



INVESTING TODAY FOR PROSPERITY TOMORROW

ANNUAL REPORT 2023



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VISION AND MISSION STATEMENT

VISION STATEMENT



To leverage our financial expertise and market insights to prudently invest in capital markets, optimizing returns and driving sustainable growth for our shareholders.

MISSION STATEMENT



Maximizing returns and managing risk to enhance our financial strength through prudent investments in capital markets.

COMPANY INFORMATION

Board of Directors

Mr. Abdul Samad Dawood – Chairman
Ms. Sabrina Dawood – Director
Mr. Muhammed Amin – Independent Director
Mr. Isfandiyar Shaheen – Independent Director
Mr. Zamin Zaidi – Director
Mr. Sikandar Hazir – Director
Mohammad Shamoon Chaudry – Chief Executive Officer / Director

Board Audit Committee

Mr. Muhammed Amin – Chairman
Mr. Isfandiyar Shaheen – Member

Board HR & Remuneration Committee

Mr. Isfandiyar Shaheen – Chairman
Mr. Abdul Samad Dawood – Member
Ms. Sabrina Dawood – Member

Board Investment Committee

Mr. Abdul Samad Dawood – Chairman
Mr. Muhammed Amin – Member
Mr. Isfandiyar Shaheen – Member

Chief Financial Officer

Muhammad Anas Karimi

Company Secretary

Mr. Imran Chagani

Bankers

Bank Al Habib Limited
Habib Bank Limited
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 Shakra-e-Faisal
Karachi-74400
Tel # (92-21) 111-111-500
Fax: (92-21) 34326053
Email: info@cdcrsl.com
Website: www.cdcrsl.com

Legal Advisors

Ali Raza
643, Block B, Bhattai Colony,
Korangi Crossing, 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
Karachi-75530
Website: www.cyanlimited.com

CORE VALUES



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. Muhammed Amin Chairman
- Mr. Isfandiyar Shaheen 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 non-financial 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

- 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;
- The Committee shall evaluate on an annual basis, the qualification, independence, performance and scope of work of the external auditor; and
- 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;
- 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;
- 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
- 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;
- Review and discuss the periodical internal audit reports; and
- Ensure that significant internal audit findings and recommendations and Management's responses are considered.

BOARD COMMITTEES

d. Financial Reporting

- i. The Committee shall review the quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on;
- ii. 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;
- v. 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;

- v. 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. Isfandiyar Shaheen | Chairman |
| • Mr. Abdul Samad Dawood | Member |
| • Ms. Sabrina Dawood | Member |

Terms of Reference

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

- (i) 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;

BOARD COMMITTEES

- (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. Abdul Samad Dawood Chairman
- Mr. Muhammed Amin Member
- Mr. Isfandiyar Shaheen 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.

BOARD OF DIRECTORS



Abdul Samad Dawood

Chairman

Abdul Samad Dawood is the Chairman of the Board of Cyan. He has had a rich history of involvement in the company, both as a Board member and in an executive capacity when he served as the Chief Executive Officer of Cyan Ltd from 2010-2014. He also serves as Vice Chairman of the Board of Dawood Hercules Corporation Ltd, a key investment company of the Dawood Group that deploys capital in money markets and public equities, and the holding company of Engro Corporation. From 2018-2021, he served as Vice Chairman of the Board of Engro Corp, and now chairs its Board Finance and Investments Committee (BFIC).

Abdul Samad Dawood's experience of management and governance spans over 20 years with a special interest in mergers and acquisitions. He has led M&A deals of over US\$4 billion, including Dawood Hercules Corporation's acquisition of HUBCO from National Power International Holdings B.V. in 2012 and the sale of DH Fertilizers to Fatima Fertilizer Company Ltd in 2015. He was also given the responsibility to lead the merger of Engro Foods (a subsidiary of Engro Corporation) into global dairy giant Royal FrieslandCampina N.V. based on the convergence of their values, goals, and abilities to address Pakistan's nutritional challenges; he has since served as the Chair of the Board of FrieslandCampina Engro Pakistan. These efforts are a culmination of the values advocated by the Chairman, Mr. Hussain Dawood, who believes a strong code of values builds the foundation for effective problem-solving and human prosperity.

Abdul Samad Dawood is also an active director on the Board of Pakistan Business Council (PBC), a pan-industry advocacy group that promotes easing of barriers to enable Pakistani businesses to compete in regional and global arenas. His corporate governance journey spans various sectors in line with his interests; he is a Director on the Boards of Dawood Hercules Corporation Ltd, Engro Corporation, FrieslandCampina Engro Pakistan, The Dawood Foundation, Khaadi Corporation (Pvt), KSBL, Karachi Education Initiative, Dawood Corporation (Pvt), Dawood Investments (Pvt), Dawood Lawrencepur, Reon Energy (Pvt), PBC, and Endeavour Pakistan. He has previously served as Chief Executive Officer for DH Corp and Cyan, and is an active member of the Young Presidents Organization.

Abdul Samad Dawood also has a keen interest in music and plays the piano and guitar. He is a graduate in Economics from University College London, UK and a certified director of corporate governance from the Pakistan Institute of Corporate Governance.

BOARD OF DIRECTORS



Ms. Sabrina Dawood

Director

Ms. Sabrina Dawood is Vice Chair of the Board of Trustees of The Dawood Foundation (TDF). The Dawood family established TDF in 1961 as a part of its efforts to give back to society through the development of communities with education; to this day, it remains the key philanthropic vehicle of the Group.

Sabrina has a passionate belief in building interactive and inclusive spaces for learning. As a result of her efforts, Dawood Public School (founded in 1983), an institution for primary and secondary education for girls in Karachi, has built a culture that fosters

diversity, tolerance, inclusion, and character, while providing education to over 2,500 female students. Sabrina has also led the development of TDF Ghar, a restoration of the 1930s home of Hajiani Hanifa Bai (mother of Group founder Ahmed Dawood) and converted it into a safe space for youth engagement in a manner that preserves Karachi's heritage and culture. More recently, she has spearheaded the setup of TDF MagnifiScience Center, a first-of-its-kind science museum which promotes science literacy and critical thinking through experiential learning. Since its opening in 2021, TDF MagnifiScience Center has attracted hundreds of thousands of visitors and has received praise from prominent members of society including the President of Pakistan, the diplomatic missions of Spain and France, various government officials, actors, and journalists. These efforts are a culmination of the values advocated by Group Chairman, Hussain Dawood, who believes a strong code of values builds the foundation for effective problem-solving and human prosperity.

Sabrina also has a rich corporate governance journey; in addition to The Dawood Foundation and Cyen Ltd, she is a Director on the Boards of Dawood Lawrencepur Ltd, Dawood Hercules Corporation Ltd, Engro Corporation, Karachi Education Initiative, and Hajiani Hanifabai Memorial Society. She is also a Trustee of Engro Foundation, the philanthropic vehicle for Engro Corporation. She has a Master's degree in Medical Anthropology from University College London, and a Bachelor's degree in Anthropology and Law from London School of Economics



Muhammed Amin

Director

Muhammed Amin is a Chartered Accountant with over 30 years of experience with reputed FMCGs at senior management positions. He was the CEO of Gillette Pakistan Limited till December 2000 and Regional Business Director, Gillette Middle East and Africa from 2001 to 2003. He headed Mondelez Pakistan Limited as CEO for over ten years till 2014. Later, he established Sunridge Foods in 2015 and headed the company until January 2020.

He has served on the Board of Directors of Engro Foods Limited from 2006 to 2016 and Al Shaheer Corporation Limited from 2016 to 2019. He has also been on the Board of Dawood Hercules Corporation Ltd, Board of Governors of the British Overseas School, Executive Committee of the American Business Council, Management Committee of the Lasbela Chamber of Industry, and Executive Committee of the Pakistan Advertisers Society.

BOARD OF DIRECTORS



Mr. Isfandiyar Shaheen

Director

Mr. Isfandiyar Shaheen is Founder and CEO at Stablecoin Labs Inc and NetEquity Networks Inc. From 2017 to date, his focus has been on finding ways to make Internet access affordable for all.

Through NetEquity Networks, Isfandiyar created a partnership with Facebook that involves using a robot to retrofit fiber optic cables on overhead electrical power lines.

Prior to setting up NetEquity Networks Isfandiyar served on the boards of Engro Corporation, Engro Foods and Inbox Business Technologies. He is Director on the Board of Cyan Ltd and Dawood Hercules Corporation Ltd.

He is a graduate of Franklin and Marshall College and holds a degree in Economics and Mathematics. Isfandiyar lives in San Francisco CA with his wife, two daughters and two dogs.



Mr. Zamin Zaidi

Director

Mr. Zamin Zaidi joined the Dawood Group in 2016 and has served on various Boards since then. He amassed over 15 years of leadership experience in the pharmaceutical sector where he worked as the Executive Director of Novins International, a leading producer and distributor of essential medicines. Mr. Zaidi has also worked on data storage and management software platforms at EMC Corporation in Boston, USA. He possesses extensive experience in renewable energy, pharmaceuticals, healthcare and technology startups, and has previously served as interim CEO of Engro Enfrashare (Pvt) Ltd.

Mr. Zaidi is a certified director from the Pakistan Institute of Corporate Governance and is currently a member of the Board of Directors of Dawood Hercules Corporation Ltd and Cyan Ltd. He holds a BS in Computer Science from Northeastern University in Boston, MA and his areas of interest include innovation in information technology, business strategy, and entrepreneurship.



Mr. Sikander Hazir

Director

Mr. Sikander Hazir has over 16 years of human resource experience focused on transforming the resource management capabilities of large and mid-sized organizations.

In his previous roles, he led HR disruption programs to improve organizational productivity while significantly reducing operating costs. Sikander holds a BE in ICT and an MBA from NUST, Islamabad. His interests include playing golf and reading autobiographies.

BOARD OF DIRECTORS



Mohammad Shamoon Chaudry

Chief Executive Officer

Mohammad Shamoon Chaudry is the Chief Executive Officer of Cyan Limited since March 15, 2022. He currently serves on the Boards of Cyan Ltd, Dawood Hercules Corporation Ltd, Dawood Lawrencepur Limited, Inbox Business Technologies (Private) Limited, and Pebbles (Private) Limited.

Mr. Chaudry has more than 27 years of progressive and diverse experience in the financial sector, including financial control and governance. Mr. Chaudry started his career in investment banking within Corporate Finance and Advisory in Pakistan. He

then moved to New York selling listed equities to funds investing in emerging markets. Subsequently, shifting to development finance, helping Small and Medium Enterprises (SMEs). During this time, Mr. Chaudry worked at the government and policy level, industrial sector, and with individual enterprises. He was in the GCC region for twelve years, working primarily in Islamic investments, asset management, and financial control.

Mr. Chaudry has extensive experience managing global private equity and real estate investments and notable expertise in structuring and developing investment products and asset management. Mr. Chaudry has successfully managed investments in the UK, USA, EU, South East Asia, and GCC region.

Mr. Chaudry was an adjunct faculty at LUMS and has a master's in Finance from London Business School and an MBA from Lahore University of Management Sciences (LUMS).

CRITICAL PERFORMANCE INDICATOR

Ten Years at a Glance

Particulars	2014	2015	2016	2017
	------(Rupees in '000)-----			
Earnings				
Investments Income / (loss)	1,209,576	706,755	824,472	(442,333)
Profit / (loss) before taxation	1,027,245	495,907	734,281	(535,857)
Profit / (loss) after taxation	898,787	335,035	711,233	(537,901)
Pay Out Information %				
Cash dividend	675	40	50	-
Stock dividend	-	-	-	-
Balance Sheet				
Paid up capital	586,277	586,277	586,277	586,277
Equity	4,590,513	2,515,137	3,172,603	2,270,093
Investments	4,780,356	2,825,317	3,612,508	2,440,890
Cash & cash equivalents	21,844	159,891	906	5,269
Fixed assets	18,752	15,623	14,017	15,088
Total assets	4,886,548	3,032,369	3,659,044	2,546,226
Operating Performance				
Earning / (Loss) per share (Rupees)	15.33	5.71	12.13	(9.17)
Break up value per share (Rupees)	78.30	42.90	54.11	38.72
Return on investments %	22.47	14.78	29.18	(12.24)

2018	2019	2020	2021	2022	2023
------(Rupees in '000)-----					
(94,061)	235,134	742,042	420,772	(345,126)	416,316
(211,002)	94,873	469,509	216,801	(464,885)	375,182
(218,086)	97,942	357,282	203,393	(439,010)	324,604
25	10	50	100	-	-
-	5	-	-	-	-
586,277	586,277	615,591	615,591	615,591	615,591
1,834,130	2,116,330	2,452,358	1,883,238	1,231,518	1,539,064
2,108,946	2,367,523	2,946,320	2,632,347	1,471,371	1,612,844
9,570	1,869	7,803	234	428	4,092
13,471	39,345	28,320	50,260	3,550	2,710
2,264,085	2,521,702	3,004,370	2,730,302	1,574,789	1,644,712
(3.72)	1.67	5.80	3.30	(7.13)	5.27
31.28	36.10	39.84	30.59	20.01	25.00
(3.85)	11.15	31.34	14.28	(13.11)	28.29

HORIZONTAL ANALYSIS

Balance Sheet

2018 2019 2020
------(Rupees in '000)-----

Particulars

Cash and bank deposits	9,570	1,869	7,803
Loan to employee	8,484	6,376	4,362
Investments	2,108,946	2,367,523	2,946,320
Deferred tax	74,051	83,815	-
Reinsurance recoveries against outstanding claims	5,406	5,406	5,406
Advances, prepayments deposit & sundry receivables	44,157	17,368	12,159
Fixed assets	13,471	39,345	28,320

Total Assets

2,264,085 2,521,702 3,004,370

Issued, subscribed and paid up share capital	586,277	586,277	615,591
Unappropriated profit	659,843	757,785	1,027,125
Reserves	133,088	133,088	133,088
Remeasurement of post employees benefits	(1,855)	(384)	1,831
Surplus on revaluation - AFS investments	456,777	639,564	674,723
Provision for outstanding claims [including IBNR]	8,805	8,805	8,805
Deferred liabilities	15,281	17,358	19,235
Deferred tax	-	-	17,147
Lease liability against right-of-use asset	-	9,143	-
Amounts due to other insurers / reinsurers	587	587	587
Current portion of lease liability against right-of-use asset	-	8,023	9,144
Accrued expenses and other creditor and accrual	29,157	58,782	162,194
Accrued mark-up	6,346	5,464	8,839
Short term running finance	211,800	189,982	217,085
Taxation - net	125,380	80,501	83,457
Unclaimed dividend	32,599	26,727	25,519

Total Shareholders' Equity and Liabilities

2,264,085 2,521,702 3,004,370

2021	2022	2023	19 Over 18	20 Over 19	21 Over 20	22 Over 21	23 Over 22
-----Rs. in Million-----			-----Percentage Change-----				
234	428	4,092	-80%	317%	-97%	83%	856%
-	-	-	-25%	-32%	-100%	-	-
2,632,347	1,469,491	1,612,844	12%	24%	-11%	-44%	10%
28,956	87,287	19,119	13%	-100%	100%	201%	-78%
5,406	1,912	1,912	-	-	-	-65%	-
13,099	12,121	4,035	-61%	-30%	8%	-7%	-67%
50,260	3,550	2,710	192%	-28%	77%	-93%	-24%
2,730,302	1,574,789	1,644,712	11%	19%	-9%	-42%	4%
615,591	615,591	615,591	-	5%	-	-	-
634,362	69,116	393,720	15%	36%	-38%	-89%	470%
133,088	13,088	13,088	-	-	-	-90%	-
3,215	3,145	3,129	-79%	-577%	76%	-2%	-1%
496,982	530,578	513,536	40%	5%	-26%	7%	-3%
8,805	5,311	5,311	-	-	-	-	-
20,910	99	118	14%	11%	9%	-100%	19%
-	-	-	-	100%	-100%	-	-
22,829	-	-	-	-100%	100%	100%	-
587	587	587	-	-	-	-	-
8,339	-	-	100%	14%	-9%	-100%	-
60,010	3,253	5,038	102%	176%	-63%	-95%	55%
8,005	12,369	-	-14%	62%	-9%	55%	-100%
663,396	243,305	-	-10%	14%	206%	-63%	-100%
25,324	48,526	65,431	-36%	4%	-70%	92%	35%
28,859	29,821	29,163	-18%	-5%	13%	3%	-2%
2,730,302	1,574,789	1,644,712	11%	19%	-9%	-42%	4%

VERTICAL ANALYSIS

Balance Sheet

2018 2019 2020
------(Rupees in '000)-----

Particulars

Cash and bank deposits	9,570	1,869	7,803
Loan to employee	8,484	6,376	4,362
Investments	2,108,946	2,367,523	2,946,320
Deferred tax	74,051	83,815	-
Amounts due from other insurers / reinsurers	-	-	-
Accrued investment income	-	-	-
Reinsurance recoveries against outstanding claims	5,406	5,406	5,406
Advances, prepayments deposit & sundry receivables	44,157	17,368	12,159
Fixed assets	13,471	39,345	28,320

Total Assets

2,264,085 2,521,702 3,004,370

Issued, subscribed and paid up share capital	586,277	586,277	615,591
Unappropriated profit	659,843	757,785	1,027,125
Reserves	133,088	133,088	133,088
Remeasurement of post employees benefits	(1,855)	(384)	1,831
Surplus on revaluation - AFS investments	456,777	639,564	674,723
Provision for outstanding claims [including IBNR]	8,805	8,805	8,805
Deferred liabilities	15,281	17,358	19,235
Deferred tax	-	-	17,147
Other non current liability	-	9,143	-
Amounts due to other insurers / reinsurers	587	587	587
Current portion of lease liability against right-of-use asset	-	8,023	9,144
Accrued expenses and other creditor and accrual	29,157	58,782	162,194
Accrued mark-up	6,346	5,464	8,839
Short term running finance	211,800	189,982	217,085
Taxation - net	125,380	80,501	83,457
Unclaimed dividend	32,599	26,727	25,519

Total Shareholders' Equity and Liabilities

2,264,085 2,521,702 3,004,370

2021			2022			2023			2018			2019			2020			2021			2022			2023		
------(Rupees in '000)-----						------(Percentage Change)-----																				
234	428	4,092	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
-	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2,632,347	1,469,491	1,612,844	94%	94%	98%	94%	94%	98%	96%	96%	93%	93%	93%	98%	98%	98%	93%	93%	93%	98%	98%	98%	93%	93%	93%	98%
28,956	87,287	19,119	3%	3%	0%	3%	3%	0%	1%	1%	6%	6%	6%	1%	1%	1%	6%	6%	6%	1%	1%	1%	6%	6%	6%	1%
-	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
-	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5,406	1,912	1,912	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13,099	12,121	4,035	2%	1%	1%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
50,260	3,550	2,710	1%	2%	1%	1%	2%	1%	2%	2%	0%	2%	2%	0%	2%	2%	0%	2%	2%	0%	2%	2%	0%	2%	2%	0%
2,730,302	1,574,789	1,644,712	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
615,591	615,591	615,591	26%	24%	21%	26%	24%	21%	23%	23%	40%	40%	40%	37%	37%	37%	40%	40%	40%	37%	37%	37%	40%	40%	40%	37%
634,362	69,116	393,720	29%	30%	34%	29%	30%	34%	23%	23%	4%	4%	4%	25%	25%	25%	4%	4%	4%	25%	25%	25%	4%	4%	4%	25%
133,088	13,088	13,088	6%	5%	5%	6%	5%	5%	5%	5%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
3,215	3,145	3,129	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
496,982	530,578	513,536	20%	25%	22%	20%	25%	22%	18%	18%	34%	34%	34%	31%	31%	31%	34%	34%	34%	31%	31%	31%	34%	34%	34%	31%
8,805	5,311	5,311	0%	1%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20,910	99	118	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
-	-	-	0%	0%	1%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
22,829	-	-	0%	0%	0%	0%	0%	0%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
587	587	587	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8,339	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
60,010	3,253	5,038	1%	2%	5%	1%	2%	5%	3%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8,005	12,369	-	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	0%	0%	0%	1%	1%	1%	0%	0%	0%	1%	1%	1%	0%
663,396	243,305	-	9%	8%	7%	9%	8%	7%	24%	24%	15%	15%	15%	0%	0%	0%	15%	15%	15%	0%	0%	0%	15%	15%	15%	0%
25,324	48,526	65,431	7%	3%	3%	7%	3%	3%	1%	1%	3%	3%	3%	4%	4%	4%	3%	3%	3%	4%	4%	4%	3%	3%	3%	4%
28,859	29,821	29,163	1%	1%	1%	1%	1%	1%	1%	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
2,730,302	1,574,789	1,644,712	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

HORIZONTAL ANALYSIS

(Profit and Loss Account)

2018 2019 2020
------(Rupees in '000)-----

Particulars

Investment income /(loss)	(94,061)	235,134	742,042
Other income	12,422	15,695	14,190
Financial charges	(14,689)	(11,463)	(42,186)
General and administration expenses	(114,674)	(144,493)	(244,537)
Taxation	(7,084)	3,069	(112,227)
Profit / (Loss) after tax	(218,086)	97,942	357,282
Earnings / (Loss) per share - Rupees (Basic)	(3.72)	1.67	5.80

VERTICAL ANALYSIS

(Profit and Loss Account)

2018 2019 2020
------(Rupees in '000)-----

Particulars

Investment income	(94,061)	235,134	742,042
Other income	12,422	15,695	14,190
Financial charges	(14,689)	(11,463)	(42,186)
General and administration expenses	(114,674)	(144,493)	(244,537)
Taxation	(7,084)	3,069	(112,227)
Profit / (Loss) after tax	(218,086)	97,942	357,282

2021	2022	2023	19 Over 18	20 Over 19	21 Over 20	22 Over 21	23 Over 22
------(Rupees in '000)-----			------(Percentage Change)-----				
420,216	(345,126)	416,316	-350%	216%	-43%	-182%	221%
14,954	1,505	2,546	26%	-10%	5%	-90%	69%
(32,462)	(69,802)	(7,708)	-22%	268%	-23%	115%	89%
(185,907)	(51,462)	(35,972)	26%	69%	-24%	-72%	30%
(13,408)	25,875	(50,578)	-143%	-3757%	-88%	-293%	295%
203,393	(439,010)	324,604	-145%	265%	-43%	-316%	174%
3.30	(7.13)	5.27	-145%	265%	-43%	-316%	174%

2021	2022	2023	2019	2020	2021	2022	2023
------(Rupees in '000)-----			------(Percentage Change)-----				
420,216	(345,126)	416,316	240%	208%	207%	79%	128%
14,954	1,505	2,546	16%	4%	7%	0%	1%
(32,462)	(69,802)	(7,708)	-12%	-12%	-16%	16%	-2%
(185,907)	(51,462)	(35,972)	-148%	-68%	-91%	-12%	-11%
(13,408)	25,875	(50,578)	3%	-31%	-7%	-7%	-16%
203,393	(439,010)	324,604	100%	100%	100%	100%	100%

STATEMENT OF VALUE ADDITION

Value added	2023		2022	
	Rs. 000	%	Rs. 000	%
Return on investments	135,078		153,948	
Capital gains	88,221		(127,659)	
Unrealized Gain / (loss) - Net	193,017		(371,415)	
Other income	2,546		1,505	
Gross Revenue	418,862		(343,621)	
Less: Administrative expenses	27,163		94,540	
	391,699	100	(438,161)	100
Value Allocated				
To Employees				
Salaries, allowances and other benefits	15,592	4%	22,224	-5%
To Shareholders				
Cash Dividend	-	0%	246,236	-56%
To Government				
Company Taxation	50,578	13%	(25,875)	5%
To expansion				
Depreciation and amortization	925	0%	4,500	-1%
To growth				
As Reserve and Retained earning	324,604	83%	(685,246)	157%
	391,699	100%	(438,161)	100%

NOTICE OF 64th ANNUAL GENERAL MEETING

Notice is hereby given that 64th annual general meeting of Cyan Limited (the "Company") will be held on Friday, April 26, 2024, at 11:30 AM at Karachi School of Business and Leadership (KSBL) at National Stadium Road, Opp Liaquat National Hospital, Karachi - 74800 and via video link facility to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2023, together with the Auditors' and Directors' Reports thereon and the Review Report of the Chairman.
2. To appoint Auditors and to fix their remuneration. The members are hereby notified that the Board and the Audit Committee have recommended the reappointment of A. F. Ferguson & Co. (Chartered Accountants), as auditors of the Company.

SPECIAL BUSINESS:

3. To consider and if deemed fit, to approve circulation / dissemination of Annual Audited Financial Statements of the Company to its members through QR enabled code and weblink as part of the notice of Annual General Meeting instead of transmitting the same in the form of CD/DVD/USB in accordance with and pursuant to S.R.O. 389 (I)/2023 issued by the Securities and Exchange Commission of Pakistan dated March 21, 2023 by passing the following Ordinary Resolution(s) with or without modification(s):

"RESOLVED that circulation/ dissemination of Annual Audited Financial Statements to the shareholders through QR enabled code and weblink as notified by the Securities and Exchange Commission of Pakistan vide its S.R.O. 389 (I)/2023 dated March 21, 2023, or any other transmission medium allowed by the regulators, be and is hereby approved.

FURTHER RESOLVED that Chief Executive Officer and/or Company Secretary be and are hereby singly authorized to take and do all necessary actions, deeds and things which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution."

Statements of Material Facts pursuant to Section 134(3) of the Companies Act, 2017 are annexed to the notice of meeting sent to the members.

By Order of the Board

Imran Chagani
Company Secretary

Karachi
Dated: March 11, 2024

Notes:

1. Video Conference Facility for attending Annual General Meeting (AGM):

As per the directive issued by Securities and Exchange Commission of Pakistan ("SECP"), the Company has made arrangements of video conference facility to ensure that members can also participate in the AGM via video link.

The members and their proxies who intends to attend the AGM through video-link must register their particulars by sending an email at company.secretary@dawoodhercules.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 AGM' along with valid copy of their CNIC/Passport. 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 (twenty-four) hours before the time of the AGM.

2. Closure of Members Register & Share Transfer Books:

The Share Transfer Books of the Company will remain closed from April 20, 2024, to April 26, 2024 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, Messrs. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400, by close of business on April 19, 2024, will be considered in time for entitlement of members to attend, speak and vote at the AGM.

NOTICE OF 64th ANNUAL GENERAL MEETING

3. Placement of Financial Statements on Website of the Company:

The Company has placed the Annual Report which includes inter alia notice of meeting, Audited Annual Financial Statements together with Chairman's Review Report, Directors' and Auditors' Report thereon for the year ended December 31, 2023, on its website: www.cyanlimited.com

4. Participation in the AGM:

A member, entitled to attend the AGM, is entitled to appoint another person as his/her proxy to attend the AGM on his/her behalf. A proxy need not be a member of the Company. A corporate entity, being member, may appoint its representative to attend the meeting through resolution of its Board of Directors. Proxy Forms in English and Urdu languages are attached with the notice circulated to the shareholders.

In case of appointment of proxy by a corporate entity, a resolution of the board of directors / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form.

The proxy holders are required to produce their original valid CNICs or original passports at the time of the meeting.

In order to be effective, duly completed and signed proxy forms must be received at the Company's Registered Office at least 48 (forty-eight) hours before the time of the meeting.

CDC account holders will further have to follow the under mentioned guidelines as laid down by the SECP.

A. For Attending the Meeting

- a. 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 CNIC or the original passport at the above-mentioned email address at least 48 (forty-eight) hours before the AGM.
- b. In case of corporate entity, the board of directors' resolution/power of attorney with specimen signature of the nominee shall be shared on the above mentioned email address at least 48 (forty - eight) hours before the AGM (unless it has been provided earlier).

B. For Appointing Proxies

- a. 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 above requirements.
- b. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- c. The proxy shall produce original valid CNIC or original passport at the above mentioned email address at least 48 (forty eight) hours before the meeting.
- d. In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature shall be submitted on the email address mentioned above at least 48 (forty-eight) hours before the meeting (unless it has been provided earlier) along with proxy form to the Company.
- e. Proxy form will be witnessed by 2 (two) persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

PROCEDURE FOR ELECTRONIC VOTING FACILITY AND VOTING THROUGH POSTAL BALLOT ON SPECIAL BUSINESS

5. Polling on Special Business:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification S.R.O 2192/(I)/2022 dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Cyan Limited (the "Company") will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming AGM to be held on Friday, April 26, 2024, at 11:30 AM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

NOTICE OF 64th ANNUAL GENERAL MEETING

6. Procedure for E-Voting:

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on April 19, 2024.
- b) The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- c) Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d) E-Voting lines will start from April 20, 2024, 09:00 AM and shall close on April 25, 2024, at 5:00 PM. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

7. Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address, Dawood Centre M. T. Khan Road Karachi, or email at company.secretary@dawoodhercules.com one day before the Annual General Meeting on April 25, 2024, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

For the convenience of the members, ballot paper is annexed to this notice and the same is also available on the Company's website at www.cyanlimited.com for download.

STATEMENTS OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS REFERRED TO THE NOTICE ABOVE

These Statements set out the material facts concerning the following Special Businesses to be transacted at the Annual General Meeting (AGM) of Shareholders of Cyan Limited to be held on Friday, April 26, 2024.

Item 3 of the Agenda:

The Company is seeking approval of its members by passing ordinary resolution proposed herein to enable it to dissemination of Annual Audited Financial Statements through QR Enabled Code and Weblink.

Pursuant to the authorization of the Securities and Exchange Commission of Pakistan vide its SRO 389 (1)/2023 dated March 21, 2023, regarding the dissemination of information such as annual audited financial statements, the Company proposes to utilize QR codes and weblink instead of traditional methods like CDs, DVDs, and USBs.

However, to accommodate the shareholders' preferences, a standard request form is available on the Company's website for those who wish to receive physical copies of the annual audited financial statements and related documents at their registered addresses.

Subsequently, the notice of the annual general meeting shall be dispatched to the members as per requirements of the Companies Act 2017, to their registered addresses, containing the QR code and the weblink address to view and download the Annual Audited Financial Statements

Attention of the Shareholder is drawn towards the following:

1. Computerized National Identity Card (CNIC) / National Tax Number (NTN):

All those individual members holding physical shares who have not yet provided their CNIC No., are once again reminded to immediately submit the copy of their CNIC to Company's Share Registrar, Messrs. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400. Members while sending CNIC must quote their respective folio numbers. The corporate entities having physical shares should send a copy of their NTN certificates to Company's Share Registrar. The corporate members while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

2. Payment of Cash Dividend Electronically

Under second proviso to Section 242 of the Companies Act, 2017, listed companies are required to pay declared cash dividends only

through electronic mode directly into the bank accounts designated by the entitled shareholders.

Accordingly, the shareholders of the Company are requested to provide the following information for payment of cash dividend to be declared by the Company through electronic mode directly in the bank account designated by you.

Name of Shareholder	
Folio Number	
CNIC Number	
Title of Bank Account	
Account Number	
IBAN Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline number of Shareholder	
Email of Shareholder	
Signature of Member	
Note: Signature must match specimen signature registered with the Company	

The shareholders are also required to intimate the changes, if any in the above-mentioned information to the Company and the Share Registrar as soon as these occur. In case of shares held electronically, then the above electronic credit mandate form must be submitted directly to shareholder(s)' broker/participant/CDC account services.

3. Withholding Tax on Dividend

In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for 'filer' and 'non-filer' shareholders at 15% and 30% respectively. A 'filer' is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Share Registrar, Messrs. CDC Share Registrar Services Limited, of the Company by the first day of book closure.

According to the FBR, withholding tax in case of joint accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, Messrs. CDC Share Registrar Services Limited, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

4. Zakat Declaration

The members are requested to submit their Zakat Declarations to the Share Registrar in order to claim exemption from deduction of Zakat.

5. Unclaimed Dividend

Shareholders, who by any reason, could not claim their dividends/shares, if any, are advised to contact our Share Registrar, Messrs. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400, to collect / enquire about their unclaimed dividend/shares, 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 and in case of shares, shall be delivered to the SECP.

6. Transmission of Annual Accounts, Notices of Meetings, Auditor's Report and Directors' Report through CD, DVD or USB:

The shareholders of the Company have accorded approval in general meeting for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. Please note that from this year we are sending Annual Reports / Notice of AGM through emails to those shareholders whose email addresses are available with the Company and rest shareholders will be dispatched Annual Report on CDs and printed Notice of AGM and Proxy form through post.

The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.cyanlimited.com.

7. 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.

Furthermore, Securities and Exchange Commission of Pakistan vide its letter CSD/ED/Misc/2016-639-640 dated March 26, 2021, has directed all listed companies to pursue such shareholders who are still holding shares in physical form to convert the same into book entry form. In this regard, shareholder having physical shareholding are requested to 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.

CYAN LIMITED BALLOT PAPER

for voting through post for the Special Business at the Annual General Meeting to be held on Friday, April 26, 2024, at 11:30 AM at Karachi School of Business and Leadership (KSBL) at National Stadium Road, Opp Liaquat National Hospital, Karachi - 74800
Tel (92-21) 35634290-3 Fax: (92-21) 35684147 Website: www.cyanlimited.com

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of Shares Held CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Resolution For Agenda Item No. 3

To consider and if deemed fit, to approve circulation / dissemination of Annual Audited Financial Statements of the Company to its members through QR enabled code and weblink as part of the notice of Annual General Meeting instead of transmitting the same in the form of CD/DVD/USB in accordance with and pursuant to S.R.O. 389 (I)/2023 issued by the Securities and Exchange Commission of Pakistan dated March 21, 2023 by passing the following Ordinary Resolution(s) with or without modification.

“RESOLVED that circulation/ dissemination of Annual Audited Financial Statements to the shareholders through QR enabled code and weblink as notified by the Securities and Exchange Commission of Pakistan vide its S.R.O. 389 (I)/2023 dated March 21, 2023, or any other transmission medium allowed by the regulators, be and is hereby approved

FURTHER RESOLVED that Chief Executive Officer and/or Company Secretary be and are hereby singly authorized to take and do all necessary actions, deeds and things which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution.

Instructions For Poll
1. Please indicate your vote by ticking (√) the relevant box.
2. In case if both the boxes are marked as (√), your poll shall be treated as “Rejected” .
I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (√) mark in the appropriate box below;

Agenda	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Agenda No. 3		

NOTES:

1. Duly filled ballot paper should be sent to the Chairman of Cyan Limited at Dawood Centre M. T. Khan Road Karachi or e-mail at: company.secretary@dawoodhercules.com
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within business hours by or before Thursday, April 25 2024. Any postal Ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/ Passport. (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
7. Ballot Paper form has also been placed on the website of the Company at: www.cyanlimited.com. Members may download the Ballot paper from the website or use an original/photocopy published in newspapers.

Shareholder / Authorized Signatory
(In case of corporate entity, please affix company stamp)

Date: _____

CHAIRMAN'S REVIEW

Dear Shareholders,

On behalf of the Board of Directors, it is our privilege to present to you the Annual Report of Cyan Limited for the year ended 31st December 2023.

The year 2023 posed multifaceted challenges globally, with geopolitical tensions, monetary tightening, and economic crises impacting worldwide growth. Pakistan was no stranger to this; it also faced severe struggles, including high inflation and currency devaluation that led to economic turmoil in the first half of the year. Despite some relief in the second half through IMF negotiations and improved policy measures, our path to national recovery depends on vital structural reforms, which if implemented, may result in continued short-term turbulence.

These ongoing challenges have highlighted the importance of organizational resilience in such an environment. It is imperative for us to enhance our capabilities to withstand volatility and achieve sustainable long-term performance. And the blueprint for this resilience is evident globally, as the greatest companies have achieved greatness by excelling in two areas: capital allocation and human development. By investing in good businesses and investing in people, we can drive transformative outcomes, a principle that Cyan is committed to implementing with increased vigor as we fulfill our organizational mandate.

Our approach to optimizing risk and returns is rooted in sincere evaluations of investment opportunities – and while this has always been our guiding principle, we have deepened our analysis since 2023. This involves prioritizing sectoral and business fundamentals in our capital allocation strategy, which informs our asset allocation decisions. We have focused on investing in banking, oil and gas exploration, and technology assets after conducting comprehensive analyses of their potential, including key business drivers, risks, management quality, and the resilience of business models in adverse macroeconomic conditions. We believe in maintaining significant positions in assets we have confidence in, rather than diversifying for short-term trading gains.

In 2023, this capital allocation approach was put to the test and we are pleased to report that it yielded favorable outcomes, reinforcing our confidence in its effectiveness. This is especially important in light of the fact that we manage the capital of other shareholders who put their trust in us. Performance of this kind allows

us to reciprocate this sacred trust while building the success of our organization. We aim to continue down this journey in the years to come.

This revitalized approach is supported by the framework of **Character and Good Manners (CGM)**, which serves as the foundation of our Group's human development philosophy. The five values comprising this framework – **Truthfulness, Trustworthiness, Humility, Integrity, and Resilience** – are central to how we implement our capital allocation strategy. We are committed to transparency, not only in celebrating our investment successes but also in acknowledging our mistakes and learning from them. Truthfulness fosters trustworthiness in our role as capital allocators, guiding our decision-making with humility and integrity, even in challenging times. We firmly believe that organizations thrive when individuals embrace decision-making and growth guided by the principles of CGM.

Throughout these endeavors, the Company has been diligently led by its Board of Directors, and we would like to express our gratitude for their governance. Their guidance has empowered our management teams to enhance their approach to capital allocation, resulting in a commendable performance during a demanding year. Additionally, we extend our appreciation to our CEO, Mohammad Shamoony Chaudry, for his adept leadership in overseeing crucial transactions for the Group while effectively managing the Company's affairs.

Moreover, we are deeply grateful for the unwavering support of our employees, customers, partners, service providers, the Government, regulators, and particularly our shareholders, who entrust us with their capital. The past year has emphasized the need for resilient investment strategies, and we remain dedicated to building on our performance to engage in sound capital allocation. Through these actions, our aim is to facilitate prosperity for all involved in our ecosystem and pave the way toward a more resilient world.

Regards,

Abdul Samad Dawood
Chairman

DIRECTORS' REPORT

The Board of Directors is pleased to present the 64th Annual Report of the company together with the audited financial statements for the financial year ended December 31, 2023.

The Macroeconomic Environment

2023 was a year of continuing challenges. Global growth slowed to 3% due to geopolitical tensions (such as conflicts in Palestine and the Red Sea) alongside economic pressures – the latter including unprecedented monetary tightening, a US banking crisis, and property tensions in China. Despite this, high interest rates helped curb global inflation, partially alleviating energy disruptions from the Russia-Ukraine War.

2023 brought significant challenges to Pakistan as well, especially in the first half. High inflation plagued the country, driven by PKR devaluation and soaring energy costs. In addition to this, intense pressure on the PKR resulted from dwindling foreign reserves and speculation, escalating concerns of sovereign default which caused widespread panic. Delays in IMF bailout negotiations exacerbated these concerns, eroding savings and purchasing power. Consumer demand dwindled, and fresh investments dried up. In response, the State Bank of Pakistan raised interest rates by 600 basis points to 22%, which slowed economic output.

Relief came in the latter half with the successful negotiation of a USD 3 billion Stand-By Arrangement (SBA) with the IMF, easing concerns of sovereign default. Additionally, a smooth transition to the caretaker government allowed for continued structural reforms and close monitoring of IMF benchmarks. An important decision was made to increase gas prices, aimed at reducing the buildup of circular debt within the gas sector. This proactive step addresses a longstanding issue, with the Ministry of Energy demonstrating commitment to sustainable financial management. However, true success will be achieved when market forces determine gas prices, and price-setting practices are discontinued. Nonetheless, these efforts by the Government are appreciated.

Additionally, administrative actions to control the informal currency market led to favorable outcomes, stabilizing the exchange rate and helping alleviate inflationary pressures. CPI inflation, which peaked at 38% in June 2023, has since dropped to 23% by February 2024. This decline has raised hopes for future interest rate cuts as inflation trends downward, potentially boosting investor confidence.

Our Portfolio

The investments of the Company have been aligned to match economic conditions at play. Amid expectations of rising inflation and high interest rates, the banking sector was anticipated to benefit most from monetary tightening. Accordingly, Cyan's portfolio heavily favoured this sector—a strategic decision that has proved fruitful over the years. Notably, UBL stands out due to its investor-friendly capital allocation policy, which consistently delivers profits to shareholders. While mindful of potential taxation risks in the sector, our confidence in banking long-term prospects remains strong. Our investment in this sector has been to the tune of PKR 451.50 million, and the return generated on this investment during the period has been PKR 368.85 million.

In addition to banking, we hold strategic positions in prominent Oil & Gas Exploration companies, specifically OGDCL and PPL. Pakistan's economic growth hinges on sustained reforms in the energy sector and we are optimistic about State efforts to address gas circular debt. OGDCL and PPL are poised to benefit most from these reforms. Investments in domestic fuel exploration are crucial and both companies are well-prepared to meet this need. Moreover, OGDCL and PPL, are fully funded with equity and hold substantial cash reserves, which presents an opportunity for enhanced efficiency through improved financial management. The divergence between their intrinsic value and market price reinforces our decision to maintain these investments. Our investment in OGDCL and PPL has been to the tune of PKR 81.42 million, and the return generated on this investment during the period has been PKR 10.20 million.

We have also allocated a portion of our portfolio to Systems Limited, a company known for its expertise in executing international IT projects with a skilled domestic workforce. Systems has expanded its global presence and efficiently utilized Pakistani operations to serve international clients. In addition to its growth potential, the company provides a hedge against PKR devaluation, as a substantial portion of its revenues is in US dollars. Our investment in Systems Limited amounts to PKR 318.09 million.

In terms of capital allocation, the Company unwound a leverage-based investment strategy that had been in place since September 2021. This unwinding was done during the 1st quarter of 2023, resulting in an overall positive return. This delivered an impressive total return of 68.8%, outperforming the benchmark KSE-100 index return of 54.5%, thereby demonstrating a remarkable alpha over the target return.

DIRECTORS' REPORT

Future Outlook

We anticipate ongoing economic pressure in the near future, likely resulting in continued inflation, relatively high interest rates, and increased taxation. While the Government's efforts to address these challenges is acknowledged, it is crucial that solutions are pursued in a way that restores investor confidence. Long-term structural reforms are essential to reshape our economy, including measures outlined by the IMF. However, proactive state interventions, such as expanding the tax base equitably to drive formalization of the economy can contribute to a more favourable economic environment. We look forward to playing our role in such advocacy on these macro challenges.

Financial Performance and Corporate Strategy

During the year 2023, profit after tax stood at PKR 325 million as compared to loss after tax of PKR 439 million reported last year. The Company recorded an income on investment of PKR 416 million as compared to loss on investment of PKR 345 million in the same period last year.

Dividend income from the equity portfolio decreased by 13% to PKR 127 million for the year 2023 as opposed to PKR 147 million earned last year. The company also earned realized capital gains of PKR 88 million as compared to realized capital loss of PKR 128 million and unrealized gains of PKR 193 million as compared to unrealized loss of PKR 371 million on re-measurement of investments classified as financial assets at fair value through profit and loss – net.

This year, the Company is in the process of pivoting its strategy to invest in high-yielding blue chip stocks. Accordingly, the portfolio is being rationalized to reduce exposure in high beta scrips to dividend-paying value stocks. Additionally, the leverage position is being optimized while efficiently managing operating cost.

During 2022, the Company had curtailed operations and changed the management team. In this regard, the Company has continued the agreement with DH Corporation for sharing rent and administrative cost and created a common pool of requisite resources and experienced personnel to undertake certain functions.

Earnings / (Loss) per Share

During the year the company posted earnings per share of PKR 5.27 compared to loss per share of PKR 7.13 in 2022.

Corporate Social Responsibility

Cyan strongly believes that improving its environmental

and social performance is inevitable for its financial success. Historically, Company has paid donations to different organizations. However, no significant donation has been paid during the year.

Appropriation and Dividend

The Company's profit after tax for the year ended December 31, 2023, stood at PKR 325 million compared to loss of PKR 439 million last year. During the year Company paid Nil Dividend.

Liquidity, Cash Flows and Financing Arrangement

The Company has an effective cash management system, powered by a team of dedicated and competent employees that prepares forecasts and regularly monitors the Company's cash needs. Inflows and outflows of cash and other liquid assets, including investments, are managed on a net adjusted return basis. The Company has a running finance facility of PKR 800 million which has been partially utilized during the year and will be used as and when any investment opportunity arises.

Capital Structure

In past years, the Company has issued bonus shares which increased the paid-up capital of the Company to PKR 615.59 million. Shareholders' fund at the year-end totaled PKR 1,539 million. The liquidity position of the Company remains strong with a year-end current ratio of 8.86.

Risk Management

The Company's activities expose it to a variety of financial risks given the macroeconomic situation including market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. Cyan's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Hence, risk management policies are established to address the risks faced by Company, to set appropriate risk limits and controls, and to monitor adherence to limits. Risk management policies and systems are reviewed regularly keeping market conditions and activities in perspective.

Human Resources Development, Training & Succession Planning

The Company has employed experienced and qualified people to meet the challenges ahead.

DIRECTORS' REPORT

Staff training is carried out on a continuous basis throughout the year, based on training needs, particularly in areas of knowledge enhancement and skills. Training and human resources development remains a key area for the Company. The Company HR Manual is designed in a way that enables proper rewards, and a sense of encouragement and motivation amongst 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 plans are prepared and managed at group level.

Internal Control

The internal control system has been effectively implemented by the management and is reviewed by the 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 matters to the Board's attention where required. Coordination between 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.

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 tolerated at the Company. All employees must, at all times, act 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 47.11 million to the National Exchequer by way of taxes during the year 2023.

Credit Rating

On January 24, 2024 JCR-VIS Credit Rating Company Limited 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 eight (08) as per the following:

- a. Male: seven (07)
- b. Female: one (01)

The composition of the Board is as follows:

Category	Names
Independent Directors	Muhammed Amin Isfandiyar Shaheen
Non-executive Directors	Abdul Samad Dawood Zamin Zaidi Sikandar Hazir Nasir Altaf
Executive Directors	Mohammad Shamoan Chaudry
Female Director	Sabrina Dawood

Conflict of Interest among BOD Members

Any conflict of interest is managed as per provisions of the Company's Code of Conduct for Directors, Acts, and Rules and Regulations of Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange.

Directors' Remuneration Policy

The Board of Directors has approved the Director's Remuneration Policy for attending the Board and the Board Committees' meetings in compliance with the provision of Chapter V of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Article 78(a) of the Company's Article of Association.

DIRECTORS' REPORT

Directors' Training Program

The Company is compliant in respect of certification of all directors who are required to be certified under the Director's Training Program.

Board of Directors meetings

During the year ended December 31, 2023, a total of five meetings of the Board of Directors were held. The position of attendance during respective tenure was as follows:

Existing Board

Name of Director	Meetings	
	Held	Attended
Mr. Abdul Samad Dawood	5	5
Ms. Sabrina Dawood	5	3
Mr. Muhammed Amin	3	3
Mr. Isfandiyar Shaheen	3	3
Mr. Zamin Zaidi	3	3
Mr. Sikandar Hazir	3	3
Mr. Nasir Altaf	3	3
Mr. Mohammad Shamoan Chaudry	5	5

Mr. Muhammed Amin, Mr. Isfandiyar Shaheen, Mr. Zamin Zaidi, Mr. Sikandar Hazir, and Mr. Nasir Altaf were elected Directors of the Company in the Extraordinary General Meeting held on May 22, 2023.

Outgoing Directors

Name of Director	Meetings	
	Held	Attended
Mr. Hasan Reza Ur Rahim	2	2
Mr. Kamran Nishat	2	2
Mr. Shabbir Hussain Hashmi	2	2
Mr. Shafiq Ahmed	2	2

The term of Mr. Hasan Reza Ur Rahim, Mr. Kamran Nishat, Mr. Shabbir Hussain Hashmi, and Mr. Shafiq Ahmed ended on May 22, 2023. We would like to place on record our appreciation for their significant contributions over the years to the Company.

Board Audit Committee meetings

The Board of Directors has established an Audit Committee, in compliance with the Code of Corporate Governance, which oversees internal controls and compliance and has been working efficiently since its

inception. The Audit Committee reviewed the quarterly, half-yearly, and annual financial statements before submission to the Board and their publication. The Audit Committee had detailed discussions with the external auditors on various issues, including their letter to the Board of Directors. The Audit Committee also reviewed internal auditors' findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

During the year ended December 31, 2023, a total of four meetings of the Board Audit Committee were held. The position of attendance during the respective tenure was as follows:

Existing Committee Members

Name of Director	Meetings	
	Held	Attended
Mr. Muhammed Amin	2	2
Mr. Isfandiyar Shaheen	2	2
Mr. Nasir Altaf	2	2

Outgoing Committee Members

Name of Director	Meetings	
	Held	Attended
Mr. Hasan Reza Ur Rahim	2	2
Mr. Kamran Nishat	2	2
Mr. Shabbir Hussain Hashmi	2	2

Human Resource and Remuneration Committee meetings

During the year ended December 31, 2023, a total of two meetings of the Human Resource and Remuneration Committee (HR&RC) were held. The position of attendance during the respective tenure was as follows:

Existing Committee Members

Name of Director	Meetings	
	Held	Attended
Mr. Isfandiyar Shaheen	1	1
Mr. Abdul Samad Dawood	2	-
Ms. Sabrina Dawood	2	2

DIRECTORS' REPORT

Outgoing Committee Members

Name of Director	Meetings	
	Held	Attended
Mr. Hasan Reza Ur Rahim	1	1
Mr. Abdul Samad Dawood	1	-

Board Investment Committee meetings

During the year ended December 31, 2023, no meeting of the Board Investment Committee (BIC) was held.

Code of Conduct

The Board of Directors has adopted the Code of Conduct for Directors and employees which has been circulated to Board members and employees in compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. The code of conduct is also placed on the Company's website.

Corporate and Financial Reporting Framework

- The financial statements prepared by the management of the Company fairly present its State of Affairs, the Results of its Operations, Cash Flows and Statement of Changes in Equity.
- The Company has maintained proper books of accounts as required under the Companies Act, 2017.
- 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.
- The International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements and any departure has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The fundamentals of the Company are strong, and it has the ability to continue as a going concern.
- The Company has followed the best practices of Corporate Governance as laid down in the Listed Companies (Code of Corporate Governance) Regulations, 2019 and there has been no material departure there from.

- 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.
- The value of investments of the Provident Fund as maintained by the Company on the basis of audited accounts as on June 30, 2023, is PKR 0.15 million.
- The Directors of the Company who are required to be certified are Certified under Directors' Training Program from approved institutes as prescribed by SECP.

Ownership

As of December 31, 2023, there were 1,635 shareholders on the record of the Company.

Pattern of Shareholding

The Pattern of Shareholding of the Company as of December 31, 2023, along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework are shown in the shareholding section of this report.

Auditors

The present auditors M/s. A.F. Fergusons & Co. (Chartered Accountants) being eligible, have provided their consent for appointment at the 64th 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, 2024. 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.

Acknowledgement

We would like to thank all our stakeholders, especially our valued investors, who have placed their confidence in us and we also appreciate the effort put in by the management teams for their unwavering commitment and hard work. The Board would also like to state 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

Muhammed Amin

Director

Karachi: March 11, 2024

Mohammad Shamoony Chaudry

CEO

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Cyan Limited

For the year ended December 31, 2023

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

1. The total number of directors are eight (8) as per the following:
 - a. Male: Seven (7)
 - b. Female: One (1)
2. The composition of Board as at December 31, 2023, was as follows:

Category	Names
Independent Directors	Mr. Muhammed Amin Mr. Isfandiyar Shaheen
Non-executive Directors	Mr. Abdul Samad Dawood (Chairman) Ms. Sabrina Dawood (Female Director) Mr. Zamin Zaidi Mr. Sikandar Hazir Mr. Nasir Altaf
Executive Director	Mr. Mohammad Shamoan Chaudry (Chief Executive Officer - CEO)

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 the Board/Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
9. The Company is compliant in respect of certification of all directors who are required to be certified under the Director's Training program;
10. The Board has approved appointment of Chief Financial Officer, 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 following committees comprising of members given below:

a) Board Audit Committee:

Name	Designation	Category
Mr. Muhammed Amin	Chairman	Independent Director
Mr. Isfandiyar Shaheen	Member	Independent Director
Mr. Nasir Altaf	Member	Non-Executive Director

b) Human Resource and Remuneration Committee:

Name	Designation	Category
Mr. Isfandiyar Shaheen	Chairman	Independent Director
Mr. Abdul Samad Dawood	Member	Non-Executive Director
Ms. Sabrina Dawood	Member	Non-Executive Director

a) Board Investment Committee:

Name	Designation	Category
Mr. Abdul Samad Dawood	Chairman	Non-Executive Director
Mr. Muhammed Amin	Member	Independent Director
Mr. Isfandiyar Shaheen	Member	Independent Director
Mr. Nasir Altaf	Member	Non-Executive Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as follows:

- a) Board Audit Committee: Four (04) meetings held during the financial year ended on December 31, 2023.
- b) Human Resource and Remuneration Committee: Two (2) meetings held during the financial year ended on December 31, 2023.
- c) Board Investment Committee: No meeting held during the financial year ended on December 31, 2023.

15. The Board has set up an effective internal audit function comprising of suitably qualified and experienced staff on a shared service basis with an associated company, who are 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 are 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 close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors 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, the 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 Regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. With respect to the compliance with Regulation 6, the Board has appointed two independent directors and the fraction one-third number was not rounded up to one as the two independent directors elected had requisite competencies, skills, knowledge and experience to fulfil their obligations as per the requirements of the applicable laws and regulations and hence, appointment of third independent director was not warranted.

The Board was also guided by the fact that as per Regulation 6 rounding up is not mandatory and the necessary explanation for not rounding-up as required under the Regulations have been included above.

Mohammad Shamoan Chaudry
Chief Executive Officer

Karachi
Date: March 11, 2024

Abdul Samad Dawood
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 (the Regulations) prepared by the Board of Directors of Cyan Limited (the Company) for the year ended December 31, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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. 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.

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 Regulations as applicable to the Company for the year ended December 31, 2023.

A. F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: March 28, 2024

UDIN: CR2023100814esUARQvi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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**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 comprise the statement of financial position as at December 31, 2023, 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 material accounting policy information 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, 2023 and of the profit, other comprehensive loss, 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 is the Key Audit Matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
(i)	Investments (Refer note 8 to the financial statements)	
	<p>The total assets of the Company aggregate to Rs. 1,644.712 million out of which investments amounts to Rs. 1,612.844 million. These investments are measured at fair value through profit or loss, fair value through other comprehensive income and amortised cost.</p> <p>Due to the significance of these investments to the overall statement of financial position of the Company as at December 31, 2023, the valuation of these investments in accordance with the adopted accounting policy was a significant risk and considered a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">▪ Reviewed the design and tested the operating effectiveness of the key controls for valuation of investments;▪ Obtained independent confirmations for verifying the existence of the investment portfolio as at December 31, 2023 and reconciled it with the books and records of the Company;

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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S.No.	Key Audit Matter	How the matter was addressed in our audit
		<ul style="list-style-type: none">Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; andReviewed the presentation and disclosures related to investments and assessed whether it complies with the applicable financial reporting framework.

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 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.

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.

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- 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;
- (c) investments made and expenditure incurred during the year were for the purpose of the Company's business; and
- (d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Khattab Muhammad Akhi Baig**.

A.F. Ferguson & Co.

Chartered Accountants
Karachi

Date: March 28, 2024

UDIN: AR202310081zxZsb8Vd2

FINANCIAL STATEMENTS

CONSOLIDATED

STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	Note	2023 ----- (Rupees in '000) -----	2022
ASSETS			
Non-Current Assets			
Property and equipment	6	2,653	3,444
Intangible assets	7	57	106
Deferred taxation	15	19,119	87,287
Long term investment	8	684,939	622,671
Long term deposit		2,500	2,500
		709,268	716,008
Current Assets			
Short term investment	8	927,905	848,700
Trade and other receivables	9	2,358	8,617
Advances and short term prepayments	10	1,089	1,036
Cash and bank balances	11	4,092	428
		935,444	858,781
TOTAL ASSETS		1,644,712	1,574,789
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 100,000,000 (2022: 100,000,000) Ordinary shares of Rs. 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up share capital	12	615,591	615,591
Unappropriated profit		393,720	69,116
Reserves	13	13,088	13,088
Remeasurement on post retirement benefits obligation - net of tax		3,129	3,145
Surplus on revaluation of investments carried at fair value through other comprehensive income - net of tax		513,536	530,578
		1,539,064	1,231,518
Non-current liabilities			
Payable to gratuity fund	14	118	99
		118	99
Current liabilities			
Trade and other payables	16	10,936	9,151
Unclaimed dividend		29,163	29,821
Short term borrowings	17	-	255,674
Taxation - net		65,431	48,526
		105,530	343,172
TOTAL EQUITY AND LIABILITIES		1,644,712	1,574,789
CONTINGENCIES AND COMMITMENTS			
	18		

The annexed notes 1 to 34 form an integral part of these financial statements.

Muhammad Anas Karimi
Chief Financial Officer

Mohammad Shamoony Chaudry
Chief Executive

Muhammed Amin
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2023

	Note	2023 ----- (Rupees in '000) -----	2022
Return on investments	19	135,078	153,948
Gain / (loss) on sale of investments - net		88,221	(127,659)
Other income - net	20	2,546	1,505
		225,845	27,794
Surplus / (deficit) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	8.2.3.1 & 8.2.3.2	193,017	(371,415)
		418,862	(343,621)
EXPENSES			
Operating and administrative expenses	21	35,972	51,462
Financial charges	22	7,708	69,802
		(43,680)	(121,264)
Profit / (loss) before taxation		375,182	(464,885)
Taxation	23	(50,578)	25,875
Net profit / (loss) for the year after taxation		324,604	(439,010)
Other comprehensive income / (loss) for the year			
Items that will not be reclassified to profit or loss			
(Deficit) / surplus on re-measurement of investments classified at fair value through other comprehensive income - net of tax		(17,042)	33,596
Remeasurement of post retirement benefits obligation - net of tax		(16)	(70)
Total comprehensive income / (loss) for the year		307,546	(405,484)
----- (Rupees) -----			
Basic and diluted earnings / (loss) per share	30	5.27	(7.13)

The annexed notes 1 to 34 form an integral part of these financial statements.

Muhammad Anas Karimi
Chief Financial Officer

Mohammad Shamoony Chaudry
Chief Executive

Muhammed Amin
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2023

Share capital	Capital reserves		Revenue reserves		Remeasurement on post retirement benefits obligation - net of tax	Surplus / (deficit) on revaluation of investments at fair value through other comprehensive income	Total
	Issued, subscribed and paid-up	Reserve for exceptional losses (Note 13.1)	Capital gain reserve (Note 13.2)	General reserve			

----- (Rupees in '000) -----

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

Transfer to unappropriated profit from general reserve	-	-	-	(120,000)	120,000	-	-	-
Final dividend @ Rs.4 per share for the year ended Dec 31, 2021	-	-	-	-	(246,236)	-	-	(246,236)
	-	-	-	(120,000)	(126,236)	-	-	(246,236)

Total comprehensive loss for the year ended December 31, 2022

Net loss for the year	-	-	-	-	(439,010)	-	-	(439,010)
Other comprehensive income	-	-	-	-	-	(70)	33,596	33,526
	-	-	-	-	(439,010)	(70)	33,596	(405,484)

Balance as at December, 31 2022

615,591	10,535	2,553	-	69,116	3,145	530,578	1,231,518
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Balance as at January 1, 2023 615,591 10,535 2,553 - 69,116 3,145 530,578 1,231,518

Total comprehensive income for the year ended December 31, 2023

Net Profit for the year	-	-	-	-	324,604	-	-	324,604
Other comprehensive loss	-	-	-	-	-	(16)	(17,042)	(17,058)
	-	-	-	-	324,604	(16)	(17,042)	307,546

Balance as at December 31, 2023

615,591	10,535	2,553	-	393,720	3,129	513,536	1,539,064
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The annexed notes 1 to 34 form an integral part of these financial statements.

Muhammad Anas Karimi
Chief Financial Officer

Mohammad Shamooun Chaudry
Chief Executive

Muhammed Amin
Director

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	Note	2023	2022
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		375,182	(464,885)
Adjustment for non cash charges and other items:			
Depreciation on owned fixed asset	6.1	876	1,746
Depreciation on right-of-use asset		-	2,647
Amortisation of intangible assets	7	49	107
Loss on sale of property and equipment		-	4,945
(Gain) / loss on sale of investments - net		(88,221)	127,659
Amortisation of premium on Pakistan investment bonds		(3,120)	(2,407)
Financial charges		7,708	69,802
Unrealised (surplus) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	8.2.3.1 & 8.2.3.2	(193,017)	371,415
		(275,725)	575,914
Operating profit before working capital changes		99,457	111,029
Decrease / (increase) in operating assets			
Trade and other receivables		6,259	(1,431)
Advances and short-term prepayments		(53)	2,074
		6,206	643
Increase / (decrease) in operating liabilities			
Payable to gratuity fund		3	(20,811)
Trade and other payables		1,785	(60,251)
		1,788	(81,062)
Net cash generated from operations		107,451	30,610
Net proceeds from purchase and sale of investments		159,186	700,515
Taxes refund / (paid)		1,152	(9,225)
Financial charges paid		(20,077)	(65,438)
Dividend paid		(658)	(245,274)
		139,603	380,578
Net cash generated from operating activities		247,054	411,188
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(85)	(99)
Proceeds from sale of property and equipment		-	8,049
Net cash generated from investing activities		(85)	7,950
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion of lease liability against right-of-use asset		-	(1,853)
Net increase in cash and cash equivalents		246,969	417,285
Cash and cash equivalents at the beginning of the year		(242,877)	(660,162)
Cash and cash equivalents at the end of the year	11.2	4,092	(242,877)

The annexed notes 1 to 34 form an integral part of these financial statements.

Muhammad Anas Karimi
Chief Financial Officer

Mohammad Shamoony Chaudry
Chief Executive

Muhammed Amin
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

Cyan Limited (“the Company”), a Dawood 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 9th 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 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 areas where various assumptions and estimates are material 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 8).
- (b) Provision for taxation (current and prior years) and deferred taxation (note 4.3, 15 and 23).

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

3.1 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after January 1, 2023. These are considered either to not be relevant or do not have any material impact on the Company's financial statements and are therefore not detailed in these financial statements.

3.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, amendments to the published accounting and reporting standards and new interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2024. However, these will not have any material impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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 presented.

4.1 Property and Equipment

4.1.1 Owned

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. Cost includes expenditure that is directly attributable to the acquisition of the items. 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 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. The assets' residual values, useful lives and methods are reviewed and adjusted, if appropriate at each financial year end. Depreciation is charged on additions from the month the asset is available for use and on disposals up to the month preceding the month of disposal.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of fixed assets is charged to the profit or loss.

4.2 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.

4.3 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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.

4.5 Investments

The management of the Company determines the appropriate classification of its investments at the time of purchase and classifies its investments 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.

Classification and subsequent measurement of financial assets

The Company classifies all of its financial assets, other than equity instruments, based on two criteria: a) the Company's business model for managing the assets; and b) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI test'). The financial assets are measured at either:

- amortised cost, as explained in note 4.5.1;
- fair value through other comprehensive income (FVOCI), as explained in note 4.5.2; or
- fair value through profit or loss (FVPL), as explained in note 4.5.3.

At initial recognition, the Company may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they are not held for trading. Such classification is determined on an instrument-by-instrument basis. The rest of the equity investment are carried at fair value through profit or loss.

4.5.1 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 statement of profit or loss. The carrying amount of these assets is adjusted by any expected credit loss allowance.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

4.5.2 Financial assets at fair value through other comprehensive income

FVOCI equity instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income (OCI), cumulative gains and losses previously recognised in OCI can never be recycled to the profit and loss account. Dividends are recognised in statement of profit or loss as return on investments when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment.

4.5.3 Financial assets at fair value through profit or loss

Financial assets in this category are those that are held for trading, equity instruments not elected to be classified at fair value through other comprehensive income, or are mandatorily required to be measured at fair value under IFRS 9.

4.6 Impairment

4.6.1 Financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The counterparty is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9 for recording ECL.

Trade receivables are written off where there is no reasonable expectation of recovery. The Company does not expect and recovery from trade receivables if they are not recovered within a period of three years.

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, advances, cash and bank, sundry receivables, other creditors, unclaimed dividends and short term borrowings.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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.
- 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' (FVPL) and at 'fair value through other comprehensive income' (FVOCI) are recognised in the profit or loss and other comprehensive income respectively 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 bank deposits and placements is recognised on accrual basis using the effective interest method.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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 funded approved gratuity fund for all permanent employees who have completed the minimum qualifying period which is 6 months of service. Contributions to the fund 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.

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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

5. DISCONTINUED OPERATIONS

In 2011, the Board of Directors and shareholders of the Company 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.

6. PROPERTY AND EQUIPMENT

	2023	2022
	----- (Rupees in '000) -----	
Property and Equipment	<u>2,653</u>	<u>3,444</u>

6.1 Property and Equipment

	----- 2023 -----				
	Furniture and fixtures	Office equipment	Vehicles	Total	
	----- (Rupees in '000) -----				
At January 1, 2023					
Cost	130	4,899	5,361	10,390	
Accumulated depreciation	(86)	(3,480)	(3,380)	(6,946)	
Opening net book value	<u>44</u>	<u>1,419</u>	<u>1,981</u>	<u>3,444</u>	
Additions during the year	-	85	-	85	
Disposals during the year					
Cost	-	(826)	-	(826)	
Accumulated depreciation	-	826	-	826	
	-	-	-	-	
Depreciation charge for the year	(4)	(476)	(396)	(876)	
Closing net book value	<u>40</u>	<u>1,028</u>	<u>1,585</u>	<u>2,653</u>	
At December 31, 2023					
Cost	130	4,158	5,361	9,649	
Accumulated depreciation	(90)	(3,130)	(3,776)	(6,996)	
Closing net book value	<u>40</u>	<u>1,028</u>	<u>1,585</u>	<u>2,653</u>	
Rate of depreciation	<u>10%</u>	<u>33% & 50%</u>	<u>20%</u>		
	----- 2022 -----				
	Furniture and fixtures	Office equipment	Vehicles	Right-of-use asset	Total
	----- (Rupees in '000) -----				
At January 1, 2022					
Cost	16,960	15,515	15,381	31,761	79,617
Accumulated depreciation	(10,158)	(10,663)	(7,768)	(882)	(29,471)
Opening net book value	<u>6,802</u>	<u>4,852</u>	<u>7,613</u>	<u>30,879</u>	<u>50,146</u>
Additions during the year	-	-	-	-	-
Disposals during the year / Termination of right of use asset					
Cost	(16,830)	(10,616)	(10,020)	(31,761)	(69,227)
Accumulated depreciation	10,186	8,154	5,049	3,529	26,918
	(6,644)	(2,462)	(4,971)	(28,232)	(42,309)
Depreciation charge for the year	(114)	(971)	(661)	(2,647)	(4,393)
Closing net book value	<u>44</u>	<u>1,419</u>	<u>1,981</u>	<u>-</u>	<u>3,444</u>
At December 31, 2022					
Cost	130	4,899	5,361	-	10,390
Accumulated depreciation	(86)	(3,480)	(3,380)	-	(6,946)
Closing net book value	<u>44</u>	<u>1,419</u>	<u>1,981</u>	<u>-</u>	<u>3,444</u>
Rate of depreciation	<u>10%</u>	<u>33% & 50%</u>	<u>20%</u>	<u>33%</u>	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

6.2 Details of disposal of operating fixed assets are as follows:

Particulars	Cost of assets	Accumulated depreciation	Carrying value	Sales proceeds	Gain / (loss) on disposal	Mode of disposal
	(Rupees in '000)					
Office Equipment	826	826	-	-	-	Equipment provided to Ex-Directors
2023	826	826	-	-	-	
2022	69,227	26,918	42,309	37,364	(4,945)	

6.3 The cost of fully depreciated assets amounts to Rs. 0.065 million as at December 31, 2023 (December 31, 2022: Rs. 0.891 million).

Note **2023** 2022
----- (Rupees in '000) -----

7. INTANGIBLE ASSETS

At January 1

Cost	7,560	7,461
Accumulated amortisation	(7,454)	(7,347)
Opening net book value	106	114
Additions during the year	-	99
Disposals during the year	-	-
Amortisation charge for the year	(49)	(107)
Closing net book value	57	106

At December 31

Cost	7,560	7,560
Accumulated amortisation	(7,503)	(7,454)
Closing net book value	57	106
Rate of amortisation	33.33%	33.33%

7.1 The cost of fully amortised assets amounts to Rs. 7.461 million as at December 31, 2023 (December 31, 2022: Rs. 7.461 million).

8. INVESTMENT

Long term investment	8.1	684,939	622,671
Short term investment	8.2	927,905	848,700
		1,612,844	1,471,371

8.1 Long term investment

Investments carried at amortised cost	8.1.1	45,961	-
Investments carried at fair value through other comprehensive income	8.1.2	638,978	622,671
		684,939	622,671

8.1.1 This is a three year Pakistan Investment Bond (PIB) 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 Bond has a face value of Rs. 50 million and market value of Rs. 45.12 million as at December 31, 2023 (December 31, 2022: 47.79). This will be released once the outstanding claims and balances relating to insurance business are settled. This carry a profit yield at 19.25% per annum (December 31, 2022: 13.71% and 13.49%) payable at six month interval. This PIB is maturing on August 4, 2025 (December 31, 2022: July 12, 2023).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

8.1.2 Investments carried at fair value through other comprehensive income

Quoted securities - related party

Name of investee company	Number of Shares		Cost		Market value	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-23	31-Dec-22	
Dawood Lawrencepur Limited Equity held: 5% (2022: 5%)	2,965,095	2,965,095	222,111	638,978	622,671	
Less: Provision for impairment			222,111	638,978	622,671	
Carrying value			(130,018)			
Market value as at December 31, 2023			92,093			
Unrealised gain			638,978			
			546,885			

8.2 Short term investment

Financial assets comprise of the following:

- Investments carried at amortised cost
- Investments carried at fair value through other comprehensive income
- Investments carried at fair value through profit or loss

Note **2023** 2022
----- (Rupees in '000) -----

8.2.1	3,000	53,505
8.2.2	-	-
8.2.3	924,905	795,195
	927,905	848,700

8.2.1 Investments carried at amortised cost

Deposits maturing within one month
Pakistan Investment Bonds

8.2.1.1	3,000	3,000
8.1.1	-	50,505
	3,000	53,505

8.2.1.1 These 'Term Deposit Receipts' carry mark-up at 19.50% per annum (2022: 13.75% per annum) and are due to mature on January 27, 2024 (December 31, 2022: January 7, 2023). These have been pledged against guarantees issued on behalf of the Company in favour of Nazir of Sindh High Court (note 18.1).

8.2.2 Investments carried at fair value through other comprehensive income

Un-quoted shares
Un-quoted debentures

Note **Market Value**
2023 2022
----- (Rupees in '000) -----

8.2.2.1	-	-
8.2.2.2	-	-
	-	-

8.2.2.1 Un-quoted Shares

Name of investee company	Note	Number of Shares		Cost	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Bankers Equity Limited (BEL)	8.2.2.1.1	13,465	13,465	117	117
Cost as on December 31				117	117
Less: Provision for impairment				(117)	(117)
Carrying value				-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

8.2.2.1.1 BEL is in the process of liquidation, therefore, the name of the Chief Executive is not available.

8.2.2.2 Un-quoted debentures

Name of investee company	Number of Bonds		Cost	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
			----- (Rupees in '000) -----	
Hyson Sugar Mills Limited	120	120	60	60
Cost as on December 31			60	60
Less: Provision for impairment			(60)	(60)
Carrying value			-	-

8.2.3 Investments carried at fair value through profit or loss

	Note	Market Value	
		2023	2022
		----- (Rupees in '000) -----	
Quoted shares			
Mutual funds			
	8.2.3.1	890,623	792,900
	8.2.3.2	34,282	2,295
		924,905	795,195

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

8.2.3.1 Quoted Shares

Name of investee company	Note	Number of Shares		Carrying Value		Market Value		Market value as a percentage of total value of Investment	Investment as a percentage of paid-up capital of investee company
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-23	31-Dec-22	31-Dec-22		
----- (Rupees in '000) -----									
Cement									
Maple Leaf Cement Factory Limited		450,000	-	14,796	17,514	-	-	1.09%	0.04%
Cherat Cement Company Limited		-	35,000	-	-	3,567	-	-	-
				14,796	17,514	3,567	-	1.09%	-
Refinery									
National Refinery Limited		-	25,000	-	-	4,401	-	-	-
Commercial banks									
Habib Bank Limited	8.2.3.1.1	-	1,115,153	-	-	71,069	-	-	-
MCB Bank Limited	8.2.3.1.1 & 8.2.3.1.3	40,000	1,250,000	4,647	6,902	145,200	-	0.43%	-
United Bank Limited	8.2.3.1.1, 8.2.3.1.2, 8.2.3.1.3 & 8.2.3.1.4	2,500,000	3,994,773	251,875	444,600	402,473	-	27.57%	0.20%
				256,522	451,502	618,742	-	28%	-
Chemical									
Nimir Resins Limited		-	1,000,500	-	-	14,377	-	-	-
Oil and gas marketing companies									
Pakistan State Oil Company Limited		125,000	30,000	15,166	22,089	4,320	-	1.37%	0.03%
Oil and gas exploration companies									
Oil & Gas Development Company Limited		720,000	-	88,118	80,964	-	-	5.02%	0.02%
Pakistan Petroleum Limited		4,000	-	343	460	-	-	0.03%	-
				88,461	81,424	-	-	5.05%	-
Technology and communication									
System Limited	8.2.3.1.4	751,000	-	322,720	318,094	-	-	19.72%	0.26%
Avanceon Limited		-	150,000	-	-	9,905	-	-	-
				322,720	318,094	9,905	-	19.72%	-
Power Generation & Distribution									
Hub Power Company Limited.		-	100,000	-	-	6,308	-	-	-
Food and personal care products									
Unity Foods Limited	8.2.3.1.3	-	9,297,418	-	-	131,280	-	-	-
				697,665	890,623	792,900	-	55.23%	-
Unrealised gain on quoted shares					192,958				

8.2.3.1.1 Nil shares (December 31, 2022: 0.7 million shares) of Habib Bank Limited having a market value of Rs. nil (December 31, 2022: Rs. 44.611 million), Nil shares (December 31, 2022: 0.5 million shares) of MCB Bank Limited having a market value of Rs. nil (December 31, 2022: Rs. 58.080 million) and Nil shares (December 31, 2022: 0.6 million shares) of United Bank Limited having a market value of Rs. nil (December 31, 2022: Rs. 60.450 million) have been pledged with Habib Metropolitan Bank Limited as collateral against running finance facility obtained from the bank.

8.2.3.1.2 Nil shares (December 31, 2022: 0.9 million) of United Bank Limited having a market value of Rs. nil (December 31, 2022: Rs. 90.675 million) have been pledged with MCB Bank Limited as collateral against running finance facility obtained from the bank.

8.2.3.1.3 Nil shares (December 31, 2022: 9 million) of Unity Foods Limited having a market value of Rs. nil (December 31, 2022: Rs. 127.080 million), Nil shares (December 31, 2022: 1.9 million) of United Bank Limited having a market value of Rs. nil (December 31, 2022: Rs. 191.425 million), Nil shares (December 31, 2022: 0.55 million) of MCB Bank Limited having a market value of Rs. nil (December 31, 2022: Rs. 63.880 million), have been pledged with Bank Al Habib Limited as collateral against running finance facility obtained from the bank.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

8.2.3.1.4 0.1 million shares (December 31, 2022: Nil) of Systems Limited having market value of Rs. 42.356 million (December 31, 2022: Rs. nil) and Nil shares (December 31, 2022: 0.25 million) of United Bank Limited having market value of Rs. nil (December 31, 2022: Rs. 29.040 million) as at December 31, 2023 have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

8.2.3.2 Mutual Funds

Name of fund	Note	Number of Units		Carrying Value	Market value	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-23	31-Dec-22
----- (Rupees in '000) -----						
NBP Government Securities Liquid Fund	8.2.3.2.1	224,846	223,871	2,305	2,315	2,295
MCB Cash Management Optimizer		313,874	-	31,918	31,967	-
Carrying cost as at December 31, 2023				34,223	34,282	2,295
Market value as at December 31, 2023				34,282		
Unrealised gain on mutual funds				59		

8.2.3.2.1 223,873 units (December 31, 2022: 223,871 units) of NBP Government Securities Liquid Fund having a market value of Rs. 2.305 million (December 31, 2022: Rs. 2.295 million) have been kept under pledge with National Bank of Pakistan pending settlement of a claim in litigation.

9.	TRADE AND OTHER RECEIVABLES	Note	2023	2022
----- (Rupees in '000) -----				
	Amounts due from other insurers / reinsurers -			
	Discontinued Operations	9.1	-	-
	Reinsurance recoveries against outstanding claims -			
	Discontinued Operations	9.2	1,912	1,912
	Sundry receivables		446	6,705
			2,358	8,617
9.1	Amounts due from other insurers / reinsurers - unsecured			
	Considered good			
	- Foreign		-	-
	- Local		-	-
	Considered doubtful		2,129	2,129
	Provision against amounts due from other insurers / reinsurers		2,129	2,129
			(2,129)	(2,129)
			-	-
9.2	Sundry receivables			
	Profit on bank deposits			
	- Savings accounts		9	6
	- Term deposits		-	29
	Receivable against National Clearing Company of Pakistan (NCCPL) against sale of shares		-	6,365
	Others		14	141
	Receivable from related party		423	164
			446	6,705
10.	ADVANCES AND SHORT TERM PREPAYMENTS			
	Advances and deposits		439	409
	Prepayments		650	627
			1,089	1,036

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
11. CASH AND BANK BALANCES			
Cash in hand		7	-
Current and other accounts			
Current account		13	22
Saving accounts	11.1	4,072	406
		4,085	428
		4,092	428

11.1 This balance is placed under mark-up arrangement at the rate of 20.50% (December 31, 2022: 14.51%) per annum.

11.2 Cash and cash equivalents

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

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
- Cash and bank balances	11	4,092	428
- Short term borrowing	17	-	(243,305)
		4,092	(242,877)

12. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

	2023 ----- (Number of shares) -----	2022 ----- (Number of shares) -----		2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
	250,000	250,000	Ordinary shares of Rs. 10 each fully paid in cash	2,500	2,500
	61,309,108	61,309,108	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	613,091	613,091
	61,559,108	61,559,108		615,591	615,591

12.1 As at December 31, 2023, related parties hold 52,209,934 (December 31, 2022: 52,209,934) ordinary shares of Rs. 10 each.

12.2 As at December 31, 2023, Dawood Corporation (Private) Limited holds 64.70% (December 31, 2022: 64.70%) holding in Cyan Limited.

13. RESERVES

	Note	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
Capital reserves			
- Reserve for exceptional losses	13.1	10,535	10,535
- Capital gain reserve	13.2	2,553	2,553
		13,088	13,088

13.1 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.

13.2 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

14. PAYABLE TO GRATUITY FUND

14.1 Salient Features

The Company offers an approved gratuity fund for all permanent employees. The latest actuarial valuation of this fund was carried out as at December 31, 2023 using the Projected Unit Credit Method by an independent actuary. Principal actuarial assumptions used in the actuarial valuation of the scheme carried out as at December 31, 2023 are given in note 14.2. Gratuity is payable to the employees in case of death, retirement or resignation, excluding dismissal due to disciplinary issues. Normal retirement age is 60 years. As at December 31, 2023, 3 employees (2022: 2 employees) were covered under the scheme.

14.2 Principal actuarial assumptions

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

	2023	2022
a. Discount rate	15.50%	14.25%
b. Salary increase rate	15.50%	N/A
c. Average expected service length of employees (in years)	6	7.6
d. Average age	38	39.5

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted SLIC 2001 - 2005 mortality tables with one year age set back.

14.3 The gratuity scheme exposes the entity to the following risks:

Mortality risks

The risk that the actual mortality experience is different than the assumed mortality.

Final salary risks

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Withdrawal risks

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment Risk

The risk of the investment underperforming and being not sufficient to meet the liabilities.

The Company ensures that the assets in the fund are managed within an asset-liability matching framework. Within this framework, the Company's objective is to match assets to the defined benefit obligations by investing in liquid assets such as units of mutual funds and bank deposits that match the benefit payments as they fall due. The Company actively monitors that the duration and the expected yield of the investments are matching the expected cash outflows arising from the defined benefit obligations.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

14.4	The amount recognised in the statement of financial position is determined as follows:	Note	2023	2022
		----- (Rupees in '000) -----		
	Present value of defined benefit obligation		118	99
14.5	Reconciliation of payable to defined benefit plan			
	Present value of defined benefit obligation	14.6	3,014	2,186
	Less: Fair value of plan assets	14.7	(2,896)	(2,087)
	Balance at the end of the year		118	99
14.6	Movement in present value of defined benefit obligation			
	At January 1		2,186	20,910
	Current service cost		304	864
	Interest expense		311	498
	Gains and losses arising on plan settlements		2,801	22,272
	Remeasurements:		-	1,241
	- Gain from change in financial assumptions		5	5
	- Experience adjustments		208	268
	Benefit payments		213	273
	At December 31		-	(21,600)
			3,014	2,186
14.7	Movement in fair value of plan assets			
	Fair value as at January 1		2,087	-
	Contribution for the year		300	23,513
	Interest income on plan assets		319	-
	Benefit paid during the year		-	(21,600)
	Return on plan assets, excluding interest income		190	174
			2,896	2,087
14.8	Movement in net liability in the statement of financial position			
	Opening balance of net liability		99	20,910
	Charge for the year		296	2,603
	Remeasurements chargeable in other comprehensive income		23	99
	Contributions		(300)	(23,513)
	Closing balance of net liability		118	99
14.9	Amounts recognised in profit or loss			
	Current service cost		304	864
	Gains and losses arising on plan settlements		-	1,241
	Interest cost on defined benefit obligation		311	498
	Interest income on plan assets		(319)	-
			296	2,603
14.10	Remeasurements Chargeable in Other Comprehensive Income			
	Actuarial (gains) / losses from changes in financial assumptions		5	5
	Experience adjustments		208	268
			213	273
	Return on plan assets, excluding amount included in interest income		(190)	(174)
	Total remeasurements chargeable in other comprehensive income		23	99

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

14.11 Break up of plan assets

	2023	2022
	----- (Rupees in '000) -----	
Having quoted market price:		
Units of mutual funds	2,894	2,024
Not having quoted market price:		
Current account	2	63
	2,896	2,087

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

	----- 2023 -----			----- 2022 -----		
	Impact on defined benefit obligation - increase / (decrease)			Impact on defined benefit obligation - increase / (decrease)		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
	----- (Rupees in '000) -----					
Discount rate	+ / (-) 100 bps	(355)	416	+ / (-) 100 bps	(267)	314
Salary increase rate	+ / (-) 100 bps	(417)	362	+ / (-) 100 bps	(317)	273

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 statement of financial position.

14.13 The weighted average duration of the defined benefit obligation is 13 years.

14.14 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity scheme is as follows:

At December 31, 2023

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	----- (Rupees in '000) -----				
Gratuity	128	142	502	111,695	112,467

14.14.1 Historical information

	2023	2022	2021	2020	2019
	----- (Rupees in '000) -----				
Defined benefit obligation	3,014	2,186	20,910	19,235	17,358
Fair value of plan assets	(2,896)	(2,087)	-	-	-
(Surplus) / Deficit	118	99	20,910	19,235	17,358
Remeasurement (Gain) / Loss on obligation	213	273	(1,949)	(3,119)	(2,072)
Remeasurement (Gain) / Loss on plan assets	(190)	(174)	-	-	-
	23	99	(1,949)	(3,119)	(2,072)

14.14.2 Gratuity cost comprising the service cost and the net interest cost for the next year works out to Rs. 0.372 million as per the actuarial valuation report of the Company as of December 31, 2023.

The disclosure made in notes 14.1 to 14.12.2 are based on the information included in the actuarial valuation report of the Company as of December 31, 2023.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

	Note	2023	2022
		----- (Rupees in '000) -----	
15. DEFERRED TAXATION			
Deferred tax asset		19,119	87,287
Deductible temporary differences			
Staff gratuity		34	29
Revaluation of investments		1,265	53,731
Realised loss on investments		51,010	32,869
Accelerated tax depreciation		159	436
Leave encashment		-	222
		52,468	87,287
Taxable temporary differences			
Surplus on fair value of investments carried at fair value through other comprehensive income		(33,349)	-
		19,119	87,287
15.1 Reconciliation of deferred tax asset / (liability)			
Opening balance		87,287	28,956
Recognised in profit or loss	23	(34,825)	58,302
Recognised in equity		(33,343)	29
Closing balance		19,119	87,287
16. TRADE AND OTHER PAYABLES			
Amounts due to other insurers / reinsurers - Discontinued Operations	16.1	587	587
Accrued expenses	16.2 & 16.3	4,335	3,018
Provision for outstanding claims - Discontinued Operations		5,311	5,311
Other creditors and accruals	16.4	703	235
		10,936	9,151
16.1 This includes amounts due to local companies.			
16.2 The amount includes balance of compensated absences of key management personnel amounting to Rs. nil as at December 31, 2023 (December 31, 2022: Rs. 0.765 million).			
16.3 The amount includes accrual amounting to Rs. 2.098 million (December 31, 2022: Rs. 0.695 million) for the rent and administrative fees and salary of Chief Executive Officer to be paid to Dawood Hercules Corporation Limited for the month of December.			
		2023	2022
		----- (Rupees in '000) -----	
16.4 Other creditors and accruals			
Brokerage payable		693	108
Sundry creditors		10	127
		703	235
17. SHORT TERM BORROWINGS			
Secured			
Short term running finance		-	243,305
Accrued mark-up		-	12,369
		-	255,674

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

- 17.1 The Company has running finance facility of Rs. 500 million (December 31, 2022: Rs. 500 million) under mark-up arrangement with Bank Al Habib Limited. The facility carries mark-up at 3 month KIBOR + 0.3% per annum (December 31, 2022: 3 month KIBOR + 0.3% per annum) and will expire on March 31, 2026. The Company has Rs. nil outstanding as at December 31, 2023 (December 31, 2022: Rs.167.709 million).
- 17.2 The Company has running finance facility of Rs. 300 million (December 31, 2022: 300 million) under mark-up arrangement with Habib Metropolitan Bank Limited. The facility carries mark-up at 3 month KIBOR + 0.5% per annum (December 31, 2022: 3 month KIBOR + 0.5% per annum) and will expire on October 31, 2024. The Company has Rs. nil outstanding as at December 31, 2023 (December 31, 2022: Rs. 75.596 million).

	Note	2023	2022
		----- (Rupees in '000) -----	
18. CONTINGENCIES AND COMMITMENTS			
18.1 Guarantees issued on behalf of the Company by commercial bank		2,800	2,800
18.2 Matters relating to taxation are given in note 23.1.			
19. RETURN ON INVESTMENTS			
Return on Investments carried at amortised cost	19.1	8,490	6,874
Return on Investments carried fair value through other comprehensive income	19.2	-	20,756
Return on Investments carried at fair value through profit or loss	19.3	126,588	126,318
		135,078	153,948
19.1 Return on Investments carried at amortised cost			
Interest income on Pakistan investment bonds		7,955	6,407
Profit on Term deposits Receipts		535	467
		8,490	6,874
19.2 Return on Investments carried fair value through other comprehensive income			
Dividend income on:			
Quoted shares - related parties		-	20,756
		-	20,756
19.3 Return on Investments carried at fair value through profit or loss			
Dividend income on:			
Quoted shares		125,476	126,029
Mutual funds		1,112	289
		126,588	126,318

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

	Note	2023 ----- (Rupees in '000) -----	2022
20. OTHER INCOME - NET			
Income from financial assets			
Profit on bank deposits		2,376	218
Income from non-financial assets			
Gain / (Loss) on sale of property and equipment	6.2	-	(4,945)
Others		170	232
Advisory income from related party		-	6,000
		2,546	1,505
21. OPERATING AND ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	21.1 & 21.2	15,592	22,224
Levy, cess and insurance		530	834
Depreciation on owned fixed asset	6.1	876	1,746
Depreciation on right-of-use asset	6.1	-	2,647
Amortisation of intangibles	7	49	107
Legal and professional charges		2,622	2,396
Rent, rate and Taxes		1,381	3,075
Printing and stationery		1,123	770
Utilities		39	362
Vehicle Running expenses		21	80
Advertisement, promotion and event expenses		40	607
Security guards expenses		-	347
Auditor's remuneration	21.3	2,875	3,793
Entertainment		875	1,348
Travelling and communication expenses		1,073	1,250
Fees and subscription		4,148	4,539
Postage and telegram		31	145
Books and periodicals		-	2
Repairs, renewal and decoration		533	1,354
Brokerage and commission expense		3,257	2,352
Bank and settlement charges		899	771
Employee training fee		-	196
Research expense		-	80
Other expenses		8	437
		35,972	51,462

21.1 This includes Rs. 0.532 million (December 31, 2022: Rs. 1.276 million) in respect of staff provident fund.

21.2 This includes Rs. 0.296 million (December 31, 2022: Rs. 2.603 million) in respect of employees' gratuity scheme.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

	2023	2022
	----- (Rupees in '000) -----	
21.3 Auditor's remuneration		
Annual audit fee	600	528
Review and certifications	459	401
Out of pocket expenses	144	107
Taxation services	1,396	2,418
	2,599	3,454
Sindh sales tax on services	276	339
	2,875	3,793
22 FINANCIAL CHARGES		
Interest on short term borrowings	7,708	68,919
Interest expense on lease liabilities against right-of-use asset	-	883
	7,708	69,802
23. TAXATION		
Current year	21,851	22,198
Prior years	(6,098)	10,229
Deferred	34,825	(58,302)
	50,578	(25,875)

23.1 Tax returns have been filed up to the Tax Year 2023 (Accounting year December 31, 2022) 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:

The Additional Commissioner of Inland Revenue has passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2004 on account of apportionment of management and general expenses against capital gain and dividend income resulting in an additional tax liability of Rs 2.289 million. The matter was contested at learned Commissioner of Inland Revenue, (Appeal-1) LTU and addition was deleted. The department went in appeal on this issue before the learned Appellate Tribunal Inland Revenue, which adjudicated the matter in favour of the Company. The Commissioner Inland Revenue filed an application in the High Court of Sindh which was decided in favour of the company. The Commissioner Inland Revenue has 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 2007, the return filed by the Company was amended by the Deputy Commissioner of Income Tax by making certain additions to taxable income resulting in additional tax demand of Rs. 14.04 million. These additions were disputed by the Company at various appellate levels including Appellate Tribunal Inland Revenue (ATIR) where relief to Company was provided. The Commissioner Inland Revenue 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 (tax impact of Rs. 13.03 million), which was adjudicated in favour of the Company. The Commissioner Inland Revenue has filed a civil review petition in the Supreme Court of Pakistan against the judgment of the High Court of Sindh which is pending.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

For the Tax year 2014, the Company has filed appeals before the ATIR against the original appellate order and the rectified appellate order passed by the Commissioner (Appeals). The main issue in appeal was the calculation of capital gain under section 37A by the DCIR by taking accounting capital gain of Rs. 483.484 million against the taxable gain shown in the return of income of Rs. 286.28 million having tax implication of 19.37 million. In this regard, the appeal was heard by the ATIR who vide combined appellate order dated November 20, 2023, has dismissed the Company appeals. In this regard the Company has filed reference before the High Court of Sindh and has also obtained stay order.

For the Tax year 2016, the tax department has filed appeal before the Appellate Tribunal on the matter of deletion of Alternative Corporate Tax (ACT) under section 113C amounting to Rs 8.685 million by the Commissioner (Appeals) having a tax implication of Rs 5.249 million. The appeal is pending for hearing.

For the Tax year 2016 and 2017, Assistant Commissioner (AC) Sindh Revenue Board passed an order in which it levied Sindh Worker's Welfare Fund (SWWF) of Rs. 25.834 million (including penalty of Rs. 1.230 million) by holding the company as a "financial institution". The Company has contested the levy of SWWF on the basis that it does not meet the definition of financial institution. In this connection, a constitutional petition No. 4043 of 2021 has been filed before the High Court of Sindh. In this regard, the High Court in its order dated June 24, 2021 has directed the department to refrain from taking coercive measures for recovery of the tax demand raised. The final decision on the matter is still pending.

For the Tax year 2022, Deputy Commissioner (DC) Sindh Revenue Board passed an order in which it levied Sindh Worker's Welfare Fund (SWWF) demand of Rs. 5.853 million under Section 5(4) of the Sindh Workers Welfare Fund Act, 2014 by holding the Company as a "financial institution". The Company has contested the levy of SWWF on the basis that it does not meet the definition of financial institution. Appeal against the aforesaid order was filed before the Commissioner (Appeals), Sindh Revenue Board (SRB). Stay order against the recovery of demand has been obtained from the Commissioner Appeals, SRB. The appeal is currently pending.

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.

2023 2022
----- (Rupees in '000) -----

23.2 Relationship between tax expense and accounting profit

Accounting profit / (loss) before taxation	375,182	(464,885)
Tax at applicable rate of 29% (2022: 29%)	108,803	(134,817)
Tax impact of prior year	(6,098)	10,229
Impact of income taxed at a lower rate of tax	(40,414)	85,297
Effect of amounts subject to fixed / final taxes	(17,722)	-
Others	6,010	13,416
	50,578	(25,875)

24. 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		Directors		Executives		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	----- (Rupees in '000) -----							
Fees	-	-	1,200	1,750	-	-	1,200	1,750
Managerial remuneration	2,821	5,313	-	-	2,766	4,851	5,587	10,164
House rent, conveyance and other allowances	2,883	3,330	-	-	3,111	3,491	5,994	6,821
Contribution to provident fund	-	426	-	-	415	530	415	956
	5,704	9,069	1,200	1,750	6,292	8,872	13,196	19,691
Number of persons	1	1	2	3	1	1	4	5

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

- 24.1 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.
- 24.2 In addition, the Company has made an accrual of Rs. 1.05 million (2022: Rs. nil) in respect of variable compensation.
25. **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	64.70%	N/A
Pebbles (Private) Limited	Associated Company	0.00%	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
Hajiani Bai Memorial Society	Associated Company	1.39%	N/A
Abdul Samad Dawood	Chairman	0.16%	N/A
Sabrina Dawood	Non-Executive Director	3.03%	N/A
Muhammed Amin	Independent Director	-	N/A
Isfandiyar Shaheen	Independent Director	-	N/A
Zamin Zaidi	Non-Executive Director	-	N/A
Sikander Hazir	Non-Executive Director	-	N/A
Nasir Altaf	Non-Executive Director	-	N/A
Mohammad Shamoan Chaudry	Chief Executive Officer	-	N/A

For the year ended
December 31

2023 **2022**
----- (Rupees in '000) -----

Parent company

Dividend paid	-	159,316
Sale proceeds on disposal of assets	-	635

Associated companies

Rendering of service	-	6,000
Expenses against shared services	6,555	1,458
Reimbursement of other expenses	825	4,325
Dividend Income	-	20,756
Dividend paid	-	5,587
Donation paid	-	3,234
Cost charged for services rendered	3,060	2,904

Other related parties

Provision relating to staff retirement gratuity fund	296	2,603
Contribution to staff provident fund	532	1,276

Key management personnel

Director fee	1,200	1,750
Remuneration	11,996	15,496
Dividend paid	-	7,499
Sale proceeds on disposal of assets	-	5,697

Key management personnel of the Company comprise of the Directors, Chief Executive Officer and Executives.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

2023 2022
----- (Rupees in '000) -----

25.1 Balances outstanding at December 31

Balances outstanding

Receivable from related party	423	164
Payable to related party	<u>2,113</u>	<u>695</u>

26. FINANCIAL INSTRUMENTS BY CATEGORY

As at December 31, 2023, 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 financial position are categorised as financial liabilities at amortised cost.

----- As at December 31, 2023 -----

At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
-------------------	--	--------------------------------------	-------

----- (Rupees in '000) -----

Financial assets

Long term deposits	2,500	-	-	2,500
Trade and other receivables	2,358	-	-	2,358
Advances	439	-	-	439
Cash and bank balances	4,092	-	-	4,092
Investments	3,000	638,978	924,905	1,566,883
	<u>12,389</u>	<u>638,978</u>	<u>924,905</u>	<u>1,576,272</u>

----- As at December 31, 2023 -----

Liabilities 'at fair value through profit or loss	At amortised cost	Total
---	-------------------	-------

----- (Rupees in '000) -----

Financial liabilities

Payable to gratuity fund	-	118	118
Trade and other payables	-	6,601	6,601
Unclaimed dividend	-	29,163	29,163
Short term borrowings	-	-	-
	<u>-</u>	<u>35,882</u>	<u>35,882</u>

----- As at December 31, 2022 -----

At amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
-------------------	--	--------------------------------------	-------

----- (Rupees in '000) -----

Financial assets

Long term deposits	2,500	-	-	2,500
Trade and other receivables	8,617	-	-	8,617
Advances	409	-	-	409
Cash and bank balances	428	-	-	428
Investments	53,505	622,671	795,195	1,471,371
	<u>65,459</u>	<u>622,671</u>	<u>795,195</u>	<u>1,483,325</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

----- As at December 31, 2022 -----

Liabilities 'at fair value through profit or loss	Other financial liabilities	Total
---	-----------------------------	-------

----- (Rupees in '000) -----

Financial liabilities

Deferred liability - gratuity	-	99	99
Trade and other payables	-	6,133	6,133
Unclaimed dividend	-	29,821	29,821
Short term borrowings	-	255,674	255,674
	-	291,727	291,727

27. 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 and equity price risk). The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise 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.

27.1 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 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.

27.2 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, 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 there against are stated in note 8.1.2, 8.2.2.1 and 8.2.2.2 to these financial statements. Investments amounting to Rs: 45.962 million (2022: Rs: 48.625 million) relate to Government Securities and are not considered as exposed to credit risk due to government guarantee.

27.2.1 Exposure to credit risk

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

Financial assets	Note	2023	2022
		----- (Rupees in '000) -----	
Long term deposits		2,500	2,500
Trade and other receivables	27.2.1.1	2,358	8,617
Advances		439	409
Bank balances	27.2.1.2	4,085	428
Investments		3,000	3,000
		12,382	14,954

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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

	2023			2022		
	Gross	Impairment	Net	Gross	Impairment	Net
	(Rupees in '000)					
Not past due	446	-	446	6,705	-	6,705
Past due but not impaired	1,912	-	1,912	1,912	-	1,912
Past due and impaired	2,129	(2,129)	-	2,129	(2,129)	-
	4,487	(2,129)	2,358	10,746	(2,129)	8,617

27.2.1.2 The credit quality of the Company's bank balances and investments other than statutory deposits with the State Bank of Pakistan can be assessed with reference to external credit ratings as follows:

2023

	Rating		Rating Agency	(Rupees in '000)
	Short term	Long term		
	(Rupees in '000)			
Habib Bank Limited	A-1+	AAA	JCR - VIS	479
MCB Bank Limited	A-1+	AAA	PACRA	9
Bank Al-Habib Limited	A-1+	AAA	PACRA	6,593
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	4
				7,085

2022

	Rating		Rating Agency	(Rupees in '000)
	Short term	Long term		
	(Rupees in '000)			
Habib Bank Limited	A-1+	AAA	JCR - VIS	406
Bank Al Falah Limited	A-1+	AA+	PACRA	9
MCB Bank Limited	A-1+	AAA	PACRA	6
Bank Al-Habib Limited	A-1+	AAA	PACRA	3,000
National Bank of Pakistan	A-1+	AAA	PACRA	7
				3,428

27.3 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.

	2023					
	Carrying amount	Contractual cash flows	Less than one year	1-2 years	2-5 years	Over 5 years
	(Rupees in '000)					
On balance sheet financial liabilities and others						
Payable to gratuity fund	118	118	-	-	-	(118)
Trade and other payables	6,601	6,601	(6,601)	-	-	-
Unclaimed dividend	29,163	29,163	(29,163)	-	-	-
	35,882	35,882	(35,764)	-	-	(118)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

2022					
Carrying amount	Contractual cash flows	Less than one year	1-2 years	2-5 years	Over 5 years

----- (Rupees in '000) -----

On balance sheet financial liabilities and others

Payable to gratuity fund	99	99	-	-	-	(99)
Trade and other payables	6,133	6,133	(6,133)	-	-	-
Short term borrowings	255,674	255,674	(255,674)	-	-	-
Unclaimed dividend	29,821	29,821	(29,821)	-	-	-
	<u>291,727</u>	<u>291,727</u>	<u>(291,628)</u>	<u>-</u>	<u>-</u>	<u>(99)</u>

27.4 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, 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.

27.4.1 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)		Effective interest rate in %	
2023	2022	2023	2022

Financial Assets

Fixed rate instruments

- Pakistan Investment Bonds	45,961	50,505	19.25%	13.71%
- Term deposits receipts	3,000	3,000	19.50%	13.75%

Variable rate instruments

- Saving accounts	4,072	406	20.50%	14.50%
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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.

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. 0.0409 million (2022: Rs. 0.0043 million). The analysis assumes that all other variables remain constant.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

27.4.1.1 Maturity profile of financial assets and liabilities

2023						
Profit rate % per annum	Interest / mark-up bearing			Not exposed to yield / interest rate	Total	
	Upto three months	More than three months and up to one year	More than one year			
----- (Rupees in '000) -----						
Financial assets						
Investments	19.25% - 19.50%	3,000	-	45,961	638,978	687,939
Long term deposits		-	-	-	2,500	2,500
Advances		-	-	-	439	439
Short term investments		-	-	-	924,905	924,905
Trade and other receivables		-	-	-	2,358	2,358
Cash and bank balances	20.50%	4,072	-	-	20	4,092
		7,072	-	45,961	1,569,200	1,622,233
Financial liabilities						
Payable to gratuity fund		-	-	118	-	118
Trade and other payables		-	-	-	6,601	6,601
Unclaimed dividend		-	-	-	29,163	29,163
		-	-	118	35,764	35,882
On-balance sheet gap (a)		7,072	-	45,843	1,533,436	1,586,351
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		7,072	-	45,843	1,533,436	1,586,351
Cumulative interest rate sensitivity gap		7,072	7,072	52,915		

2022						
Profit rate % per annum	Interest / mark-up bearing			Not exposed to yield / interest rate	Total	
	Upto three months	More than three months and up to one year	More than one year			
----- (Rupees in '000) -----						
Financial assets						
Long term investments		-	-	-	622,671	622,671
Long term deposits		-	-	-	2,500	2,500
Advances		-	-	-	409	409
Short term investments	13.71% to 13.75%	3,000	50,505	-	795,195	848,700
Trade and other receivables		-	-	-	8,617	8,617
Cash and bank balances	14.50%	406	-	-	22	428
		3,406	50,505	-	1,429,414	1,483,325
Financial liabilities						
Payable to gratuity fund		-	-	99	-	99
Trade and other payables		-	-	-	6,133	6,133
Unclaimed dividend		-	-	-	29,821	29,821
Short term borrowings	1 month KIBOR + 0.5% & 3 months KIBOR + 0.3% - 0.5%	255,674	-	-	-	255,674
		255,674	-	99	35,954	291,727
On-balance sheet gap (a)		(252,268)	50,505	(99)	1,393,460	1,191,598
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		(252,268)	50,505	(99)	1,393,460	1,191,598
Cumulative interest rate sensitivity gap		(252,268)	(201,763)	(201,862)		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

27.4.2 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, 2023, net profit for the year would increase / decrease by Rs. 13.146 million (2022: Rs. 9.645 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, 2023 is not necessarily indicative of the effect on the Company's net assets of future movements in the level of the KSE 100 index.

27.4.3 Foreign currency risk

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

28. 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:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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

----- As at December 31, 2023 -----			
Level 1	Level 2	Level 3	Total

----- (Rupees in '000) -----

ASSETS

Investment in securities - financial assets at fair value through profit or loss

- Quoted shares
- Mutual fund units

890,623	-	-	890,623
-	34,282	-	34,282

Investment in securities - financial assets at fair value through other comprehensive income

- Quoted shares

638,978	-	-	638,978
---------	---	---	---------

----- As at December 31, 2022 -----			
Level 1	Level 2	Level 3	Total

----- (Rupees in '000) -----

ASSETS

Investment in securities - financial assets at fair value through profit or loss

- Quoted shares
- Mutual fund units

792,900	-	-	792,900
-	2,295	-	2,295

Investment in securities - financial assets at fair value through other comprehensive income

- Quoted shares

622,671	-	-	622,671
---------	---	---	---------

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.

Item	Valuation approach and input used
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Mutual funds	Units of mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).

29. 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
30. EARNING / (LOSS) PER SHARE – basic and diluted		
Net profit / (loss) for the year attributable to ordinary shareholders	324,604	(439,010)
	----- (Number of share) -----	
Weighted average number of ordinary shares outstanding during the year	61,559,108	61,559,108
	----- (Rupees) -----	
Basic earning / (loss) per share	5.27	(7.13)

31. 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, 2023:

	2023 ----- (Rupees in '000) -----	2022 ----- (Rupees in '000) -----
Size of the fund - Total assets	300	162
Cost of investments made	300	162
Percentage of investments made	100%	100%
Fair value of investments	300	162

31.1 The break-up of fair value of investments is

	2023		2022	
	(Rupees in '000)	----%---	(Rupees in '000)	----%---
Cash and Bank deposits	300	100%	162	100%

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.

32. NUMBER OF EMPLOYEES

The average and total number of employees during the year and as at December 31, 2023 and 2022 respectively are as follows:

	2023 ----- (No of employees) -----	2022 ----- (No of employees) -----
Average number of employees during the year	3	5
Number of employees as at December 31	3	2

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

33 GENERAL

33.1 Reclassification of comparatives

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of better presentation and comparison. The details of these reclassifications are given below:

Description of item	Nature	Rupees in '000	From	To
Interest income from PIBs	Asset	1,880	Trade and other receivables	Short term investments
Term Deposit Receipt	Asset	3,000	Cash and cash equivalent	Cashflow from investing activities
Proceeds from sale / redemption of investments	Cashflow	888,007	Cashflow from investing activities	Cashflow from operating activities
Investment in securities	Cashflow	187,492	Cashflow from investing activities	Cashflow from operating activities

34. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on : March 11, 2024 by the Board of Directors of the Company.

Muhammad Anas Karimi
Chief Financial Officer

Mohammad Shamoan Chaudry
Chief Executive

Muhammed Amin
Director

PATTERN OF SHAREHOLDING

As of December 31, 2023

Number of Shareholders	Shareholdings' Slab			Total Shares Held
347	1	to	100	6,307
195	101	to	500	69,841
251	501	to	1000	191,994
520	1001	to	5000	1,190,766
124	5001	to	10000	896,291
45	10001	to	15000	531,254
33	15001	to	20000	565,650
32	20001	to	25000	718,797
18	25001	to	30000	506,953
11	30001	to	35000	351,289
10	35001	to	40000	375,416
3	40001	to	45000	126,278
2	45001	to	50000	99,036
8	50001	to	55000	415,761
2	55001	to	60000	115,000
3	60001	to	65000	188,485
1	65001	to	70000	66,000
4	70001	to	75000	291,969
1	75001	to	80000	80,000
2	80001	to	85000	164,179
1	85001	to	90000	89,207
2	90001	to	95000	185,000
1	95001	to	100000	98,431
1	100001	to	105000	101,500
1	105001	to	110000	108,000
1	115001	to	120000	118,110
2	120001	to	125000	245,500
1	130001	to	135000	135,000
1	135001	to	140000	137,000
2	180001	to	185000	360,883
1	275001	to	280000	277,000
1	440001	to	445000	441,000
1	535001	to	540000	538,996
1	550001	to	555000	550,002
1	855001	to	860000	857,850
2	1865001	to	1870000	3,735,584
1	1875001	to	1880000	1,876,886
1	4920001	to	4925000	4,922,773
1	39825001	to	39830000	39,829,120
1635				61,559,108

CATEGORIES OF SHAREHOLDING

As at December 31, 2023

S.No.	Categories of Shareholders	Number of shareholders	Total shares held	Percentage %
1	Directors, Chief Executive Officer, and their spouse and minor children	5	1,871,483	3.04%
2	Associated Companies, Undertakings and Related Parties	3	41,225,966	66.97%
3	NIT and ICP	2	45	*
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	2	2,121	*
5	Insurance Companies	-	-	-
6	Modarabas and Mutual Funds	1	1,253	*
7	Shareholders holding 10%	1	39,829,120	64.70%
8	General Public :			
	a. Local	1,587	18,145,739	29.48%
	b. Foreign	13	21,016	0.03%
9	Others	22	291,485	0.47%
	Total (excluding : shareholders holding 10% or more)	1,635	61,559,108	100%

* Negligible

PATTERN OF SHAREHOLDING

As of December 31, 2023

Categories of Shareholders	Shares Held
Directors and their spouse(s) and minor children	
Mr. Abdul Samad Dawood	1,000
Ms. Sabrina Dawood	1,866,483
Mr. Muhammed Amin	1,500
Mr. Isfandiyar Shaheen	1,500
Mr. Mohammad Shamoan Chaudry	1,000
Associated Companies, undertakings and related parties	
Dawood Corporation (Private) Limited	39,829,120
Dawood Foundation	538,996
Hajjani Hanifa Bai Memorial Society	857,850
Executives	-
NIT & ICP	45
Public Sector Companies and Corporations	40,745
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	2,121
Mutual Funds	1,253
General Public	
a. Local	18,145,739
b. Foreign	21,016
Others	250,740
Totals	61,559,108

Share holders holding 10% or more	Shares Held
Dawood Corporation (Private) Limited	39,829,120

اہم رپورٹنگ اور مالیاتی ڈیٹا

گزشتہ نو (09) برسوں اور زیر جائزہ سال کے مالیاتی اور رپورٹنگ ڈیٹا کے خلاصوں پر مشتمل بیان (اسٹیٹمنٹ) زیر نظر رپورٹ میں شامل ہے۔

اظہار تشکر

ہم اپنے تمام اسٹیک ہولڈروں خصوصاً ہمارے قابل قدر سرمایہ کاروں کو تہنیت پیش کرتے ہیں کہ انہوں نے ہم پر اپنا بھروسہ قائم رکھا۔ ہم اپنی مینجمنٹ ٹیموں کو کوششوں، محنت اور جدوجہد کو بھی قدر کی نگاہ سے دیکھتے ہیں۔ بورڈ آف ڈائریکٹرز اعانت اور تعاون فراہم کرنے پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کے بھی سپاس گزار ہیں۔

منجانب بورڈ

محمد شمعون چوہدری
چیف ایگزیکٹو آفیسر

محمد امین
ڈائریکٹر

کراچی: 11 مارچ 2024

بورڈ انوسٹمنٹ کمیٹی کے اجلاس

31 دسمبر 2023 کو اختتام پذیر ہونے والے سال کے دوران بورڈ انوسٹمنٹ کمیٹی (BIC) کا کوئی اجلاس منعقد نہیں ہوا۔

کوڈ آف کنڈکٹ

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز اور ملازمین کے لئے کوڈ آف کنڈکٹ نافذ کیا ہے جسے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی تعمیل کرتے ہوئے بورڈ کے ممبران اور ملازمین کو بھیج دیا گیا ہے۔ یہ کوڈ آف کنڈکٹ کمپنی کی ویب سائٹ پر بھی چسپاں کر دیا گیا ہے۔

کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک

(a) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے آپریشنوں کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کے بیان غیر جانب داری سے پیش کرتے ہیں۔

(b) جیسا کہ اینڈنگ ایکٹ 2017 کی شرط ہے، کمپنی اپنے کھاتوں کی کتب کا انتظام موزوں انداز سے کرتی ہے۔

(c) مالیاتی گوشواروں کی تیاری میں کمپنی نے مستقل اور موزوں اکاؤنٹنگ پالیسیوں کی پیروی کی ہے۔ سال کے دوران ہونے والی تمام تبدیلیاں موزوں انداز سے ظاہر کر دی گئی ہیں اور اکاؤنٹنگ کے تخمینے محتاط اور معقول فیصلوں پر بنیاد کرتے ہیں۔

(d) مالیاتی گوشواروں کی تیاری میں پاکستان پر قابل اطلاق مالیاتی رپورٹنگ کے عالمی معیارات (IFRS) کی پیروی کی گئی ہے اور ان سے کئے گئے کسی بھی انحراف کو موزوں طور سے ظاہر بھی کیا گیا ہے۔

(e) اندرونی انضباط کا نظام اپنے ڈیزائن میں مضبوط ہے جسے مندرجہ ذیل طور سے نافذ بھی کیا گیا ہے اور اسے مانیتر بھی کیا جاتا ہے۔

(f) کمپنی کی بنیادیں مضبوط ہیں اور یہ ایک چلتے ہوئے کاروبار کے طور پر کام جاری رکھنے کی صلاحیت رکھتی ہے۔

(g) کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں مقرر کردہ بہترین معمولات پر عمل درآمد کیا ہے اور ان سے کوئی مادی انحراف نہیں کیا گیا ہے۔

(h) ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کے ضمن میں کوئی قانونی ادائیگیاں قابل ادائیگی نہیں ہیں ماسوائے عام کاروباری محصولات وغیرہ کے جن کا ذکر مالیاتی گوشواروں میں کر دیا گیا ہے۔

(i) کمپنی کے زیر انتظام پراویڈنٹ فنڈ کی سرمایہ کاری کی مالیت آڈٹ شدہ کھاتوں کی بنیاد پر 30 جون 2023 تک 0.15 ملین روپے ہے۔

(j) کمپنی کے تمام ڈائریکٹرز SECP کے تجویز کردہ انسٹیٹیوٹ کے ڈائریکٹرز ٹریننگ پروگرام کے سند یافتہ ہیں۔

ملکیت

31 دسمبر 2023 کو کمپنی کے ریکارڈ میں 1635 شیئرز ہولڈرز موجود تھے۔

شیئرز ہولڈنگ کے پیٹرن

31 دسمبر 2023 تک کمپنی کی شیئرز ہولڈنگ کے پیٹرن مع شیئرز ہولڈروں کے مخصوص گروہوں، جن کا اظہار رپورٹنگ فریم ورک کے تحت ضروری ہے، کی شیئرز ہولڈنگ کے پیٹرن رپورٹ ہذا کے شیئرز ہولڈنگ کے حصے میں ظاہر کر دیئے گئے ہیں۔

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز میسرز ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹینٹس) نے اہل ہونے کی بناء پر 64 ویں سالانہ اجلاس عام میں اپنی تقرری کے لئے رضامندی ظاہر کی ہے۔ آڈٹ کمیٹی نے میسرز ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹینٹس) کے 31 دسمبر 2024 کو اختتام پذیر ہونے والے سال کے لئے کمپنی کے بطور قانونی آڈیٹرز تقرری کی سفارش کی ہے۔ بورڈ نے اس سفارش کی توثیق کر دی ہے۔

بورڈ کی آڈٹ کمیٹی کے اجلاس

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں ایک آڈٹ کمیٹی قائم کی ہے جو اندرونی انضباط اور تعمیل کے عمل کی نگرانی کرتی ہے۔ یہ کمیٹی اپنے قیام سے ہی پوری اہلیت کے ساتھ کام کر رہی ہے۔ آڈٹ کمیٹی نے بورڈ کے سامنے پیش کئے جانے اور ان کی اشاعت سے قبل سہ ماہی، ششماہی اور سالانہ مالیاتی گوشواروں کا جائزہ لیا۔ بورڈ آف ڈائریکٹرز کو پیش کئے جانے والے ان کے خط سمیت آڈٹ کمیٹی نے مختلف ایڈیٹرز پر بیرونی آڈیٹرز کے ساتھ تفصیلی گفتگو کی۔ آڈٹ کمیٹی نے انٹرنل آڈیٹرز کے اخذ کردہ نتائج کا جائزہ بھی لیا اور کوڈ آف کارپوریٹ گورننس کی شرط کے مطابق انٹرنل اور ایکسٹرنل آڈیٹرز کے ساتھ علیحدہ علیحدہ ملاقاتیں کیں۔

مورخہ 31 دسمبر 2023 کو اختتام پذیر ہونے والے سال کے دوران بورڈ کی آڈٹ کمیٹی کے کل چار اجلاس منعقد ہوئے۔ ان اجلاسوں میں حاضری کی صورت حال یہ رہی:

آڈٹ کمیٹی کے موجودہ اراکین

نام ڈائریکٹر	اجلاسوں کی تعداد	حاضری
جناب محمد امین	2	2
جناب اسفندیار شاہین	2	2
جناب ناصر الطاف	2	2

آڈٹ کمیٹی کے سبکدوش ہونے والے اراکین

نام ڈائریکٹر	اجلاسوں کی تعداد	حاضری
جناب حسن رضا الرحیم	2	2
جناب کامران نشاط	2	2
جناب شبیر حسین ہاشمی	2	2

ہیومن ریسورس اینڈ ٹری میونریشن کمیٹی کے اجلاس

31 دسمبر 2023 کو اختتام پذیر ہونے والے سال کے دوران ہیومن ریسورس اینڈ ٹری میونریشن کمیٹی (HR&RC) کے کل دو (02) اجلاسوں کا انعقاد ہوا۔ ان اجلاسوں میں حاضری کی صورت حال یہ رہی:

کمیٹی کے موجودہ اراکین

نام ڈائریکٹر	اجلاسوں کی تعداد	حاضری
جناب اسفندیار شاہین	1	1
جناب عبدالصمد داؤد	2
محترمہ سہیرینہ داؤد	2	2

کمیٹی کے سبکدوش ہونے والے اراکین

نام ڈائریکٹر	اجلاسوں کی تعداد	حاضری
جناب حسن رضا الرحیم	1	1
جناب عبدالصمد داؤد	1

بورڈ آف ڈائریکٹرز کے اراکین کے مابین مفادات کا تصادم

کسی بھی قسم کے مفادات کے تصادم کی صورت حال سے کمپنی کے کوڈ آف کنڈکٹ برائے ڈائریکٹرز، SECP اور پاکستان اسٹاک ایکسچینج کے ایکٹ اور قواعد و ضوابط کے مطابق نمٹا جاتا ہے۔

ڈائریکٹرز کے معاوضے کی پالیسی

بورڈ اور بورڈ کمیٹیوں کے اجلاسوں میں شرکت کے عوض بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے چپٹر V اور کمپنی کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل 78(a) کی شرائط کی تعمیل کرتے ہوئے ڈائریکٹروں کے معاوضے کی پالیسی کی منظوری دے دی تھی۔

ڈائریکٹروں کا تربیتی پروگرام

ڈائریکٹروں کے تربیتی پروگرام کے تحت تمام ڈائریکٹروں کی تصدیقی اسناد کے ضمن میں کمپنی سختی سے عمل درآمد کرتی ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس

31 دسمبر 2023 کا اختتام کو پہنچنے والے سال کے دوران بورڈ آف ڈائریکٹرز کے کل پانچ اجلاس منعقد ہوئے۔ ان اجلاسوں میں حاضری کی صورت حال درج ذیل رہی:

موجودہ بورڈ اراکین

نام ڈائریکٹر	اجلاسوں کی تعداد	حاضری
جناب عبدالصمد داؤد	5	5
محترمہ سہرینہ داؤد	5	3
جناب محمد امین	3	3
جناب اسفند یار شاہین	3	3
جناب ضامن زیدی	3	3
جناب سکندر ظفر	3	3
جناب ناصر الطاف	3	3
جناب محمد شمعون چوہدری	5	5

جناب محمد امین، جناب اسفند یار شاہین، جناب ضامن زیدی، جناب سکندر ظفر، اور جناب ناصر الطاف کا انتخاب بحیثیت کمپنی کے ڈائریکٹر مورخہ 22 مئی 2023 کو منعقدہ غیر معمولی اجلاس میں کیا گیا۔

سبکدوش ہونے والے ڈائریکٹرز

نام ڈائریکٹر	اجلاسوں کی تعداد	حاضری
جناب حسن رضا الرحیم	2	2
جناب کامران نشاط	2	2
جناب شبیر حسین ہاشمی	2	2
جناب شفیق احمد	2	2

جناب حسن رضا الرحیم، جناب کامران نشاط، جناب شبیر حسین ہاشمی، اور جناب شفیق احمد کی مدت مورخہ 22 مئی 2023 کو اختتام پر پہنچی۔ کئی برسوں تک خدمات انجام دینے والے مذکورہ محترم ڈائریکٹرز کی کاوشوں کی ہم تہ دل سے قدر کرتے ہیں اور ان کے مشکور ہیں۔

ہے۔ ایکسٹرنل اور انٹرنل آڈٹروں کے مابین روابط قائم کئے گئے تاکہ اہلیت کو یقینی بنایا جاسکے اور قابل بھروسہ فنانشل رپورٹنگ سسٹم اور قوانین کی تعمیل سمیت کمپنی کے متعین مقاصد کے حصول میں مدد حاصل کی جاسکے۔

کاروباری اخلاقیات اور اینٹی کرپشن اقدامات

ایمانداری، دیانت داری اور اعلیٰ ترین اخلاقی اور قانونی معیارات کی مطابقت میں کاروبار چلانا کمپنی کی بنیادی پالیسی ہے۔ کسی بھی قسم کے غیر اخلاقی معمولات کمپنی میں برداشت نہیں کئے جاتے۔ تمام ملازمین پر لازم ہے کہ وہ ہر وقت کمپنی کے شیئرز ہولڈروں کے مفاد میں کام کریں اور کسی ملازم کو کوئی غیر قانونی یا غیر اخلاقی عمل انجام دینے یا کسی دوسرے ملازم کو ایسا کرنے پر مجبور کرنے کی قطعاً اجازت نہیں ہے۔

کمپنی نے اپنے تمام ڈائریکٹروں اور ملازمین کو کوڈ آف کنڈکٹ سے آگاہ کر دیا ہے اور انہیں اپنی ویب سائٹ پر بھی چسپاں کیا ہے۔

قومی خزانے میں حصہ

مالی سال 2023 کے دوران سیان نے ٹیکسوں کی صورت میں قومی خزانے میں 47.11 ملین روپے جمع کروائے ہیں۔

کریڈٹ ریٹنگ

24 جنوری 2024 کو JCR-VIS نے کریڈٹ ریٹنگ کمپنی لمیٹڈ نے سیان لمیٹڈ کے لئے A/A-1 (A/A-One) کی ریٹنگ کی توثیق کی ہے۔ ریٹنگ کا آؤٹ لک ”مستحکم (Stable)“ ہے۔

منسلکہ پارٹی کے سودے

دوران سال ایسوسی ایٹڈ کمپنیوں/منسلکہ پارٹیوں کے ساتھ کئے جانے والے تمام سودوں کی سفارش بورڈ کی آڈٹ کمیٹی نے کی تھی جن کی منظوری کمپنی کے بورڈ آف ڈائریکٹرز نے دی تھی۔ منسلکہ پارٹیوں کے ساتھ کئے جانے والے تمام سودے آزاد (arm's length basis) بنیاد پر کئے گئے ہیں۔

بورڈ آف ڈائریکٹرز

کمپنی کے ڈائریکٹرز کی کل تعداد درج ذیل کے مطابق آٹھ (08) ہے:

a- مرد..... 07 عدد
b- خاتون..... 01 عدد

بورڈ کی ترتیب برطابق ذیل ہے:

نام	کیٹگری
محمد امین	انڈیپنڈنٹ ڈائریکٹرز
اسفندیار شاہین	
عبدالصمد داؤد	نان ایگزیکٹو ڈائریکٹرز
ضامن زیدی	
سکندر حاضر	
ناصر الطاف	
محمد شمعون چوہدری	ایگزیکٹو ڈائریکٹر
سبرینہ داؤد	خاتون ڈائریکٹر

تصرف اور منافع

31 دسمبر 2023 کو اختتام پذیر ہونے والے سال کے لئے کمپنی کا بعد از ٹیکس منافع 325 ملین روپے رہا جبکہ گزشتہ برس 439 ملین روپے کا نقصان اٹھانا پڑا تھا۔ زیر جائزہ سال کے دوران کمپنی نے منافع منقسمہ کی ادائیگی نہیں کی۔

لکوئیڈٹی، نقدی کا بہاؤ اور مالیات کی فراہمی کے انتظامات

کمپنی کے پاس نقدی کے انتظام کا ایک مؤثر سسٹم موجود ہے جسے مخلص اور ماہر ملازمین کی تیم چلاتی ہے جو کمپنی کی نقدی کی ضروریات کا اندازہ بھی لگاتی ہے اور مانیٹرنگ بھی کرتی رہتی ہے۔ نقدی اور سرمایہ کاری سمیت دیگر اثاثہ جات کے داخلی اور خارجی بہاؤ کا انتظام net adjusted return کی بنیاد پر کیا جاتا ہے۔ کمپنی کے پاس 800 ملین روپے کی مالیاتی سہولت موجود ہے جسے زیر جائزہ سال کے دوران جزوی طور سے کام میں لایا گیا ہے اور جب اور جہاں سرمایہ کاری کا موقع ملے گا، اس سہولت کو کام میں لایا جاتا رہے گا۔

کیپٹل اسٹرکچر

گزشتہ برسوں میں کمپنی نے بونس شیئرز جاری کئے جس کی بدولت کمپنی کا ادا شدہ سرمایہ بڑھ کر 615.59 ملین روپے تک پہنچ گیا۔ سال کے اختتام پر شیئرز ہولڈروں کے فنڈ کی کل مالیت 1,539 ملین روپے تھی۔ کمپنی کی لکوئیڈٹی کی حیثیت بدستور مضبوط ہے اور سال کے اختتام پر تناسب 8.86 ہے۔

رسک مینجمنٹ

مارکیٹ رسک (بشمول انٹرسٹ ریٹ رسک، کرنسی رسک اور پرائس رسک)، کریڈٹ رسک، اور لکوئیڈٹی رسک سمیت میکر و اکنامک صورت حال کے باعث کمپنی کی سرگرمیوں نے اسے بہت سے مالیاتی خطرات کے سامنے لا کھڑا کیا ہے۔ تاہم سیان کا رسک مینجمنٹ کا نظام مالیاتی مارکیٹوں کی غیر یقینیوں کو مرکز نکال رکھتا ہے اور مالیاتی کارکردگی کو لاحق مضر اثرات میں کمی لانے کے طریقے تلاش کرتا ہے۔

چنانچہ کمپنی کو درپیش خطرات کو قابو میں رکھنے، خطرات کی موزوں حد اور انضباط مقرر کرنے، ان حدود پر عمل درآمد کرنے کی غرض سے رسک مینجمنٹ پالیسیاں بنائی جاتی ہیں۔ اس کے علاوہ مارکیٹ کی صورت حال اور سرگرمیوں کی مناسبت سے رسک مینجمنٹ پالیسیوں اور نظام کا وقتاً فوقتاً جائزہ بھی لیا جاتا ہے۔

انسانی وسائل کی ترقی، تربیت اور جانشینی کے بارے میں پلاننگ

آئندہ کے چیلنجوں کا مقابلہ کرنے کی غرض سے کمپنی نے تجربہ کار اور اہل افراد کی خدمات حاصل کر رکھی ہیں۔

خاص طور سے ان علاقوں میں جہاں معلومات اور مہارت میں اضافہ ضروری ہو، تربیت کی ضرورت کی بنیاد پر اسٹاف کی تربیت مستقل بنیادوں پر سالہ جاری رہتی ہے۔ تربیت اور انسانی وسائل کی ترقی کمپنی کا اہم ترین سطح نگاہ رہتی ہے۔ کمپنی کا ایچ آر میٹول اس طرح تیار کیا گیا ہے کہ وہ اسٹاف کی حوصلہ افزائی کرتا ہے، انہیں بہتر کارکردگی کے مظاہرے کی تحریک دیتا ہے اور نمایاں کارکردگی پر انہیں انعام و اکرام سے نوازتا ہے۔

کمپنی نہ صرف بہترین صلاحیتوں کو اپنے ساتھ شامل کرتی ہے بلکہ مستقبل میں رہنما کردار کی ادائیگی کیلئے ان کی صلاحیتوں کو ویدھ بھی کرتی ہے۔ کمپنی مشکل مواقع فراہم کر کے اپنے ملازمین کو با اختیار بنانے اور صلاحیتیں بڑھانے پر یقین رکھتی ہے۔ ان کے لئے کردار اور ذمہ داریوں کا تعین واضح انداز سے کیا جاتا ہے جس بنیاد پر گروپ کی سطح پر ان کی جانشینی کا پلان تیار کیا اور اس پر عمل درآمد کیا جاتا ہے۔

اندرونی انضباط

انتظامہ نے اندرونی انضباط کا نیٹ ورک مؤثر طور سے نافذ کیا ہے جس کا جائزہ بورڈ، انٹرنل آڈٹ کے ذریعے لیتا ہے۔ واضح رہے کہ انٹرنل آڈٹ، ایکسٹرنل آڈٹ سے یکسر علیحدہ فنکشن ہے۔ اندرونی انضباط کا کمپنی کا نظام اپنے ڈیزائن میں مضبوط ہے اور اس کی موزونیت اور تاثیر کی جانچ پڑتال مستقل طور سے جاری رہتی ہے۔ آڈٹ کمیٹی نے عملیاتی، تعمیلی، خطرات کے انتظام، مالیاتی رپورٹنگ اور انضباط کے متعلق کامیابیاں یقینی بنائی ہیں جس سے کمپنی کے اثاثوں اور شیئرز ہولڈروں کی دولت کی کمپنی میں ہر سطح پر حفاظت ہوتی ہے۔ انٹرنل آڈٹ فنکشن نے اپنی ذمہ داریاں آڈٹ کمیٹی کے بنائے گئے چارٹر کے عین مطابق انجام دی ہیں۔ آڈٹ کمیٹی نے آڈٹ کے ماڈی نتائج کا جائزہ لیا ہے جس کے نتیجے میں موزوں اقدامات اٹھائے گئے ہیں یا جہاں ضروری ہو معاملات کو بورڈ کے علم میں لایا گیا

ملین روپے ہے اور زیر جائزہ مدت کے دوران اس سرمایہ کاری سے 10.20 ملین روپے کی آمدنی حاصل ہوئی ہے۔

اپنے پورٹ فولیوں کا ایک حصہ ہم نے سسٹمز لمیٹڈ کے لئے مختص کر رکھا ہے۔ سسٹمز لمیٹڈ ملکی افرادی قوت کو کام میں لاتے ہوئے بین الاقوامی آئی ٹی پروڈیکٹس کی تکمیل کرنے میں اپنی مہارت کے سبب پہچانی جاتی ہے۔ اس کمپنی نے دنیا میں اپنی رسائی بڑھائی ہے اور پاکستانی افرادی قوت کو خوبی سے کام میں لاتے ہوئے دنیا بھر کے گاہکوں کی خدمت کر رہی ہے۔ ترقی کرنے کی صلاحیت کے ساتھ ساتھ یہ کمپنی پاکستانی روپے کی قدر میں کمی کے اثرات سے بھی محفوظ ہے کیونکہ اس کی اچھی خاصی آمدنی امریکی ڈالر میں ہوتی ہے۔ سسٹمز لمیٹڈ میں ہم نے 318.09 ملین روپے کا سرمایہ لگا رکھا ہے۔

سرمایہ کی تخصیص کے حوالے سے کمپنی نے بیرونی نظام پر مبنی سرمایہ کاری حکمت عملی اپنائی ہوئی ہے جو ستمبر 2021 سے موجود ہے۔ یہ حکمت عملی 2023 کی پہلی سہ ماہی میں نافذ کی گئی تھی جس کے نتیجے میں مجموعی آمدنی پر مثبت اثر پڑا ہے۔ اس حکمت عملی کے نتیجے میں 68.8 فیصد کی مجموعی آمدنی حاصل ہوئی جو KSE-100 انڈیکس کی 54.5 فیصد کی آمدنی سے زیادہ ہے جو ظاہر کرتا ہے کہ ٹارگٹ آمدنی کے مقابلے میں کمپنی نے شاندار الفاریٹن حاصل کیا ہے۔

مستقبل کا منظر

ہم مستقبل قریب میں اقتصادی دباؤ قائم رہنے کی توقع کر رہے ہیں جس کے نتیجے میں مہنگائی جاری رہنے، شرح سود بڑھانے جانے اور ٹیکسوں کی شرحیں بڑھانے کے امکانات موجود ہیں۔ ان مشکلات پر قابو پانے کی حکومتی کوششوں کی تعریف تو کی جانی چاہئے لیکن اہم بات یہ ہے کہ حل ایسے ہونا چاہئیں جو سرمایہ کار کا اعتماد بحال کرتے ہوں۔ ہماری معیشت کی صورت گری کے لئے آئی ایم ایف کے وضع کردہ اقدامات کے ساتھ ساتھ طویل مدتی ڈھانچے جاتی اصلاحات انتہائی اہمیت رکھتی ہیں۔ تاہم حکومت کی جانب سے معیشت کو باقاعدہ بنانے کی غرض سے غیر جانبداری پر مبنی ٹیکسوں کی بنیاد کو توسیع دینے سمیت پیش قدمی والے اقدامات موافق ترقیاتی اقتصادی ماحول پیدا کرنے میں مدد دے سکتے ہیں۔ ان میکر و چیپلنجز پر ایسے اقدامات کی حمایت میں ہم اپنا کردار ادا کرتے رہیں گے۔

مالیاتی کارکردگی اور کارپوریٹ حکمت عملی

2023 کے دوران بعد از ٹیکس نفع 325 ملین روپے رہا جبکہ گزشتہ برس کی اسی مدت کے دوران 439 ملین روپے کا بعد از ٹیکس خسارہ ہوا تھا۔ کمپنی نے گزشتہ برس کی اسی مدت کے دوران ہونے والے 345 ملین روپے کے نقصان کے برعکس زیر جائزہ مدت کے دوران سرمایہ کاری پر 416 ملین روپے کی آمدنی ریکارڈ کی۔

2023 میں ایکویٹی پورٹ فولیوں سے منافع منقسمہ آمدنی 13% کم ہو کر 127 ملین روپے حاصل ہوئی جو گزشتہ برس کی اسی مدت کے دوران 147 ملین روپے رہی تھی۔ کمپنی نے مالیاتی اثاثہ جات خریدی جانے والی سرمایہ کاری نفع و نقصان کے ذریعے از سر نو پیمائش کاری کرتے ہوئے 88 ملین روپے کا حاصل شدہ منافع سرمایہ بھی حاصل کیا جبکہ گزشتہ برس کی اسی مدت کے دوران 128 ملین روپے کا نقصان سرمایہ حاصل ہوا تھا۔ اسی طرح 2023 میں 193 ملین روپے کا حاصل شدہ منافع سرمایہ حاصل ہوا اور گزشتہ برس کی اسی مدت میں 371 ملین روپے کا نقصان سرمایہ حاصل ہوا تھا۔

رواں سال کمپنی زیادہ نفع دینے والے بلیو چپ اسٹاک میں سرمایہ کاری کی حکمت عملی اپنانے کی کارروائی کر رہی ہے۔ اسی مطابقت سے اس پورٹ فولیوں کو موزوں بنایا جا رہا ہے تاکہ کم منافع بخش اسٹاک سے بچا کر سرمایہ زیادہ نفع دینے والے اسٹاک میں لگایا جاسکے۔ مزید یہ کہ سرمائے کی لیوریج میں بہتری لائی جا رہی ہے اور مالیاتی اخراجات کو بھی کم کرنے کی کوشش کی جا رہی ہے۔

سال 2022 میں کمپنی نے کئی آپریشنز میں تخفیف کی اور انتظامیہ کو بھی تبدیل کیا۔ اس ضمن میں DH کارپوریشن کے ساتھ کیا گیا معاہدہ تا حال جاری ہے جس کے تحت کرائے اور انتظامی اخراجات تقسیم کئے جا رہے ہیں اور دستیاب وسائل اور تجربہ کاری افرادی قوت کو اکٹھا کیا گیا ہے تاکہ ان کے تجربے سے فائدہ اٹھایا جاسکے۔

فی شیئر کمائی/خسارہ

زیر جائزہ سال کے دوران کمپنی کی فی شیئر کمائی 5.27 روپے فی شیئر رہی جبکہ 2022 میں کمپنی کو فی شیئر 7.13 روپے کا خسارہ برداشت کرنا پڑا تھا۔

کارپوریٹ سماجی ذمہ داری

سیان پختہ یقین رکھتی ہے کہ اپنے ماحول اور سماج سے منسلک کارکردگی میں بہتری لانا مالیاتی کامیابی کے حصول میں کلیدی اہمیت رکھتے ہیں۔ چنانچہ کمپنی مختلف سماجی تنظیموں کو چندہ/عطیات دینے کی ایک تاریخ رکھتی ہے۔ تاہم زیر جائزہ مدت کے دوران کوئی قابل ذکر عطیہ کسی سماجی تنظیم کو نہیں دیا گیا۔

ڈائریکٹر رپورٹ

ڈائریکٹر زکا بورڈ کا 64 ویں سالانہ رپورٹ ہمراہ 31 دسمبر 2023 کو اختتام پذیر ہونے والے مالیاتی سال کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے دلی مسرت محسوس کر رہے ہیں۔

میکرو اکنامک ماحول

سال 2023 مسلسل چیلنجوں کا سال رہا۔ چیو پلویٹکل تنازعات (جیسے کہ فلسطین اور بحر احمر میں جنگ) ساتھ ہی اقتصادی دباؤ جس میں غیر مثالی زری پابندیاں، امریکہ میں بینکاری بحران، اور چین میں جائیدادوں کے تنازعات شامل ہیں، کے سبب عالمی پیداوار میں 3 فیصد کمی واقع ہوئی۔ اس کے باوجود بلند شرح سود سے عالمی افراط زر پر قابو پانے میں مدد ملی، روس یوکرین جنگ کے سبب جاری توانائی کے بحران میں کسی حد تک تخفیف ہوئی۔

2023 پاکستان کے لئے بھی خصوصاً پہلی ششماہی میں بڑے چیلنج لے کر آیا۔ مہنگائی نے ملک کو اپنی پلیٹ میں لئے رکھا، جو پاکستانی روپے کی قدر میں کمی اور ایندھن کی قیمتوں میں اضافے کا نتیجہ تھی۔ یہی نہیں زرمبادلہ کے کم ہوتے ذخائر اور افواہوں کے نتیجے میں پاکستانی روپے پر دباؤ شدید ہو گیا جس سے ملک کے دیوالیہ ہونے کے تشاؤ پیش پیدا ہوئیں اور ملک میں بے چینی پھیلی۔ نیل آڈٹ پروگرام پر مذاکرات میں تعطل نے بھی ان تشاؤ پیش میں اضافہ کیا اور لوگوں کی بچتیں اور قوت خرید ہوا ہو گئیں۔ صارفین کی طلب میں کمی آئی اور نئی سرمایہ کاری ختم ہو گئی۔ جواب میں اسٹیٹ بینک آف پاکستان نے شرح سود میں 600bps کا اضافہ کرتے ہوئے اس 22 فیصد مقرر کیا جس سے اقتصادی پیداوار کی رفتار سست ہوئی۔

ریلیف ملا دوسری ششماہی میں جب آئی ایم ایف کے ساتھ مذاکرات کامیاب ہوئے اور اسٹیٹ بینک آف پاکستان (SBA) کی صورت میں 3 بلین ڈالر ملے جس سے ملک کے ڈیفالٹ ہو جانے کی تشاؤ پیش میں کمی قدر کی آئی۔ مزید یہ کہ نگران حکومت کو اقتدار کی پرامن طریقے سے منتقلی نے ڈھانچہ جاتی اصلاحات جاری رکھنے اور آئی ایم ایف کے شیڈ مارک کی مانیٹرنگ میں مزید ترقی لانے کا موقع فراہم کیا۔ قدرتی گیس کی قیمتیں بڑھانے کا ایک اہم فیصلہ کیا گیا جس کا مقصد گیس سیکٹر میں سرکھڑ بیٹ بڑھنے سے روکنا تھا۔ یہ پیش بندی ایک دیرینا ایٹو کے حل کی جانب ایک قدم تھی جس سے ایک مستقل مالیاتی انتظام کی ترویج کے لئے وزارت توانائی کی سنجیدگی ظاہر ہوتی ہے۔ تاہم اصل کامیابی تب حاصل ہوگی جب گیس کی قیمتیں مارکیٹ کی قوتیں مقرر کریں گی اور حکومت کی جانب سے قیمتیں مقرر رکھے جانے کا عمل روک دیا جائے گا۔ البتہ اس ضمن میں حکومت کی کاوشوں کی تعریف کی جانی چاہیے۔

مزید برآں بے ضابطہ کرنسی مارکیٹ پر قابو پانے کی غرض سے کئے جانے والی انتظامی کارروائیوں نے موافق نتائج دیئے اور زرمبادلہ کی شرح مستحکم ہوئی اور مہنگائی کے دباؤ میں کمی واقع ہوئی۔ سی پی آئی انڈیکس جو جون 2023 میں 38 فیصد تک پہنچ گیا تھا اب فروری 2024 میں 23 فیصد تک گر گیا ہے۔ امید ہے کہ مستقبل میں شرح سود میں کمی آئے گی کیوں کہ مہنگائی میں کمی کا رجحان ہے جس سے سرمایہ کار کا اعتماد بھی بحال ہونے کی امید ہے۔

ہمارا پورٹ فولیو

کمپنی کی سرمایہ کاری کا رخ موجودہ حالات کی مناسبت سے متعین کیا گیا ہے۔ مہنگائی بڑھنے اور شرح سود بلند ہونے کے خدشات کی موجودگی میں توقع کی جارہی تھی کہ زری پابندیوں کی وجہ سے بینکاری سیکٹر کی اچھی خاصی کمائی ہوگی۔ چنانچہ سیان کے پورٹ فولیو اس سیکٹر کو زیادہ توجہ دے رہا ہے۔ یہ وہ اہم فیصلہ ہے جو کئی برسوں سے بار آور ثابت ہو رہا ہے۔ قابل ذکر بات یہ ہے کہ یونائیٹڈ بینک لمیٹڈ اپنی سرمایہ دوست پالیسی کے سبب نمایاں مقام رکھتا ہے اور شیئر ہولڈروں کو مستقل طور سے منافع دینا رہتا ہے۔ ٹیکس کاری کے ضمن میں ممکنہ خطرات کو ذہن میں رکھتے ہوئے بینکاری کے طویل مدتی امکانات کے بارے میں ہمارا اعتماد حال مضبوط ہے۔ اس سیکٹر میں ہماری سرمایہ کاری کا حجم 451.5 ملین روپے تک ہے اور جس سے زیر جائزہ مدت کے دوران 368.8 ملین روپے کی آمدنی ہوئی ہے۔

بینکاری سیکٹر کے ساتھ ساتھ ہم تیل و گیس تلاش کرنے والی کمپنیوں خصوصاً OGDCL اور PPL میں بھی اہم اسٹریٹجک حیثیت رکھتے ہیں۔ پاکستان کی اقتصادی ترقی توانائی سیکٹر میں دیرپا اصلاحات سے منسلک ہے اور گیس سیکٹر کے سرکھڑ بیٹ پر قابو پانے کی حکومتی سرگرمیوں سے ہم کئی پرامید ہیں۔ اوجی ڈی سی ایل اور پی پی ایل کو ان اصلاحات سے سب سے زیادہ فائدہ ہوگا۔ اندرون ملک تیل اور گیس کی تلاش کرنے والی ملکی کمپنیوں میں سرمایہ کاری بنیادی اہمیت کی حامل ہے اور مذکورہ دونوں کمپنیوں اس ضرورت کی تکمیل کیلئے پوری طرح تیار ہیں۔ مزید برآں، اوجی ڈی سی ایل اور پی پی ایل دونوں ہی موزوں ایکویٹی کی مالک ہیں اور ان کے پاس نقد بھی اچھی خاصی ہے۔ یہ صورت حال ظاہر کرتی ہے کہ ان کے مالیاتی انتظام میں مزید بہتری آنے سے ان کی اہمیت میں بھی اضافہ ہوگا۔ ان کمپنیوں کی حقیقی قدر اور مارکیٹ کی قیمتوں میں اختلاف ان کمپنیوں میں سرمایہ کاری جاری رکھنے کے ہمارے فیصلے کی تائید کرتا ہے۔ اوجی ڈی سی ایل اور پی پی ایل میں ہماری سرمایہ کاری کا حجم 81.42



Proxy Form

I/We _____, of _____, being member of Cyan Limited and holder of _____ Ordinary Shares, as per:

Share Register Folio No. _____ and/or
CDC Participant ID No. _____ Sub A/c No. _____

hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to attend, speak, and vote for me/us and on my/our behalf, at the Annual General Meeting (AGM) of the Company to be held on Friday, April 26, 2024 at 11:30 AM at the Karachi School of Business and Leadership (KSBL) at National Stadium Road, Opp Liaquat National Hospital, Karachi - 74800 and via video link facility, and at any adjournment thereof.

Signed this _____ day of _____ 2024.

WITNESSES -1:

Signature: _____

Name: _____

Address: _____

CNIC No. or _____

Passport No. _____

WITNESSES -2:

Signature: _____

Name: _____

Address: _____

CNIC No. or _____

Passport No. _____

Signature on
Revenue Stamps
of Rupees Five

Signature should agree with the
specimen signature with
the Company.

IMPORTANT:

1. This Proxy Form, duly completed, must be deposited at the Company's Registered Office, not less than forty-eight (48) hours before AGM.
2. CDC shareholders and their proxies are requested to attach and attested photocopy of their valid Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.
3. All proxies attending the AGM are requested to bring their original CNIC/Passport for identification.

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If undelivered please return to:

Dawood Centre, M.T. Khan Road, Karachi - 75530
Tel: +92-21-35686001 Fax: +92-21-35644147



نمائندگی کا فارم

میں / ہم _____ ساکن _____
بجائیت ممبرسیان لمیٹڈ کے رکن و حامل _____ عام حصص برطابق شیئر رجسٹرڈ فو لبو نمبر _____
اور / یا سی ڈی سی کے شرکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____ محترم / محترمہ _____
ساکن _____ یا بصورت دیگر محترم / محترمہ _____
ساکن _____ کو بروز جمعہ مورخہ ۱۲۶ اپریل ۲۰۲۳ بوقت ۱۱:۳۰ بجے صبح بمقام کراچی اسکول آف بزنس اینڈ لیڈرشپ (KSBL) نیشنل اسٹیڈیم روڈ، بالمقابل لیاقت نیشنل ہسپتال، کراچی-74800 میں ویڈیو لنک کی سہولت کے ساتھ منعقد یا ملتی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

دستخط _____ بروز _____ ۲۰۲۳

گواہ (۱)

دستخط گواہ: _____

نام: _____

پتہ: _____

قومی شناختی کارڈ نمبر یا: _____

پاسپورٹ نمبر: _____

دستخط کمپنی کے پاس پہلے سے محفوظ دستخطی نمونہ کے مطابق ہونے ضروری ہیں۔

مطلوبہ (پانچ روپے کا)
ریونیونگ چسپاں کریں اور دستخط کریں

گواہ (۲)

دستخط گواہ: _____

نام: _____

پتہ: _____

قومی شناختی کارڈ نمبر یا: _____

پاسپورٹ نمبر: _____

نوٹ:

- تمام نامزدگیاں اسی صورت میں موثر ہوں گی جب پر کسی فارم نام کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقررہ وقت سے ۲۸ گھنٹے قبل موصول ہوں۔
- سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرداً فرداً درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ نقل یا پاسپورٹ، نمائندگی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔
- تمام پر کسی ہولڈرز اپنی شناخت کے لئے اجلاس کے وقت اپنا اصل شناختی کارڈ یا پاسپورٹ ضرور پیش کریں۔

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Karachi-75530

 (92-21) 35684019, 35681491

 (92-21) 35680218