discuss the adequacy of structure, responsibilities, staffing, resources and functioning of the Company's internal audit department;
- Review the preparation, execution and results of the Company's annual internal audit work program;
- iii. Review and discuss the periodical internal audit reports; and
- iv. Ensure that significant internal audit findings and recommendations and Management's responses are considered.

d. Financial Reporting

 The Committee shall review the quarterly, halfyearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on;

- Significant accounting and reporting issues, including professional and regulatory pronouncements and assess their impact on the Company's financial statements;
- iii. Legal matters which could significantly impact the financial statements;
- iv. Annual financial statements and assess whether the financial statements reflect appropriate accounting principles;
- The judgments made in preparing the Company's financial statements, including any valuation of assets and liabilities, litigation, and other commitments and contingencies;
- vi. Significant or unusual events or transactions or adjustments resulting from the audit;
- vii. The going-concern assumption; and
- viii. Changes in accounting policies & practices and compliance with applicable accounting standards.

e. Other responsibilities

Other responsibilities of the Committee shall also include:

- i. Review of preliminary announcements of results prior to publication;
- ii. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- iii. Review of management letter issued by external auditors and management's response thereto;
- iv. Ensuring coordination between the internal and external auditors of the Company;
- Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- vi. Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external

- auditors or to any other external body;
- vii. Consideration of any other issue or matter as may be assigned by the Board of Directors;
- viii. Appointment of the Head of Internal Audit shall be made by the BOD subject to recommendation of the Committee; and
- ix. Details of all related party transactions shall be placed before the Audit Committee of the Company for review and recommendation to the Board of Directors. The related party transactions which are not executed at arm's length price will also be placed separately at each Board meeting along with necessary justification for consideration and approval of the Board after clearance from the Audit Committee of the Company.

Board HR & Remuneration Committee

The Board HR & Remuneration Committee is composed of the following Directors:

Mr. Kamran Nishat Chairman
 Mr. Inam Ur Rahman Member
 Mr. Hasan Reza-ur Rahim Member

Terms of Reference

The general duties and responsibilities of the Committee shall be as follows:

- To develop the compensation philosophy for Executive Management and present the recommendations to the Board for approval;
- (ii) To meet with Executive Management to establish Corporate objectives and, subsequently, to meet independently of Executive Management to assess progress in relation to these objectives;
- (iii) To undertake the performance evaluation of the CEO and review for each member of the Executive Management in consultation with the Chair of the Board;
- (iv) To review, establish and recommend to the Board, approval of the compensation of each member of the Executive Management;
- (v) To recommend to the Board for consideration, approval and establishment of stock option plans, incentive plans or employee benefit plans to be granted to, Executive Management and other key employees of the Company and guidelines with respect thereto. The Committee may suggest amendments to any stock option

- plans or incentive plans, provided that all amendments to such plans shall be subject to consideration and approval of the Board;
- (vi) To review and recommend compensation packages for the Executive Directors that realistically reflect the responsibilities and risks involved in being an Executive Director;
- (vii) To consider and make recommendations to the Board for its approval on all matters concerning perquisites and benefits to be granted to Executive Management, including levels and types of benefits, within guidelines, if any, established by the Board with respect thereto;
- (viii) To review and recommend compensation packages for the non-executive directors and the Chair of the Board that realistically reflect the responsibilities and risks involved in being a non-executive director;
- (ix) To regularly review the organization structure and report any significant organization changes to the Board;
- (x) To review succession plans for Executive Management, including specific development plans, methods of achieving recommended action, and career planning for potential successors; and
- (xi) To engage, through its Chair and in appropriate circumstances, at the expense of the Company, independent counsel and advisors; and to fulfill such other powers and duties as delegated to it by the Board.

Board Investment Committee

The Board Investment Committee is composed of the following Directors:

Mr. Hasan Reza-ur Rahim Chairman
 Mr. Inam Ur Rahman Member
 Mr. Shafiq Ahmed Member

Terms of Reference

The Board Investment Committee shall:

- (i) Recommend asset allocation strategy for liquid and illiquid investments to the Board;
- (ii) Review and monitor business development activities for illiquid investments;
- (iii) Recommend sector focus for illiquid investments;
- (iv) Recommend all illiquid transactions to the Board for approval;
- (v) Recommend Employees Trading Policy for approval of the Board;
- (vi) Recommend Investment Policy for approval of the Board:
- (vii) Continually review the Investment Policy, Employee Trading Policy and approve changes (if necessary) subject to ratification of the BOD;
- (viii) Consider any other issue or matter as may be assigned by the BOD; and

The BIC will periodically review the performance of the MIC for company's liquid investments in purview of the various classes of assets and on overall basis, based on the following factors:

- (i) Achievement of budgetary revenues;
- (ii) Adherence to investment policy objectives;
- (iii) Compliance with laws and regulations;
- (iv) Performance relative to hurdles / benchmarks approved by the BOD; and
- (v) Performance vis-a-vis industry performance.

Criteria to Evaluate Board's Performance

A Company's success is ultimately reflective of the capacity of its directors to provide direction which is in line with the vision in order to expand and flourish. The Company, hence, endeavors to develop the capacity of its Board of Directors to improve both their personal and collective contributions to the overall development of the Company.

A quality Board that really adds value is not just a panel of high performing individuals but a balanced team with harmonizing skill sets and a culture that allows them to function as a single unit to make the most effective decisions for the Company. While the guidance from the Chair is the key, the participation of every Board member is also vital for its effectiveness.

One of the most significant responsibilities of the Board of Directors is to ensure that the company has a strong leadership and an effective executive management. The Board establishes company policies and then delegates authority and responsibility to the CEO for the organization's smooth operations.

Performance evaluation continues to gain profile and momentum within Boardrooms. Regulators and institutional investors increasingly endorse performance evaluation as a prerequisite for good corporate governance. The Board of Directors acts as a guardian of the shareholders money and translates the same into the Company's mission and goals. In order to uphold the trust of stakeholders, the Board of Directors' performance warrants assessment.

The evaluation of the performance will examine those key areas where the Board requires clarity in order to provide high level oversight, including: the strategic process; key business drivers and performance milestones; the global economic environment

and competitive context in which the Company operates; the risks faced by the business; Board dynamics; capability and alignment; reputation; and information flows.

The Board of Directors has set the following evaluation criteria to judge its performance;

- Compliance with the legislative system in which Company operates, including Companies Act 2017, Regulations of Pakistan Stock Exchange; and the Memorandum and Articles of Association of the Company;
- Active participation in strategic planning process, enterprise risk management system, policy development, financial structure, monitoring and approval;
- Hiring, evaluating, compensating and supporting the Executive Directors and other key positions including Chief Executive.
- Appropriate constitution of Board Committees with members possessing adequate technical know-how and experience;
- Establishing adequate system of internal controls in the Company and its regular assessment through self-assessment mechanism or/and internal audit activities;
- Ensuring presence of required quorum in Board and Committees' meeting; and
- Ensuring orientation and training of Board of Directors to enable them to perform their duties in an effective manner

Roles and Responsibilities of Chairman

The Chairman is responsible for leadership of the Board. In particular, he will:

- 1. Manage the business of the Board and preside over its meetings and all general body meetings.
- 2. Ensure that minutes of the meetings of the Board of Directors and all general body meetings are appropriately recorded and circulated within the prescribed time.
- 3. Set the agenda, style and tone of Board discussions (taking full account of the issues and the concerns of all Board members) to promote constructive debate and effective decision-making.
- 4. Ensure that members of the Board receive accurate, timely and clear information, in particular about the Company's performance, to enable effective performance of their duties.
- 5. Manage the Board's time to ensure that sufficient time is allowed for discussion of complex or contentious matters.
- 6. Build an effective and complementary Board, initiating change and planning succession on Board and executive appointments.
- 7. Ensure that all Board committees are properly established, composed and operated.
- 8. Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
- 9. Facilitate the effective contribution of non- executive directors and ensure constructive relationships and open communication, both between non- executive directors and executive directors and between the Board and investors.
- 10. Ensure comprehensive induction programs for new directors and updates for all directors as and when necessary.
- 11. Monitor and address the development needs of individual directors and of the Board as a whole and ensure that the performance of individual directors and of the Board and its committees are formally evaluated at least once a year.
- 12. Monitor progress towards the timely and effective achievement and implementation of the objectives, policies and strategies set by the Board and of other decisions taken by or on behalf of the Board.
- 13. Ensure effective communication with shareholders and other relevant constituencies and that the views of these groups are understood by the Board.
- 14. Establish a constructive, harmonious and open relationship with the Chief Executive Officer and support him in the development of strategy and, more broadly advise the Chief Executive.
- 15. Lead the ongoing monitoring and annual evaluation of the performance of the Chief Executive Officer.
- 16. Maintain access to senior management as is necessary and useful, but not intrude on the Chief Executive's responsibilities.

Roles and Responsibilities of CEO

The Chief Executive is responsible for leadership of the business and managing it within the authorities delegated by the Board. In particular, he will:

- 1. Manage the day to day business of the Company, taking account of the policies and directions of the Board and its Committees.
- 2. Develop strategy proposals for recommendation to the Board and ensure that agreed strategies are reflected in the business.
- Develop annual plans, consistent with agreed strategies, for presentation to the Board for support.
- 4. Plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans.
- 5. Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.
- 6. Ensure that such actions are taken as are necessary to secure the timely and effective implementation of the objectives, policies and strategies set by the Board and of other decisions taken by the Board or by its Committees on its behalf and be responsible to the Board for the performance of the business consistent with agreed plans, strategies and policies.
- 7. Act as Chairman of the Management Committee(s), set agendas, taking full account of the issues and concerns of members of the Committee(s), and ensure that Management Committee members receive clear and timely information.
- 8. Lead the executive team; monitor and address the development needs of the team and ensure

- that the performance of individuals is evaluated at least once a year.
- Ensure that the financial results, business strategies and, where appropriate, targets and milestones are communicated to the investment community.
- 10. Develop and promote effective communication with shareholders and other relevant constituencies.
- 11. Ensure that business performance is consistent with the Business Principles.
- 12. Ensure that robust management succession and management development plans are in place and presented to the Board from time to time.
- 13. Develop processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps taken to manage the risks.
- 14. Develop and maintain an effective framework of internal controls over risk in relation to all business activities including the Group's trading activities.
- 15. Ensure that the flow of information to the Board is accurate, timely and clear. Ensure an effective dialogue between the executives and the Board and in particular ensure that the Chairman and the Board are regularly updated on matters affecting the Company's performance, competitive position and risk profile;
- 16. Establish a close relationship of trust with the Chairman, reporting key developments to him in a timely manner and seeking advice and support as appropriate.

CEO's Performance Review

The Board of Directors of Cyan Limited regularly evaluates the performance of the CEO based on the financial and non-financial KPIs presented by him and agreed by the Board at the start of the year. The Board has reviewed the performance of the CEO for the current financial year and is truly content with the achievements for the year. The Board wishes to further report that Mr. Sulaiman S. Mehdi is committed to following best practices and the Code of Corporate Governance in true spirit. All Board meetings are attended by Mr. Sulaiman S. Mehdi, where he provides details and explanations for each agenda item. The Board has full confidence in his abilities to manage the affairs of the Company in the most professional and competent manner. He is also responsible for setting the corporate objectives and its alignment with the KPIs for his management team and regularly updates the Board about the performance of the management team in achieving the desired results. The Board ensures that the vision and mission sets the direction for the overall corporate strategy and Cyan's future endeavors in making investments in organizations with realized high growth potential as well as to remain committed in maximizing the wealth of its shareholders. The Board is pleased to note that Mr. Sulaiman Mehdi's endeavors result from following and applying the corporate strategy that is conceived with the aid of the Company's vision and mission. The entire organization is connected and driven by this purpose and it serves as the main decision making criterion.

Attendance of Board and Committee Meetings During the Year 2019

Board of Directors

S. No.	Name		Dates					No. of
		18-Feb-19	22-Apr-19	19-Aug-19	24-Oct-19	10-Dec-19	meetings held	meetings attended
1	Hasan Reza Ur Rahim	1	√	√	√	√	5	5
2	Kulsum Dawood	√	√	V	$\sqrt{}$	\checkmark	5	5
3	Kamran Nishat	√	√	√	√	√	5	5
4	Inam ur Rahman		√		$\sqrt{}$	\checkmark	5	3
5	Shafiq Ahmed	√	√	$\sqrt{}$	\checkmark	\checkmark	5	5
6	Sulaiman Mehdi	√		$\sqrt{}$	$\sqrt{}$	\checkmark	5	5
7	Faisal Nadeem	1	1			V	5	5

Board Audit Committee

S. No.	Name	Dates					No. of	No. of
		15-Feb-19	19-Apr-19	16-Aug-19	24-Oct-19	9-Dec-19	meetings held	meetings attended
1	Kamran Nishat	\ \	√	\ \			5	5
2	Inam Ur Rahman	J	J	J	J	J	5	5
3	Shafiq Ahmed	1	\ \	1	J	J	5	5

Board Investment Committee

S. No.	Name	Dates		No. of meetings	No. of meetings	
		22-Feb-19	6-Dec-19	17-Dec-19	held	attended
1	Hasan Reza-ur Rahim	√	$\sqrt{}$	√	3	3
2	Inam Ur Rahman	√	√	√	3	3
3	Shafiq Ahmed		1	V	3	2

Board HR & Remuneration Committee

S. No.	Name	Date 9-Dec-19	No. of meetings held	No. of meetings attended
1	Kamran Nishat	√	1	1
2	Hasan Reza-ur Rahim	√	1	1
3	Inam Ur Rahman	√	1	1

Whistle Blowing Policy



Cyan ("the Company") has an established Code of Conduct which sets out the standards of conduct expected in the management of its business. All employees are expected to carry out their duties in a manner that is consistent with the Code. If employees become aware of circumstances which are not in compliance with the Code then they should communicate their suspicions using the "whistle blowing" policy.

The term "whistle blowing" is most commonly used to describe when an employee discloses wrong doing within the Company. Such wrong doing can include unlawful conduct, financial

malpractice or dangers to the public or the environment. Public disclosure of confidential information about the company could clearly be a breach of an employee's contract, therefore special arrangements are needed to protect both the employee and the company. It is important that the employee's concerns about illegal or unethical activities can be raised without fear of victimization and that the company is alerted to malpractice early so that it can be stopped and the perpetrators dealt with.

A whistle blowing procedure allows employees to raise concerns with management about the conduct of others which they consider to be in some way damaging to the company or others within it.

There may sometimes be circumstances in which people feel uncomfortable raising issues directly with their managers/superiors. Hence we plan to provide a confidential "whistle blowing" mechanism throughout the Company which the Cyan stakeholders i.e. Employees, Service Providers, Contractors, Dealers, Customers as well as Vendors will be able to use to report to the management instances of unethical behavior / acts, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

The purpose of this document is to provide a framework to promote responsible and secure whistle blowing. It protects the stakeholders wishing to raise a concern about serious irregularities within the Company. The policy neither exempts employees from their duty of confidentiality in the course of their work, nor it is a route for taking up personal grievance / act with a malafide intentions against fellow employee.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company is committed to developing a culture where it is safe for stakeholders i.e. employees, Service Providers, Contractors, dealers, customers as well as vendors for Cyan to raise concerns about any poor or unacceptable practice and any event of misconduct.

There is no incidence reported during the year to the Audit Committee.

IT Governance Policy



Cyan Limited has a well conceived and implemented IT Governance Policy which seeks to ensure that IT is aligned with Cyan's organizational goals and strategies and delivers value to the organization. The policy is designed to promote effective, efficient, timely, and informed decision-making concerning Cyan's IT investments and operations. Specifically the policy aims to establish the IT governance structure and its associated procedures, roles, and responsibilities, as a critical component of the overall IT Management (ITM) Framework, which guides the management, implementation, and

monitoring of IT investments for Cyan Limited. Cyan's IT Governance Policy is mainly charged with:

- Establishing a shared vision of how information technology can add value to the organization;
- Establishing information technology goals, and the strategies for achieving those goals;
- Establishing principles and guidelines for making information technology decisions and managing initiatives;
- Overseeing the management of institutional information technology initiatives;
- Establishing and communicating organizational information technology priorities;
- Determining information technology priorities in resource allocation;
- Establishing, amending and retiring, as necessary, organizational information technology and other technology related policies, and
- Determining the distribution of responsibility between the IT Department and end users.

Level of Materiality



The board of directors shall define the level of materiality, keeping in view the specific circumstances of the company and the recommendations of any technical or executive subcommittee of the board that may be set up for the purpose.

International Standard on Auditing (UK and Ireland) 320 "Materiality in planning and performing an audit" (ISA 320) explains that misstatements and omissions, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users of

the financial statements. The users are considered as a group of users of the financial statements rather than as individual users.

Judgment comes into play when deciding whether a misstatement or omission is immaterial, as although it may be below the calculated materiality level, by its very nature it is material to the users of the financial statements and should therefore be adjusted and/or disclosed in the financial statements e.g. related party transactions.

The first consideration when calculating materiality is the assessed risk associated with the business. There is an inverse relationship between risk and materiality. The higher the assessed risk of material misstatement within the financial statements, the lower the materiality and vice versa. This means that larger samples will be selected in response to the higher assessed risk and as such low materiality results in larger samples, higher materiality levels result in smaller sample sizes.

There are a number of benchmarks which can be selected to help calculate materiality and a range of materiality percentages that could be used when calculating materiality. ISA 320 doesn't specifically mention the ranges of percentages that can be used as again this is left to the auditor's judgment, however, common percentages used are shown below. Ideally the one selected by the auditor should be the benchmark that most represents the needs of the users of the financial statements. Examples of the more common benchmarks and percentages are as follows:

- Revenue (0.5% to 1%)
- Total Assets (1% to 2%)
- Net assets (2% to 5%)
- Profit after tax (5% to10%)

Keeping in view that Cyan limited is a company mainly involved in investing in public and private equities, therefore the appropriate materiality level should be calculated based on percentage of Net Assets. The Board has recommended minimum percentage allocation of 0.5% of Net Assets as Material level. However, this level does not include the related party transactions.

Investors' Relations Policy



Policy Statement

The Investors' Relations policy has been developed to define broad parameters on how Cyan Limited ("the Company") shall deal with the investors in context of general awareness, complaints and communications.

Broad Parameters

This Investor Relations Policy (IRP) will:

- Serve as a statement to the shareholders and other stakeholders of how Cyan intends to keep them informed of material developments, and maintain effective communications with them.

- Provide a framework of processes and procedures upon which Cyan can successfully implement its Investor Relations program. This Policy is meant to serve the company's shareholders and stakeholders.

General Principles

Cyan strives to maintain its corporate credibility and instill investor confidence by practicing a structured approach to the communication of price sensitive information. The Investor Relations program, which is designed to be both proactive and interactive, will be based on Cyan's commitment to:

- always report its financial results and material developments to the Exchange, its shareholders and other stakeholders in a timely, open and comprehensive manner.
- communicate only through its Company Secretary or CEO.
- proactively address reports and rumors, so as to avoid unnecessary volatility in the stock price
- use its website as an additional communications channel.

The company has setup an Investor Service Centre for the facilitation of shareholders.

Communications

Cyan will make every effort to ensure that all price sensitive information concerning the company is made accessible. The company's communication will be characterized by the following attributes:

- Transparency: price sensitive information will be released, whether it is favorable or not, in a balanced and fair manner that is not misleading.
- Consistency: all stakeholders will receive the same information, only formats may differ depending on the audience and forum.
- Accuracy: information shall be complete and accurate when released and material errors will be immediately corrected and clarified, if any.
- Timeliness: price sensitive information will be released as soon as it is known, unless there are exceptional legitimate reasons to withhold, which will be no longer than absolutely necessary.
- Non-selective: equality of access to price sensitive information will be achieved through broad public dissemination; no stakeholder will be given undisclosed price sensitive information in any form.

Spokesperson

Cyan has a well-defined structure for governance and management which provides specific authority and responsibility for policy implementation. The Company shall designate Head of Compliance / Manager Compliance or in their absence any other senior management officer whose name shall be available

in the Annual Report and on the website to handle investor complaints, grievances. The Company Secretary shall also be responsible for communication to the shareholders regarding announcements of general meetings, dividends, and any other price sensitive information.

Price Sensitive Information

The Company will always fully comply with its disclosure obligations in line with regulatory requirements Information shall be considered price sensitive if it falls in the definition of price sensitive information as provided in Section 96 of the Securities Act, 2015 or any superseding Act/Ordinance together with taking into account all the circulars or notifications by the Exchange or Commission.

Confidentiality

In general, all information regarding the Company, its operations, financial condition and future prospects, should be regarded as material and price sensitive, and must be treated as confidential unless it is already in the public domain.

Employees and third parties, such as the Company's auditors, bankers, lawyers or other professional advisors who require such information to properly execute their duties, are to protect the confidentiality of such information.

Major Corporate Developments

The Company will strictly enforce its procedures for the protection of confidentiality until such time as the development of any major corporate development, such as a merger or acquisition or the launch of a significant new business, has received all requisite approvals. Thereafter, special attention will be paid to ensure the widest and most complete dissemination of information concerning the development, in line with the provisions of this Policy, Companies Act and the Listing Regulations of the Exchange.

Amendment

The BOD may on its own motion or on recommendation of the BAC, if it considers that it would be in the interest of the Company to do so, alter, amend, modify or relax any restriction or terms and conditions of the IRP as it may deem fit.

Any provision(s) of this IRP in contravention of any applicable rules and regulation and any guidelines or circulars issued from time to time by the Securities and Exchange Commission of Pakistan (SECP)/ Regulators, the latter shall supersede and prevail over the provisions contained in the IRP.

Health & Safety Policy



In order to improve job satisfaction of the workforce, ensuring a safe and secure environment for employees is always considered important for any organization. To improve the safety and health conditions on an on-going basis, it is necessary to continuously monitor the health and safety issues in the environment and update the current procedures accordingly.

Commonsense and basic good housekeeping are the predominant factors influencing the maintenance of high standards of health and safety in offices and staff should always be conscious of dangers to themselves and their colleagues, presented by their working environment and activities.

Any unsafe conditions, e.g. faulty lifts, faulty fire doors, missing fire extinguishers, missing Fire Notices, defective equipment (particularly defective gas connections), poor lighting, damaged floor coverings, unsafe furniture and so on, should be reported at once to immediate supervisor, admin officer or safety officer so that necessary remedial action can be taken.

Recognizing the importance of employee health and safety, the Company is committed to ensure that employees must know and follow all health and safety requirements of their specific job requirement.

The following items are considered for incorporation of Health & Safety Policy:

- Health and safety are to be given equal consideration with all other business functions.
- Health and safety are everyone's responsibility. Employees shall actively participate in all elements of the Health & Safety program.
- The organization is committed to comply with all corporate policies, procedures and applicable legislation.
- Health and safety are among our highest values and a key indicator of organizational excellence.
- All work-related injuries and illness are preventable by identifying and controlling risks.
- Hazard identification, risk assessment and risk control represent the foundation of a successful Health & Safety management system.
- Our Health & Safety management system is based on continuous improvement.

Corporate Social Responsibility Policy



Cyan recognizes that we must integrate our business values and operations to meet the expectations of our stakeholders. They include customers, employees, suppliers, the community and the environment.

• We recognize that our social, economic and environmental responsibilities to these stakeholders are integral to business. We aim to demonstrate these responsibilities through our actions and within our corporate policies.

- We take seriously all feedback, complaints and compliments that we receive from our stakeholders
 and, where possible maintain open dialogue to ensure that we fulfill the requirements outlined within
 this policy.
- We shall be open and honest in communicating our policies, strategies, targets, performance and governance to our stakeholders in our continual commitment to sustainable development.
- Cyan will, where reasonable, make the necessary resources available to realize our corporate responsibilities. The responsibility for delivery lies with all employees.
- In relation to community involvement, Cyan will identify a charity each year and staff will work together to raise funds and aid the charity as and when possible in a practical way.
- In selecting either a charity for this support or working with a charity in a team building scenario, Cyan will only support programs which are inclusive in nature and reach across all social and community backgrounds. Support will not be given to individuals or groups with political or sectarian connections.

CSR activity undertaken by Cyan staff will be reported in the Annual Report circulated to all stakeholders.

Cyan CSR activities will be focused on the following areas:

- Education
- Health Sector
- Community Building
- √ Children Welfare
- √ Women Empowerment
- √ Sports Development
- √ Heritage Preservation
- √ Relief Activities

Cyan considers the following factors while shortlisting the project:

- Associating to a cause which is in-line with the identified sectors
- Credibility and repute of the charity organization seeking assistance

Insider Trading Policy



Cyan Limited has taken definitive steps in ensuring that all employees, officers, members of the Board and all such relevant persons follow strict guidelines while trading in the shares of the Company. The Insider Trading Policy codifies the Company's standards on trading and enabling the trading of securities of the Company or other publicly-traded companies while in possession of material non-public information.

The general guidelines within the policy state that:

i. No trading in the securities of the Company is permitted for directors and all employees who are "Executives" as defined in the PSX Regulations, within the Closed Periods announced by the Company.

- ii. No insider may purchase or sell any Company's security while in possession of material non-public information about the Company, its customers, suppliers, consultants or other companies with which the Company has contractual relationships or may be negotiating transactions.
- iii. No insider who knows of any material non-public information about the Company may communicate that information to any other person, including family and friends.
- iv. In addition, no insider may purchase or sell any security of any other company, whether or not issued by the Company, while in possession of material non-public information about that company that was obtained in the course of his or her involvement with the Company in the way of conducting official business. No insider who knows of any such material non-public information may communicate that information to any other person, including family and friends.

The Company's Responsibility to Disclose Inside Information

The Company's responsibility, in case of inside information made known to a third party, shall be to ensure that in such case the knowledge is given full public disclosure or if such information still needs to be kept non-public then the Company must ensure that the third party, is placed under legal obligation to maintain confidentiality.

Governance, Risk Management and Compliance Policy



Cyan Limited (the "Company") aims to develop strong governance practices across the spectrum of the Company's activities along with a risk management framework to ensure that risks across the business are monitored and managed effectively.

Governance

The CEO is responsible to ensure that the governance procedures are in place. The CFO and department heads are responsible for the implementation of necessary controls to ensure that the strategies, directions and instructions allocated to the departments and employees

are carried out systematically and effectively. Detailed governance procedures are covered in the Code of Corporate Governance, Code of Conduct, Chairman and Chief Executive Responsibilities and the Authority Policy.

Risk Management

Board's Role in the Oversight of the Risk

As per the SECP Code of Corporate Governance, the Board must ensure that a risk management policy is in place and that all risk issues are reviewed and discussed by the Boards of Directors. This also includes reputational risk. Further the Board is required to address risk analysis, risk management and risk communication including any uncertainties surrounding the listed company in its annual report.

The Board's role will comprise the following with the objective to oversee the risks:

- Review the process that management has put in place and ensure that it is as per risk appetite approved by the Board and meets the risk tolerances established by them
- Discuss key issues and confirm the risk strategies implemented by management
- Ensure that the risk is communicated to the shareholders, stakeholders, regulators, stock exchange and other external parties in a timely manner

Risk Management

Risk management is the logical and systematic method of identifying, analyzing, evaluating, treating and monitoring risks in a way that will enable the organization to meet its objectives and minimize losses and maximize opportunities.

While the CEO will be accountable for risk management, the Department heads will be responsible for the identification, assessment and prioritization of risks. The methods and goals will be determined by the objectives of the department i.e. financial, public health and safety, environmental, security etc. Risk will be managed by having controls in place or by transferring the risk to another party or by avoiding the risk. Risk register

will be maintained by each department and the risk mitigation plan will be approved by the appropriate level of authority.

Risk Management Plan

Department Heads will be responsible for setting the appropriate controls or counter measures for each risk. Hence the department heads need to ensure that:

- Business processes have adequate built-in risk control and containment measures
- Risk is transferred to an external agency (e.g. an insurance company) where this is possible and appropriate
- Risks are avoided altogether (e.g. by closing down a particular high-risk business area)

Leadership and Commitment

The responsibility of the CEO and CFO will comprise the following:

- 1. Develop and maintain a risk management system
- 2. Create general risk awareness within the company
- 3. Review and monitor risk
- 4. Nominate risk owners
- 5. Oversee the operations of risk management policy
- 6. Form a staff induction training program

Monitoring, Review and Reporting of risk

A regular schedule for the review of risk needs to be in place to ensure that risk is monitored and managed as per the risk appetite of the company. As per the schedule given in the department's risk register, the departments will develop:

- Consistent and comprehensive reporting procedures
- Risk monitoring and contingency procedures
- · Procedure for analyzing all feedback received in order to mitigate future risk assessment and allocation

A schedule will be established for the review of the risk management plans which will evaluate:

- 1. Applicability and effectiveness of the previously selected security controls and;
- 2. Changes in the possible risk levels in the business environment

The risk register is a dynamic document that will be reviewed by the management on a quarterly basis and by BAC on a half year/annual basis. The risk review report prepared by each departmental head will include a statement on the effectiveness of internal controls. If any unanticipated risks emerge and the risk's impact is greater than the expected planned response or if risk's impact is significant to the business, this must be brought immediately to the CEO and CFO's attention.

Compliance

The CEO will be responsible for all external legal and regulatory compliance risks which will be managed within the above risk management framework.

Adoption and Statement of Adherence with the International Integrated Reporting Framework (IR)

Cyan Limited always strategizes in integration of financial, social and environmental information so to report its performance and activities by linking sustainability issues to business strategies.

Cyan focuses on economic, societal, technological and environmental factors and their impacts in Company's core strengths in order to achieve sustainable corporate value. The aim of our integrated reporting approach is to enable our stakeholders, including investors, to make a more informed assessment of the value of Cyan and its prospects that covers risk and the aspect of conformance. Cyan also ensures accurate measurement of operational, financial and sustainable performance against its strategy that ensures comparability with the industry and beyond.

Adoption of International Integrated Reporting Framework depends on the individual circumstances of an entity and is still considered to be a practice in its early stages. We will continue to improve the information produced to make it even easier to understand, while taking into account the opinion of stakeholders reading this report. Initially, the Company has included following content elements for the users of this report:

- Organizational overview and external environment
- Risks, opportunities and internal controls
- Strategic objectives and strategies to achieve those objectives
- Governance and Remuneration
- Performance
- Outlook

The Management acknowledges that reasonable care has been taken in preparation and presentation of this Integrated Report presented herewith which comprises the discussion, analysis and disclosures pertaining to stewardship, which should be read in conjunction with the audited financial statements. The role of stewardship brings upon it an obligation to be transparent and accountable, which is thoroughly recognized in this report.

Directors' Orientation and Training

All the Directors of the Company are well experienced and have diverse backgrounds. At the time of induction of any new director, he or she is given proper orientation about the operations of the Company and his or her fiduciary responsibilities. The Company is compliant in respect of certification of all directors under the directors' training program offered by institutions that meet criteria specified by SECP.

Policy on Directors' Remuneration

The Directors' Remuneration policy has been developed to remunerate Directors in line with the market norms in the largest interest of Cyan Limited ("the Company"). The objective of the remuneration policy is to create a remuneration structure that will allow the Company to attract, reward and retain qualified Directors who will lead the Company in achieving its strategic objectives. The Company in its 51st AGM held on April 30, 2011 approved the Director's Remuneration (other than Group Executives) for attending the Board and the Board Committees' meetings in compliance with the requirements of Article 78(a) of the Company's Article of Association.

The Board of Directors may on its own motion or on recommendation of the BHR & RC, if it considers that it would be in the interest of the Company to do so, alter, amend, modify or relax any restriction or terms and conditions of the Directors' Remuneration Policy as it may deem fit subject to approval of Shareholders in the general meeting. Any provision(s) of this Directors' Remuneration Policy in contravention of any applicable rules and regulation and any guidelines or circulars issued from time to time by the Securities and Exchange Commission of Pakistan (SECP)/Regulators, the latter shall supersede and prevail over the provisions contained in the Directors' Remuneration Policy.

Matters Delegated to the Management

Responsibility for implementing the strategies, conducting the routine business operations of the Company in accordance with the strategies and goals as approved by the Board of Directors is the primary responsibility of the Management. Management is also concerned in keeping the Board members updated regarding any changes in the operating environment. It is also the responsibility of management, with the oversight of the Board and its Audit Committee, to prepare financial statements that fairly present the financial position of the Company in accordance with applicable accounting standards and legal requirements.

Governance Practices Exceeding Legal Requirements

Cyan Limited is proud to have successfully adapted practices to reflect the changing standards of evolving governance regulations. Today we meet, and often exceed, all mandatory legal compliances under the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Companies Act 2017 and other applicable rules, regulations and standards. In addition, we have also carried out the following activities in addition to the legal requirements;

- The requirement for a female director on the board of a listed company has been recently mandated by the new Company laws. Cyan is already in compliance before the introduction of this requirement.
- Cyan has developed and implemented health and safety standards to ensure to ensure proper safety of its people and equipment.

Independent Director

The amendment in new law requires that the independent directors of each listed company shall not be less than two members or one third of the total members of the board, whichever is higher. Cyan will comply with this requirement after the director elections which will be conducted in the up coming AGM to be held on May 21, 2020.

Related Parties

Disclosure requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards have been complied and presented in note 26 to the financial statements presented afterwards in this annual report.

POLICY ON TRANSACTIONS/CONTRACTS WITH ASSOCIATED COMPANIES / RELATED PARTIES

CYAN Limited shall ensure that all transactions/contracts with related parties/subsidiary and associated companies are carried out on arm's length basis and in line with the market norm for all commercial transactions. No undue favors shall be accorded to any related party/subsidiary and associated company while entering into any transactions. All transactions with related parties/subsidiary and associated companies shall be duly declared as per prescribed Regulations of SECP.

Statement of Managements Responsibility Towards the Preparation and Presentation of Financial Statements and Directors Compliance Statements

The Company, its Board of Directors and the management have always been keen to follow the standards set down by governing institutions. In lights of the same strict compliance of all standards set out by ICAP, the Companies Act, the international Accounting Reporting Standards have been adhered to and otherwise good and responsible reporting has been our general practice.

Conflict of Interest Policy

Cyan Limited provides a code of conduct for all directors of the Company to avoid any conflicts of Interest between the director and the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Board of Directors.

This policy provides guidance on what constitutes a conflict of interest and how it will be managed and monitored by the Company.

Directors should communicate any suspected violations of the above policy promptly to the Chairman of the Audit Committee. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code.

Human Resource Policies

The primary goal of our human resource department is to ensure that we have the right people at the right time in the right position. Our HR department, through continuous consultation with other departments, determines our future HR requirement. We then aim to meet such requirements through talent acquisition, talent development and succession planning.

Our objective always remains to recruit dynamic people whose caliber and capabilities are best suited for the job, which we conform to through our recruitment and selection process. In addition to recruiting employees externally, we seek to meet our HR requirements through job rotations. This enables us to create more career opportunities for our people and enhances both lateral and upward mobility in our organization.

Our employees are reviewed against their job objectives annually depending on their job roles. Our performance appraisal process enables us to emphasize on the growth of our employees as well as identify their learning and career development needs. As a part of this process, through constructive dialogue, our employees are also encouraged to work on areas where there is scope of improvement. We also get to identify our high-potential employees for our succession-planning program. This process also helps us to ensure that the contributions of our employees are properly recognized and appropriately rewarded.

Succession planning is critical to us, as it enables us to ensure leadership continuity and avoid extended and costly leadership vacuum. We prefer to promote from within the organization so that we can create greater career opportunities for our people.

The Company has a complete set of other HR policies referred as HR Manual for appointment and commencement of service, Salary and other perquisites, Medical and Life Insurance facilities, Training and development, Performance evaluation etc.

Diversity Policy

Cyan is committed to fostering, cultivating and preserving a culture of diversity and inclusion.

Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and company's achievement as well.

We embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

Cyan's diversity initiatives are applicable but not limited to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; layoffs; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Work/life balance through flexible work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve to promote a greater understanding and respect for the diversity.

Statement of Unreserved Compliance of International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board (IASB)

Cyan Limited is preparing statutory financial statements in accordance with the IFRS issued by IASB as notified under the Companies Act, 2017 including the disclosure requirements of fourth schedule.

In addition to this, note 3.2 to the financial statement specify few standards and interpretations which are vet to be effective in Pakistan. The Company believes that that the impact of those referred in note 3.2 does not have any material impact to the financial statements.

Report of the Audit Committee

The Audit Committee has concluded its annual review of the conduct and operations of the Company during 2019, and reports that:

- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" as stipulated in listed Companies (Code of Corporate Governance) Regulations 2019, which has also been reviewed and certified by the Auditors of the Company.
- Understanding and compliance with Company codes and policies has been affirmed by the members of the Board, the Management and employees of the Company individually. Equitable treatment of shareholders has also been ensured.
- Appropriate accounting policies have been consistently applied except as disclosed in the Annual Financial Statement for the year ended December 31, 2019. All cores & other applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended December 31, 2019, which present fairly the State of Affairs, Results of Operations, Profits, Cash Flows and Changes in Equities of the Company for the year under review.
- The Chief Executive and the Chief Financial Officer have reviewed the Financial Statements of the Company and the Directors' Report. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgments. Proper and adequate
 accounting records have been maintained by the Company in accordance with Companies Act,
 2017 and the external reporting is consistent with Management processes and adequate for
 shareholder needs.
- All Directors have access to the Company Secretary. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- Closed periods were duly determined and announced by the Company, limiting the Directors, the Chief Executive and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

INTERNAL AUDIT

- The internal control framework has been effectively implemented; the Board has established an effective internal audit function within the Company.
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders wealth at all levels within the Company.
- The Internal Audit function has carried out its duties under the charter approved by the Committee.
 The Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required.

The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the function has all necessary access to Management and the right to seek information and explanations.

EXTERNAL AUDITORS

- The statutory Auditors of the Company, A. F. Ferguson & Company, Chartered Accountants, have completed their Audit assignment of the "Company's Financial Statements" and the "Statement of Compliance with the Code of Corporate Governance" for the financial year ended December 31, 2019 and shall retire on the conclusion of the 60th Annual General Meeting.
- The Audit Committee has reviewed and discussed the Audit Report with the External Auditors.
- The Auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Auditors attended the Annual General Meetings of the Company during the year and have confirmed attendance of the 60th Annual General Meeting scheduled for April 29, 2020 and have indicated their willingness to continue as Auditors.
- The Audit Committee has recommended the appointment of A.F. Ferguson & Co. Chartered Accountants as External Auditors of the Company for the year ending December 31, 2020.

Kamran Nishat

Chairman - Audit Committee

Karachi: February 21, 2020

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

CYAN LIMITED

Year Ended December 31, 2019

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (07) as per the following:

a. Male: 06 b. Female: 01

2. The composition of board is as follows:

Category	Names
*Independent Director	Kamran Nishat
Non-executive Directors	Inam ur Rahman Hasan Reza-Ur Rahim Shafiq Ahmed
Executive Directors	Sulaiman S. Mehdi Faisal Nadeem
Female Director	Kulsum Dawood

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- 4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- 8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- 9. The company is compliant in respect of certification of all directors under the Director's Training program;
- 10. The Board has approved appointment of chief financial officer and company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- 11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
- 12. The board has formed committees comprising of members given below:

a) Audit Committee

Name	Designation	Category
Mr. Kamran Nishat	Chairman	Independent Director
Mr. Inam Ur Rahman	Member	Non-Executive Director
Mr. Shafiq Ahmed	Member	Non-Executive Director

b) Human Resource and Remuneration Committee

Name	Designation	Category
Mr. Kamran Nishat	Chairman	Independent Director
Mr. Hasan Reza Ur Rahim	Member	Non-Executive Director
Mr. Inam Ur Rahman	Member	Non-Executive Director

c) Investment Committee

Name	Designation	Category
Mr. Hasan Reza Ur Rahim	Chairman	Non-Executive Director
Mr. Inam Ur Rahman	Member	Non-Executive Director
Mr. Shafiq Ahmed	Member	Non-Executive Director

- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
- 14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a) Audit Committee: 05 meetings held during the year ended December 31, 2019;
 - b) HR and Remuneration Committee: 01 meeting held during the year ended December 31, 2019.
 - c) Investment Committee: 03 meetings held during the year ended December 31, 2019.
- 15. The Board has set up an effective internal audit function managed by a suitably qualified and experienced professional who is conversant with the policies and procedures of the Company;
- 16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
- 18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.

Karachi: February 24, 2020 HASAN REZA UR RAHIM

Chairman





INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cyan Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 prepared by the Board of Directors of Cyan Limited (the Company) for the year ended December 31, 2019 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2019.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: March 13, 2020





INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CYAN LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Cyan Limited (the Company), which comprises the statement of financial position as at December 31, 2019, and statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2019 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
(i)	Investments (Refer note 9 to the financial statements)	
	The total assets of the Company aggregate to Rs. 2,522 million out of which investments amounts to Rs. 2,368 million. These investments are measured at fair value through profit or loss, fair value through other comprehensive income and amortised cost.	Reviewed the design and tested the operating





S.No.	Key Audit Matter	How the matter was addressed in our audit
	Due to the significance of these investments to the overall statement of financial position of the Company as at December 31, 2019, the valuation of these investments in accordance with the adopted accounting policy was a significant risk and considered a key audit matter.	the existence of the investment portfolio as at December 31, 2019 and reconciled it with the books and records of the Company:
(ii)	IFRS - 16 Leases (Refer note 3.1.3 to the financial statements)	
	The Company has adopted IFRS 16 "Leases" with effect from January 1, 2019. IFRS 16 introduces a single on-balance sheet lease accounting model for leases entered into by the lessees. A lessee recognises a right-of-use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments. On adoption of IFRS 16, the Company has changed its accounting policy for operating leases which are now recognised on the statement of financial position. The Company has accordingly recorded right-of-use asset and lease liability amounting to Rs. 23.447 million as at January 1, 2019. The comparatives figures for the 2018 reporting period have not been restated, as permitted under the specific transitional provisions of the standard. The adoption of IFRS 16 involves estimation and judgement. Because of the significance of the impact of these judgements / estimates, we considered this area as a key audit matter.	 Obtained an understanding of the management's process for identification of agreements which contain leasing arrangements. Evaluated the selection of accounting policies and methodology followed by the management for determination and measurement of right-of-use asset, corresponding lease liabilities and other related impacts. Tested the underlying data used by the management from the lease contract for determination of the right-of-use asset and corresponding lease liabilities. Further, performed re-computation to assess the accuracy of computation performed by the management.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.





In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud
 or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that
 is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material
 misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve
 collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures
 that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the
 effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the
 disclosures, and whether the financial statements represent the underlying transactions and events in
 a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made and expenditure incurred during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Medassita

Chartered Accountants Karachi

Date: March 13, 2020

Statement of Financial Position

As at December 31, 2019

ASSETS	Note	2019 (Rupees	2018 in '000)
Non-current assets Property and equipment Intangible assets Deferred taxation Long term investment Long term loans Long term deposits	6 7 16 9 8	39,236 109 83,815 42,248 4,282 2,500 172,190	13,405 66 74,051 - 6,154 2,500 96,176
Current assets Short term investments Long term loans - current portion Trade and other receivables Advances and short-term prepayments Cash and bank balances	9 8 10 11 12	2,325,275 2,094 11,976 8,298 1,869 2,349,512	2,108,946 2,330 43,772 3,291 9,570 2,167,909
TOTAL ASSETS		2,521,702	2,264,085
EQUITY AND LIABILITIES			
Share capital and reserves Authorised share capital 100,000,000 (2018: 100,000,000) Ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up share capital Unappropriated profit Reserves Remeasurement on post retirement benefits obligation - net of tax	13 14	586,277 757,785 133,088 (384)	586,277 659,843 133,088 (1,855)
Surplus on revaluation of investments carried at fair value through other comprehensive income		639,564 2,116,330	456,777 1,834,130
Non-current liabilities Deferred liability - gratuity Lease liability against right-of-use asset	15	17,358 9,143	15,281
Current liabilities Trade and other payables Current portion of lease liability against right-of-use asset	17	26,501 68,174 8,023	15,281 38,549 -
Unclaimed dividend Short term borrowings Taxation - net	18	26,727 195,446 80,501 378,871	32,599 218,146 125,380 414,674
TOTAL EQUITY AND LIABILITIES		2,521,702	2,264,085
CONTINGENCIES AND COMMITMENTS	19		<u> </u>
CONTINUE NO LO AND CONTINUE IN IO	13		

The annexed notes 1 to 36 form an integral part of these financial statements.

Faisal Nadeem Chief Financial Officer Sulaiman S. Mehdi Chief Executive Kamran Nishat Director

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2019

	Note	2019 (Rupees	2018 s in '000)
Return on investments Gain on sale of investments - net Other income Unrealised diminution on re-measurement of investments	20 21	99,841 137,591 15,695 253,127	96,899 228,757 12,422 338,078
classified as financial assets at fair value through profit or loss - net		(2,298) 250,829	<u>(419,717)</u> (81,639)
EXPENSES			
Operating and administrative expenses Financial charges	22 23	(144,493) (11,463) (155,956)	(114,674) (14,689) (129,363)
Profit / (loss) before taxation		94,873	(211,002)
Taxation - current year - prior year - deferred	24 24 24	(20,400) 13,105 10,364 3.069	(29,060) - 21,976 (7,084)
Net profit / (loss) for the year after taxation		97,942	(218,086)
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss			
Surplus on revaluation of investments carried at fair value other comprehensive income	through	182,787	-
Remeasurement of post retirement benefits obligation - ne	et of tax	1,471	287
Items that may be reclassified subsequently to profit of	or loss		
Deficit on revaluation of available-for-sale securities		-	(71,595)
Total comprehensive income / (loss) for the year		282,200	(289,394)
		(Rup	nees)
Basic and diluted earnings / (loss) per share	31	1.67	(3.72)

The annexed notes 1 to 36 form an integral part of these financial statements.

Statement of Changes in Equity For the year ended December 31, 2019

	Share capital	Capital re	serves	Revenue	e reserves	Remeasur-	Surplus /	
	Issued, subscribed and paid-up	Reserve for exceptional losses	Capital gain reserve	General reserve	Unappropriated profit	ement on post retirement benefits obligation - net of tax	(deficit) on revaluation of investments at fair value through other comprehensive income	Total
				(Rup	ees in '000)			
Balance as at January 1 , 2018	586,277	10,535	2,553	120,000	1,024,498	(2,142)	528,372	2,270,093
Total comprehensive income/(loss) for the year ended December 31, 2018								
Net loss for the year	-	-	-	-	(218,086)	-	-	(218,086)
Other comprehensive loss	-	-	-	-	-	287	(71,595)	(71,308)
Transactions with owners recorded directly in equity	-	-	-	-	(218,086)	287	(71,595)	(289,394)
Interim Dividend of Rs. 2.5 per share for the half year ended June 30, 2018	-	-	-	-	(146,569)	-	-	(146,569)
Balance as at December, 31 2018	586,277	10,535	2,553	120,000	659,843	(1,855)	456,777	1,834,130
Total comprehensive income for the year ended December 31, 2019								
Net profit for the year	-	-	-	-	97,942	-	-	97,942
Other comprehensive income	-	-	-	-	-	1,471	182,787	184,258
	-	_	-	-	97,942	1,471	182,787	282,200
Balance as at December 31, 2019	586,277	10,535	2,553	120,000	757,785	(384)	639,564	2,116,330

The annexed notes 1 to 36 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended December 31, 2019

OAOU ELONGO EDONA ODEDATINO AOTIVITIEO	Note	2019 (Rupee:	2018 s in '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		94,873	(211,002)
Adjustment for non cash charges and other items: Depreciation on owned fixed asset Depreciation on right-of-use asset Amortisation (Gain) / loss on sale of property and equipment Capital gain on sale of investments - net Amortisation of premium on government securities Financial charges Net unrealised dimunition on revaluation of investments classified as at fair value through profit or loss		5,306 8,039 98 (990) (137,591) (3,235) 11,463 2,298 (114,612)	2,618 71 23 (228,757) (3,042) 14,689 419,717 205,319
Operating loss before working capital changes		(19,739)	(5,683)
Decrease / (increase) in operating assets Trade and other receivables Long term loans Advances and short-term prepayments Increase in operating liabilities Deferred liability Trade and other payables		31,796 2,108 (5,007) 28,897 4,149 29,625	(27,530) 1,979 248 (25,303) 3,486 23,533
Net cash generated from / (used in) operations		33,774 42,932	27,019 (3,967)
Taxes paid Financial charges paid Dividend paid Net cash used in operating activities		(52,174) (12,345) (5,872) (27,459)	(121,489) (8,743) (144,641) (278,840)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments Investment in securities Capital expenditure incurred Proceeds from sale of property and equipment Net cash generated from investing activities		4,946,983 (4,884,246) (16,506) 1,626 47,857	5,921,043 (5,848,607) (1,243) 148 71,341
CASH FLOWS FROM FINANCING ACTIVITIES Principal portion of lease liability against right-of-use asset		(6,281)	-
Net increase / (decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the year		14,117 (199,230)	(207,499) 8,269
Cash and cash equivalents at the end of the year	12.2	(185,113)	(199,230)

The annexed notes 1 to 36 form an integral part of these financial statements.

Faisal Nadeem Chief Financial Officer Sulaiman S. Mehdi Chief Executive Kamran Nishat Director

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

Cyan Limited ("the Company"), a DH Group Company, is a Public Limited Company incorporated in Pakistan on April 23, 1960 under the Companies Act, 1913 (now Companies Act, 2017). The Company is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 4th Floor Dawood Centre, Molvi 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 PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis, except for certain investments which are measured at fair value as described in note 4.5 and certain staff retirement benefits which are carried at present value as described in note 4.12.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency and have been rounded off to the nearest thousand rupees.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting and reporting standards 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 areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- (a) Classification of investments (note 4.5 and 9).
- (b) Accounting for defined benefit plan (note 4.12 and 15).

- (c) Depreciation / amortisation of operating fixed assets and intangible assets (note 4.1, 4.6, 6 and 7)
- (d) Provision for taxation (current and prior years) and deferred taxation (note 4.3, 16 and 24)

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

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

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

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

	As at December 31, 2018 (as previously stated)	Change	As at January 1, 2019	As at December 31, 2019
		(Rupees	in '000)	
Impact on Statement of Financial Positio	n	` '	,	
Investments - 'Loans and receivables'	3,000	(3,000)	-	-
Investments - 'At amortised cost'	-	3,000	3,000	3,000
Investments - 'Available for Sale' Investments - 'Fair Value through Other	574,719	(574,719)	-	-
Comprehensive Income'	-	574,719	574,719	757,506

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

- 3.1.2 IFRS 15 'Revenue from contracts with customers' is effective for annual periods beginning on or after July 1, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. Based on the analysis of the Company's current revenue activities, adoption of IFRS 15 does not have a significant impact on the company's profit or loss
- 3.1.3 IFRS 16: 'Leases', became effective from annual period beginning on or after January 1, 2019.

Effective January 1, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases- Incentive and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

The Company has adopted IFRS 16 retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The impact of adoption of this standard is therefore recognised in the opening statement of financial position on January 1, 2019. The accounting polices relating to Company right of use asset and lease liability are disclosed in note 4.2.

On adoption of IFRS 16, the Company recognised lease liabilities which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of January 1, 2019. The Company's weighted average incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 12.91% per annum.

December January 1, 31, 2019 2019 (Rupees in '000)

23,447

17,166

Total lease liability recognised against right-of-use asset

The right-of-use asset is measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position as at December 31, 2019.

The recognised right-of-use asset relate to the following type of asset:

	December 31,	
	2019	2019
	(Rupees	in '000)
Property and equipment	15,408	23,447
The effect of this change in accounting policy is as follows:		
Impact on Statement of Financial Position		
- Increase in Property and equipment - right-of-use asset	15,408	23,447
- Increase in deferred tax asset	510	
- Increase in total assets	15,918	23,447
- Increase in lease liability against right-of-use asset	17,166	23,447
- Decrease in net assets	1,248	-
Impact on Profit and Loss account		
- Increase in financial charges - interest expense on lease		
liability against right-of-use asset		2,354
- Increase in operating and administrative expenses -		
depreciation on right of use asset		8,039
- Decrease in operating and administrative expenses - rent		
and taxes		(8,635)
- Decrease in profit before tax		(1,758)
- Tax charge @ 29%		510
- Decrease in profit after tax		(1,248)
		Rupees
- Decrease in earnings per share - Rupees		(0.02)

3.1.4 During the current year, the Company has also changed its accounting policy in respect of the presentation of components of 'Other Comprehensive Income' by including a single statement titled 'Statement of Profit or Loss and Other Comprehensive Income'. Previously, these components were shown in a separate statement titled 'Statement of Profit or Loss' and 'Statement of Other Comprehensive Income'. As a result of the above change, single statement is now being presented i.e. 'Statement of Profit or Loss and Other Comprehensive Income'. This change in accounting policy has been made for better presentation and has been applied retrospectively.

3.2 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are not yet effective

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

Effective date (accounting period beginning on or after)

Amendments

- IAS 1 - 'Presentation of Financial Statements' (amendment)

- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)

January 1, 2020 January 1, 2020

The management is currently in the process of assessing the full impact of these amendments on the financial statements of the Company.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 4

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years except for the change in accounting policy as explained in note 3.1.1, 3.1.3 and 3.1.4 above.

4.1 **Property and Equipment**

4.1.1 Tangible

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Maintenance and normal repairs are charged to the profit or loss as and when incurred. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is possible that the future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

Depreciation on tangible fixed assets is charged to the profit or loss by applying the reducing balance method except in the case of cell phones in which case the straight line method is applied, whereby the depreciable amount of an asset is written-off over its estimated useful life at the rates specified in note 6. Depreciation is charged on additions from the date the asset is available for use whereas depreciation on disposals is charged till the date of disposal.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The assets' residual values, useful lives and methods are reviewed and adjusted, if appropriate at each financial year end. Gain or loss on disposal of fixed assets is charged to the profit or loss.

4.1.2 Intangibles

Intangible assets comprise software license, and are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged over the useful life of the asset on a systematic basis to profit or loss by applying the straight line method at the rates specified in note 7 to the financial statements.

4.2 Lease liability and right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4.3 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity respectively.

4.3.1 Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

4.3.2 Deferred

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, stamps in hand, deposits, short term placements with banks and short term borrowings which form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

4.5 Investments

The management of the Company determines the appropriate classification of its investments at the time of purchase and classifies its investments as at fair value through profit or loss, fair value through other comprehensive income and amortised cost. The classification depends on the purpose for which the investments were acquired.

4.5.1 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

4.5.2 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of payments of principal and interest on the principal amount outstanding.

On adoption of IFRS-9, the Company has made an irrevocable election in respect of equity securities categorized under Available for sale, to present changes in fair value in other comprehensive income rather than profit or loss. When this election is used, fair value gains and losses recognised in other comprehensive income are not subsequently reclassified to profit or loss, including on disposal.

4.5.3 Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses and gain or loss arising on derecognition are recognised directly in profit or loss.

4.6 Impairment

4.6.1 Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

4.6.2 Non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.7 Financial instruments

Financial instruments carried on the statement of financial position include investments, deposits, loans, advances, cash and bank, sundry receivables, loans to employees, accrued expenses, other creditors and accruals, unclaimed dividends and short term borrowings.

Financial assets are recognised at the time the Company becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transactions costs are recognised in the profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the profit or loss except for investment in equity securities classified as fair value through other comprehensive income.

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the profit or loss.

4.8 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

4.9 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods or services received, whether or not billed to the Company.

4.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

4.11 Revenue recognition

Return on Investments

i) Dividend income on equity securities is recognised in the profit or loss when the right to receive the dividend is established.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

- ii) Realised capital gain / (losses) arising on sale of investments classified as financial assets 'at fair value through profit or loss' are recognised in the profit or loss on the date at which the transaction takes place.
- iii) Unrealised capital gains / (losses) arising on mark to market of investments classified as 'Financial assets at fair value through profit or loss' and at 'fair value through other comprehensive income' are recognised in the profit or loss and other comprehensive income in the period in which they arise
- iv) Income on government securities is recognised on time proportion basis using the effective yield method

Other income

- v) Income on long term loans, bank deposits and placements is recognised on accrual basis.
- vi) Income on advisory services is recognised on delivery of services.

4.12 Employee Benefits

4.12.1 Defined contribution plan

The Company operates a recognised contributory provident fund scheme for all its eligible employees. Equal contributions are made by the Company and the employees at the rate of 15% of the basic salary.

4.12.2 Defined benefit plan

The Company operates an unfunded approved gratuity scheme for all permanent employees who have completed the minimum qualifying period of service. Contributions to the scheme are made in accordance with an independent actuarial valuation using the Projected Unit Credit Method. Amounts arising as a result of remeasurements, representing actuarial gains and losses are recognised directly in equity through 'other comprehensive income' as they occur. The latest actuarial valuation of the scheme has been carried out as at December 31, 2019.

4.12.3 Employees' compensated absences

The Company accounts for the liability in respect of employees compensated absences in the period in which they are earned.

4.13 Regular way contracts

Regular purchases and sale of financial assets are recognised on the trade date, the date on which the Company commits to purchase or sell the asset.

4.14 Earnings per share (EPS)

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own

shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

4.15 Foreign currencies

Transactions in foreign currencies are recorded at the rates prevailing on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing on the reporting date. Exchange gains or losses, if any, are taken to the profit or loss.

4.16 Dividend declaration and reserve appropriations

Dividend distribution and reserve appropriations are recorded in the period in which the distribution and appropriations are approved.

4.17 Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incurs expenses that relates to transactions with any of the other components of the entity.

The Board of Directors and Chief executive have been identified as the Chief operating decision makers who are responsible for allocating resources and assessing the performance of the operating segments. Currently the Company is functioning as single operating segment .

4.18 Discontinued operations

A discontinued operation is a separate major line of business, which is a distinct part of the business both operationally and for financial reporting purposes and which is in the process of being discontinued by the entity. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

5 DISCONTINUED OPERATIONS

In 2011, the Board of Directors and shareholders of the Company in their respective meetings held on January 27, 2011 and March 10, 2011 had approved a business restructuring plan (BRP), by virtue of which the Company discontinued its insurance business and continues to undertake only strategic and portfolio investment business and investments in other financial instruments. On November 30, 2011, the Securities and Exchange Commission of Pakistan (SECP), in exercise of its powers under section 9 (2) of the Insurance Ordinance, 2000, de-registered the Company as an insurer and revoked its insurance license to carry on insurance business.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

6 PROPERTY AND EQUIPMENT

	Furniture and fixtures	Office Vehicles equipment		Right-of- use asset	Total
		(Rupees in '000)	
Year ended December 31, 2019		,		,	
Opening net book value	8,705	2,401	2,299	-	13,405
Adoption of IFRS 16 (note 3.1.3)	-	-	-	23,447	23,447
Additions during the year Disposals during the year	403	3,333	12,629	-	16,365
Cost	-	(1,851)	(1,518)	-	(3,369)
Accumulated deprciation	-	1,530	1,203	-	2,733
	-	(321)	(315)	-	(636)
Depreciation charge for the year	(879)	(1,709)	(2,718)	(8,039)	(13,345)
Closing net book value	8,229	3,704	11,895	15,408	39,236
As at December 31, 2019					
Cost	16,812	12,077	15,381	23,447	67,717
Accumulated depreciation	(8,583)	(8,373)	(3,486)	(8,039)	(28,481)
Closing net book value	8,229	3,704	11,895	15,408	39,236
Year ended December 31, 2018					
Opening net book value	9,626	2,448	2,877	-	14,951
Additions during the year	42	1,201	-	-	1,243
Disposals during the year					
Cost	-	(1,047)	(39)	-	(1,086)
Accumulated depreciation	-	879	36	-	915
	-	(168)	(3)	-	(171)
Depreciation charge for the year	(963)	(1,080)	(575)		(2,618)
Closing net book value	8,705	2,401	2,299		13,405
As at December 31, 2018					
Cost	16,409	10,595	4,270	-	31,274
Accumulated depreciation	(7,704)	(8,194)	(1,971)	-	(17,869)
Closing net book value	8,705	2,401	2,299		13,405
Rate of depreciation	10%	33% & 50%	20%	33%	

		Computer Software		
INTANGIBLE ASSETS	Note	2019 (Rupees	2018 s in '000)	
Year ended December 31				
Opening net book value Additions during the year Disposals during the year		66 141	137	
Cost Accumulated amortisation		-		
Amortisation charge for the year Closing net book value		(98) 109	(71) 66	
As at December 31				
Cost Accumulated amortisation Closing net book value	7.1	7,209 (7,100) 109	7,068 (7,002) 66	
Rate of amortisation		33.33%	33.33%	

7.1 Included in cost of intangibles are fully amortised items which are still in use aggregating to Rs. 7.068 million (2018: Rs. 6.86 million).

8 LONG TERM LOANS

7

Considered good			
-due from executives	8.1	6,376	8,484
		6,376	8,484
Current portion of long-term loans		(2,094)	(2,330)
		4,282	6,154

8.1 House loans given to Sulaiman S. Mehdi (Chief Executive Officer) and Faisal Nadeem (Chief Financial Officer), which are repayable in ten years in equal monthly installments at a mark-up of 6% per annum. The loans have been provided against collateral of property documents.

8.2 Following is the movement of long term loans to employees:

Long term			
Opening balance		8,484	10,463
Repayments		(2,330)	(2,330)
Add: Interest receivable		222	351
Closing balance	8.3	6,376	8,484

8.3 The maximum aggregate amount of loans and advances outstanding at any time since the previous statement of financial position was Rs. 8.484 million (2018 : Rs. 10.463 million).

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

9	INVESTMENT	Note	2019 2018 (Rupees in '000)		
	Long term investment Short term investment	9.1 9.2	42,248 2,325,275 2,367,523	2,108,946 2,108,946	
9.1	Long term investment				
	Financial assets carried at amortised cost	9.1.1 & 9.1.2	42,248		

- 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. 45.151 million as at December 31, 2019 (December 31, 2018: Nil). These will be released once the outstanding claims and balances relating to insurance business are settled.
- **9.1.2** These carry a profit yield at 13.71% per annum (December 31, 2018: Nil) payable at six month interval. These PIB's are maturing on July 12, 2023.

9.2 Short term investments

Financial assets comprise of the following: - Investments carried at amortised cost 10,500 9.2.1 47,979 - Investments carried at fair value through other 9.2.2 757,506 574,719 comprehensive income - Investments carried at fair value through profit or loss 9.2.3 1,557,269 1,486,248 2,325,275 2,108,946 9.2.1 Investments carried at amortised cost Treasury bills 44,979 3,000 Deposits maturing within one month 9.2.1.1 3,000 Deposits maturing within one year 9.2.1.2 7,500 10,500 47.979

- **9.2.1.1** These 'Term Deposit Receipts' carry mark-up at 11.25% per annum (2018: 8.00% per annum) and are due to mature on January 10, 2020.
- **9.2.1.2** These 'Term Deposit Receipts' carry mark-up at 11.7% per annum (2018: Nil) and are due to mature on June 24, 2020.

			Market Value		
			2019	2018	
			(Rupees	s in '000)	
9.2.2	Investments carried at fair value through other comprehensive income				
	Un-quoted shares	9.2.2.1	-	-	
	Un-quoted debentures	9.2.2.2	-	-	
	Quoted shares - related parties	9.2.2.3	757,506	574,719	
			757,506	574,719	

9.2.2.1 Un-quoted Shares

Name of investee company

Note

Number	of Shares	Cost			
31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18		
	Rupees in '000'				

Bankers Equity Limited

Cost as on December 31

Less: Provision for Impairment

Carrying Value

9.2.2.1.1 13,465

13,465

 117
 117

 117
 117

 (117)
 (117)

9.2.2.1.1 The company is in the process of liquidation, therefore, the name of the Chief Executive is not available.

9.2.2.2 Un-quoted debentures

Name of investee company

Number of Bonds 31-Dec-19 31-Dec-18 Cost 31-Dec-19 31-Dec-18 Rupees in '000'

Hyson Sugar Mills Limited
Cost as on December 31
Less: Provision for Impairment
Carrying Value

120

120 60 60 60 60 (60) (60)

9.2.2.3 Quoted Shares - Related Parties

Name of investee company

Cost Market value
31-Dec-19 31-Dec-19 31-Dec-

Name of investee company Not	e SI-Dec-19	31-Dec-10	31-Dec-19	31-Dec-19	31-Dec-18
				Rupees in '00	0'
Inv. Bank / inv. Cos / Sec. Cos					
Dawood Hercules Corporation Limited 9.2.2.3 Equity held: 0.17% (2018: 0.17%)	794,380	794,380	47,652	122,501	88,295
Textile Composite	0.005.005	0.005.005	000 444	225 225	100 101
Dawood Lawrencepur Limited Equity held: 5.02% (2018: 5.02%)	2,965,095	2,965,095	222,111	635,005	486,424
			269,763	757,506	574,719
Less: Provision for Impairment			(151,821)		
Carrying Value			117,942		
Market Value as at December 31, 2019			757,506		
Unrealised gain			639,564		

9.2.2.3.1 0.794 million shares (2018: 0.794 million shares) of Dawood Hercules Corporation Limited having a market value of Rs. 122.501 million (2018: Rs. 88.295 million) as at December 31, 2019 have been pledged as collateral in favor of MCB Bank Limited against running finance facility obtained from the said bank.

Note Market Value
Note 2019 2018
(Rupees in '000)

9.2.3 Investments carried at fair value through profit or loss

Quoted shares Mutual funds 9.2.3.1 9.2.3.2

1,554,984 2,285 1,557,269 1,483,399 2,849 1,486,248

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

9.2.3.1 Quoted Shares

Cement Lucky Cement Limited 200,000 525,000 84,777 85,680 228,202 3.62% 0.09% Maple Leaf Cement Factory Limited 200,000 525,000 84,777 85,680 243,312 3.62% 0.09% Maple Leaf Cement Factory Limited 200,000 529,000 64,777 85,680 243,312 3.62% 0.09% Maple Leaf Cement Factory Limited 223,1.18 5,000,000 5,000,000 207,496 228,500 202,950 9.65% 0.28% 283,12 3.62% 0.09% Maple Leaf Cement Factory Limited 9.2,3.1.18 5,000,000 5,000,000 207,496 228,500 202,950 9.65% 0.28% 157,420 - 6.65% 0.07% 169,982 157,420 - 6.65% 0.07% 169,982 157,420 - 6.65% 0.07% 169,982 157,420 - 6.65% 0.07% 102,500 169,982 157,420 - 6.65% 0.07% 169,982 169,742 169,742 17% 0.05% 169,982 169,742 17% 0.05% 169,982 169,742 17% 0.05% 169,982 169,742 17% 0.05% 169,982 169,742 17% 0.05% 169,982 169,742 17% 0.05% 169,982 169,742 17% 0.05% 169,982 169,742 17% 0.05% 169,982 169,742 17% 0.05% 169,982 169,742 17% 17% 179,983 176,983	Name of investee company	Note	Number of Shares		nber of Shares Carrying Market Value Value				Investment as a percentage of paid-up capital of investee company
Cement Lucky Cement Limited 200,000 525,000 84,777 85,680 228,202 3,62% 0,06% Maple Leaf Cement Factory Limited 200,000 384,777 85,680 243,812 3,62% 0,06% Maple Leaf Cement Factory Limited 229,800 - - 49,235 - - - -			31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-19	31-Dec-18		Company
Description Commercial Bank Commercial Ban						- Rupees '000'-			
Chemical Biako Industries Limited	Lucky Cement Limited		200,000				15,610	-	0.06%
Balo Industries Limited	Chamical				84,777	85,680	243,812	3.62%	
Bank AlFalah Limited			-	229,800	-	-	49,235	-	-
Faysal Bank Limited 9.2.3.1.3 8.305,000 10,000,000 198,516 157,961 240,700 6.67% 0.55% 0.07% 14200,000 1,000,000			5,000,000	5,000,000	207,496	228,500	202,950	9.65%	0.28%
Engineering	Habib Bank Limited Meezan Bank Limited		1,000,000 2,000,000	-	159,982 187,720	157,420 190,260	-	6.65% 8.04%	0.07% 0.16%
Aisha Steel Mills Limited - 2,503,000 - 62,244 6,196 Armell Steel Limited - 1,300,000 - 62,244 6,196 International Steels Limited - 466,100 - 30,655 66,196 Mughal Iron & Steel Industries Limited - 1,636,500 66,196 66,196 Al-Tahrur Limited 2,756,050 2,500,000 47,579 57,739 47,500 2.44% 1.71% Matoo Foods Limited - 1,550,000 - 47,579 57,739 47,500 2.44% 14,229 14,229 14,229	United Bank Limited		600,000	1,050,000	102,562 856,276	98,700 832,841	128,772 572,422		0.05%
Column C	Aisha Steel Mills Limited Amreli Steel Limited International Steels Limited		:	1,300,000 466,100		:	62,244 30,655	- - -	- - - -
At-Tahur Limited Matoo Foods Limited 2,756,050 Matoo Foods Limited 3,759 Matoo Foods Limited 47,579 Matoo Foods Limited 5,7739 Matoo Foods Limited 47,579 Matoo Foods Limited 5,7739 Matoo Foods Limited 1,718,000 Matoo Foods Limited 1,718,000 Matoo Foods Limited 1,218,400 Matoo Foods Limited 1,218	, and the second			1,030,000					-
Class & Ceremics Companies	At-Tahur Limited		2,756,050	, ,			43,044	-	1.71%
Oil & Gas Development Company Limited 500,000 500,000 68,824 71,160 64,000 3.01% 0.01% Oil & Gas Marketing Companies Pakistan State Oil Company Limited 550,000 370,700 104,396 105,402 83,567 4.45% 0.12% Sui Northern Gas Pipeline Limited 9.2.3.1.3 1,250,000 - 97,854 95,213 - 4.02% 0.20% Pharmaceuticals Searle Pakistan Limited 250,000 - 49,753 47,185 - 1.99% 0.12% Technology & Communication Netsol Technologies Limited 1,218,400 718,400 87,777 80,244 49,879 3.39% 1.36% TRG Pakistan Limited 6,000,000 - 127,581 147,300 - 6.22% 1.10% Textile Composite Gul Ahmad Textile Mills Limited - 1,000,000 - - 46,170 - - - - Nishat Chunian Limited - 1,500,500 -			_	982,000	47,579	57,739		2.44%	-
Pakistan State Oil Company Limited Sui Northern Gas Pipeline Limited 9.2.3.1.3 1,250,000 - 97,854 95,213 - 4.02% 0.20%	Oil & Gas Exploration Companies Oil & Gas Development Company Limited		500,000	500,000	68,824	71,160	64,000	3.01%	0.01%
Pharmaceuticals Searle Pakistan Limited 250,000 - 49,753 47,185 - 1.99% 0.12%	Pakistan State Oil Company Limited	9.2.3.1.3		370,700	97,854	95,213			
Searle Pakistan Limited 250,000 - 49,753 47,185 - 1.99% 0.12%	Dhawaaautiaala				202,250	200,615	83,567	8.47%	
Netsol Technologies Limited			250,000	-	49,753	47,185	-	1.99%	0.12%
Textile Composite Gul Ahmad Textile Mills Limited - 1,000,000 - 46,170 - 5	Netsol Technologies Limited			718,400	127,581	147,300	-	6.22%	
Vanaspati & Allied Industries Unity Foods Limited 2,000,000 - 32,469 32,220 - 1.36% 0.37%	Gul Ahmad Textile Mills Limited Kohinoor Textile Mills Limited		:	250,000	- :	227,544	46,170 11,270	9.61%	-
	Vanaspati & Allied Industries		2 000 000	, ,		22 220		1 260/	0.37%
<u>1,307,300</u>	Only 1 0000 Ellillica		2,000,000				1 483 300		0.07 /0
Unrealised loss on quoted shares (2,302)						1,004,964	1,403,399	03.08%	

- 9.2.3.1.1 1 million shares (2018: Nil) of Bank Alfalah Limited having market value of Rs. 45.7 million (2018: Nil) as at December 31, 2019 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 4 million shares (2018: 4.5 million shares) of Bank Alfalah Limited having a market value of Rs. 182.8 million (2018: Rs. 182.655 million) as at December 31, 2019, have been pledged with National Bank of Pakistan Limited as collateral against running finance facility obtained from the bank.

9.2.3.1.3 5 million shares (2018: Nil) of Faysal Bank Limited having a market value of Rs. 95.1 million (2018: Nil) and 0.5 million shares (2018: Nil) of Sui Northern Gas Pipelines Limited having a market value of Rs. 38.09 million (2018: Nil) as at December 31, 2019, have been pledged with Bank Al-Habib Limited as collateral against running finance facility obtained from the bank.

9.2.3.2 Mutual Funds

		Number of Units		Carrying Value	Market	t Value
Name of fund	Note	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-19	31-Dec-18
					Rupees '000'-	
NBP Government Securities Liquid Fund	9.2.3.2.1	223,871	279,573	2,281	2,285	2,849
Carrying cost as at December 31, 2019				2,281	2,285	2,849
Market value as at December 31, 2019				2,285		
Unrealised gain on mutual funds				4		

9.2.3.2.1 223,871 units (2018: 223,871 units) of NBP Government Securities Liquid Fund having a market value of Rs. 2.285 million (2018: Rs. 2.281 million) have been kept under pledge with National Bank of Pakistan pending settlement of a claim in litigation.

			2019	2018
10	TRADE AND OTHER RECEIVABLES	Note	(Rupee	s in '000)
	Amounts due from other insurers / reinsurers - Discontinued Operations Reinsurance recoveries against outstanding	10.1	-	-
	claims - Discontinued Operations Interest receivable Sundry receivables	10.2	5,406 1,880 4,690	5,406 - 38,366
10.1	Amounts due from other insurers / reinsurers -		11,976	43,772
	Considered good - Foreign - Local		- -	- -
	Considered doubtful		2,129 2,129	<u>2,129</u> 2,129
	Provision against amounts due from other insurer	s / reinsurers	(2,129)	(2,129)
10.2	Sundry receivables	,		
	Profit on bank deposits - Savings accounts - Term deposits Others Receivable from related party	10.3 & 10.4	14 479 2,778 1,419 4,690	16 7 36,950 1,393 38,366

- 10.3 This includes amount receivable from related party (Pebbles Private Limited) in respect of advisory services provided.
- 10.4 The maximum aggregate amount of receivable at the end of any month during the year was Rs. 1.705 million (2018: Rs 1.464 million).

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

11	ADVANCES AND SHORT-TERM PREPAYMENTS	Note	2019 (Rupee	2018 s in '000)
	Advances and deposits Prepayments Club Membership - employees (related party)		7,250 1,048 - 8,298	2,075 1,141
12	CASH AND BANK BALANCES		0,230	5,281
	Cash in hand		22	22
	Current and other accounts Current accounts Savings accounts	12.1	27 1,820 1,847	7,500 2,048 9,548 9,570

12.1 These balances are placed under mark-up arrangement with mark-up ranging between 0.48% to 11.25% (2018: 3.35% to 8.00%) per annum.

12.2 Cash and cash equivalents

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

-	Cash and bank balances	12	1,869	9,570
-	Short term borrowing	18	(189,982)	(211,800)
-	Term deposit receipts	9.2.1	3,000	3,000
			(185,113)	(199,230)

13 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2019	2018			
(Number	of shares)			
250,000	250,000	Ordinary shares of Rs. 10 each	2,500	2,500
		fully paid in cash		
58,377,722	58,377,722	Ordinary shares of Rs. 10 each		
		issued as fully paid bonus shares	583,777	583,777
58,627,722	58,627,722		586,277	586,277

- As at December 31, 2019, related parties hold 39,682,826 (2018: 39,682,826) ordinary shares of 13.1 Rs. 10 each.
- As at December 31, 2019, Dawood Corporation (Private) Limited holds 62.03% (2018: 62.03%) 13.2 holding in Cyan Limited.

14	RESERVES	Note	2019 (Rupee	2018 s in '000)
	Capital reserves - Reserve for exceptional losses - Capital gain reserve	14.1 14.2	10,535 2,553 13,088	10,535 2,553 13,088
	Revenue reserve - General reserve		120,000 133,088	120,000 133,088

- 14.1 The reserve for exceptional losses is a specific purpose reserve created to provide for possible losses on exceptional insurance claims which the Directors do not consider to be available for dividend distribution.
- 14.2 The reserve for capital gains is a specific purpose reserve created to provide for possible losses on exceptional capital losses which the Directors do not consider to be available for dividend distribution.

15 DEFERRED LIABILITY

15.1 Defined Benefit Plan

As explained in note 4.12.2 the Company operates an unfunded approved gratuity scheme for all permanent employees.

The latest actuarial valuation of the gratuity scheme was carried out as of December 31, 2019. The principal actuarial assumptions used for the purpose of the valuation were as follows:

Principal actuarial assumptions

The following significant assumptions have been used for valuation of this scheme.

	2019	2018
a. Valuation discount rate	12.50%	13.75%
b. Salary increase rate	12.50%	13.75%
c. Average expected service length of employees (in years)	4	3.7

d. Assumption regarding future mortality experience are based on actuarial recommendations and published statistics. The rates assumed are based on the SLIC 2001-05 mortality rates, related down by one year.

The gratuity scheme exposes the entity to the following risks:

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

15.2 The amount recognised in the statement of financial position is determined as follows:

		2019 (Rupee	2018 s in '000)
	Present value of defined benefit obligation	17,358	15,281
15.3	Reconciliation of payable to defined benefit plan		
	Present value of defined benefit obligation Net actuarial gains / (losses) not recognised Balance at the end of the year	17,358 - 17,358	15,281 15,281
15.4	Movement in present value of defined benefit obligation	17,000	10,201
15.5	At January 1 Current service cost Interest expense / (income) Remeasurements: - Gain from change in demographic assumptions - Gain from change in financial assumptions - Experience adjustments Benefit payments At December 31 Movement in net liability / (asset) in the statement of financial	15,281 2,868 2,048 20,197 (32) (2,040) (2,072) (767) 17,358	12,237 2,458 1,272 15,967 - 81 (528) (447) (239) 15,281
15.6	Opening balance of net liability / (asset) Charge for the year Contributions made by the Company Net remeasurement (gain) / loss for the year Closing balance of net liability Amounts recognised in profit or loss Current service cost	15,281 4,916 (767) (2,072) 17,358	12,237 3,730 (239) (447) 15,281
	Net interest income	2,868 2,048 4,916	1,272 3,730

15.7 The sensitivities of the defined benefit obligation to changes in the weighted principal assumptions are as under:

	2019		2018			
	Impact on defined benefit obligation - increase / (decrease)		Impact on defined benefit obligation - increase / (decrease)			
	Change in Increase in Decrease in assumption assumption		Change in assumption	Increase in assumption	Decrease in assumption	
			(Rupees	in '000)		
Discount rate Salary increase rate	+/(-) 100 bps +/(-) 100 bps	15,346 19,721	(19,717) (15,305)	+/(-) 100 bps +/(-) 100 bps	13,507 17,378	(17,371) (13,469)

The above sensitivities analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the balance sheet.

- **15.8** The weighted average duration of the defined benefit obligation is 13 years.
- **15.9** Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

	At December 31, 2019	Less than a year		Between 2-5 years	Over 5 years	Total
			Rı	upees in '00)0	
	Gratuity	790	890	3,143	505,468	510,291
		2019	2018	2017	2016	2015
15.9.1	Historical information	Rupees in '000				
	Defined benefit obligation	17,358	15,281	12,237	10,528	8,369
	Fair value of plan assets (Surplus) / Deficit	17,358	15,281	12,237	10,528	8,369
	Remeasurement (Gain) / Loss on obligation Remeasurement (Gain) / Loss on plan assets	(2,072)	(447)	(671)	(1,314)	(645)
		(2,072)	(447)_	(671)	(1,314)_	(645)

15.9.2 Gratuity cost comprising the service cost and the net interest cost for the next year works out to Rs. 5.036 million as per the actuarial valuation report of the Company as of December 31, 2019.

The disclosure made in notes 15.1 to 15.9.2 are based on the information included in the actuarial valuation report of the Company as of December 31, 2019.

		2019	2018
16	DEFERRED TAXATION	(Rupee:	s in '000)
	Deductible temporary differences		
	Staff gratuity	5,034	4,432
	Capital loss Lease liability against right of use asset	64,732 4,978	-
	Leave encashment	4,970	283
		74,744	4,715
	Taxable temporary differences		
	Revaluation of investments	14,354	70,263
	Right of use asset	(4,468)	-
	Accelerated tax depreciation	(815)	(927)
		9,071	69,336
		83,815	74,051
16.1	Reconciliation of deferred tax liability		
	Opening balance	74,051	52,235
	Recognised in profit or loss	10,364	21,976
	Recognised in equity	(600)	(160)
	Closing balance	83,815	74,051

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

17	TRADE AND OTHER PAYABLES	Note	2019 (Rupee	2018 s in '000)
	Amounts due to other insurers / reinsurers - Discontinued Operations Accrued expenses Provision for outstanding claims -	17.1 17.2	587 55,113	587 4,464
	Discontinued Operations Payable against purchase of investment - net Other creditors and accruals Payable to provident fund	17.3	8,805 - 3,669 - 68,174	8,805 23,158 1,423 112 38,549

17.1 Amounts due to other insurers / reinsurers

This includes amounts due to local companies.

17.2 The amount includes balance of compensated absences of key management personnel amounting to Nil as at December 31, 2019 (2018: Rs. 0.977 million).

17.3 Other creditors and accruals

	Brokerage payable	2,370	723
	Sundry creditors	1,299	700
		3,669	1,423
18	SHORT TERM BORROWINGS		
	Secured		
	Short term running finance	189,982	211,800
	Mark-up accrued	5,464	6,346
		195,446	218,146

- 18.1 The Company has running finance facility of Rs. 500 million (2018: Rs. 500 million) under mark-up arrangement with Bank Al Habib Limited. The facility carries mark-up at 3 months KIBOR plus 1% per annum (2018: 3 month KIBOR + 0.65% per annum) and will expire on March 31, 2020. The amount utilised as at December 31, 2019 was Nil.
- 18.2 The Company has running finance facility of Rs.500 million (2018: Rs. 1,000 million) under mark-up arrangement with National Bank of Pakistan. The facility carries mark-up at 3 months KIBOR plus 0.20% per annum (2018: 3 month KIBOR + 0.20% per annum) and will expire on May 31, 2020. The amount utilised as at December 31, 2019 was Rs.120.982 million.
- 18.3 The Company has running finance facility of Rs.1,000 million (2018: Rs. 1,000 million) under markup arrangement with MCB Bank Limited. The facility carries mark-up at 1 month KIBOR plus 0.25% per annum (2018: 3 month KIBOR + 0.25% per annum) and will expired on January 31, 2020. The amount utilised as at December 31, 2019 was Rs. 69 million.

19 **CONTINGENCIES AND COMMITMENTS**

Contingencies and commitments other than those disclosed elsewhere in these financial statements are as follows:

		2019	2018
		(Rupee	s in '000)
19.1	Guarantees issued on behalf of the Company by commercial bank	2,800	2,800
19.2	Matters relating to taxation are given in note 24.1.		
20	RETURN ON INVESTMENTS		
	Amortised cost Interest earned on Pakistan investment bonds Amortisation on	2,263	-
	- Treasury bills - Pakistan investment bonds	2,272 963	3,042
		5,498	3,042
	Fair value through other comprehensive income and fair value through profit or loss Dividend income:		
	- Related parties - Others	46,121 48,222	30,250 63,607
		94,343 99,841	93,857
21	OTHER INCOME	99,041	90,099
	Income from financial assets		
	Profit on bank deposits Income from long term loans	2,474 223	1,199 351
	Income from non-financial assets		
	(Loss) / Gain on sale of property and equipment	990	(23)
	Liabilities considered no longer payable written back Others	- 8	121 24
	Advisory income from related party	12,000	10,750
		15,695	12,422

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

22

	Note	2019 (Runee	2018 s in '000)
OPERATING AND ADMINISTRATIVE EXPENSES		(парос	0 111 000)
Salaries, wages and other benefits Levy, cess and insurance Rent, rates and taxes	22.1, 22.2 & 22.3	115,541 1,743	58,103 1,362 8,275
Depreciation on owned fixed asset Depreciation on right-of-use asset Amortisation	6 6 7	5,306 8,039 98	2,618 - 71
Legal and professional charges Printing and stationery Utilities	,	2,756 1,369 1,059	2,690 2,503 1,073
Vehicle running expenses Advertisement, promotion and event expenses		324 1,255	269 1,108
Security guards expenses Auditor's remuneration Entertainment	22.5	1,386 1,977 2,180	1,260 2,402 2,115
Travelling and communication expenses Fees and subscription Postage and telegram		2,296 4,954 101	2,922 3,845 175
Books and periodicals Repairs, renewal and decoration Brokerage and commission expense		6 1,497 9,542	14 1,549 13,897
Bank and settlement charges Employee training fee		1,254 445	1,937 393
Research expense Donation Other expenses	22.4	2,659 1,501 1,451	2,859 - 1,179
Reversal of provision for workers' welfare fund Provision against doubtful debts		(24,246) - 144,493	2,055 114,674

- 22.1 This includes Rs. 4.398 million (2018: Rs. 3.49 million) in respect of staffs' provident fund.
- **22.2** This includes Rs. 4.916 million (2018: Rs. 3.73 million) in respect of employees' gratuity scheme.
- **22.3** This includes provision amounting to Rs. 52.407 million (2018: Nil) in respect of variable compensation to employees.
- **22.4** None of the directors or their spouse have interest in the donees.

22.5 Auditor's remuneration

Annual audit fee Review and certifications	480 365	480 365
Out of pocket expenses	47	30
Taxation services	1,014 1,906	1,459 2,334
Sindh sales tax on services		68_
	1,977	2,402
23 FINANCIAL CHARGES		
Interest on short term borrowings	9,109	14,689
Interest expense on lease liabilities against right-of-use a	2,354 11,463	14,689

24	TAXATION	Note	2019 (Rupee	2018 s in '000)
	Current year Prior years Deferred		20,400 (13,105) (10,364) (3,069)	29,060 (21,976) 7,084

24.1 Tax returns have been filed up to the Tax Year 2019 (Accounting year December 31, 2018) which are deemed as assessments completed in terms of section 120(1) of the Income Tax Ordinance 2001 (ITO). However, the Company and the Department have filed appeals in respect of certain assessment years which relate to the following:

For the Tax Year 2007, the return filed by the Company was amended by the Deputy Commissioner of Income Tax by making additions to taxable income on account of proration of expenses allocated under section 67 of the Income Tax Ordinance 2001, disallowance of amortisation of computer software and addition on account of non-deduction of withholding tax from commission and provision for incurred but not reported claims (IBNR) resulting in additional tax demand of Rs. 13.03 million. These additions were disputed by the Company at various appellate levels including Appellate Tribunal Inland Revenue (ATIR). Currently, a miscellaneous application has been filed with the ATIR for rectification of additional tax demand of Rs. 1.01 million arising out of disallowance of amortisation of computer software and non-deduction of withholding tax from commission and the ATIR directed the Commissioner Inland Revenue (CIR(A)) to pass appeal effect order. Further, the Commissioner Inland Revenue has filed appeal in the High Court of Sindh against the order of the learned ATIR on deletion of addition on account of proration of expenses allocated under section 67 of the Income Tax Ordinance, 2001 of Rs. 37.42 million, which was adjudicated in favour of the Company. The Commissioner Inland Revenue filed a civil review petition in the Supreme Court of Pakistan against the judgment of the High Court of Sindh which is pending.

For the Tax Year 2009, Additional Commissioner Inland Revenue (ACIR) Audit has passed amended order under Section 122(5A) of Income Tax Ordinance, 2001 and treated dividend income amounting to Rs. 102 million as normal business income and charged normal tax rate i.e. 35% instead of reduced rate of 10%. thus creating tax demand of Rs. 30 million. The Company has filed an appeal against the said order before the ATIR. Subsequently, a stay was granted by ATIR subject to 15% payment of the demand amount, amounting to Rs. 4.53 million. Thereafter, an order was issued by ATIR confirming that tax on dividend for insurance companies must be charged at reduced rate of 10% and therefore the tax liability of Rs. 30 million is no more payable. The tax department has filed a civil petition in the Sindh High Court against the order of ATIR which is pending.

For the Tax Year 2010, the Commissioner Inland Revenue (Appeals) vide appellate order deleted the proration of expenses against dividend income and exempt capital gains. However, the CIR (Appeals) has maintained the disallowance of the provision for IBNR amounting to Rs. 7.46 million having tax implications of Rs. 2.61 million. The Company has filed appeal before the ATIR which is pending. The department has also filed appeal before the ATIR against the deletion of proration of expenses against dividend income, and exempt capital gains and disallowance of provision for IBNR.

The management, based on the opinion of its tax advisor, is confident about the favourable outcome of the above matters and hence, no additional provision has been considered necessary in these financial statements.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

		2019	2018
24.2	Relationship between tax expense and accounting profit	(Rupee:	s in '000)
	Accounting profit before taxation	94,873	(211,002)
	Tax at applicable rate of 29% (2018: 29%) Tax impact of prior year	27,513 (13,105)	-
	Others	(17,477)	
		(3,069)	-

24.2.1 The numerical reconciliation between income tax expense and accounting profit for the year 2018 has not been presented as the current charge pertains to tax collected as final tax under various provisions of Income Tax Ordinance, 2001.

25 REMUNERATION OF DIRECTORS AND EXECUTIVES

Aggregate amounts charged in the financial statements for the year for remuneration, including all benefits, to the directors and executives of the Company are as follows:

	Chief Executive		Direc	tors	Executives*		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
(Rupees in '000)								
Fees	-	-	1,250	1,150	-	-	1,250	1,150
Managerial remuneration	12,868	12,664	-	-	8,817	8,562	21,685	21,226
House rent, conveyance								
and other allowances	10,995	11,156	-	-	8,198	7,270	19,193	18,426
Contribution to provident fund	1,930	1,588	-	-	1,454	1,141	3,384	2,729
	25,793	25,408	1,250	1,150	18,469	16,973	45,512	43,531
Number of persons	1	1	3	3	3	3	7	7
Trainibol of poloons			<u> </u>			9		

- 25.1 Executive means an employee of a listed company other than the chief executive and directors whose basic salary exceeds Rs. 1.2 million in a financial year. The Chief Executive Officer and an Executive are provided with company paid club memberships.
- 25.2 * This includes remuneration paid to an executive director amounting to Rs. 10.641 million (2018: Rs. 9.646 million).
- 25.3 The Chief Executive Officer (CEO) is provided with Company owned and maintained car.
- 25.4 In addition, the Company has made an accrual of Rs.52.407 million (2018: Nil) in respect of variable compensation. The allocation of this amount,if any, to chief executive and executives has not been determine so far and will be reflected in future financial statements on payment basis.

26 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise companies with common directors, group companies, associated companies, defined contribution plan and defined benefit plan, directors and key management personnel and their close family members. Transactions with related parties are entered into at rates negotiated with them. Remuneration to key management personnel are in accordance with their terms of engagement.

Following are the details of related parties with whom the Company had entered into transactions or had agreements and arrangements in place during the year:

Name Of Related Party	Relationship with the Company	Percentage of shareholding in the company	Common Directorship
Dawood Corporation (Private) Limited	Parent Company	62.03%	N/A
Pebbles (Private) Limited	Associated Company	2.67%	Common Directorship
Dawood Hercules Corporation Limited	Associated Company	0.00%	Common Directorship
Dawood Lawrencepur Limited	Associated Company	0.00%	Common Directorship
The Dawood Foundation	Associated Company	0.88%	N/A
Inbox Business Technologies Limited	Associated Company	0.00%	Common Directorship
Kulsum Dawood	Non-Executive Director	0.72%	N/A
Hasan Reza Ur Rahim	Non-Executive Director	N/A	N/A
Kamran Nishat	Indepedent Director	N/A	N/A
Inam Ur Rahman	Non-Executive Director	N/A	N/A
Shafiq Ahmed	Non-Executive Director	N/A	N/A
Sulaiman S. Mehdi	Key management personnel	N/A	N/A
Faisal Nadeem	Key management personnel	N/A	N/A
Cyan Limited Staff Provident Fund	Associated Company	N/A	N/A
Cyan Limited Employees' Gratuity Scheme	Associated Company	N/A	N/A

Key management personnel of the Company comprise of the Directors, Chief Executive Officer and Executives. Their remuneration has been disclosed in note 25 of the financial statements.

For the year ended December 31

Associated companies	2019 (Rupee	2018 s in '000)
Associated companies Rendering of service Purchase of service Dividend Income Dividend paid	12,000 8,995 46,121	10,750 8,476 30,250 98,158
Other related parties Provision relating to staff retirement gratuity scheme Membership fee & other subscription Contribution to staff provident fund	4,916 75 4,398	3,730 217 3,459
Key management personnel Director fee Remuneration Loan recovery Dividend paid	1,250 44,262 2,330	1,150 35,892 2,330 1,050
Balances outstanding at December 31		
Balances outstanding Loan to Chief Executive Officer Loan to other executive Receivable from related party Payable to related party Security deposit with related party	880 5,496 1,419 117 1,740	1,940 6,544 1,393 117 1,740

26.1

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

27 FINANCIAL INSTRUMENTS BY CATEGORY

As at December 31, 2019, the financial assets carried on the statement of financial position are categorised either as 'financial assets at fair value through profit or loss', 'financial assets at amortised cost' or 'financial assets at fair value through other comprehensive income'. The financial liabilities carried on the statement of assets and liabilities are categorised as other financial liabilities i.e. liabilities other than 'at fair value through profit or loss'.

				ber 31, 2019	
		At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
				in '000	
Financial assets					
Loans to employees		6,376	-	-	6,376
Long term deposits		2,500	-	-	2,500
Trade and other receivables Advances		11,976	-		11,976
Cash and bank balances		7,250 1,869			7,250 1,869
Investments		52,748	757,506	1,557,269	2,367,523
Tivostrionts		82,719	757,506	1,557,269	2,397,494
			As a	t December 31, 2	019
			Liabilities		
			'at fair value through profit or loss'	At amortised cost	Total
			5555	Rupees in '000	
Financial liabilities				· ·	
Deferred liability - gratuity			-	17,358	17,358
Lease liability against right-of-us	se asset		-	17,166	17,166
Trade and other payables			-	68,174	68,174
Unclaimed dividend Short term borrowings				26,727 195,446	26,727 195,446
Short term borrowings			<u> </u>	324,871	324,871
			As at Decemb	ber 31, 2018	
				Financial	
	Loans and	Held to	Financial assets available	assets at fair	Total
	receivables	maturity	for sale	value through	Total
				profit or loss	
Financial assets			Rupees	in '000	
Loans to employees	8,484	-	-	-	8,484
Long term deposits	2,500	-	-	-	2,500
Trade and other receivables Advances	43,772 2,075	-	-	-	43,772 2,075
Cash and bank balances	9,570	-	-	-	9,570
Investments	3,000	44,979	574,719	1,486,248	2,108,946
	69,401	44,979	574,719	1,486,248	2,175,347
			As a	at December 31, 20	018
			Liabilities		
			'at fair value	Other financial	Total
			through profit	liabilities	IOtal
			or loss'	Dunges in 1000	
Financial liabilities				-Rupees in '000	
Deferred liability - gratuity			-	15,281	15,281
Trade and other payables			-	38,549	38,549
Unclaimed dividend Short term borrowings			-	32,599 218,146	32,599 218,146
Chort term borrowings				304,575	304,575

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest/ mark-up rate risk, foreign exchange risk and equity price risk). The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company actively monitors the key factors that affect the stock market. The Company consistently manages its exposure to financial risk in the manner described in the notes below.

28.1 Risk management framework

The Board of Directors has the overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

28.2 Credit risk

Credit risk represents the risk of a loss if the counterparties fail to perform as contracted. The Company's credit risk mainly arises from deposits with banks, loan to employees, advances and trade and other receivables. For banks and financial institutions, management keeps deposits with reputed institutions. Credit risk on account of dividend receivable is minimal due to the statutory protection. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The details on account of certain classified equity and debt securities and provision held thereagainst are stated in note 9.2.2.1, 9.2.2.2 and 9.2.2.3 to these financial statements. Investments amounting to Rs: 42.248 million (2018: Rs: 44.979 million) relate to Government Securities and are not considered as exposed to credit risk due to government guarantee.

28.2.1 Exposure to credit risk

The book value of financial assets represents the maximum credit exposure, as specified below:

	Note	2019	2018
Financial assets		(Rupee	s in '000)
Long term loan	28.2.1.3	6,376	8,484
Long term deposits		2,500	2,500
Trade and other receivables	28.2.1.1	11,976	43,772
Advances		7,250	2,075
Bank balances	28.2.1.2	1,847	9,548
Investments		10,500	3,000
		40,449	69,379

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

28.2.1.1 The maximum exposure to credit risk for trade and other receivables at the balance sheet date are as follows:

	2019 2018					
	Gross	Impairment	Net	Gross	Impairment	Net
			(Rupee:	s in '000)		
Niet west skips	0.570		0.570	00.000		00.000
Not past due	6,570	-	6,570	38,366	-	38,366
Past due but not impaired	5,406	-	5,406	5,406	-	5,406
Past due and impaired	2,129	(2,129)	-	2,129	(2,129)	
	14,105	(2,129)	11,976	45,901	(2,129)	43,772

28.2.1.2 The credit quality of the Company's bank balances other than statutory deposits with SBP can be assessed with reference to external credit ratings as follows:

2019	Rat	ing	Rating	(Rupees in
	Short term	Long term	Agency	(000)
=				
Habib Bank Limited	A-1+	AAA	JCR - VIS	548
Bank Al-Habib Limited	A-1+	AA+	PACRA	1,248
Bank Islami Pakistan Limited	A-1	A+	PACRA	13
Bank Al Falah Limited	A-1+	AA+	PACRA	27
MCB Bank Limited	A-1+	AAA	PACRA	-
National Bank Of Pakistan	A-1+	AAA	PACRA	-
Summit Bank Limited *	-	-	JCR - VIS	11
				1,847
* The credit rating of the bank has been suspended.				
2018	Rat	ing	Rating	(Rupees in
	Short term	Long term	Agency	(000)
Habib Bank Limited	A-1+	AAA	JCR - VIS	2,025
Bank Islami Pakistan Limited	A-1	A+	PACRA	13
Summit Bank Limited	A-3	BBB-	PACRA	10
Bank Al Falah Limited	A-1+	AA+	PACRA	7,500
Bank Al Habib Limited	A-1+	AA+	PACRA	-
MCB Bank Limited	A-1+	AAA	PACRA	-
National Bank of Pakistan	A-1+	AAA	PACRA	-
				9,548

28.2.1.3 The credit risk on long term loan is minimal as these loans are given to employees and are deductible from their remuneration.

28.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration in terms of the overall funding mix.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the maturity date.

			20	019		
	Carrying amount	Contractual cash flows		1-2 years	2-5 years	Over 5 years
			(Rupee	s in '000)		
On balance sheet financial liabilities and others						
Deferred liability - gratuity	17,358	17,358	-	-	-	(17,358)
Lease liability against right-of-use asset	17,166	17,166	(8,023)	(9,143)	-	
Trade and other payables	68,174	68,174	(68,174)	-	-	
Short term borrowings	195,446	195,446	(195,446)	-	-	
Unclaimed dividend	26,727	26,727	(26,727)	-	-	-
	324,871	324,871	(298,370)	(9,143)	-	(17,358)
			20	018		
	Carrying amount	Contractual cash flows	Less than one year	1-2 years	2-5 years	Over 5 years
			,	s in '000)		
On balance sheet financial liabilities and others			(, , , , , , , , , , , , , , , , , , ,			
Deferred liability - gratuity	15,281	15,281	-	-	-	(15,281)
Trade and other payables	38,549	38,549	(38,549)	-	-	-
Short term borrowings	218,146	218,146	(218,146)	-	-	-
Unclaimed dividend	32,599	32,599	(32,599)	-	-	-
	304,575	304,575	(289,294)	-	-	(15,281)

28.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. However, the Company is exposed to interest rate risk and equity price risk.

The Company is exposed to market risk with respect to its investments, long term loan, short term deposits and bank balances. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in the equity market. The market risks associated with the Company's business activities are interest rate risk and price risk. The Company is not exposed to material currency risk.

28.4.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	Carrying amounts (Rupees in '000)			e interest e in %
Financial Assets	2019	2018	2019	2018
Fixed rate instruments				
- Government Securities	42,248	44,979	13.49% to 13.72%	8.74%
- TDR	10,500	3,000	11.25% to 11.7%	8.00%
Variable rate instruments - Saving accounts - Short term deposits	1,820	2,048 -	0.48% to 11.25%	3.35% to 8%

Sensitivity analysis for fixed rate instruments

The Company does not account for fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss and equity of the Company.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would increase or decrease net assets by Rs. 0.4407 million (2018: Rs. 0.205 million). The analysis assumes that all other variables remain constant.

28.4.1.1 Maturity profile of financial assets and liabilities

			2019			
		Intere	st / mark-up be	earing		Total
	Profit rate % per annum	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	
Financial assets			·	Rupees in '000)	
Long term investments Loan to employees Long term deposits Advances	13.49% to 13.72% 6%	-	2,094	42,248 4,282 - -	2,500 7,250	42,248 6,376 2,500 7,250
Investments Trade and other receivables Cash and bank balances	11.25% to 11.7% 0.48% to 11.25%	3,000 - 1,820	7,500	-	2,314,775 11,976 49	2,325,275 11,976 1,869
Financial liabilities Deferred liability - gratuity		4,820	9,594	46,530 17,358	2,336,550	2,397,494
Lease liability against right-of-use asset Trade and other payables	12.91%	1,803	6,220	9,143	68,174	17,166 68,174
Unclaimed dividend Short term borrowings	13.91% to 14.86%	195,446 197,249	6,220	26,501	26,727 - 94,901	26,727 195,446 324,871
On-balance sheet gap (a)		(192,429)	3,374	20,029	2,241,649	2,072,623
Off-balance sheet financial instrun	nents	_	_	_	_	-
Off-balance sheet gap (b)				-		-
Total interest rate sensitivity gap (a	a) + (b)	(192,429)	3,374	20,029	2,241,649	2,072,623
Cumulative interest rate sensitivity	gap	(192,429)	(189,055)	(169,026)		
			2018			
		Intere	est / mark-up be	aring	T	
	Profit rate % per annum	Upto three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total
Financial assets				Rupees in '000)	
Loan to employees Long term deposits Advances Investments	6% 8% to 8.74%	- - - 47,979	2,330	6,154 - -	2,500 2,075 2,060,967	8,484 2,500 2,075 2,108,946
Trade and other receivables Cash and bank balances	3.35% to 8%	2,048	2,330	- - - 6,154	43,772 7,522 2,116,836	43,772 9,570 2,175,347
Financial liabilities Deferred liability - gratuity Trade and other payables Unclaimed dividend Short term borrowings	8.52% to 9.13%	218,146 218,146		15,281 - - - 15,281	38,549 32,599 - 71,148	15,281 38,549 32,599 218,146 304,575
On-balance sheet gap (a)		(168,119)	2,330	(9,127)	2,045,688	1,870,772
Off-balance sheet financial instrun	nents	-	-	-	-	-
Off-balance sheet gap (b)						-
Total interest rate sensitivity gap (a	a) + (b)	(168,119)	2,330	(9,127)	2,045,688	1,870,772
Cumulative interest rate sensitivity	gap	(168,119)	(165,789)	(174,916)		

28.4.2 Equity price risk

The Company is exposed to equity price risk because of investments held by the Company and classified on the Statement of Financial Position as at fair value through other comprehensive income and at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio within the eligible stocks.

In case of 5% increase / decrease in KSE 100 index on December 31, 2019, net profit for the year would increase / decrease by Rs. 37.548 million (2018: Rs. 88.748 million) as a result of gains / losses on equity securities at fair value through profit or loss and fair value through other comprehensive income.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Company's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of December 31, 2019 is not necessarily indicative of the effect on the Company's net assets of future movements in the level of the KSE 100 index.

28.4.3 Foreign currency risk

The Company is not materially exposed to risk from foreign currency exchange rate fluctuations.

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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).

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

The table below analyses financial instruments carried at fair value, by valuation method.

	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 Investment in securities - financial assets at fair value through other comprehensive income	-	2,285	-	2,285	
- Quoted shares	757,506	_	-	757,506	
			ber 31, 2018		
ASSETS	Level 1	Level 2 Rupees	Level 3	Total 	
Investment in securities - financial assets at fair value through profit or loss - Quoted shares - Mutual fund units	1,483,399	- 2,849	- -	1,483,399 2,849	
Investment in securities - financial assets available for sale - Quoted shares	574,719	-	-	574,719	

The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

There were no transfers between levels 1, 2 and 3 during the year.

30 **CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

31	EARNING / (LOSS) PER SHARE – basic and diluted	2019 (Rupees	2018 s in '000)
	Net profit / (loss) for the year attributable to ordinary shareholders	97,942	(218,086)
		(Number	of shares)
	Weighted average number of ordinary shares outstanding during the year	58,627,722	58,627,722
		(Ru	oees)
	Basic earning / (loss) per share	1.67	(3.72)

32 PROVIDENT FUND RELATED DISCLOSURES

The Company has contributory provident fund scheme for the benefit of all its permanent employees under the title of "Cyan Limited Staff' Provident Fund". The Fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Company.

The following information is based on the latest unaudited financial statements of the Fund for the half year ended December 31, 2019:

	2019	2018	
	(Rupees in '000)		
Size of the fund - Total assets	44,430	32,979	
Cost of investments made	43,227	32,982	
Percentage of investments made	97.3%	100.0%	
Fair value of investments	45,110	32,960	

32.1 The break-up of fair value of investments is

	2019		2018	
	(Rupees in '000)	%	(Rupees in '000)	%
Treasury Bills Pakistan Investment Bonds Collective Investment Scheme	12,303 30,700 2,044	27% 68% 5%	30,484	92% 0% 0%
Cash and Bank deposits	63	0%	2,476	8%

The investments of the provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

33 **NUMBER OF EMPLOYEES**

The average and total number of employees during the year and as at December 31, 2019 and 2018 respectively are as follows:

	2019	2018
	No of em	nployees
Average number of employees during the year	18	18_
Number of employees as at December 31	18	19

34 **GENERAL**

No significant rearrangements or reclassifications have been made in the financial statements during the current year.

SUBSEQUENT EVENTS 35

The Board of Directors in its meeting held on February 24, 2020 have proposed a cash dividend in respect of the year ended December 31, 2019 of Rs. 1 per share (10%) (December 31, 2018: Nil) and bonus shares @ 5% (31 December 2018: Nil). These financial statements do not include the effect of this appropriation which will be accounted for subsequent to the year end.

36 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on February 24, 2020 by the Board of Directors of the Company.

Faisal Nadeem Chief Financial Officer Sulaiman S. Mehdi Chief Executive

Kamran Nishat Director

Pattern of Shareholding

The Companies Act, 2017 (Section 227 (2) (f)

Cyan Limited

Pattern of holding of the shares held by the Shareholders as at December 31, 2019

Number of Shareholders	Sharel	holding	s' Slab	Total Shares Held
282	1	to	100	4,720
306	101	to	500	126,919
304	501	to	1000	287,430
464	1001	to	5000	1,235,085
117	5001	to	10000	889,218
55	10001	to	15000	686,821
38	15001	to	20000	687,304
19	20001	to	25000	431,944
17	25001	to	30000	485,583
11	30001	to	35000	354,620
8	35001	to	40000	308,187
3	40001	to	45000	125,241
5	45001	to	50000	246,701
3	50001	to	55000	156,963
6	55001	to	60000	356,558
3	65001	to	70000	201,949
2	70001	to	75000	140,653
2	75001	to	80000	156,704
1	80001	to	85000	81,188
1	85001	to	90000	88,500
2	90001	to	95000	186,244
2	100001	to	105000	206,200
1	105001	to	110000	110,000
1	110001	to	115000	112,486
2	120001	to	125000	248,000
1	135001	to	140000	136,973
1	170001	to	175000	172,071
1	190001	to	195000	190,500
1	415001	to	420000	420,000
1	495001	to	500000	500,000
1	510001	to	515000	513,330
1	815001	to	820000	817,000
1	1560001	to	1565000	1,564,383
1	1775001	to	1780000	1,777,603
1	1780001	to	1785000	1,780,097
1	1785001	to	1790000	1,787,511
1	4685001	to	4690000	4,688,356
1	36360001	to	36365000	36,364,680
1668	-			58,627,722

Pattern of Shareholding The Companies Act, 2017 (Section 227 (2) (f)

S.No.	Categories of Shareholders	Share held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	5,108,356	8.71%
2	Associated Companies, undertakings and related parties.	39,262,826	66.97%
3	NIT and ICP	570	0.00%
4	Banks Development Financial Institutions, Non Banking Financial Institutions.	22,042	0.04%
5	Insurance Companies	21,658	0.04%
6	Modarabas and Mutual Funds	1,194	0.00%
7	Shareholders holding 10% or more	36,364,680	62.03%
8	General Public a. Local b. Foreign	13,590,351 1,005	23.18% 0.00%
9	Others Foreign Companies Others	13,000 454,677	0.02% 0.78%

Pattern of Shareholding

The Companies Act, 2017 (Section 227 (2) (f)

Disclosure Requirement under Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG) as on December 31, 2019

Categories of Shareholders	Shareholders	Shares Held	Percentage
Bin day and the base and based of the self-the s			
Directors and their spouse(s) and minor children	4	4.000.050	00/
Hussain Dawood	1	4,688,356	8%
Kulsum Dawood	1	420,000	1%
Associated Companies, undertakings and related parties			
Dawood Corporation (Pvt.) Ltd.	1	36,364,680	62%
Pebbles (Pvt) Limited	1	1,564,383	3%
Hajiani Hanifa Bai Memorial Society	1	817,000	1%
Dawood Foundation	1	513,330	1%
Dawood Industries (Pvt.) Ltd.	1	3,433	0%
NIT & ICP	2	570	0%
Public Sector Companies and Corporations	3	38,805	0%
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	4	43,700	0%
Mutual Funds	1	1,194	0%
General Public			
a. Local	1629	13,703,589	23%
b. Foreign	2	1,005	0%
3.1.3.0.g.i	_	1,000	0 / 0
Foreign Companies	1	13,000	0%
Others	19	454,677	1%
Totals	1668	58,627,722	100%

Share holders holding 5% or more voting rights	Shares Held	Percentage
Dawood Corporation (Pvt.) Ltd.	36,364,680	62%
Hussain Dawood	4,688,356	8%

Glossary

Abbreviation	Description	
AuM	Assets under Management	
AGM	Annual General Meeting	
BOD	Board of Directors	
BIC	Board Investment Committee	
BAC	Board Audit Committee	
BHR & RC	Board HR & Remuneration Committee	
CEO	Chief Executive Officer	
CS	Company Secretary	
CFO	Chief Financial Officer	
Co.	Company	
Co-worker	Company worker	
CAGR	Compound Annual Growth Rate	
CNIC	Computerized National Identity Card	
CDC	Central Depository Company	
CY 19	Calendar Year 2019	
CPI	Consumer Price Index	
CYTD	Calendar year to date	
CSR	Corporate Social Responsibility	
CCG	Code of Corporate Governance	
DH Group	Dawood Hercules Group	
DR	Discount Rate	
DFI	Development Financial Institution	
EDITO A	Earnings before interest, taxes,	
EBITDA	depreciation and amortization	
EFF	Extended Fund Facility	
FLLCCD	European Generalised System of	
EU GSP	Preferences	
EPS/(LPS)	Earnings per share/(Loss per share)	
Ext. Hardrive	External hardrive	
FY 19	Fiscal Year 2019	
FX Reserves	Foreign Exchange Reserves	
FPI	Foreign Portfolio Investment	
GDP	Gross Domestic Product	
GoP	Government of Pakistan	
HR	Human Resource	
1HFY19	First Half Year 2019	
2HCY 19	Second Half Calendar Year 2019	
IA & C	Internal Audit and Compliance	
Info.	Information	
IPO	Initial Public Offering	
Incl	Including	
IMF	International Monetary Fund	
ICH	International Clearing House	
	International Financial Reporting	
IFRS	Standards	
IBNR	Incurred but not reported	

Abbreviation	Description	
IFAC	International Federation of Accountants	
IAS	International Accounting Standards	
KG	Kilo Grams	
KPK	Khyber Pakhtunkhwa	
Labs	Laboratories	
LSM	Large Scale Manufacturing	
LBT	Loss before tax	
MIC	Management Investment Committee	
Mgmt.	Management	
NTN	National Tax Number	
NBFI	Non-Bank Financial Institution	
NIT	National Investment Trust	
PkR	Pakistani Rupee	
P/E	Price Earnings Ratio	
PAT/(LAT)	Profit after tax/(Loss after tax)	
PBT	Profit before tax	
SME	Small and medium enterprises	
SOEs	State Owned Enterprise	
TOR	Terms of Reference	
YoY	Year-over-year	
5yr	Five years	

حصص یافنگی کی ساخت

31 دسمبر 2019 تک مینی کی صف یافنگی کی ساخت بمعه ضروری معلومات اس رپورٹ کے اختیام پر دستیاب ہے۔ میں

آ ڈیٹرز

موجودہ آڈیٹرزمیسرزاے ایف فرگوس اینڈ کمپنی (چارٹرڈ اکاؤئٹٹس) نے اہل ہونے کے باعث 60 ویں سالانہ اجلاس عام میں اپنی تقرری کی رضامندی ظاہر کی ہے۔ آڈٹ کمپٹی نے 31 دسمبر2020 کوئتم ہونے والے سال کے لئے میسرزا ایف فرگوس اینڈ کمپنی کی بطور قانونی آڈیٹرزتقرری کی تجویز پیش کی ہے۔ بورڈ نے اس تجویز کی توثیق کردی ہے۔

عملی کارکردگی اور مالیات کی اہم معلومات

گزشتہ نوسال بشمول زیر جائزہ سال کی عملی کار کردگی اور مالیات کی اہم معلومات کامختصر بیان اس رپورٹ میں شامل ہے۔

مستقبل کے آثار کی معلومات

پاک چین اقتصادی را ہداری (CPEC) کے خواب کے حقیقت بن جانے کے ساتھ ہی پاکستانی معیشت بھی بہتری کی راہ پرگامزن ہے اور دنیا بھر کی توجہپا کستان کی جانب مبذول ہوگئی ہے کاروباری برادری خاصی پُر امید ہے اور مجموعی طور پر معاشی سرگرمی میں مزید بہتری آئی ہے۔ کمپنی سرگرمی سے بورٹ فولیو مینجمنٹ اور کارپوریٹ فنانس ایڈوائزری برنس کررہی ہے اور آئندہ آثار مثبت نظر آتے ہیں۔ مینجمنٹ ٹیم اپنے سی ای اوکی قیادت میں اپنے صص یافتگان کو بہترین رسک ایڈ جھڑ منافع فراہم کرنے کے لئے پڑعزم ہے۔

اظهارتشكر

ہم اپنے تمام شریکانِ کار، بالخصوص اپنے قابل قدرسر مایہ کاران کے تہددل سے مشکور ہیں جنہوں نے ہم پراعتاد کیا اوراس کے ساتھ ہی مینجمنٹ ٹیم کے غیر متزلزل وابستگی اور انتقک محنت کے لئے ان کی کاوشوں کوسرا ہتے ہیں۔ بورڈ سیکیو رٹیز اینڈ ایکیچنج کمیشن آف پاکستان، اسٹیٹ بینک آف یا کستان اور یا کستان اسٹاک ایکیچنج کی انتظام یہ کوبھی ان کے تعاون اور رہنمائی کے لئے خراج تحسین پیش کرتا ہے۔

منجانب بورڈ

سلیمان ایس مهدی سی ای او حسن رضا الرحيم چيئر مين

کراچی: 24 فروری،2020

گورننس)ریگیولیشنز،2019 کی ضروریات کے مطابق اسے تمام ممبران کے درمیان تقسیم کیا گیا ہے۔ضابطہ اخلاق کمپنی کی ویب سائٹ پرچھی جاری کیا گیا ہے۔

كاروبارى اور مالياتى ريور ٹنگ كا دائر ه كار

- a) سمپنی کی انتظامیہ کی جانب سے تیار کردہ مالی حسابات ممپنی کے حالات ،عمل کاری کے نتائج ،نقدی کے بہاؤاورا یکویٹ میں تبدیلی کا راست جائزہ پیش کرتے ہیں۔
 - b) کمپنی نکینیزا کیٹ،2017 کی ضروریات کے مطابق کھاتوں کی کتابیں با قاعدہ طور پر مرتب کی ہیں۔
- c) سمینی نے مالیاتی حسابات کی تیاری میں مستقل اورموز وں اکاؤنٹنگ پالیسیاں اختیار کی ہیں۔دوران سال اس میں جہاں بھی تبدیلیاں کی گئیں انہیں مناسب انداز سے ظاہر کیا گیا ہے اور اکاؤنٹنگ تخمینے مختاط اور معقول تجویات کی بنیاد پر مکمل کئے گئے ہیں۔
- d) مالیاتی حسابات کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS)، جیسے کہ پاکستان میں قابل اطلاق ہیں، کا خیال رکھا گیا ہے اور ان سے کسی بھی قتم کے انحراف کو مناسب انداز میں ظاہر کیا گیا ہے۔
 - e) انٹرن کنٹرول کا نظام شحکم ہے اور اس کی مؤثر انداز سے جانچ اور اطلاق کویقینی بنایا گیا ہے۔
 - f) سمینی کی بنیادیں مضبوط ہیں اوراس میں بغیر کسی غیریقینی صورت حال کے معمول کے انداز سے کارگز ارر ہنے کی صلاحیت موجود ہے۔
- g) کمپنی نے لٹر کیپنیز (کوڈ آف کارپوریٹ گورنس)ریگولیشنز،2019 کے بہترین طریقہ کارپر ممل درآ مدکیا ہے اوراس سے کسی بھی فتتم کا مادی انحراف نہیں ہے۔
- h) ٹسکسز،ڈیوٹیز،محصولات اور چار جز کی مدمیں کسی بھی طرح کی مالی ادائیگیاں واجب الا دانہیں ہیں سوائے ان کے جوعمومی کا روبار میں ہیں اور مالیاتی نکات میں انہیں بیان کیا گیاہے۔
 - i) سمپنی کے پاس موجود پرویڈنٹ فنڈ کی سر مایہ کاریوں کی مالیت آڈٹ شدہ ا کاؤنٹس کی بنیاد پر 30 جون ، 2019 تک38.19 ملین ہے۔
- j) ڈائر کیٹرز، چیف ایگزیٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری، ان کے شریک حیات یا نابالغ بچوں کی جانب سے اس سال حصص کی کوئی تخیار نے نہیں کی گئی۔
- k) کمپنی کے تمام ڈائر یکٹرز SECP کی تصریحات کے مطابق منظور کردہ اداروں سے ڈائر یکٹرزٹر بینگ پروگرام کے تحت سرٹیفائیڈ ڈائر یکٹرز ہیں۔

ملكبت

31د سمبر2019 تک ممپنی کے ریکارڈ پر خصص یافتگان کی تعداد 1,686 تھی۔

بورد آ ڈٹ میٹی کے اجلاس

	منعقده اجلاس کی تعداد	حاضری کی تعداد
كامران نشاط (چيئر مين)	5	5
انعام الرحمان (ممبر)	5	5
شفیق احمد (ممبر)	5	5

بورڈ انویسٹمنٹ کمیٹی کے اجلاس

	منعقده اجلاس كى تعداد	حاضری کی تعداد
حسن رضاالرحيم (چيئر مين)	3	3
انعام الرحمٰن (ممبر)	3	3
شفیق احمد (ممبر)	3	2

بورڈ HRاورمشاہرہ کمیٹی کے اجلاس

	منعقده اجلاس كى تعداد	حاضری کی تعداد
كامران نشاط (ممبر)	1	1
حسن رضاالرحيم (چيئر مين)	1	1
انعام الرحمٰن (ممبر)	1	1

ضابطهاخلاق

دوران سال، بورڈ آف ڈائر یکٹرزنے ڈائر یکٹرزاورملاز مین کے لئے ایک ضابطہ اخلاق اختیار کیا ہے اور لسطۂ کمپنیز (کوڈ آف کارپوریٹ

تمام سات ڈائر کیٹرز کم از کم 14 سالہ تعلیم کے حامل ہیں۔ تمام ڈائر کیٹرزنے اسٹر کیپنیز (کوڈ آف کارپوریٹ گورننس)ریگیولیشنز،2019 میں مقرر کردہ ڈائر کیٹرزٹر بینگ پروگرام کے تحت سرٹیفکیشن حاصل کرلی ہے۔

سمینی کے ریکارڈ زکی حفاظت

مالیاتی لین دین کے ریکارڈ اور معلومات رکھنے کے لئے انفار میشن ٹیکنالو جی پر بڑھتے ہوئے انحصار کے باعث، مالیاتی ریکارڈ زکی حفاظت کے لئے انفار میشن ٹیکنالو جی کے آلات پر مناسب توجہ دی جاتی ہے۔ہم نے کلاؤڈ سروسز استعمال کرتے ہوئے مالیاتی اور معاون ریکارڈ کو محفوظ کیا ہے جس سے متعلقہ دستاویزات کی بروقت اور آسان بازگیری ممکن ہوگئ ہے۔ دستاویزات کی حفاظت کو بیتی بنانے کے لئے ، کمپنی نے ڈیٹاری کال نامی نظیم کی خدمات حاصل کی ہیں، یہ ادارہ جدید ترین طرز پر تیار کی گئی سیلیٹی پر دستاویزات کو سر بمہر بکس میں مرتب رکھنے کے فرائض انجام دیتا ہے۔ اس مقام پر ہر بکس اور کیبنٹ بارکوڈ ڈہے جس سے بھر پور اور مؤثر تلاش میں مدوماتی ہے۔

بورڈ کے اجلاس

زیرجائزہ سال میں بورڈ آف ڈائر کیٹرز کے پانچ (5) اجلاس منعقد ہوئے جن کی صدارت چیئر مین نے کی لے لئے کہنیز (کوڈ آف کارپوریٹ گورننس) ریگیولیشنز، 2019 کی ضروریات کے مطابق چیف فنانشل آفیسراور کمپنی سیکریٹری نے بھی ان تمام اجلاسوں میں شرکت کی ۔ ہرڈائر کیٹر کی حاضری کی تفصیلات درج ذیل ہیں:

	منعقده اجلاس كى تعداد	حاضری کی تعداد
حسن رضاالرحيم (چيئر مين/ ڈائر يکٹر)	5	5
کلثوم داؤد (ڈائر یکٹر)	5	5
كامران نشاط (ڈائر يکٹر)	5	5
انعام الرحمٰن (ڈائر یکٹر)	5	3
شفیق احمد (ڈائر یکٹر)	5	5
سلیمان ایس مهدی (سی ای او/ ڈائر یکٹر)	5	5
فیصل ندیم (ڈائریکٹر)	5	5

بورڈ کی تشکیل درج ذیل ہے:

نام	قتم
كامران نشاط	آزاد ڈائریکٹر
انعام الرحمان	
حسن رضا الرحيم	
شفیق احمد	
سلیمانالیسمهدی	ا مَكِز يكٹوڈ ائر يكٹر
فيصل نديم	
كلثوم داؤ د	خاتون ڈائر یکٹر

بورد آف ڈائر کیٹرزے ممبران کے درمیان مفادات کا تصادم

کسی قتم کے مفادات کے تصادم کو CYAN کے قانون کی شقوں اور SECP اور پاکستان اسٹاک ایکیجینج کے قواعد وضوابط کے مطابق منظم کیا جاتا ہے۔

CEO کی کارکردگی کا جائزہ

ہرسال بورڈ پہلے سے متعین کردہ عملیاتی اور تزویراتی مقاصد کی بنیاد پرسی ای او کی کارکردگی کا جائزہ لیتا ہے۔ بورڈ جائزہ کارکا کرداراختیار کرتے ہوئے سی ای اوکو کمپنی کے نظم ونسق، تزویراتی فیصلوں اور بورڈ کی پالیسیوں کے اطلاق اور کمپنی کارخ متعین کرنے کی کممل آزادی فراہم کرتا ہے۔

ڈائز یکٹرزریمیونریش یالیسی

کمپنی نے اپنے 51 ویں سالانہ اجلاسِ عام منعقدہ 30 اپریل، 2011 میں کمپنی کے دستور کے آرٹیکل (a) 78 کی ضروریات کی شروریات کی شخیل میں بورڈ کے اجلاس اور بورڈ کمیٹی کے اجلاسوں میں شرکت کے لئے ڈائر کیٹرز کے معاوضے (گروپ ایگز کیٹو کے علاوہ) کی منظوری دی تھی۔

ڈائر کیٹرز کی تربیت کے پروگرام

غیراخلاقی رویوں کی ہمارے کاروبار میں کوئی گنجائش نہیں ہے۔ تمام ملاز مین کو ہمیشہ کمپنی کے قصص یافتگان کے مفاد کے لئے کام کرنا چاہئے اورکسی بھی ملازم کونہ تو کوئی غیر قانونی وغیراخلاقی کام خود کرنا چاہئے اور نہ ہی کسی دوسرے ملازم کواس کی ہدایت اور ترغیب دینی چاہئے۔

شمینی نے اپناضابطه اخلاق تمام ڈائر مکٹرزاور ملاز مین کوفرا ہم کر دیا ہے اوراسے اپنی ویب سائٹ پر بھی جاری کر دیا ہے۔ **قومی خزانے کوحصہ**

Cyan نے سال 2019 کے دوران ٹیکسوں کی شکل میں قومی خزانے میں 52.17 ملین روپے کا خاصا بڑا حصہ ڈالا ہے۔

كرييْر ٹ ريٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے 31 دسمبر، 2019 کوسیان لمیٹڈ (CL) کی اینٹٹی ریٹنگ 1-A/A-one) کی دوبارہ تو تی کی ہے۔ ریٹنگ کے آثار 'دمشخکم'' ہیں۔

متعلقه فریقین سے لین دین

اس سال کے دوران شریک کارکمپنیوں/متعلقہ فریقین سے کی جانے والی تمام ترلین دین بورڈ کی آ ڈٹ تمیٹی کی جانب سے تجویز کردہ اور تمپنی کے بورڈ آف ڈائر مکٹرز کی جانب سے منظور کردہ تھی۔متعلقہ یار ٹیوں سے تمام لین دین مناسب فاصلے کی بنیادیر کیا گیا۔

بورد آف دائر يكثرز

بورد آف ڈائر یکٹرزسات ڈائر یکٹرز پرمشمل ہے جودرج ذیل ہے:

06 :37 (a)

(b) خواتين: 01

بچوں کی فلاح و بہبود

ثقافتي ورثه كاتحفظ

امدادی سرگرمیاں

توانائی کی بحیت

کمپنی کی جانب سے توانائی کی بچت کے اقدامات میں کمپنی کے تمام مقامات پرانر جی سیورز کا استعمال اور جہاں تک ممکن ہوامدادی توانائی اور آلات کی بندش شامل ہیں۔

پیشه ورانه صحت، تحفظ اور ماحول کی حفاظت

ہم اپنے کار وبار میں صحت ، تحفظ اور ماحول کے شعبوں میں امتیاز کے حصول کے لئے پرُعز م ہیں۔ Cyan کام کے لئے ایک محفوظ ماحول برقر اررکھتی ہے اور اپنے عملے اور شراکت داران کی صحت اور بہود کی ذمہ دار ہے۔تقرری کے وقت تمام نئے ملاز مین کو ایک لازمی میڈیکل چیک اپ اور ٹمیٹ کے مل سے گزار اجاتا ہے۔

ساجى تعاون اورفلاح وبهبودكي اسكيمين

ساجی بہبود میں مسلسل تعاون سیان کمیٹڈ کی CSR پالیسی کا ایک اہم عضر ہے۔ کمپنی کمیونٹی کے ساتھ ایسے طریقے سے کام کرنے کے لئے پڑعزم ہے جس سے ضرورت مندافراد کی زندگیوں پر مثبت اور دیریاا ثرات مرتب ہوں۔

كاروباري مراسم

کاروباری مراسم استعداد، پیداواریت اور مناسب کام کے فروغ میں مدد دیتے ہیں۔ سرمایہ کاران کے ساتھ شراکت کارانہ اور باہمی احترام پربنی تعلقات اوراضافی تعاون پیداواریت اور باہمی اعتاد میں اضافہ کرتے ہیں جس سے ناپیندیدگی اوراستحصال میں کمی آتی ہے۔ اس سال دیگراداروں کے ساتھ کرکٹ میچز کی صورت میں تفریکی اورتح کی سرگرمیاں منعقد کی گئیں۔

ملازمت برائے خصوصی افراد

ایک ذمہ دارآ جرکی حیثیت سے CYAN خصوصی افراد کے لئے ملازمت کے مواقع بیدا کرنے میں خاص دلچیبی رکھتی ہے۔

كاردبارى اخلاقيات اورانسداد بدعنواني كاقدامات

کاروبارکوایمانداری، دیانتداری اوراعلی ترین اخلاقی اور قانونی معیارات کے مطابق چلانا نمینی کی بنیادی پالیسی ہے۔کسی بھی قشم کے

اضافے کے شعبہ جات پراستوار ہوتی ہے۔ تربیت اور ہیومن ریسور سرز ڈویلپمنٹ ہمیشہ کمپنی کے لئے نہایت اہمیت کے حامل رہے ہیں۔ کمپنی میں HR کے رہنمااصول اس طریقے سے وضع کئے گئے ہیں جو ہمیشہ عملے کے ارکان کو معقول معاوضے، حوصلہ افزائی کا احساس اور ترغیب فراہم کرتے ہیں۔

ادارہ نہ صرف بہترین صلاحیتوں کے حامل افراد کو شامل کرتا ہے بلکہ ستقبل میں قائدانہ کردار کے لئے ان کی صلاحیتوں میں تکھاراورار نقا پیدا کرتا ہے۔ کمپنی اپنے ملاز مین کوآ زمائشی مواقع فراہم کر کے انہیں باصلاحیت بنانے پریقین رکھتی ہے تا کہ ان کی استعداد میں اضافہ اور صلاحیت ساس اور نہایت صلاحیتوں میں بہتری لائی جائے۔واضح فرائض منصبی اور ملازمت کی تصریحات شعین کی جاتی ہیں جن کی بنیاد پر کمپنی کے حساس اور نہایت اہم عہدوں کے لئے سکسیشن کا منصوبہ تیار کیا جاتا ہے۔

انٹرنل کنٹرول

انٹرنل کنٹرول کے لائے ممل کا اطلاق بورڈ کی جانب سے قائم کر دہ ایک خود مختار اندرونی انٹرنل آڈٹ فنکشن کے ذریعے مؤثر انداز سے کیا گیا کئٹرول کنٹرول کا نظام ساخت کے اعتبار سے متحکم ہے اور اس کی فعالیت اور موزونیت کی سلسل کے ساتھ جانچ کی جاتی ہے۔ آڈٹ کمیٹی نے آپریشنل، کمپلائنس، رسک مینجمنٹ، فنانشل رپورٹنگ اور کنٹرول کے مقاصد کے کسلسل کے ساتھ جانچ کی جاتی ہے۔ آڈٹ کمیٹی نے آپریشنل، کمپلائنس، رسک مینجمنٹ، فنانشل رپورٹنگ اور کنٹرول کے مقاصد کے حصول اور کمپنی کے تمام تر اٹا ثوں اور کمپنی کے درمیان ہم سطح پرصص یافتگان کے سرمائے کی حفاظت کو بینی بنایا ہے۔ انٹرنل آڈٹ کے کھوس نتائج کا جائزہ لیا ہے اور مناسب نے کمیٹی کے انٹرنل آڈٹ کے کھوس نتائج کا جائزہ لیا ہے اور مناسب اقدامات کے ہیں یا جہاں ضرورت ہو معاملات کو بورڈ کے سامنے پیش کیا ہے۔ ایکٹرنل اور انٹرنل آڈٹ پڑز کے درمیان ہم آ ہنگی کو آسان بنایا گیا تا کہ استعداد کاراور کمپنی کے مقاصد، بشمول ایک قابل اعتبار مالیاتی رپورٹنگ نظام کے قیام اور قواعد وضوابط سے مطابقت کو بینی بنایا گیا تا کہ استعداد کاراور کمپنی کے مقاصد، بشمول ایک قابل اعتبار مالیاتی رپورٹنگ نظام کے قیام اور قواعد وضوابط سے مطابقت کو بینی بنایا گیا تا کہ استعداد کاراور کمپنی کے مقاصد، بشمول ایک قابل اعتبار مالیاتی رپورٹنگ نظام کے قیام اور قواعد وضوابط سے مطابقت کو بین بنایا گیا تا کہ استعداد کاراور کمپنی کے مقاصد ، بشمول ایک قابل اعتبار مالیاتی رپورٹنگ نظام کے قیام اور قواعد وضوابط سے مطابقت کو بین کے بین کے ایکٹر کی کرنے کا میان

کار پوریٹ ساجی ذمہداری (CSR)

پائیداراورقابل اعتادتر قی کے لئے نہ صرف کاروباری اداروں کو مقامی قوانین کے ذریعے پابند کیا گیا ہے بلکہ اس سے بڑھ کریہا یک اخلاقی ذمہ داری ہے جس پراس کی پوری روح کے مطابق پیروی اور عمل درآ مدکیا جانا چاہئے۔ Cyan اس بات پر پختہ یقین رکھتی ہے کہ اس کی مالی کامیابی کے لئے اس کی ماحولیاتی اور ساجی کارکردگی میں اضافہ ناگزیر ہے۔ کمپنی ہمیشہ مہارت، بہتر تنظیم، شفافیت، دیا نتداری اور اختساب کی روایات پرزوردیتی ہے۔ہم نے اپنا CS اپرام درج ذیل شعبوں پر توجہ مرکوز کرتے ہوئے جاری رکھا ہوا ہے: تعلیم

صحت كاشعبه

ساجی بهبود

ذر یعے راست قدر پرایکویٹی پرائس رسک کا سامنا ہوسکتا ہے۔ا یکویٹی سیکیو رٹیز میں سر ماید کاریوں سے پیدا ہونے والے پرائس رسک کا انتظام کرنے کے لئے کمپنی اینے پورٹ فولیوکوموز وں اسٹاکس کے درمیان متنوع بناتی ہے۔

فارن كرنسي رسك

کمپنی کوغیرملکی زرمبادلہ کی شرح میں اتار چڑھاؤسے مادی طور پر کوئی رسک نہیں ہے۔

حصے داران کے ساتھ تعلقات

کمپنی کوتمام حصدداران بشمول حصص یافتگان، ملاز مین، قرض دہندگان، مقامی آبادیوں اور دیگر کے حقوق کا بخو بی ادراک ہے اور کمپنی ان کا احترام کرتی ہے۔ کمپنی، اپنے ہراجلاس عام میں حصص یافتگان کی بھر پورشر کت کی حوصلہ افزائی کرتی ہے اور بہترا نظام کاری اور عملیاتی انتظام سے متعلق ان کے خیالات کی قدر کرتی ہے۔ کمپنی جہاں بھی کام کرتی ہے اپنے حصد داران کے متعلق اپنی قانونی اور اصلاحی ذمہ داریوں سے بخوبی آگاہ ہے اور کمپنی سے وابستہ ان کے مفادات کے حقیقت پیندانہ منظر نامہ کوسامنے رکھتے ہوئے ان کی توقعات پر بروقت پورااتر نے کے لئے مناسب اقد امات کرتی ہے۔ تمام حصص یافتگان کی میٹنگ کے لئے ایک تفصیلی جائزہ کیا گیا تا کہ انہیں کمپنی کی مجموعی کارکر دگی میں قدم ہوقد مساتھ رکھا جائے۔

انفار ميشن ٹيکنالوجی

ہم اس بات پر پختہ یقین رکھتے ہیں کہ سی بھی کاروبار کی ترقی میں انفار میشن ٹیکنالوجی کا کردار نہایت اہم ہے۔ بہتر مارکیٹ انفرااسٹر کچر کے حصول اور رسک کنٹرول کے لئے موزوں طریقوں کی تشکیل کے لئے انفار میشن ٹیکنالوجی کا کردار مسلمہ ہے۔ کمپنی نے متعدد بنیادی ایپلی کیشنز کے اطلاق کے لئے اہم پیش رفت کی ہے جیسے کہ ہیومن ریسورس مینجمنٹ، انٹر پرائز جزل لیجر اور فکسڈ ایسٹس موڈیول وغیرہ ۔ مندرجہ بالاموڈیولز کے اطلاق کے باعث کمپنی کے متعلقہ شعبے کی عمل کارصلاحیتوں میں بہتری آئی ہے اور بیپیش رفت انٹرل کنٹرول اور مؤثر مینجمنٹ سٹم کی بہتری میں معاون ثابت ہوگی۔

هیومن ریسور مز دویلپمنٹ،ٹریننگ اورسکسیشن بلاننگ

کمپنی میں آ گے آنے والے چیلنجز سے نمٹنے کے لئے تجربہ کاراور قابل افراد کوملازمت فراہم کی جاتی ہے۔ کمپنی اپنیٹیم کومزید مضبوط کرنے کی منصوبہ بندی کررہی ہے، ملاز مین کی کارکردگی کی جانچ کے لئے جائز ہے اور نیخ مارک سروے کا استعمال کرتے ہوئے ادارے کی تنظیمی ساخت اورافادیت کومزید مشتحکم کیا جاتا ہے۔

عملے کی تربیت کاعمل پورا سال تسلسل سے جاری رہتا ہے جس کی بنیا دتربیت کی ضروریات کی تشخیص بالحضوص معلومات اور مہارتوں میں

كريدك رسك

کریڈٹ رسک فریق ٹانی کے معاہدے کے مطابق کارکردگی دکھانے میں ناکا می کے نقصان کی عکاس کرتا ہے۔ کمپنی کا کریڈٹ رسک خاص طور پر بینک کے ساتھ ڈپازٹس، ملاز مین کودیئے گئے قرضوں ، میوچل فنڈ ز میں سرمایہ کاریوں اور تجارت اور دیگر قابل وصول اٹا ثہ جات سے پیدا ہوتا ہے۔ بینکوں اور مالیاتی اداروں کے لئے انتظامیہ معروف اداروں کے ساتھ ڈپازٹس رکھتی ہے۔ میوچل فنڈ ز میں سرمایہ کاری کے لئے انتظامیہ اعلی درجے کے میوچل فنڈ ز میں اضافی فنڈ ز رکھتی ہے۔ قابل وصولی ڈپویڈنڈ کے سلسلے میں کریڈٹ رسک قانونی تحفظ کے باعث انتظامیہ اغلی درجے کے میوچل فنڈ ز میں اضافی فنڈ ز رکھتی ہے۔ قابل وصولی ڈپویڈنڈ کے سلسلے میں کریڈٹ رسک قانونی تحفظ کے باعث انتہائی کم ہے۔ لیٹ سیکورٹیز میں ٹرانز یکشنز میں ٹرانز کیشنز میں ٹرانز کیشنز میں ٹرانز کیشنز میں ناد ہندگی کا خطرہ اس معاملے میں اٹھائے جانے والے بنیا دی طور پر موجود منظم اقدامات کے بعد تعین/ اداکی جاتی ہیں۔ ان ٹرانز کیشنز میں ناد ہندگی کا خطرہ اس معاملے میں اٹھائے جانے والے بنیا دی طور پر موجود منظم اقدامات کے بعد تعین/ اداکی جاتی ہیں۔ من ید بر آس ، میوچل فنڈ ز میں سرمایہ کاریوں کا خطرہ بھی نہا ہیت کم ہے کیونکہ کمپنی لکویڈ بیٹی مینجمنٹ کے لئے معقول حد تک اعلیٰ درجے کے منی مارکیٹ فنڈ ز میں سرمایہ کاریوں کا خطرہ بھی نہا بیت کم ہے کیونکہ کمپنی لکویڈ بیٹی مینجمنٹ کے لئے معقول حد تک اعلیٰ درجے کے منی مارکیٹ فنڈ ز سے متعارف ہے۔

ماركيث رسك

مارکیٹ رسک کا مطلب مارکیٹ کی قیمتوں جیسے کہ غیر ملکی زرمبادلہ کی شرح ،شرح سوداورا یکو پٹی کی قیمتوں میں تبدیلی کا خطرہ ہے جو کمپنی کی آمدنی یاان کے مالیاتی ذرائع کی ملکیت کی قدر پراٹر انداز ہوسکتا ہے۔ مارکیٹ رسک مینجمنٹ کا مقصد منافع میں اضافہ کے ساتھ قابل قبول گنجائش کے اندرر ہتے ہوئے مارکیٹ رسک ایسپوژر کی تنظیم اوراس پر قابو پانا ہے تا ہم کمپنی کوشرح سود کے رسک اورا کیو پٹی پرائس رسک کا سامنا ہے۔

کمپنی کواس کی سرمایہ کاریوں،طویل مدتی قرضوں،قلیل مدتی ڈپازٹس اور بینک بیلنسز میں مارکیٹ رسک کا سامنا ہے۔ کمپنی ایک متنوع پورٹ فولیو کے قیام اور ایکویٹی مارکیٹ میں پیش رفت کی مسلسل نگرانی کے ذریعے مارکیٹ رسک کومحدود کرتی ہے۔ کمپنی کی کاروباری سرگرمیوں کے متعلقہ مارکیٹ رسک میں شرح سود کارسک اورقیتوں کارسک شامل ہے۔ کمپنی کومیٹریل کرنی رسک کا سامنانہیں ہے۔

انٹرسٹ ریٹ رسک (شرح سود کے خطرات)

شرح سود کے خطرات سے مراد مارکیٹ کی شرح سود میں تبدیلیوں کے باعث کسی مالی ذریعے کے مستقبل کے کیش فلو (Cash Flow) کی راست قدر میں اتار چڑھاؤ ہے۔ چونکہ منی مارکیٹ میوچل فنڈ زمیں کمپنی کامعقول ایکسپوژر ہے لہٰذااسے شرح سود کے خطرات کا بھی سامنا ہوتا ہے، تاہم اس خطرہ کوان فنڈ زمیں 90 دن سے کم مدت کے لئے سرمایہ کاریوں کے ذریعے محدود کرلیاجا تا ہے۔

ا یکویٹی پرائس رسک

کمپنی کواس کی ملکیت میں موجود سر مایہ کاریوں اور مالیاتی حالات کے بیان میں بطور برائے فروخت درجہ بندی اور نفع اور نقصان کے

مقاصداور كاروباري حكمت عملي

KSE-100 کے مقابلہ میں کمپنی کی گزشتہ پانچ سال کی متحکم اور تسلی بخش کارکردگی کی بنیاد ہمارے کاروباری مقاصد کے حصول پر ہے۔
ہم اچھے اثاثہ جات کے معیاری پورٹ فولیو میں اضافے اور ذرائع آمدنی کے ایک متنوع مجموعے کے ذریعے کمپنی کو مضبوط بنیادوں پر
استوار کرنے کے مقصد پر کاربند ہیں۔ ہماری کاروباری حکمت عملی کے بنیادی عناصر میں دستیاب ریبورسز کوموٹر انداز سے کام میں لا نااور
متعلقہ رسک کا بندوبست اور اس میں تخفیف کرتے ہوئے منافع میں ہمکن اضافہ کرنا شامل ہے۔

لكويْريْ يْنْ ،نفترى كابهاؤاور مالياتى انتظامات

کمپنی نقدی کے انتظام (Cash Management) کے ایک مؤثر نظام کی حامل ہے جو پرعزم اور اہل ملاز مین کی ٹیم کے ذریعے چلا یا جاتا ہے، جو پیشگی منصوبے تیار کرتی ہے اور کمپنی کی نقدی کی ضروریات کی مسلسل نگرانی کرتی ہے۔ نقدی اور دیگر نقد اٹا توں، بشمول سرمایہ کا ریوں کے داخلی اور خارجی بہاؤ کا انتظام خالص تسویہ شدہ منافع کی بنیاد پر کیا جاتا ہے۔ کمپنی کے پاس 2,000 ملین روپے کی رننگ فنانس فیسلٹی بھی موجود ہے جسے اس سال جزوی طور پر استعال کیا گیا اور جیسے اور جہاں کوئی سرمایہ کاری کا موقع پیدا ہوگا، اسے استعال کیا جائے گا۔

سرمائے کی ترتیب

گزشتہ سالوں میں کمپنی نے بونس حصص جاری کئے جس سے کمپنی کا اداشدہ سرمایہ بڑھ کر586.28 ملین روپے ہوگیا۔ سال کے اختتام تک حصص یافتگان کی رقوم 2,116 ملین روپے تھیں، کمپنی کی لکویڈ بڑی کی صورت حال سال کے اختتام تک 6 کے حالیہ تناسب کے ساتھ مشتکم ہے۔

رسک مینجنٹ اوررسک کی تخفیف کے لئے حکمت عملی

کمپنی کم مدتی سر مایہ کاریوں کے پورٹ فولیو کا بھی انتظام کرتی ہے جو جامع مالیاتی جائزے کے بعد ترتیب دیا جاتا ہے۔قلیل مدتی سر مایہ کاریوں میں کریڈٹ رسک کو حکومتی سیکیو رٹیز اوراعلیٰ درجے کے مُنی مارکیٹ میوچل فنڈ ز کے درمیان متنوع سر مایہ کاری کے ذریعے کم کیا جاتا ہے۔قلیل مدتی سر مایہ کاریوں میں اچھی مالی حالت کی حامل بیلک ایکویٹیز اوراعلیٰ درجے کے منی مارکیٹ میوچل فنڈ زشامل ہیں۔

ريكارڈ كيا گيا تھا۔

31 دسمبر،2019 اور2018 كوختم ہونے والے سالوں كے لئے مالياتی نكات كامخضر بيان درج ذيل ہے:

ماس	يےلين	
<i>O</i>	ے۔ان	رو

		*	
	2019	2018	تبدیلی کی شرح
سرماييكاريوں پرمنافع	100	97	3%
سر ماییکاریوں پرمنافع سر ماییکاریوں کی فروخت پرمنافع۔خالص	138	229	(40%)
ديگرآ مدني	16	13	3%
	253	339	(25%)
غيرموصول شده (تخفيف)	(2)	(420)	99%
	251	(81)	410%
عمل کاری اورا نیظا می اخراجات	(155)	(115)	25%
مالياتی چارجز	(11)	(15)	(27%)
منافع/(خساره)قبل از ٹیکس	95	(211)	145%
اليكس الميكس	3	(7)	143%
منافع/(خساره)بعداز ٹیکس	98	(218)	145%
منافع/(خسارہ)فی حصص _روپے	1.67	(3.72)	145%

فی صص آمدنی اس سال کمپنی کی فی خصص آمدنی 1.67 روپے رہی جبکہ سال 2018 میں 3.72 روپے فی خصص خسارہ ریکارڈ کیا گیا تھا۔

تخصيص اور ڈیویڈنڈ

31 دسمبر،2019 کونتم ہونے والے سال کے لئے کمپنی کا بعداز ٹیکس منافع 98 ملین روپے رہا جبکہ گزشتہ سال کمپنی کا بعداز ٹیکس خسارہ 218 ملین روپے تھا۔ شرح سود میں اضافے کے ماحول میں بینکنگ کا شعبہ نمایاں کارکردگی کا حامل رہاجس کا نتیجہ اصل شرح سود میں اضافے کی صورت میں برآ مد ہوا۔ روپے کی قدر میں کمی سے ڈالر سے متعلقہ آمدنی میں اضافہ ہواجو E&P ہواجو B اور پاور کے شعبہ جات کی مشخام کارکردگی کا باعث بنال چین میں کچھ پلانٹس کی بندش اور بین الاقوامی سطح پر منافعوں میں اضافے کے باعث کیمیکل کے شعبہ کی کارکردگی میں بہتری آئی ٹیکسٹائل کے شعبہ نے توقع سے زیادہ کارکردگی کا مظاہرہ کیا اور کرنسی کی سازگار تبدیلی ،امریکہ ۔ چین ٹریڈوار پرغیریقینی صورت حال کے خاتمے اور برآ مدات کی فئی مسابقتی صلاحیت میں اضافہ ہوا۔

کیانڈرسال2019 میں سیمنٹ کا شعبہ سب سے کم کارکردگی کے حامل شعبہ جات میں شامل رہا،روپے کی قدر میں کمی کے باعث قیمتوں کا دباؤ اور زیادہ شرح سوداس کم کارکردگی کی بنیادی وجو ہات تھیں۔طلب میں کمی اور رسد میں اضافے کے رجحانات کا نتیجہ شعبہ کی محدود پرائسنگ پاور اور کم منافعوں کی صورت میں نکلا۔ آٹو موبائل اسمبلر زکی کارکردگی بھی ڈالر کے مقابلے میں پاکتانی روپے کی قدر میں کمی اور طلب میں کمی کے باعث ریفائنزیز کی کارکردگی طلب میں کمی اور روپے کی قدر میں کمی کے باعث ریفائنزیز کی کارکردگی بھی دباؤ کا شکاررہی۔

سمپنی کی کارکردگی

دوران سال کمپنی نے 92 فیصد (اوسط) کے ساتھ اپنی سر مایہ کارئ پبلک ایکویٹیز کی جانب برقر اررکھا، جبکہ 8 فیصد حصہ سے میوچال فنڈ زاور حکومتی سیکیورٹیز میں سر مایہ کاری کی۔ ایکویٹ پورٹ فولیو آئی ایم ایف پروگرام میں شمولیت کے بعد واضح ہوتی معاشی صورت حال اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے بعد ادائیکیوں کے توازن کی موزوں صورت حال کی بنیاد پرتر تیب دیا گیا۔

بنیادی میکروا کنا مک اشاروں، بالحضوص غیرملکی زرمبادلہ کے ذخائر اور یک ہندی افراطِ زرمیں مجموعی طور پر بہتری آئی۔ زیادہ تیزی سے ترقی کرنے والی اور زیادہ منافع بخش سر مایے کاریوں میں توازن قائم رکھنے کے لئے ایکویٹی پورٹ فولیوکودوبارہ تر تیب دیا گیا۔ اس مقصد کے لئے بینکس، ٹیکسٹائل کمپوزٹ، آئل اینڈگیس مارکیٹنگ کمپنیز، ٹیکنالوجی اینڈ کمیونیکشن اور آئل اینڈگیس ایکسپلوریشن کمپنیوں میں بھاری سر مایے کاری کی گئی۔ ہمارے ایکویٹی پورٹ فولیوسے سال 2019 کے دوران ڈیویٹرنڈ آمدنی 94 ملین روپے رہی، جبکہ گزشتہ سال بھی این ہی آمدنی حاصل ہوئی تھی۔ کمپنی نے اس مدت میں 138 ملین روپے کا موصول شدہ فرارہ (Capital Gain کی سامنا کیا، حبکہ 2 ملین روپے غیرموصول شدہ خسارہ (Unrealized Losé) کا سامنا کیا، حبکہ اس مدت میں بیخسارہ (420 کاریشتہ سال اسی مدت میں بیخسارہ 420 ملین روپے تھا۔

سال2019 کے دوران بعداز ٹیکس منافع 98 ملین روپے تھا جبکہ گزشتہ سال کی اسی مدت میں 218 ملین روپے کا بعداز ٹیکس خسارہ

سال2019 میں 378 ملین خصص تک پہنچے گیا۔ تا ہم اوسط روزانہ تجارتی قدر کیانڈرسال2019 میں گزشتہ سال کی اسی مدت کے 7.9 ارب یومیہ کے مقابلے میں کم ہوکر 5.9ارب یومیہ ہوگئی۔

کئی سال کی کم قدر بشمول بہتری کی جانب گامزن میکروا کنا مک صورت حال نے بیرونی سر ماید کاروں کو پاکستانی مارکیٹ کی جانب متوجہ کیا اور غیر ملکی کیلنڈر سال 2019 میں بھی اصل خریدار رہے۔ یہ بچھلے پانچ کیلنڈر سالوں میں پہلی بارتھا کہ غیر ملکی اصل خریدار رہے۔ اور جب کیلنڈر سال 2019 میں 55.7 ملین امر کی ڈالر بیرونی سر مائے کی مدمین مارکیٹ میں شامل ہوئے۔

شعبہ جاتی سطح پرسب سے زیادہ سرمایہ کاری بینکوں میں (69 ملین امریکی ڈالر ہوئی) جبکہ فرٹیلائزر کے شعبے(34 ملین امریکی ڈالر) اور سیمنٹ (28 ملین امریکی ڈالر) کی سرمایہ کاری کے ساتھ دوسرے اور تیسر نے نمبر پر رہے۔

ہمیں یقین ہے کہ گزشتہ ایک سال کے دوران اختیار کی گئی Stabilization کی پالیسیوں کے مثبت نتائج برآ مدہوئے جس کی عکاسی کرنٹ اکاؤنٹ خسارے(CAD) میں کمی اور غیر ملکی زرمبادلہ کے ذخائر اور شرح تبادلہ میں استحکام سے ہوتی ہے۔ کیلنڈر سال 2020 میں ان اکاؤنٹ خسارے(CAD) میں کمی اور غیر ملکی زرمبادلہ کے ذخائر اور شرح تبان کی جانب سے مالیاتی پالیسی میں نرمی اختیار کئے جانے میں اور املی کی کہ توقع ہے۔ مزید برآ سے مالیاتی پالیسی میں نرمی اختیار کئے جانے کی توقع ہے۔ مزید برآ سے مالیاتی پالیسی میں نرمی الموالی کی سروچل فنڈ کے سرمایہ کاری کو اپنی سرمایہ کاری کو تبار کئی میں خوالی کی سروچل فنڈ نرمی جانب موڑ نے پر مائل کر سکتی ہے۔ تاریخی نقطۂ نظر سے تخیین کاری اور اس کے ساتھ ساتھ علاقائی سطح پر قابلی جائز ہے اور شکل اساس ، اسٹاک مارکیٹ کو آ گے بڑھنے کی قوت فرا ہم کریں گے۔ 100 الا کان بڑھتا ہوا فارور ڈکا کاری پل پرٹریڈ کررہا ہے جس سے کیلنڈر سال 2020 میں مارکیٹ کا منافع دو ہرے ہندسوں میں ہونے کا امکان بڑھتا ہوا فظر آتا ہے۔

شعبہ جاتی جائزے

سال 2019 میں لیدراورٹینریز، ٹیکسٹائل ویونگ، انویسٹمنٹ بینکس اور شوگر اینڈ الائیڈ انڈسٹریز کے شعبہ جات نے KSE-100 انڈیکس میں توقع سے زیادہ کارکردگی کا مظاہرہ کیا۔ تاہم بدترین کارکردگی کا مظاہرہ کرنے والے شعبہ جات میں وولن، ریفائنزی، آٹو موہائل یارٹس،ٹوبیکواورانجینئر نگ شامل تھے۔

پوائنش کے اعتبار سے انڈیکس میں مثبت انداز میں حصہ ڈالنے والے شعبہ جات میں پینکس ، فرٹیلائزرہ E&P ، انوسٹمنٹ بینکس اور آٹو موبائل اسمبلر زشامل تھے جبکہ انڈیکس میں گراوٹ کا باعث بننے والے شعبہ جات میں سیمنٹ، ٹوبیکو، ریفائنزیز، فار ماسیوٹیکز، فوڈ اور پرسنل کیئر پروڈکٹس شامل تھیں۔ کینٹرسال2019 کے دوران زرمبادلہ کے ذخائر کی صورت حال بدستورتشویشناک رہی۔ دوست معیشتوں جیسے کہ سعودی عرب، متحدہ عرب امارات اور قطر کی جانب سے آنے والا دوطر فدسر مایہ کمرشل قرضہ جات کی ادائیگی ، یور و بونٹر میچورٹی اور کثیر الاطراف قرضہ جات کی ادائیگی میں استعال کرلیا گیا جس کا نتیجہ کم درآ مدی ماحول میں کرنی پر بڑھتے دباؤ کی صورت میں برآ مد ہوا۔ نتیجاً پاکستان کو معیشت کے ساختی عدم توازن پر قابو پانے کے لئے توسیعی فنٹر منصوبے (6ارب ڈالر) کے تحت 39 ماہ کے IMF پروگرام میں شامل ہونا پڑا۔ کیلنٹر سال 2019 کے اختام پر غیرملکی زیرمبادلہ کے ذخائر 30 فیصداضافے کے بعد 17.9 ارب امریکی ڈالررہے۔

مزید برآس، آنے والے سالوں میں ملک کی معاثی ترقی کی رفتار میں بتدریج بہتری کی توقع ہے۔ آئی ایم ایف اور دیگر کثیر فریتی قرض دہندگان کی مدد سے ملک کی ادائیگیوں کے توازن کی صورت حال بہتر ہونا شروع ہوگئی ہے۔ کیلنڈرسال 2020 میں افراطِ زر میں کمی ک توقع ہے جس سے مرکزی بینک کے لئے مانیٹرنگ پالیسی میں تخفیف کا موقف اختیار کرنے کی گنجائش پیدا ہوگی۔ پالیسی شرح میں کمی سے ملکی معیشت کی کارکردگی کی رفتار میں تیزی آئے گی، جوموجودہ صورت حال میں اشد ضروری ہے، جبد مرکزی بینک نے مالی سال 2020 کے لئے مجموعی ترقیاتی پیداوار (GDP) کا ہدف تقریباً 3.5 فیصد مقرر کیا ہے۔ مالی سال 2020 کے لئے محصولات کی وصولی کا ہدف میں اضافہ کے اہم ترین شعبہ کو برسرا قد ارحکومت کی بھریور توجہ حاصل ہے۔

اسٹاک مارکیٹ کا جائزہ

کیلنڈرسال2019 میں 2019 انڈیکس کا مجموعی منافع 9.9 فیصد (امریکی ڈالر کے اعتبار سے %1.5-)رہا۔اسٹاک مارکیٹ نے مسلسل دوسال کے خسارے کے بعد کیلنڈرسال2019 میں منافع ظاہر کیا۔اس کی بنیادی وجوہات میں میکروا کنا مک عدم اعتماد میں کمی ، بیرونی سرمائے کی آمد میں بہتری اور مانیٹری تختی کی پالیسی میں توقف شامل تھیں ۔انڈیکس اگست 2018 میں 2015 میں 28,765 پوائنٹس کی مندی اور دسمبر 2019 میں 41,769 کے اضافے کے بعد 41,735 کوائنٹس پر بند ہوا۔

ادائیگیوں کے توازن کے بحران کے باعث کیلنڈرسال2019 کی پہلی ششاہی میں مارکیٹ کی کارکردگی کافی کم رہی۔ تاہم آئی ایم ایف پروگرام میں شمولیت اور معیشت کی تشکیل میں موجود عدم توازن (بالخصوص بیرونی سطح پر) میں بہتری سے سرمایہ کاروں کا اعتماد بحال ہوا۔
کیلنڈرسال2019 کی دوسری ششاہی میں پاکتنانی روپیہ فی امریکی ڈالر کی شرح سے کافی مشتکم رہا اور اسٹیٹ بینک آف
پاکتنان کے غیرملکی زرمبادلہ کے ذخائر آغاز سال کے 7.2 ارب امریکی ڈالر کے مقابلے میں دسمبر 2019 میں 11.3 ارب امریکی ڈالر

نتیجاً KSE آل انڈیکس میں بہتری آئی اور اوسط روز انہ تجارتی جم کیانڈر سال 2018 کے 185 ملین خصص کے مقابلے میں کیانڈر

شدہ مدف 12-11 فیصد کے در میان رہی۔

مالی سال 2019 میں نجی شعبہ کے قرضہ جات مالی سال 2018 کے 753 ارب روپے کے مقابلے میں 606 ارب روپے رہے، جس کے نتیج میں ان میں گزشتہ سال کے 16 فیصد سال بہ سال کے مقابلے میں 11 فیصد سال بہ سال کا اضافہ دیکھنے میں آیا۔ اس ست رفتاری کی بنیادی وجہ بڑھتی ہوئی شرح سوداور Stabilization کی پالیسیوں کا اطلاق ہے۔ پچھا ہم شعبے جن میں مشحکم پیداوار دیکھنے میں آئی ان میں بجلی گیس اور واڑ سپلائی (23.6) فیصد ، کا مرس اور ٹریڈ (17.4) فیصد ، اور مینوفی پچرنگ (15.2) فیصد شامل ہیں۔

ادائیگیوں کے توازن کے بحران کے باعث بیرونی سطح پر بڑھتے دباؤ میں مالی سال 2019 میں کی آناشروع ہوگئ ہے۔ مالی سال 2018 میں کرنٹ اکاؤنٹ کا خسارہ (CAD) بطور مجموعی ترقیاتی پیداوار (GDP) کے فیصد کے 4.9 فیصد تک کم ہوگیا جبکہ مالی سال 2018 میں یہ خسارہ 6.3 فیصد ریکارڈ کیا گیا تھا۔ کرنٹ اکاؤنٹ خسارہ مالی سال 2018 کے 19.9 ارب امریکی ڈالر کے مقابلے میں کم ہوکر میں ہوکر 13.8 ارب امریکی ڈالر کے مقابلے میں کمی کو ٹر پالیسیوں اور کرنسی کی قدر میں کمی کے باعث تجارتی خسارہ میں 13.5 فیصد کی نے کرنٹ اکاؤنٹ خسارے کی کمی میں اہم کرداراوا کیا۔ دوسری جانب ترسیلات زرمیں دوران سال 9.7 فیصد کا اضافہ دیکھنے میں آیا اور یہ 21.8 فیصد کی سطح تک پہنچ گئیں۔ مالی سال 2020 کے پہلے نصف میں ریگیو لیٹری ڈیوٹیز کے نفاذ اور روپے کی قدر میں کمی سے کرنٹ اکاؤنٹ خسارہ مزید کم ہوکر 2.2 ارب امریکی ڈالر ہوگیا، جبکہ پچھلے سال کی آئی مدت میں یہ خسارہ 6.8 ارب امریکی ڈالر تھا۔

مالی سطح پر، مالی سال 2019 میں پاکستان نے اپنی تاریخ کا بلند ترین مالیاتی خسارہ 3.4 کھر بروپے ظاہر کیا، جس کی وجہ حکومت کی جانب سے قرضوں پر بھاری سود کی رقم کی ادائیگی اور دفاعی اخراجات کے ساتھ ساتھ ٹیکس اور نائیگی وصولیوں میں کمی تھی۔ قرضوں پر سود کی ادائیگی اور دفاعی اخراجات میں بالتر تیب 39.4 فیصد سال برسال اور 11.3 فیصد سال برسال اصلاحی کی ادائیگی اور فاعی اخراجات میں تخفیف اور ٹیکس چھوٹ کو واپس لینے کا اعلان کیا تاہم یہ اقتدامات ناکافی ثابت ہوئے کیونکہ محصولات کی وصولی ہدف سے کم رہی۔ مالی سال 2019 میں کمی محصولات میں 6.3 فیصد سال برسال کی کی آئی جبکہ کل اخراجات میں 11.4 فیصد سال برسال کا اضافہ ہوا۔ نیتجاً مالی سال 2019 میں مجموعی ترقیاتی پیداوار (GDP) پر مالی خسارہ 4.9 فیصد کے ہدف اور گزشتہ سال کے مالی خسارہ 6.6 فیصد کے برکس 8.9 فیصد رہا۔ تاہم پاکستان نے مالی سال 2020 کے پہلے نصف میں 1286 رب روپے (GDP) کا 0.7 فیصد) بنیادی بیلنس سرپلس ظاہر کیا۔

کیانڈرسال2019 کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی شرح میں 325 بیسز پوائنٹس کا اضافہ کیا جو بڑھ کر 13.25 فیصد ہوگئی۔ آگے چل کر افراطِ زر کے دباؤکے باعث نسبتاً مشحکم شرح تبادلہ اور اشیائے صرف کی قیمتوں کے استحکام کے آثار کم نظر آتے ہیں۔ مجموعی افراطِ زراسٹیٹ بینک آف یا کستان کی متوقع شرح 11سے 12 فیصد کے درمیان رہنے کا امکان ہے۔

ڈائز یکٹرز کی رپورٹ

بورڈ آف ڈائر کیٹرز 31 دسمبر،2019 کوختم ہونے والے سال کے لئے کمپنی کی 60 ویں سالانہ رپورٹ مع آ ڈٹ شدہ مالیاتی گوشوار بیش کرنے میں مسرت محسوس کرتے ہیں۔

معيشت كاحائزه

پاکستانی معیشت کی رفتار مالی سال 2019 میں بھی بدستور دھیمی رہی اور ملک میں مالی سال 2018 کے 5.5 فیصد کے مقابلہ میں مجموعی ترقیاتی پیداوار (GDP) کی شرح 3.3 فیصدر یکارڈ کی گئی۔ جن شعبوں میں بہتری ریکارڈ کی گئی ان میں زراعت 0.8 فیصد منعتی شعبہ 1.4 فیصداور خدمات کا شعبہ 4.7 فیصد شامل ہے۔

مالی سال 2019 میں زرعی شعبے کی کارکردگی میں کمی واقع ہوئی اور مالی سال 2018 کے 3.9 فیصد اضافے اور ہدف شدہ 3.8 فیصد اضافے سے بھی کم ہوگئ۔اس شعبہ کی پیداوار میں کمی کی وجہ ملک کو در پیش پانی کی کمی کا شدید مسئلہ تھا جس کا نتیجہ زیر کا شت رقبے میں کمی اور پیداوار کی اخراجات میں اضافے کی صورت میں برآ مدہوا۔اس کے باعث فرٹیلائزر کی فروخت میں کمی آئی۔

صنعتی شعبہ کی پیداوار مالی سال 2018 کے 4.9 فیصد کے مقابلے میں 1.4 فیصد رہی کیونکہ تخفیفی پالیسیاں اور روپے کی قدر میں کمی ترتی کی ترقی میں کمی ترقی شعبہ کی پیداوار مالی سال Whole Sale) اورخور دہ فروثی (Retail) کی تجارت گزشتہ سال کے مقابلے میں تقریباً آ دھی رہ گئی، جس سے خدمات کے شعبے کی پیداوار مالی سال 2019 میں 6.2 فیصد سے کم ہوکر 4.7 فیصد رہ گئی۔

میکرواکنا مکست روی بڑے پیانے کے کاروبار (LSM) کی پیداوارسے ظاہر ہوتی ہے جو مالی سال 2019 میں 3.4 فیصد سال بہسال پر بند ہوئی۔ آٹو موبائلز (11.8-) فیصد ، آئر ن اور اسٹیل (11.2-) فیصد ، کوک اور پیٹر ولیم (8.4-) فیصد ، فار ماسوٹیکل (7.7-) فیصد ، اور فوڈ اور بیور بجز (7.3-) فیصد بیداوار نے معاثی ست رفتاری میں مزیداضافہ کیا۔ ناسازگار شرح سود کی وجہ سے قرضوں کی اضافی لاگت اور زیمبادلہ کی شرح میں کمی سے خام مال کی قیمتوں میں نمایاں اضافے نے اس شعبہ کی پیداوار کو بری طرح متاثر کیا۔ تاہم بجلی کی پیداوار اور بجلی اور کیس کی تقسیم سے شعبہ کی پیداوار میں بہتری آئی جو 1.4 فیصد پر بند ہوا۔

افراطِ زرکی شرح گزشته سال کے 4.7 فیصد کے مقابلے میں نے طریقہ کار کے مطابق 6.8 فیصد پر بند ہوئی۔افراطِ زرکی اوسط شرح میں اضافے کی وجہا شیائے خوردونوش کی قیمتوں میں اضافہ، پاکستانی روپے کی قدر میں کمی کے مقابلتاً کم اثرات اور لوٹیلٹی پرائسز میں اضافہ تھی۔

مالی سال 2020 کے پہلے نصف میں افراطِ زرکی اوسط شرح گزشتہ سال کی اسی مدت کے 6.0 فیصد کے مقابلے میں بڑھ کر 11.1 فیصد ہوگئی۔ مالی سال 2020 کے پہلے نصف میں افراطِ زرکی اوسط شرح اسٹیٹ بینک آف پاکستان کے مالی سال 2020 کے لئے طے

Electronic Dividend Mandate Form Cyan Limited

In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. SECP vide Circular No. 18 of 2017 dated August 01, 2017, has presently waived this condition till October 31, 2017. Any dividend payable after this due date shall be paid in the manner prescribed only.

Shareholders are requested to send the attached Form duly filled and signed, along with attested copy of their CNIC to the Company's Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, SMCHS, Main Shahrah-e-Faisal, Karachi. CDC shareholders are requested to submit their Dividend Mandate Form and attested copy of CNIC directly to their broker (participant)/CDC.

I hereby communicate to receive my future dividends directly in my Bank account as detailed below:

Name of shareholder Folio Number/CDC Account No.: ----- of Cyan Limited. Contact number of shareholder: -----Title of Account · ------· ------IBAN (*) · _____ Name of Bank Bank branch · ______ Mailing Address of Branch · ------CNIC No. (attach attested copy): -----NTN (in case of corporate entity): -----It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company informed in case of any changes in the said particulars in future. Shareholder's Signature Date

NOTES:

^{*}Please provide complete IBAN (International Bank Account Number), after checking with your concerned Bank branch to enable electronic credit directly into your bank account.

Proxy Form



I/We	of
being a member of CYAN LIMITED and holde	r of Ordinary Shares as
per Share Register Folio No an	nd/or CDC participant ID No
and Account / Sub Account No	hereby appoint
of	
or failing him/her	of as my proxy to
vote for me and on my/our behalf at the Annua	al General Meeting (AGM) of the company
to be held at The Dawood Foundation Busin	ess Hub, Ground Floor, Dawood Center,
M.T. Khan Road, Karachi on May 21, 2020 at 2	2:00 p.m. and at any adjournment thereof.
Signed this day of 2020	
Witness 1	
Signature	
Name	Signature on Revenue
Passport No.	Stamps of Rupees Five
Address	
	Signature should agree with specimen
Witness 2	signature with the Company.
SignatureName	
CNIC No. or	
Passport No.	
Address	

Notes

- A member entitled to attend and vote at the meeting may appoint any member as his/her proxy to attend the meeting and vote.
- If a member is unable to attend the meeting, they may complete and sign this form and send it to the Company Secretary, Cyan Limited at the registered office 4th floor, Dawood Centre, M.T Khan Road, Karachi so as to reach not less than 48 hours before the time appointed for holding the Meeting.
- For CDC Account Holders / Corporate Entities
 In addition to the above the following requirements have to be met.
 - (i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be stated on the form.
 - (ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - (iii) The proxy shall produce his original CNIC or original passport at the time of the meeting. In case of a corporate entity, the Board of Director resolution / power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form to the company.

Please affix correct postage Cyan The Company Secretary, Cyan Limited 4th Floor, Dawood Centre M.T. Khan Road Karachi

نما تندگی کا فارم

	ساِن کمیٹڑ کا سانٹوال سالانہ اجلاسِ عام
شلع	میں/مسٹی/مسٹاۃ بیاکن
ر ممی /مسلاة ساکن کو بطورِ مختار	بحیثیت ممبر سیان لمینیژ، / م
ماری طرف سے سمپنی کے ۲۰ سالانہ اِجلاس عام جو کہ TDF بزنس	
۰۰:۲ بج منعقد ہو رہاہے اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔	
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	د شخط بروز بران
	گواه (۱)
	د ستخط گواه :
مطلوبہ (پانچ روپے کا) ریوینمو نکٹ چسیاں کریں اور دستنظ کریں	نام : قومی شاختی کارڈ نمبر یا :
ريوند يو حت پهچهان کړي اور و کله کړي	ياسپورٹ نمبر:
ا دستخط سمپنی کے پاس پہلے سے محفوظ و شخطی نمونہ کے مطابق ہونے	گواه (۲)
ر مط مان کے چو ل چینے کے مطابق ہوتے ضروری ہیں۔	دستخط گواه :
	نام : قومی شاختی کارڈ نمبر یا :
	لوی شا می کارد منبر یا : یاسپورٹ نمبر :

نوٹس :

- سمینی کا ایبا تصص یافتگان/ ممبر جو اجلاس میں شرکت اور ووٹ ڈالنے کا اہل ہو وہ اپنی جگہ کسی اور ممبر کو اجلاس میں شرکت اور ووٹ ڈالنے کے لیے نامزد کر سکتا ہے۔
- تمام نامزد گیاں ای صورت میں مو تر ہوں گی جب پراکس فارم بنام کمپنی سیرٹری ، رجسٹرڈ آفس چو تھی منزل، داؤد سینز، ایم-ٹی-فان روڈ، کراچی، کو اجلاس کے انعقاد کے مقررہ وقت سے ۴۸ گھٹے قبل موصول ہوں۔
 - CDC اکاؤنٹ رکھنے والے/کا رپوریٹ ممبر ان کے لیے مندرّجہ بالا ضوابط کے علاوہ درج زیل شرائط کو بھی پورا کرنا لازمی ہے
 - ا) نامزدگی فارم دو اشخاص کی گواہی، ہے اور قومی شاختی کارڈ نمبر کے ساتھ پُر ہونے چاہیں۔
 - ۲) نامزگی فارم کے ساتھ سادہ حصص یافتگان اور مجاز وکیل کے شاختی کارڈ کی تصدیق شدہ نقول منسلک ہونی چاہیں۔
- ۳) مجاز وکیل (پراکسی ہولڈر) کے اجلاس کے وقت اپنا اصل شاختی کارڈ یاپا سپورٹ ضرور پیش کریں۔ ادارے کی صورت میں نامزد فارم (پراکسی فارم) کے ساتھ کمپنی بذامیں جمع کروائیں۔ فارم) کے ساتھ بورڈ آف ڈائریکٹر زکی قرار دادیا مختار نامہ بمعہ نامزد کردہ شخص کے دستخطی نمونہ کے ساتھ کمپنی بذامیں جمع کروائیں۔

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