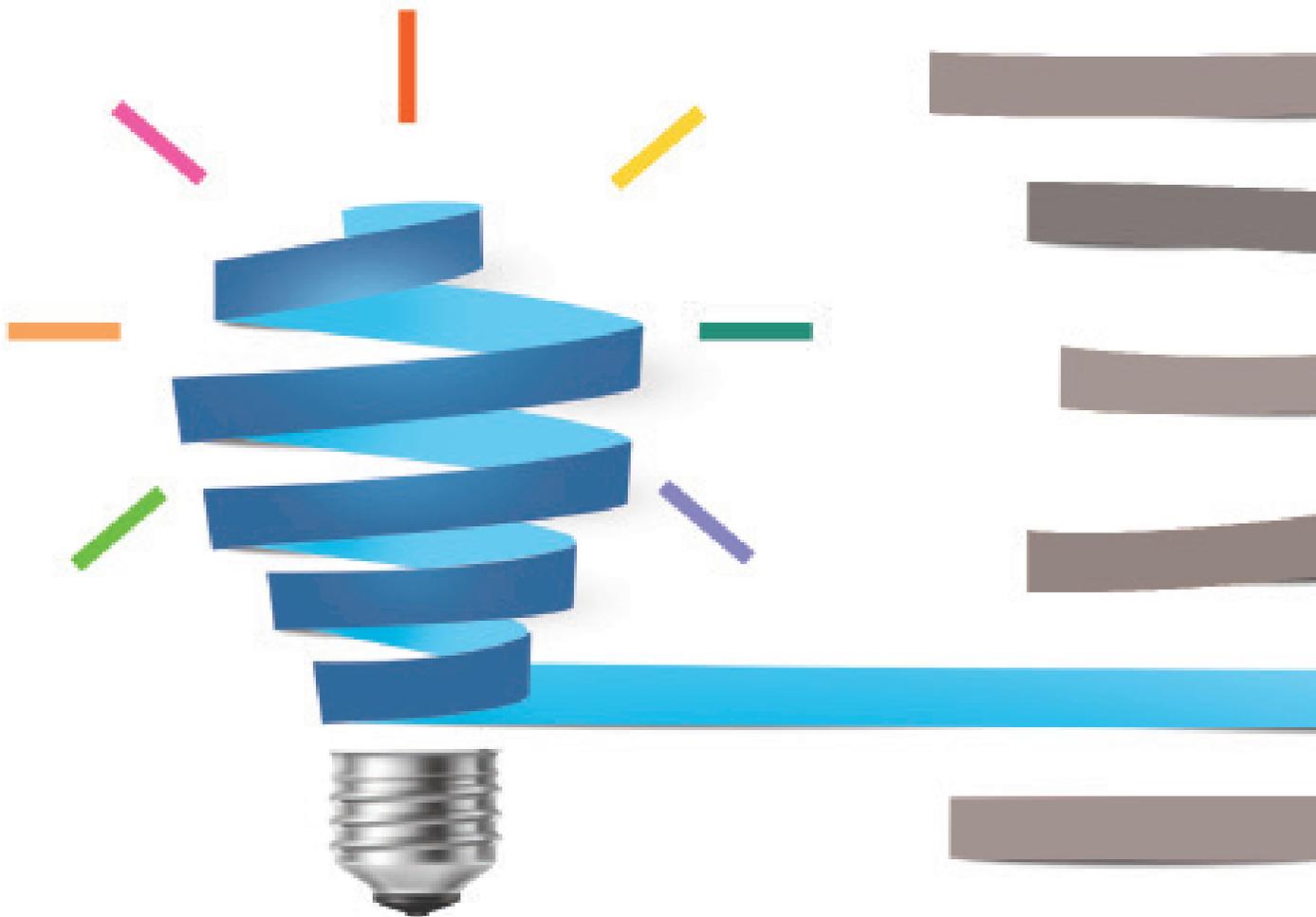


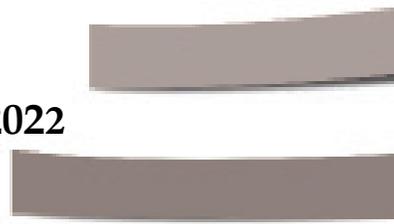


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to new
CHALLENGES



Third Quarterly Accounts (un-audited)

For the nine months period ended September 30, 2022



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COMPANY INFORMATION

Board of Directors

Mr. Abdul Samad Dawood - Chairman
Ms. Sabrina Dawood – Director
Mr. Hasan Reza Ur Rahim – Independent Director
Mr. Kamran Nishat - Independent Director
Mr. Shabbir Hussain Hashmi- Independent Director
Mr. Shafiq Ahmed - Director
Mohammad Shamoan Chaudry - Chief Executive Officer

Board Audit Committee

Mr. Shabbir Hussain Hashmi - Chairman
Mr. Hasan Reza Ur Rahim - Member
Mr. Kamran Nishat – Member

Board HR & Remuneration Committee

Mr. Hasan Reza Ur Rahim - Chairman
Mr. Abdul Samad Dawood - Member
Ms. Sabrina Dawood - Member

Board Investment Committee

Mr. Abdul Samad Dawood - Chairman
Mr. Hasan Reza Ur Rahim - Member
Mr. Kamran Nishat - Member
Mr. Shabbir Hussain Hashmi - Member

Chief Financial Officer

Muhammad Anas Karimi

Company Secretary

Mr. Imran Chagani

Bankers

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

Auditors

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

Tax Consultants

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

Share Registrar/Transfer Agent

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

Legal Advisors

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

Rating Agency

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

Registered Office

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

Directors' Review

The Board of Directors of Cyan Limited is pleased to present the un-audited condensed interim financial statements of the Company for the nine months ended September 30, 2022.

Economic Review and Outlook

Investor confidence faltered during the quarter due to elevated political noise and risks to the economy. Despite this, Pakistan was able to take the tough steps necessary to resume the IMF programme, which proved to be timely given that the country was affected by the worst flooding it has seen since 2010 (the initial estimated impact of which is more than \$ 30 bn). Pakistan recorded high inflation of 23.2% in September and 27.3% in August, but the SBP kept the benchmark policy rate on hold at 15.0% with slower GDP growth offsetting near-term inflationary pressures.

Pakistan's monthly current account deficit for August nearly halved to US \$0.7bn YoY, the lowest since Apr'22, despite hefty oil and food imports amid recent flood damages. Importantly, the current account deficit for FY23 is still expected to be close to 3% of GDP.

The PKR remained volatile during the quarter as domestic inflation spiked while the US\$ went on a relentless march as the US Fed raised interest rates. In recent weeks, however, improved sentiment has helped recoup some of the PKR's losses.

Going forward, Pakistan faces a challenging balancing act between providing relief to the public, achieving sustainable growth, and retaining prudent policies such that multilateral agencies, particularly the IMF, remain on board. The floods are expected to weigh down on GDP growth this year while adding to inflationary pressures and also increasing the import bill temporarily because of food imports. However, the impact on the current account is expected to be modest, and there is scope to win concessions in conditionalities from the IMF. This would be a welcome relief and could help improve confidence in Pakistan's economic outlook.

Stock Market Review and Outlook

The KSE100 shed 1.0% in the first quarter of FY23 (12.6% in US\$ terms) with the KSE100 closing at 41,129 pts. The Index high during the quarter was 43,677 pts and low was 39,832 pts with volatility tracking political and economic developments. Trading volumes remained generally thin, similar to the previous quarter. Net foreign investment in Pakistani equities was positive but this was largely due to foreign individuals buying in the technology sector while foreign institutions remained on the selling side. On the local front, institutions led by mutual funds and insurance companies were sellers while individuals continued to add equities.

Pakistan's equity market is trading at a forward P/E of 3.2x (Bloomberg consensus) at a steep discount to the 10-year average of 8.1x. The depressed valuations can largely be attributed to a challenging macro environment and interest rates at their highest level since the 1990s. Pakistan equities have significant room to rerate through the cycle as political noise normalizes and as interest rates begin to reduce. Provided international commodity prices come down, particularly oil prices, it is possible that monetary easing begins in 2022 rather than next year. This could be a major trigger for equities.

Company Performance and Outlook

During the period ended September 30, 2022 the Company posted a loss per share of Rs.4.75 compared to earnings per share of Rs.7.44 in the corresponding period in 2021.

The Company recorded a loss on investment of Rs.222.00 million compared to income on investment of Rs.663 million in the same period last year.

As detailed last quarter, this year the Company is in the process of pivoting its strategy to invest in high-yielding blue-chip value stocks with substantial cashflow generation capability. Accordingly, the portfolio is being rationalized to reduce exposure from high beta scrips to dividend-paying value stocks. Additionally, our leverage position is being optimized while efficiently managing operating cost.

This change of strategy for the investment portfolio and rationalization of bank leverage will continue and is targeted to be completed by the end of the year. It is expected that to achieve this, further losses may be realized; however, once achieved, the Company will have a low-beta and relatively high-yielding portfolio.

Acknowledgement

We would like to thank all our stakeholders, especially our valued investors, who have placed their confidence in us and also appreciate the management team for their unswerving commitment and hard work. The Board would also like to note 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

Mr. Shabbir Hussain Hashmi
Director

Mr. Mohammad Shamoan Chaudry
CEO

Karachi: October 24, 2022

ڈائریکٹرز کی رپورٹ

سیان لمیٹڈ کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ 30 ستمبر، 2022 کو ختم ہونے والے نو ماہ کے لئے کمپنی کی غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرتے ہیں۔

معاشی جائزہ اور آثار

زیر جائزہ سہ ماہی کے دوران بڑھتی ہوئی سیاسی بے چینی اور معیشت کو درپیش خطرات کی وجہ سے سرمایہ کاروں کا اعتماد متزلزل رہا۔ اس کے باوجود پاکستان نے وہ تمام سخت اقدامات کئے جو آئی ایم ایف پروگرام کی بحالی کے لئے ضروری تھے، اور یہ اقدامات انتہائی بروقت ثابت ہوئے کیونکہ ملک کو 2010 کے سیلاب کے بعد حالیہ بدترین سیلاب کے اثرات کا سامنا تھا (جس کے ابتدائی اثرات کا تخمینہ تقریباً 30 ارب امریکی ڈالر لگایا گیا ہے)۔ پاکستان میں افراط زر کی شرح بلند رہی اور ستمبر میں 23.2 فیصد اور اگست میں 27.3 فیصد ریکارڈ کی گئی، تاہم اسٹیٹ بینک آف پاکستان نے بیچ مارک پالیسی شرح 15.0 فیصد پر برقرار رکھی، جس میں مجموعی ترقیاتی پیداوار کی سست نمونے قریبی مدت کے افراط زر کے دباؤ کو کم رکھا۔

حالیہ سیلاب کی تباہ کاریوں کے بعد خوراک اور تیل کی بڑی مقدار میں درآمد کے باوجود پاکستان کا ماہانہ کرنٹ اکاؤنٹ خسارہ اگست میں تقریباً نصف کے قریب کم ہو کر 0.7 ارب امریکی ڈالر سال بہ سال ہو گیا، جو کہ اپریل 2022 کے بعد ریکارڈ کیا گیا کم ترین خسارہ ہے، اہم بات یہ ہے کہ مالی سال 2023 کے لئے کرنٹ اکاؤنٹ خسارہ تاحال مجموعی ترقیاتی پیداوار کے 3 فیصد کے قریب رہنے کی توقع ہے۔

دوران سہ ماہی مقامی افراط زر میں اضافہ کی وجہ سے پاکستانی روپیہ بدستور اتار چڑھاؤ کا شکار رہا جبکہ امریکی شرح سود میں اضافہ کی وجہ سے امریکی ڈالر بے قابو ہو کر انتہائی بلند سطح پر پہنچ گیا، تاہم حالیہ ہفتوں کے دوران بہتری کے رجحانات نے پاکستانی روپے کو ہونے والے نقصان کو کسی حد تک کم کرنے میں مدد دی۔

آگے چل کر پاکستان کو اپنی عوام کو ریلیف فراہم کرنے، پائیدار ترقی کے اہداف کے حصول اور محتاط پالیسیاں برقرار رکھنے، جیسے کہ کثیر فریقی ایجنسیز خصوصاً آئی ایم ایف کو آن بورڈ رکھنے جیسی پالیسیوں میں توازن قائم رکھنے کے چیلنجز کا سامنا ہوگا۔ سیلاب کی وجہ سے اس سال ملک کی جی ڈی پی نمو کم رہے گی جبکہ افراط زر کا دباؤ بھی زیادہ ہوگا، اور غذائی اشیاء کی درآمد کی وجہ سے امپورٹ بل میں بھی عارضی طور پر اضافہ ہوگا۔ تاہم کرنٹ اکاؤنٹ پر دباؤ معتدل رہنے کی توقع ہے، جبکہ آئی ایم ایف سے شرائط میں رعایت حاصل کرنے کی گنجائش بھی موجود ہے۔ یہ ایک خوش آئند ریلیف ثابت ہوگا اور اس سے معاشی منظر نامے میں اعتماد کو بہتر بنانے میں مدد ملے گی۔

اسٹاک مارکیٹ کا جائزہ اور آثار

مالی سال 2023 کی پہلی سہ ماہی میں KSE-100 انڈیکس میں 1.00 فیصد (امریکی ڈالر کے اعتبار سے 12.6 فیصد) کی کمی واقع ہوئی، اور KSE-100 انڈیکس 41,129 پوائنٹس پر بند ہوئی۔ زیر جائزہ سہ ماہی کے دوران انڈیکس کے سب سے زیادہ پوائنٹس 43,677 اور سب سے کم پوائنٹس 39,832 رہے، اور یہ اتار چڑھاؤ سیاسی اور معاشی پیش رفت کے ساتھ ساتھ جاری رہا۔ تجارتی حجم گزشتہ سہ ماہی کے برابر اور عمومی طور پر کم رہا۔ پاکستانی ایکویٹیز میں خالص غیر ملکی سرمایہ کاری کا رجحان مثبت رہا تاہم یہ صرف ٹیکنالوجی کے شعبہ میں غیر ملکی افراد کی خریداری کی وجہ سے تھا، جبکہ غیر ملکی ادارے بدستور فروخت کنندہ رہے۔ مقامی سطح پر میوچل فنڈز کے زیر انتظام ادارے اور انشورنس کمپنیاں فروخت کنندہ رہیں جبکہ افراد نے ایکویٹیز میں اضافہ جاری رکھا۔

پاکستان کی ایکویٹی مارکیٹ اس وقت محض 3.2x کے ملٹی پر (بلومبرگ اتفاق رائے)، 8.1x کی 10 سالہ اوسط کے مقابلہ میں کم ترین ڈسکاؤنٹ پر تجارت کر رہی ہے۔ اس کم قدر کی وجہ سخت میکرو انوائرنمنٹ اور 1990 کے بعد سے موجودہ بلند ترین شرح سود کو قرار دیا جا سکتا ہے۔ سیاسی صورتحال کی بتدریج بہتری اور افراط زر کی شرح میں کمی سے پاکستان کی ایکویٹی مارکیٹ کے دوبارہ معمول پر آنے کی گنجائش موجود ہے۔ اگر بین الاقوامی سطح پر ایشیائے ضروریہ بالخصوص تیل کی قیمتوں میں کمی واقع ہوتی ہے تو یہ ممکن ہے کہ مالیاتی نرمی اگلے سال کے بجائے 2022 سے ہی شروع ہو جائے۔ یہ ایکویٹیز کے لئے ایک بڑا محرک ثابت ہو سکتی ہے۔

کمپنی کی کارکردگی

30 ستمبر، 2022 کو ختم ہونے والی مدت کے دوران کمپنی نے 2021 کی اسی مدت کے 7.44 روپے فی حصص منافع کے مقابلہ میں 4.75 روپے فی حصص خسارہ پیش کیا۔

کمپنی نے سرمایہ کاریوں پر 222.00 ملین روپے کا خسارہ ظاہر کیا جبکہ گزشتہ سال کی اسی مدت میں سرمایہ کاریوں پر 663 ملین روپے کی آمدنی ریکارڈ کی گئی تھی۔

جیسا کہ گزشتہ سہ ماہی کی تفصیل میں بیان کیا گیا، اس سال کمپنی زیادہ منافع بخش بلیو چیس اسٹاکس میں سرمایہ کاری کے لئے اپنی حکمت عملی تبدیل کرنے کے مراحل میں ہے، اسی مناسبت سے ہائی بیٹا اسکرپس میں سرمایہ کاری کم کر کے کافی کیش فلو پیدا کرنے کی استعداد والے ویلیو اسٹاکس میں سرمایہ کاری بڑھانے کے لئے پورٹ فولیو کو جدید خطوط پر استوار کیا جا رہا ہے۔ مزید برآں، انتظامی اخراجات کا موثر انتظام کرتے ہوئے لیوریج پوزیشن کو بھی بہتر بنایا جا رہا ہے۔

سرمایہ کاری پورٹ فولیو کے لئے حکمت عملی کی یہ تبدیلی اور بینک لیوریج کو Rationalize کرنے کا عمل جاری رہے گا اور اسے رواں

سال کے اختتام تک مکمل کئے جانے کا ہدف مقرر کیا گیا ہے۔ توقع ہے کہ یہ ہدف حاصل کرنے کے بعد مستقبل میں نقصانات کو کم کیا جاسکتا ہے، تاہم ایک بار حاصل ہو جانے کے بعد کمپنی کے پاس Low beta/risk کا نسبتاً زیادہ منافع بخش پورٹ فولیو موجود ہوگا۔

اظہار تشکر

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

بحکم بورڈ

جناب محمد شمعون چوہدری

سی ای او

جناب شبیر حسین ہاشمی

ڈائریکٹر

کراچی: 24 اکتوبر، 2022

CYAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	(Un-audited) September 30 2022	(Audited) December 31, 2021
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Property and equipment	6	3,803	50,146
Intangible assets	7	116	114
Deferred taxation		79,717	28,956
Long term investments	8	47,988	46,218
Long term deposits		2,500	2,500
		<u>134,124</u>	<u>127,934</u>
Current assets			
Short term investments	9	1,643,705	2,586,129
Trade and other receivables		6,727	12,895
Advances and short term prepayments		3,081	3,110
Cash and bank balances	10	123	234
		<u>1,653,636</u>	<u>2,602,368</u>
TOTAL ASSETS		<u><u>1,787,760</u></u>	<u><u>2,730,302</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
100,000,000 (2021: 100,000,000) Ordinary shares of Rs 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up share capital		615,591	615,591
Unappropriated profit		95,972	634,362
Reserves		133,088	133,088
Remeasurement on post retirement benefits obligation - net of tax		3,256	3,215
Surplus on revaluation of investment carried at fair value through other comprehensive income		500,926	496,982
		<u>1,348,833</u>	<u>1,883,238</u>
Non-current liabilities			
Deferred liability - gratuity		326	20,910
Lease liability against right-of-use asset		-	22,829
		326	43,739
Current liabilities			
Trade and other payable		13,697	69,402
Current portion of lease liability against right-of-use asset		-	8,339
Unclaimed dividend		30,083	28,859
Short term borrowings	11	350,687	671,401
Taxation - net		44,134	25,324
		<u>438,601</u>	<u>803,325</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,787,760</u></u>	<u><u>2,730,302</u></u>
CONTINGENCIES AND COMMITMENTS	12	-	-

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

Chief Financial Officer

Chief Executive Officer

Director

CYAN LIMITED
CONDENSED INTERIM PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2022

	Note	Quarter Ended		Nine Months Ended	
		September 30,		September 30,	
		2022	2021	2022	2021
----- (Rupees in '000) -----					
Return on investments	13	37,199	2,286	114,997	51,133
(loss) / Gain on sale of investments - net		(77,400)	153,467	(93,087)	539,957
Other income		284	4,708	171	11,694
		<u>(39,917)</u>	<u>160,461</u>	<u>22,081</u>	<u>602,784</u>
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net		80,127	(543,922)	(244,179)	71,561
Unrealised appreciation on re-measurement of derivatives - net		-	2,412	-	40
		<u>40,210</u>	<u>(381,049)</u>	<u>(222,098)</u>	<u>674,385</u>
Expenses					
Operating and administrative expenses		(7,712)	(30,331)	(40,957)	(102,345)
Financial charges		(16,957)	(6,830)	(57,388)	(24,230)
		<u>(24,669)</u>	<u>(37,161)</u>	<u>(98,345)</u>	<u>(126,575)</u>
Profit / (Loss) for the period before taxation		<u>15,541</u>	<u>(418,210)</u>	<u>(320,443)</u>	<u>547,810</u>
Taxation	14	(6,324)	39,473	28,289	(89,933)
Profit / (Loss) for the period after taxation		<u>9,217</u>	<u>(378,737)</u>	<u>(292,154)</u>	<u>457,877</u>
Other comprehensive income for the period					
Items that will not be reclassified to profit or loss					
Surplus / (Deficit) on revaluation of investments carried at fair value through other comprehensive income		65,884	1,121	3,944	(111,843)
Remeasurement of post retirement benefits obligation - net of tax			-	41	-
Total comprehensive (loss) / income for the period		<u>75,101</u>	<u>(377,616)</u>	<u>(288,169)</u>	<u>346,034</u>
Basic and diluted Earnings / (loss) per share - Rupees	15	<u>0.15</u>	<u>(6.15)</u>	<u>(4.75)</u>	<u>7.44</u>

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

Chief Financial Officer

Chief Executive Officer

Director

CYAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Share Capital	Capital reserves			Revenue reserves		Remeasurement on post retirement benefits obligation - net of tax	Surplus on revaluation of available for sale investments	Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	Reserve for bonus shares	Capital gain reserve	General reserve	Unappropriated profit			
(Rupees in '000)									
Balance as at January, 31 2021	615,591	10,535	-	2,553	120,000	1,027,125	1,831	674,723	2,452,358
Transactions with owners recorded directly in equity									
Transfer to reserve on gain on sale of investment	-	-	-	-	-	80,995	-	(70,700)	10,295
Final dividend @ Rs.5 per share for the year ended Dec 31, 2020	-	-	-	-	-	(307,796)	-	-	(307,796)
Interim dividend @ Rs.6 per share for thr Half Year Ended June 30, 2021	-	-	-	-	-	(369,355)	-	-	(369,355)
Total comprehensive income for the period ended September 30, 2021						(596,156)		(70,700)	(666,856)
Net Profit for the period ended September 30, 2021	-	-	-	-	-	457,877	-	-	457,877
Deficit on revaluation of investments carried at fair value through other comprehensive income	-	-	-	-	-	-	-	(111,843)	(111,843)
Total comprehensive (loss)/ income	-	-	-	-	-	457,877	-	(111,843)	346,034
Balance as at September 30, 2021	615,591	10,535	-	2,553	120,000	888,846	1,831	492,180	2,131,536
Balance as at January 1, 2022	615,591	10,535	-	2,553	120,000	634,362	3,215	496,982	1,883,238
Transactions with owners recorded directly in equity									
Final dividend @ Rs.4 per share for the year ended Dec 31, 2021	-	-	-	-	-	(246,236)	-	-	(246,236)
Total comprehensive income for the period ended September 30, 2022						(246,236)			(246,236)
Net Loss for the period ended September 30, 2022	-	-	-	-	-	(292,154)	-	-	(292,154)
Surplus on revaluation of investments carried at fair value through other comprehensive income	-	-	-	-	-	-	-	3,944	3,944
Remeasurement of post retirement benefits obligation - net of tax	-	-	-	-	-	-	41	-	41
Total comprehensive (loss)/ income	-	-	-	-	-	(292,154)	41	3,944	(288,169)
Balance as at September 30, 2022	615,591	10,535	-	2,553	120,000	95,972	3,256	500,926	1,348,833

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

Chief Financial Officer

Chief Executive Officer

Director

CYAN LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	September 30,	
	2022	2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(320,443)	547,810
Adjustment for non cash charges and other items:		
Depreciation / amortisation	3,233	9,550
Capital Loss / (Gain) on sale of investments - net	93,087	(539,957)
Loss / (Gain) on sale of property and equipment	6,206	(60)
Amortisation income on government securities	(1,770)	(1,549)
Financial charges	57,388	24,230
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	244,179	(71,561)
Unrealised appreciation on re-measurement of derivatives-net	402,323	(579,387)
Operating profit / (loss) before working capital changes	81,880	(31,577)
(Increase) / decrease in operating assets		
Trade and other receivables	2,436	(88,105)
Long term loan	-	4,362
Advances and short term prepayments	29	(3,646)
	2,465	(87,389)
(Decrease) / increase in operating liabilities		
(Decrease)/ increase in trade and other payable	(55,705)	(146,973)
Deferred liability	(20,526)	3,453
	8,114	(262,486)
Taxes paid	(3,679)	(83,015)
Financial charges paid	(48,206)	(26,178)
Net cash used in operating activities	(43,771)	(371,679)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	748,140	6,253,867
Investment in securities	(135,306)	(5,580,944)
Capital expenditure incurred	(98)	(1,700)
Proceeds from sale of property and equipment	7,983	81
Net cash generated from investing activities	620,719	671,304
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal portion of lease liability against right-of-use asset dividend paid	(2,151)	(7,318)
Net cash utilised in financing activities	(245,012)	(306,150)
	(247,163)	(313,468)
Net increase / (decrease) in cash and cash equivalents	329,785	(13,843)
Cash and cash equivalents at the beginning of the year	(660,162)	(206,282)
Cash and cash equivalents at the end of the period	10.1 (330,377)	(220,125)

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

Chief Financial Officer

Chief Executive Officer

Director

CYAN LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

2 BASIS OF PRESENTATION

2.1 Statement of Compliance

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

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

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

These condensed interim financial statements do not include all the information and disclosures made in the annual published financial information and should be read in conjunction with the annual published financial statements of the Company for the year ended December 31, 2021.

2.2 Changes in accounting standards, interpretations and pronouncements

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

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

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

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

2.2.3 These condensed interim financial statements include the condensed interim statement of financial position as at September 30, 2022 and the condensed interim profit or loss account and other comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes thereto for the nine months period then ended.

The comparative statement of financial position presented in these condensed interim financial statements as at December 31, 2021 has been extracted from the audited financial statements of the Company for the year ended December 31, 2021. The comparative condensed interim profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine months period ended September 30, 2021 have been extracted from the condensed interim financial statements of the Company for the nine months then ended.

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

2.5 Rounding off

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial statements are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2021.

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The significant judgments made by the management in applying the Company's accounting policies and the key resources of estimation and uncertainty were the same as those applied to the financial statements for the year ended December 31, 2021.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the company are consistent with those disclosed in the financial statements for the year ended December 31, 2021.

6 PROPERTY AND EQUIPMENT

Opening book value
Additions during the period / year

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

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------(Rupees in '000)-----	
	50,146	28,074
	-	35,058
	50,146	63,132
	(43,206)	(59)
	(3,137)	(12,927)
	(46,343)	(12,986)
	3,803	50,146

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

Additions - cost

Office equipment	-	3,231
Furniture and Fixture	-	66
Right of use asset	-	31,761
	-	35,058

Disposals - cost

Vehicles	10,020	-
Right of use asset	31,761	23,447
Furniture and Fixture	16,830	-
Office equipment	10,441	1,467
	69,052	24,914

7 INTANGIBLE ASSETS

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

Additions - cost

Software, License	98	-
	98	-

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	------(Rupees in '000)-----	

9.3.1 Quoted Shares

Name of investee company	Number of Shares		Carrying Value	Market value	
	30-Sep-22	31-Dec-21	30-Sep-22	30-Sep-22	31-Dec-21
Rupees '000'					
Oil and Gas Marketing					
Pakistan State Oil Company Limited	-	750,000	-	-	136,418
Pharmaceuticals					
Citi Pharma Limited	-	283,550	-	-	10,140
Textile Composite					
Gul Ahmed Textile Mills Limited	-	500,000	-	-	23,530
Chemical					
Nimir Resins Limited	1,800,000	3,079,500	33,948	27,396	58,079
Technology & Communication					
Air Link Communication Limited	-	1,000,000	-	-	58,060
Avanceon Limited	-	500,000	-	-	45,560
Hum Network Limited	-	5,565,000	-	-	35,949
Worldcall Telecom Limited	-	10,000,000	-	-	20,800
Commercial Banks					
Bank Alfalah Limited		825,410	1,000,000	28,559	34,600
Habib Bank Limited	9.3.1.1.2	1,115,153	2,500,000	130,049	291,550
MCB Bank Limited	9.3.1.2 & 9.3.1.3 & 9.3.1.4	1,250,000	1,250,000	191,688	191,688
United Bank Limited	9.3.1.2, 9.3.1.3 & 9.3.1.4	4,244,773	4,500,405	579,751	614,665
Food & Personal Care Products					
Unity Foods Limited	9.3.1.1 & 9.3.1.4	12,300,000	17,500,000	325,581	463,226
			<u>1,289,576</u>	<u>1,045,394</u>	<u>1,984,265</u>
Unrealised loss on Quoted Shares			<u>(244,182)</u>		

9.3.1.1 2 million shares (December 31, 2021: 4 million) of Unity Foods Limited having market value of Rs. 45.120 million (December 31, 2021: 105.880) as at September 30, 2022 have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

9.3.1.2 0.7 million shares (December 31, 2021: 0.7 million) of Habib Bank Limited having a market value of Rs. 48.80 million (December 31, 2021: Rs. 81.634 million), 0.7 million shares (December 31, 2021: 0.7 million) of MCB Bank Limited having a market value of Rs. 83.657 million (December 31, 2021: Rs. 107.345 million) and 0.7 million shares (December 31, 2021: 0.7 million) of United Bank Limited having a market value of Rs. 80.423 million (December 31, 2021: 95.606) as at September 30, 2022, have been pledged with Habib Metropolitan Bank Limited as collateral against running finance facility obtained from the bank.

9.3.1.3 2.5 million shares (December 31, 2021: 3.7 million) of United Bank Limited having a market value of Rs. 287.225 million (December 31, 2021: Rs. 505.346 million) as at September 30, 2022, have been pledged with MCB Bank Limited as collateral against running finance facility obtained from the bank.

9.3.1.4 9.5 million shares (December 31, 2021: 3.5 million) of Unity Foods Limited having a market value of Rs. 214.320 million (December 31, 2021: Rs. 92.645 million), 0.7 million shares (December 31, 2021: Nil) of United Bank Limited having a market value of Rs. 80.423 million (December 31, 2021: Nil) and 0.5 million shares (December 31, 2021: Nil) of MCB Bank Limited having a market value of Rs. 61.490 million (December 31, 2021: Nil) as at September 30, 2022, have been pledged with Bank Al Habib Limited as collateral against running finance facility obtained from the bank.

9.3.2	Mutual Funds	Note	Number of Units		Carrying Value	Market value	
			30-Sep-22	31-Dec-21	30-Sep-22	30-Sep-22	31-Dec-21
Name of fund						Rupees '000'	
	NAFA Government Securities Liquid Fund	9.2.3.2.1	223,871	223,871	2,289	2,292	2,289
					<u>2,289</u>	<u>2,292</u>	<u>2,289</u>
	Market Value as at September 30, 2022				2,292		
	Unrealised gain on mutual fund				<u>3</u>		
9.3.2.1	223,871 units (December 31, 2021: 223,871 units) of NBP Government Liquid Fund having a market value of Rs. 2.292 million (December 31, 2021: Rs. 2.289 million) have been kept under pledge with NBP Government Liquid Fund pending settlement of a claim in litigation.						
		Note			(Un-audited) September 30, 2022	(Audited) December 31, 2021	
10	CASH AND BANK BALANCES				----- (Rupees in '000) -----		
	Cash in hand				15	50	
	Cash at bank	10.1			<u>108</u>	<u>184</u>	
					<u>123</u>	<u>234</u>	
					(Un-audited) September 30, 2022	(Audited) December 31, 2021	
10.1	Cash and cash equivalents				----- (Rupees in '000) -----		
	Cash and cash equivalents for the purpose of cash flow comprises of the following:						
	Cash and bank balances				123	3,205	
	Term deposit receipts				3,000	3,000	
	Short term borrowings				<u>(333,500)</u>	<u>(226,330)</u>	
					<u>(330,377)</u>	<u>(220,125)</u>	
					(Un-audited) September 30, 2022	(Audited) December 31, 2021	
					----- (Rupees in '000) -----		
11	SHORT TERM BORROWINGS						
	Short term borrowings				333,500	663,396	
	Financial charges				<u>17,187</u>	<u>8,005</u>	
					<u>350,687</u>	<u>671,401</u>	
11.1	The Company has running finance facility of Rs.1,000 million under mark-up arrangement with MCB Bank Limited. The facility carries mark-up at 1 month KIBOR plus 0.50% per annum and will expire on June 30, 2023.						
11.2	The Company has running finance facility of Rs. 500 million under mark-up arrangement with Bank Al Habib Limited. The facility carries mark-up at 3 month KIBOR plus 0.30% per annum and will expire on March 31, 2023.						
11.3	The Company has running finance facility of Rs.500 million under mark-up arrangement with National Bank Limited. The facility carries mark up at 3 months KIBOR plus 0.20% per annum and expired on April 30, 2022.						
11.4	The Company has running finance facility of Rs.300 million under mark-up arrangement with Habib Metropolitan Bank Limited. The facility carries mark up at 3 months KIBOR plus 0.50% per annum and will expire on December 31, 2022.						
					(Un-audited) September 30, 2022	(Audited) December 31, 2021	
12	CONTINGENCIES AND COMMITMENTS				----- (Rupees in '000) -----		
	Guarantee issued on behalf of the Company by a commercial bank				<u>2,800</u>	<u>2,800</u>	
12.1	The status of taxation related contingencies as disclosed in note 24.1 to the annual financial statements of the Company for the year ended December 31, 2021 has remained unchanged.						

		(Un-audited) Nine Months Ended September 30,	
		2022	2021
		----- (Rupees in '000) -----	
13	RETURN ON INVESTMENTS		
	Amortisation on Government Securities	1,770	1,550
	Interest Income on Government Securities	3,000	3,000
	Dividend income	110,228	46,583
		<u>114,997</u>	<u>51,133</u>

14	TAXATION		
	- Current year	(16,893)	(96,194)
	- Prior year	(5,596)	-
	- Deferred	50,778	6,261
		<u>28,289</u>	<u>(89,933)</u>

		(Un-audited) Nine Months Ended September 30,	
		2022	2021
		----- (Rupees in '000) -----	
15	(LOSS) / PROFIT PER SHARE - BASIC AND DILUTED		
	(Loss) / profit for the period after taxation	(292,154)	457,877
		(Number of shares)	
	Weighted average number of ordinary shares outstanding as at the period end	<u>61,559,108</u>	<u>61,559,108</u>
		----- (Rupees) -----	
	(Loss) / Earnings per share	<u>(4.75)</u>	<u>7.44</u>

16 TRANSACTIONS WITH RELATED PARTIES

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

16.1	Transactions	Quarter ended September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
		Un-audited ----- (Rupees in '000) -----			
	Parent company				
	Dividend distributed	-	238,974	159,316	438,120
	Sale of Assets	-	-	635	-
	Associated companies				
	Rendering of service	-	3,000	6,000	9,000
	Purchase of service	566	2,734	4,019	7,712
	Dividend income	8,895	-	8,895	10,378
	Dividend distributed	-	8,381	5,587	15,365
	Other related parties				
	Dividend distributed to sponsors	-	63,212	36,439	115,888
	Provision relating to staff gratuity fund	163	1,151	2,552	3,453
	Contribution to staff provident fund	133	1,126	1,162	3,377
	Key management personnel				
	Director fee	250	200	1,250	750
	Remuneration	2,433	9,912	14,912	30,165
	Loan recovery	-	-	-	4,367
	Dividend Distributed	-	2,703	7,493	4,955

16.2		September 30,	December 31,
		2022	2021
		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
	Balances outstanding		
	Receivable from related party	269	1,500
	Payable to related party	603	226
	Security deposit with related party	1,740	1,740
	Lease liability against right-of-use asset with associated company	-	31,168

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