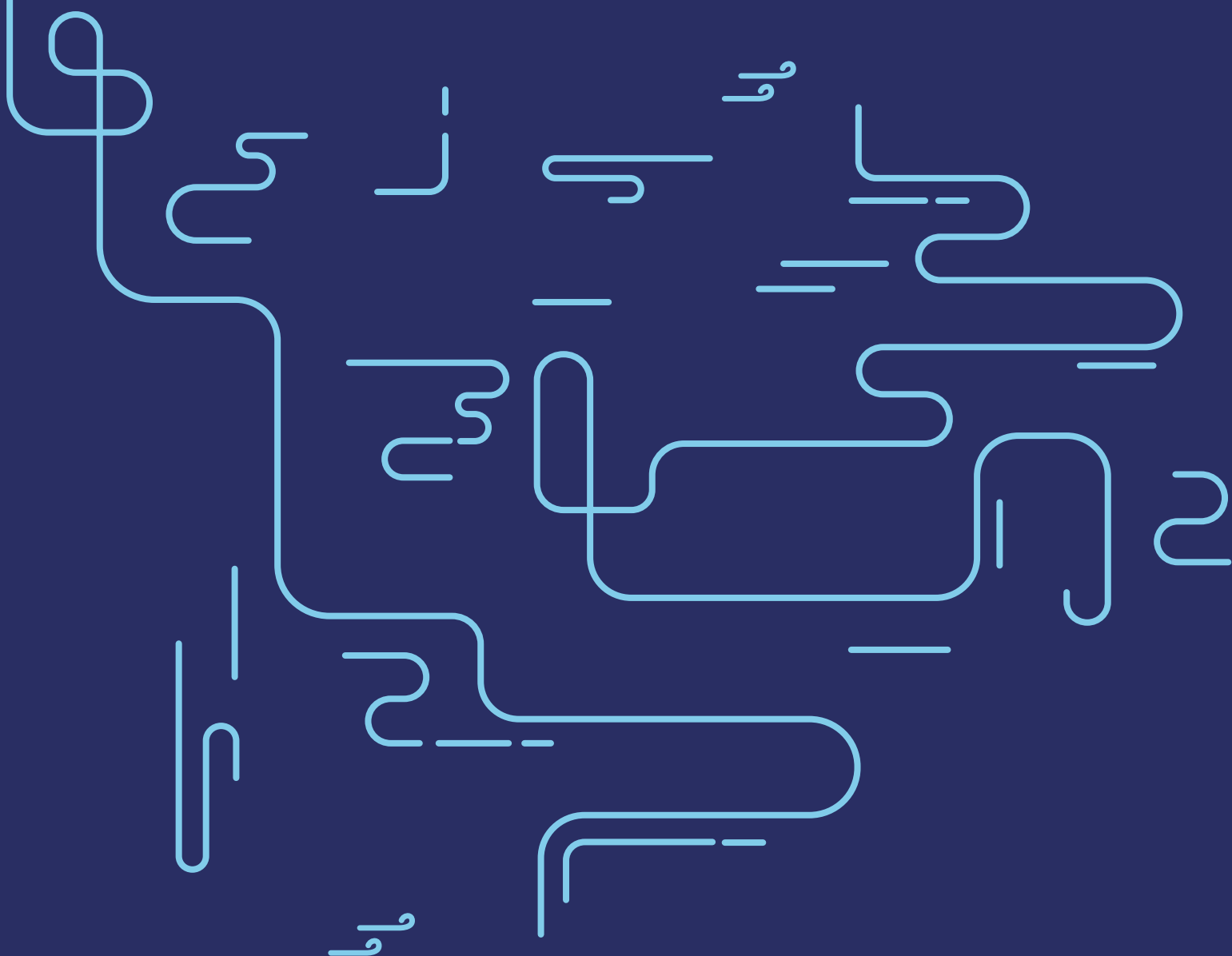




BUILDING VALUE



Third Quarterly Account (Unaudited)
For the nine months period ended
September 30, 2023

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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. Sikander Hazir - Director
Mr. Nasir Altaf- Director
Mohammad Shamoon Chaudry - Chief Executive Officer

Board Audit Committee

Mr. Muhammed Amin - Chairman
Mr. Isfandiyar Shaheen - Member
Mr. Nasir Altaf – Member

Board HR & Remuneration Committee

Mr. Isfandiyar Shaheen - Chairman
Ms. Sabrina Dawood - Member
Mr. Sikander Hazir - Member

Board Investment Committee

Mr. Abdul Samad Dawood - Chairman
Mr. Muhammed Amin - Member
Mr. Isfandiyar Shaheen - Member
Mr. Nasir Altaf - 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 Shahra-e-Faisal
Karachi-74400
Tel # (92-21) 111-111-500
Fax: (92-21) 34326053
Email: info@cdcrsl.com
Website: www.cdcrsl.com

Legal Advisors

Ali Raza
643, Block - B
Bhittai 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 Website:
www.cyanlimited.com Karachi-75530

Directors' Review

The Board of Directors of Cyan Limited is pleased to present the un-audited condensed interim financial statements of the Company for the nine months ended September 30, 2023.

Economic Overview

Economic conditions appear to be stabilizing in the wake of the IMF-SBA program. The US\$3bn deal unlocked fresh funding from friendly countries, along with the rollover of SAFE deposits, which have played a role in bolstering FX reserves to US\$8 billion. Inflation remains elevated but seems to have peaked; consequently, monetary tightening has been paused, with the SBP holding the policy rate steady at 22.0% in the last two MPC meetings. Following the IMF-SBA deal, import restrictions were also removed, resulting in a current account deficit for July and August after four consecutive months of current account surplus. Nonetheless, authorities have taken decisive action against the illegal practices of hoarding and smuggling by informal currency exchanges, as a result of which the PKR has demonstrated strength after slipping past 300 to the USD. On the fiscal front, tax authorities collected PKR 2.04trn of tax revenue against the target of PKR 1.97trn during the quarter, and the government is reportedly working on a plan to deliver further fiscal improvements through a combination of higher taxation (by widening the tax net) and expenditure cuts.

Market Overview

The KSE100 Index began 3QCY23 at 41,452pts and peaked at 48,764pts based on optimism stemming from the IMF-SBA deal. This resurgence instilled market confidence, largely mitigating apprehensions of a potential default. KSE100 trading volumes experienced a notable upswing in July, reaching as high as US\$32mn; however, by August, a sense of ambiguity prevailed again, driven by an absence of clarity concerning general elections, a pronounced devaluation of PKR against the USD, and persistently high inflation. After continuous range-bound trading activity in September, clarity on politics emerged with announcement of an election date, while action by government to control currency speculation demonstrated a focus on Pakistan's economy. This confluence of developments, coupled with the PKR's winning streak against the USD, injected a sense of positivity into financial markets. Consequently, the KSE100 Index closed the quarter at 46,232pts, yielding a substantial return of 11.53% for 3QCY23.

Company Performance

During the nine months ended September 30, 2023 the Company posted an earnings per share of Rs.3.32 compared to a loss per share of Rs.4.75 in the corresponding period in 2022.

The equity portfolio's balance was maintained between high growth and high yielding investments. To this effect, investments were made in Commercial Banks, Technology & Communication, Investment Banks/Investment Companies/Securities Limited, Oil & Gas Marketing Companies, Oil & Gas Exploration Companies, and Cement Manufacturers.

The Company recorded income on investment of Rs.266.63 million compared to a loss on investment of Rs.222.27 million in the same period last year.

Future Outlook

The IMF-SBA has played a pivotal role in garnering substantial bilateral assistance from friendly countries, which have shored up dwindling FX reserves. As the economy moves towards stability, the removal of import restrictions has also eased the strain on import-reliant industries. Nevertheless, in order to develop confidence on its FX reserves, Pakistan must actively seek FDI

from friendly countries. The forthcoming IMF review, scheduled for November, holds the prospect of the next disbursement of US\$700mn anticipated to materialize on December 1st. Pakistan appears to be maintaining a close alignment with IMF conditions, as demonstrated by recent adjustments in electricity tariffs and fuel prices, along with an anticipated hike in gas prices to curb gas circular debt. While risks remain, further clarity on general elections, politics, and economic policies can help unlock a significant valuation rerating.

Acknowledgement

We would like to thank all our stakeholders, especially our valued investors, who have placed their confidence in us and also appreciate the efforts put in by the management team for their unswerving commitment and hard work. The Board would also like to place its appreciation for the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, and the management of the Pakistan Stock Exchange for their continued support and cooperation.

On behalf of the Board

Mr. Muhammad Amin
Director

Mr. Mohammad Shamoan Chaudry
CEO

Karachi: October 26, 2023

ڈائریکٹرز رپورٹ

سیان لمیٹڈ کا بورڈ آف ڈائریکٹرز 30 ستمبر 2023 کو اختتام پذیر ہونے والی نو ماہ کی مدت کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے دلی مسرت محسوس کر رہے ہیں۔

اقتصادی جائزہ

آئی ایم ایف۔ ایس بی اے پروگرام کے تناظر میں ملک میں اقتصادی صورتحال مستحکم ہوتی دکھائی دیتی ہے۔ 03 بلین امریکی ڈالر کی ڈیل کے نتیجے میں دوست ممالک سے تازہ فنڈز کے حصول کے دروازے کھلنے کے ساتھ ساتھ SAFE ڈپازٹس کی توسیع نے بھی غیر ملکی زرمبادلہ کے ذخائر 08 بلین ڈالر تک پہنچانے میں مدد دی ہے۔ مہنگائی بدستور زیادہ ہے تاہم لگتا ہے کہ اپنی بلند ترین سطح پر پہنچ کر ٹھہر گئی ہے؛ یہی وجہ ہے کہ زری پابندیوں کے اطلاق میں وقفہ لیا گیا ہے اور گزشتہ دو MPC اجلاسوں میں اسٹیٹ بینک نے شرح سود کی شرح %22.0 برقرار رکھی ہے۔ آئی ایم ایف۔ ایس بی اے ڈیل کے بعد درآمدات پر عائد پابندیاں بھی اٹھائی گئی ہیں جس کے نتیجے میں جولائی اور اگست کے مہینوں میں جاری کھاتے کو خسارے کا سامنا کرنا پڑا جو اس سے پہلے مسلسل چارہ ماہ تک سرپلس میں رہا تھا۔ تاہم حکام نے ڈالروں کی ذخیرہ اندوزی اور ڈالروں کی اسمگلنگ کے خلاف فیصلہ کن اقدامات کئے ہیں جس کے نتیجے میں ڈالر کی قیمت 300 روپے سے اوپر پہنچنے کے بعد اب پاکستانی روپیہ کچھ طاقت حاصل کر رہا ہے۔ جہاں تک مالیات کا تعلق ہے تو زیر جائزہ سہ ماہی کے دوران ٹیکس داروں نے 1.97 ٹریلین روپے کے مقرر کردہ ٹارگٹ کے مقابلے میں 2.04 ٹریلین روپے کا ٹیکس اکٹھا کیا۔ رپورٹوں کے مطابق حکومت (ٹیکس نیٹ میں توسیع لاکر) ٹیکسوں کی آمدنی بڑھانے اور اخراجات میں کمی کر کے مالی صورت حال میں بہتری لانے کی منصوبہ بندی کر رہی ہے۔

مارکیٹ کا جائزہ

2023 کی تیسری سہ ماہی میں KSE100 انڈیکس نے 41,452 پوائنٹس سے کاروبار کا آغاز کیا اور زیر نظر سہ ماہی کے دوران 48,764 پوائنٹس کی بلند ترین سطح تک پہنچی جس کی وجہ آئی ایم ایف۔ ایس بی اے ڈیل سے پیدا ہونے والی امید تھی۔ اس کے باعث مارکیٹ کا اعتماد بحال ہوا اور مکند ڈیفالٹ کے خدشات میں کمی واقع ہوئی۔ کے ایس ای 100 کے تجارتی حجم میں جولائی کے مہینے میں بڑھاوا دیکھنے میں آیا جب مہینے کے دوران 32 بلین امریکی ڈالر کا کاروبار ہوا؛ تاہم اگست کے مہینے میں ایک بار پھر ابہام پیدا ہوا جس کی وجوہات میں عام انتخابات کے انعقاد کے بارے میں صورت حال کا واضح نہ ہونا، امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کیا جانا، اور مہنگائی کا مسلسل بڑھنا شامل تھے۔ ستمبر کے مہینے میں ریٹج کی حد تک محدود کاروباری سرگرمیاں جاری رہنے کے بعد سیاسی ماحول اس وقت واضح ہوا جب عام انتخابات کی تاریخ کا اعلان کیا گیا، جب کہ پاکستانی روپے کے بارے میں قیاس آرائیوں کے خاتمے کے لئے حکومت کی جانب سے اٹھائے گئے اقدامات پاکستانی معیشت کے بارے میں اس کی سنجیدگی کا مظہر تھے۔ ان اقدامات اور ڈالر کے مقابلے میں پاکستانی روپے کے مضبوط ہونے نے مالیاتی مارکیٹوں میں مثبت رجحان پیدا کیا۔ نتیجہ یہ ہوا کہ سہ ماہی کے اختتام تک کے ایس ای 100 انڈیکس 46,232 پوائنٹس تک پہنچا اور سال 2023 کی تیسری سہ ماہی میں %11.53 کا حاصل ملا۔

کمپنی کی کارکردگی

30 ستمبر 2023 کو اختتام پذیر ہونے والی نو ماہ کی مدت کے دوران کمپنی نے 3.32 روپے کی فی شیئر کمائی ظاہر کی جب کہ مالی سال 2022 کی اسی مدت کے دوران کمپنی کو فی شیئر 4.75 روپے کا خسارہ اٹھانا پڑا تھا۔

ایکویٹی پورٹ فولیو کا انتظام اس طرح کیا گیا کہ بلند تر ترقی اور بلند تر ماحصل والی سرمایہ کاریوں میں توازن قائم رکھا جاسکے۔ اس مقصد کی خاطر کمرشل بینکوں، ٹیکنالوجی اینڈ کمیونٹی کیشن، انوسٹمنٹ بینکوں/انوسٹمنٹ کمپنیوں/سیکیورٹیز لمیٹڈ، آئل اینڈ گیس مارکیٹنگ کمپنیوں، آئل اینڈ گیس ایکسپلوریشن کمپنیوں اور سیمنٹ تیار کرنے والی کمپنیوں میں سرمایہ کاری کی گئی۔

سرمایہ کاری پر کمپنی نے زیر جائزہ مدت کے دوران 266.63 ملین روپے کی آمدنی حاصل کی جبکہ گزشتہ برس کی اسی مدت کے دوران سرمایہ کاری پر 222.27 ملین روپے کا خسارہ اٹھانا پڑا تھا۔

آئندہ کا منظر نامہ

دوست ممالک سے مالی امداد کے حصول میں IMF-SBA نے اہم ترین کردار ادا کیا ہے جس سے غیر ملکی زرمبادلہ کی دگرگوں صورت حال میں بہتری آئی ہے۔ معیشت کے استحکام کی جانب گامزن ہو جانے پر درآمدات پر عائد پابندیوں میں نرمی لائے جانے کی بدولت درآمدات کا انحصار کرنے والی صنعتوں نے بھی سکون کا سانس لیا ہے۔ تاہم غیر ملکی زرمبادلہ کے ذخائر کو اعتماد کی حد تک بڑھانے کی غرض سے پاکستان کو دوست ممالک سے FDI کی جستجو میں تیزی لانی ہوگی۔ نومبر کے مہینے میں مقرر آئی ایم ایف کے جائزے کے بعد 700 ملین ڈالر کی اگلی قسط 01 دسمبر کو ملنے کی امید ہے۔ پاکستان بظاہر آئی ایم کی تمام شرائط کی تکمیل کرتا دکھائی دیتا ہے جو بجلی کی ٹیرف اور تیل کی قیمتوں میں ردوبدل کی صورت میں ظاہر ہوئی اور گیس کے ضمن میں سرکریڈیٹ میں کمی لانے کی غرض سے گیس کی قیمتوں میں اضافے کی نوید سنائی جا رہی ہے۔ خدشات تو بہر حال موجود ہیں لیکن عام انتخابات کے انعقاد، سیاست اور اقتصادی پالیسیاں مزید واضح ہونے سے قدرکاری میں بہتری آنے کے درواہ ہو جائیں گے۔

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 ٹیم کی 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، مورخہ 26 اکتوبر 2023

CYAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note	----- (Rupees in '000) -----		
ASSETS			
Non-current assets			
	6	2,791	3,444
	7	66	106
		14,217	87,287
	8	784,380	622,671
		2,500	2,500
		<u>803,954</u>	<u>716,008</u>
Current assets			
	9	790,812	846,820
		3,143	10,497
		1,272	1,036
	10	5,330	428
		800,557	858,781
		<u>1,604,511</u>	<u>1,574,789</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
		1,000,000	1,000,000
		615,591	615,591
		273,395	69,116
		13,088	13,088
		3,145	3,145
		597,265	530,578
		1,502,484	1,231,518
Non-current liabilities			
		134	99
		134	99
Current liabilities			
		8,791	9,151
		29,164	29,821
	11	-	255,674
		63,938	48,526
		101,893	343,172
		<u>1,604,511</u>	<u>1,574,789</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	12	-	-

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

Chief Financial Officer

Chief Executive Officer

Director

CYAN LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	Quarter Ended		Nine Months Ended	
		September 30, 2023	2022	September 30, 2023	2022
------(Rupees in '000)-----					
Income					
Return on investments	13	30,859	37,199	103,551	114,997
Gain / (loss) on sale of investments - net		30,255	(77,400)	63,313	(93,087)
Other income / (loss)		765	284	1,407	171
		<u>61,879</u>	<u>(39,917)</u>	<u>168,271</u>	<u>22,081</u>
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net					
		66,473	80,127	99,765	(244,179)
		<u>128,352</u>	<u>40,210</u>	<u>268,036</u>	<u>(222,098)</u>
Expenses					
Operating and administrative expenses		(8,293)	(7,712)	(24,368)	(40,957)
Financial charges		-	(16,957)	(7,247)	(57,388)
		<u>(8,293)</u>	<u>(24,669)</u>	<u>(31,615)</u>	<u>(98,345)</u>
Profit / (loss) for the period before taxation		<u>120,059</u>	<u>15,541</u>	<u>236,421</u>	<u>(320,443)</u>
Taxation - net	14	(20,652)	(6,324)	(32,142)	28,289
Profit / (loss) for the period after taxation		<u>99,407</u>	<u>9,217</u>	<u>204,279</u>	<u>(292,154)</u>
Other comprehensive income / (loss) for the period					
Items that will not be reclassified to profit or loss					
Surplus on revaluation of investments carried at fair value through other comprehensive income - net of tax		62,752	65,884	66,687	3,944
Remeasurement of post retirement benefits obligation - net of tax		-	-	-	41
Total comprehensive income / (loss) for the period		<u>162,159</u>	<u>75,101</u>	<u>270,966</u>	<u>(288,169)</u>
Basic and diluted earnings / (loss) per share	15	<u>1.61</u>	<u>0.15</u>	<u>3.32</u>	<u>(4.75)</u>

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

Chief Financial Officer

Chief Executive Officer

Director

CYAN LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

		Nine Months Ended	
		September 30,	
		2023	2022
Note		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit / (loss) before taxation	236,421	(320,443)
	Adjustment for non cash charges and other items:		
	Depreciation	653	3,233
	Amortisation	40	-
	(Gain) / loss on sale of investments - net	(63,313)	93,087
	(Gain) / loss on sale of property and equipment	-	6,206
13	Amortisation income on government securities	(2,303)	(1,770)
	Financial charges	7,247	57,388
	Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(99,765)	244,179
		(157,441)	402,323
	Operating income before working capital changes	78,980	81,880
	Increase in operating assets		
	Trade and other receivables	7,354	2,436
	Advances and short term prepayments	(236)	29
		7,118	2,465
	Decrease in operating liabilities		
	Trade and other payables	(360)	(55,705)
	Deferred liability - gratuity	35	(20,526)
		(325)	(76,231)
	Taxes Refund / (Paid) - net	4,424	(3,679)
	Financial charges paid	(19,616)	(48,206)
	Net cash generate from / (used) in operating activities	70,581	(43,771)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Proceeds from sale of investments	1,921,745	748,140
	Investment in securities	(1,743,462)	(135,306)
	Capital expenditure incurred	-	(98)
	Proceeds from sale of property and equipment	-	7,983
	Net cash generated from investing activities	178,283	620,719
CASH FLOWS FROM FINANCING ACTIVITIES			
	Rentals paid against lease liability	-	(2,151)
	Dividend paid	(657)	(245,012)
	Net cash used in financing activities	(657)	(247,163)
	Net increase in cash and cash equivalents	248,207	329,785
	Cash and cash equivalents at the beginning of the period	(239,877)	(660,162)
	Cash and cash equivalents at the end of the period	10.1 8,330	(330,377)

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

Chief Financial Officer

Chief Executive Officer

Director

CYAN LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 Limited. The registered office of the Company is situated at 9th Floor Dawood Centre, Moulvi Tamizuddin Khan Road, Karachi. The Company is a subsidiary of Dawood Corporation (Private) Limited (the Parent Company).

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

2 BASIS OF PRESENTATION

2.1 Statement of Compliance

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

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

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

These condensed interim financial statements do not include all the information and disclosures made in the annual published financial information and should be read in conjunction with the annual published financial statements of the Company for the year ended December 31, 2022.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Changes in accounting standards, interpretations and pronouncements

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

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

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

There are certain new standards, amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's accounting period beginning after January 1, 2023. However, these standards, amendments and interpretations will not have any significant impact on the Company's financial reporting and therefore have not been disclosed in these condensed interim financial statements.

2.4.3 These condensed interim financial statements include the condensed interim statement of financial position as at September 30, 2023. These condensed interim financial statements also include the condensed interim profit or loss and other comprehensive income for the quarter ended September 30, 2023.

- 2.4.4** The comparative statement of financial position presented in these condensed interim financial statements as at December 31, 2022 has been extracted from the audited financial statements of the Company for the year ended December 31, 2022. The comparative condensed interim profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine months ended September 30, 2022 have been extracted from the condensed interim financial statements of the Company for the nine months then ended. The comparative condensed interim profit or loss and other comprehensive income for the quarter ended September 30, 2022 are also included in these condensed interim financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial statements are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2022.

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The significant judgments made by the management in applying the Company's accounting policies and the key resources of estimation and uncertainty were the same as those applied to the financial statements for the year ended December 31, 2022.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements for the year ended December 31, 2022.

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		------(Rupees in '000)-----	
6 PROPERTY AND EQUIPMENT			
Property and equipment	6.1	<u>2,791</u>	<u>3,444</u>

6.1 Property and equipment

	September 30, 2023				
	Furniture and fixtures	Office equipment	Vehicles	Right-of-use asset	Total
	(Rupees in '000)				
At January 1, 2023					
Cost	130	4,899	5,363	-	10,392
Accumulated depreciation	(86)	(3,480)	(3,382)	-	(6,948)
Closing net book value	<u>44</u>	<u>1,419</u>	<u>1,981</u>	<u>-</u>	<u>3,444</u>
Additions during the year	-	-	-	-	-
Disposals during the year					
Cost	-	826	-	-	826
Accumulated depreciation	-	(826)	-	-	(826)
Depreciation charge for the year	(3)	(354)	(296)	-	(653)
Closing net book value	<u>41</u>	<u>1,065</u>	<u>1,685</u>	<u>-</u>	<u>2,791</u>
At September 30, 2023					
Cost	130	4,073	5,363	-	10,392
Accumulated depreciation	(89)	(3,008)	(3,678)	-	(7,601)
Closing net book value	<u>41</u>	<u>1,065</u>	<u>1,685</u>	<u>-</u>	<u>2,791</u>
Rate of depreciation	<u>10%</u>	<u>33% & 50%</u>	<u>20%</u>	<u>33%</u>	

December 31, 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	6,802	4,852	7,613	30,879	50,146
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	44	1,419	1,981	-	3,444
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	44	1,419	1,981	-	3,444
Rate of depreciation	10%	33% & 50%	20%	33%	

7	INTANGIBLE ASSETS	Note	(Un-audited)	(Audited)
			September 30, 2023	December 31, 2022
-----Rupees in '000'-----				
	Opening book value		106	114
	Additions during the period / year		-	99
	Less: Amortisation for the period / year		(40)	(107)
			66	106

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

Additions - cost
Software license

-	99
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8 LONG TERM INVESTMENT

Investments carried at fair value through other comprehensive income	8.1	741,274	622,671
Investments carried at amortised cost	8.2	43,106	-
		784,380	622,671

8.1 Quoted Shares - Related Parties

Name of investee company	Note	Number of Shares		Cost	Market value	
		30-Sep-23	31-Dec-22	30-Sep-23	30-Sep-23	31-Dec-22
----- Rupees '000'-----						
Inv. Banks/Inv. Cos/ Securities Cos.						
Dawood Lawrencepur Limited Equity held: 5% (2022: 5%)		2,965,095	2,965,095	222,111	741,274	622,671
				222,111	741,274	622,671
Less : Provision for impairment				(130,018)		
Carrying value				92,093		
Market value as at September 30, 2023				741,274		
Unrealised gain on quoted shares				649,181		

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----			
8.2	Investments carried at amortised cost		
	Pakistan Investment Bonds	8.2.1	
		43,106	-
		<u>43,106</u>	<u>-</u>

8.2.1 This is a three year fixed rate Pakistan Investment Bonds placed with the State Bank of Pakistan as statutory deposit in accordance with the requirements of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000. The Pakistan Investment Bonds has a face value of Rs. 50 million and market value of Rs. 42.244 million as at September 30, 2023. These will be released once the outstanding claims and balances relating to insurance business are settled. These carry a profit yield at 19.25% per annum payable at six months interval. These PIB's are maturing on August 04, 2025.

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----			
9	SHORT TERM INVESTMENTS		
	Investments carried at amortised cost	9.1	3,000
	Investments carried at fair value through profit or loss	9.2	787,812
		<u>790,812</u>	<u>846,820</u>

9.1 Investments carried at amortised cost

	Deposits maturing within one month	9.1.1	3,000	3,000
	Pakistan Investment Bonds		-	48,625
			<u>3,000</u>	<u>51,625</u>

9.1.1 These 'Term Deposit Receipts' carry mark-up at 19.5% per annum (December 31, 2022: 13.75% per annum) and are due to mature on October 27, 2023 (December 31, 2022: January 07, 2023). These have been pledged against guarantees issued on behalf of the Company in favour of Nazir of Sindh High Court.

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----			
9.2	Investments carried at fair value through profit or loss		
	Quoted shares	9.2.1	516,379
	Units of mutual funds	9.2.2	271,433
		<u>787,812</u>	<u>795,195</u>

9.2.1 Quoted shares

Name of investee company	Note	Number of shares		Carrying value	Market value	
		September 30, 2023	December 31, 2022	September 30, 2023	September 30, 2023	December 31, 2022
		(Rupees in '000)				
Cement						
Cherat Cement Company Limited		-	35,000	-	-	3,567
Maple Leaf Cement		250,000	-	7,518	7,485	-
Refinery						
National Refinery Limited		-	25,000	-	-	4,401
Pakistan Refinery Limited		200,000	-	3,304	3,044	-
Commercial banks						
Habib Bank Limited		-	1,115,153	-	-	71,069
MCB Bank Limited		40,000	1,250,000	4,646	5,174	145,200
United Bank Limited	9.2.1.1	2,500,000	3,994,773	251,875	359,000	402,473
Meezan Bank Limited		10,000	-	1,213	1,146	-
Chemical						
Nimir Resins Limited		-	1,000,500	-	-	14,377
Oil and Gas Marketing						
Pakistan State Oil Company Limited		125,000	30,000	15,166	15,343	4,320
Sui Southern Gas Company Limited		100,000	-	944	919	-
Oil & Gas Exploration Companies						
Oil & Gas Development Company Limited		50,000	-	4,829	4,823	-
Pakistan Petroleum Limited		104,000	-	7,694	7,703	-
Technology and communication						
Avanceon Limited		150,000	150,000	8,478	7,046	9,905
Systems Limited		250,000	-	105,375	98,458	-
TRG Pakistan Limited		5,000	-	459	440	-
Power Generation & Distribution						
Hub Power Company Limited.		-	100,000	-	-	6,308
K-Electric Limited		2,100,000	-	4,663	4,116	-
Pharmaceuticals						
Highnoon Laboratories Limited		3,500	-	1,372	1,330	-
The Searle Company Limited		10,000	-	477	352	-
Food and Personal Care Products						
Unity Foods Limited		-	9,297,418	-	-	131,280
				<u>418,013</u>	<u>516,379</u>	<u>792,900</u>
Unrealised gain on quoted shares				<u>98,366</u>		

9.2.1.1 0.32 million shares (December 31, 2022: 0.25 million) of United Bank Limited having market value of Rs. 45.952 million (December 31, 2022: 29.040 million) as at September 30, 2023 have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

9.2.2 Units of Mutual funds

Name of Fund	Note	Number of units		Carrying value	Market value	
		September 30, 2023	December 31, 2022	September 30, 2023	September 30, 2023	December 31, 2022
		(Rupees in '000')				
NBP Government Securities Liquid Fund	9.2.2.1	223,871	223,871	2,292	2,303	2,295
MCB Cash Management Optimizer		2,632,780	-	267,742	269,130	-
				<u>270,034</u>	<u>271,433</u>	<u>2,295</u>
Market value as at September 30, 2023				<u>271,433</u>		
Unrealised gain on units of mutual fund				<u>1,399</u>		

9.2.2.1 223,871 units (December 31, 2022: 223,871 units) of NBP Government Liquid Fund having a market value of Rs. 2.303 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.

		(Un-audited) September 30, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
10	CASH AND BANK BALANCES		
	Cash in hand	15	-
	Cash at bank	5,315	428
		<u>5,330</u>	<u>428</u>
		(Un-audited) September 30, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
10.1	Cash and cash equivalents		
	Cash and cash equivalents for the purpose of cash flow comprise of the following:		
	Cash and bank balances	5,330	123
	Term deposit receipts	3,000	3,000
	Short term borrowings	-	(333,500)
		<u>8,330</u>	<u>(330,377)</u>
		(Un-audited) September 30, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
11	SHORT TERM BORROWINGS		
	Short term running finance	-	243,305
	Markup accrued on running finance facilities	-	12,369
		<u>-</u>	<u>255,674</u>
11.1	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 plus 0.3% per annum (December 31, 2022: 3 months KIBOR plus 1% per annum) and will expire on September 30, 2026. The Company has Rs nil outstanding as at September 30, 2023 (December 31, 2022: Rs 167.709 million) against the running finance facility.		
11.2	The Company has running finance facility of Rs.300 million (December 31, 2022: Rs. 300 million) under mark-up arrangement with Habib Metropolitan Bank Limited. The facility carries mark up at 3 months KIBOR plus 0.50% per annum (December 31, 2022: 3 month KIBOR plus 0.5% per annum) and will expire on November 30, 2023. The Company has Rs nil outstanding as at September 30, 2023 (December 31, 2022: Rs. 75.596 million) against the running finance facility.		
		(Un-audited) September 30, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
12	CONTINGENCIES AND COMMITMENTS		
	Guarantee issued on behalf of the Company by a commercial bank	2,800	2,800
		<u>2,800</u>	<u>2,800</u>
12.1	The status of taxation related contingencies as disclosed in note 23.1 to the annual financial statements of the Company for the year ended December 31, 2022 has remained unchanged.		
		(Un-audited) September 30, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
13	RETURN ON INVESTMENTS		
	Amortisation on government securities	2,303	1,770
	Interest income on government securities	3,584	3,000
	Dividend income	97,275	110,227
	Profit on term deposits receipt	389	-
		<u>103,551</u>	<u>114,997</u>

		(Un-audited) September 30,	
		2023	2022
		----- (Rupees in '000) -----	
14	TAXATION		
	- Current year	17,086	16,893
	- Prior year	(6,098)	5,596
	- Deferred	21,154	(50,778)
		<u>32,142</u>	<u>(28,289)</u>
15	EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED		
	Profit / (loss) for the period after taxation	<u>204,279</u>	<u>(292,154)</u>
		(Number of shares)	
	Weighted average number of ordinary shares outstanding as at the period end	<u>61,559,108</u>	<u>61,559,108</u>
		----- (Rupees) -----	
	Earnings / (loss) per share	<u>3.32</u>	<u>(4.75)</u>

16 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise companies with common directors, group companies, associated companies, defined contribution plan, 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 employment. Transactions with related parties other than those which have been disclosed elsewhere in the condensed interim financial statements are as follows:

Name Of Related Party	Relationship with the Company	Percentage of shareholding in the company	Common Directorship
Dawood Corporation (Pvt.) Ltd	Parent Company	64.70%	N/A
Hajjani Hanifabai Memorial Society	Associated Company	0.00%	Common Directorship
The Dawood Foundation	Associated Company	0.88%	Common Directorship
Abdul Samad Dawood	Chairman	0.16%	N/A
Sabrina Dawood	Non Executive	3.03%	N/A
Muhammed Amin	Independent	0.00%	N/A
Isfandiyar Shaheen	Independent	0.00%	N/A
Zamin Zaidi	Non Executive	0.00%	N/A
Sikander Hazir	Non Executive	0.00%	N/A
Nasir Altaf	Non Executive	0.00%	N/A
Mohammad Shamoan Chaudry	Executive (CEO)	0.00%	N/A

16.1 Transactions

	Quarter ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	Un-audited ----- (Rupees in '000) -----			
Parent company				
Dividend paid	-	-	-	159,316
Sale proceeds on disposal of assets having carrying value of Rs. 0.635 million	-	-	-	635
Associated companies				
Rendering of service	-	-	-	6,000
Purchase of service	1,793	566	5,549	4,019
Dividend Income	-	8,895	-	8,895
Dividend paid	-	-	-	5,587

Transactions	Quarter ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	Un-audited ----- (Rupees in '000) -----			
Other related parties				
Dividend paid to sponsors	-	-	-	36,439
Provision relating to staff retirement gratuity scheme	67	163	201	2,552
Contribution to staff provident fund	143	133	389	1,162
Key management personnel				
Director fee	200	250	850	1,250
Sale proceeds on disposal of assets having carrying value of Rs. Nil million*	-	-	-	-
Remuneration	2,414	2,433	7,080	14,912
Dividend paid	-	-	-	7,493

*The disposals of office equipment having Rs nil book value and cost of Rs 825,959 have been made to ex-directors of the Company during the period.

		September 30, December 31,	
		2023	2022
		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
16.2	Balances outstanding		
	Receivable from related party	439	164
	Payable to related party	971	695

17 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 International Financial Reporting Standard 13, 'Fair Value Measurement', 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).

Investments carried at fair value are categorised as follows:

----- (Un-audited) -----				
As at September 30, 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	516,379	-	-	516,379
- Mutual fund units	-	271,433	-	271,433
	516,379	271,433	-	787,812
Investment in securities - financial assets at fair value through other comprehensive income				
- Quoted shares	741,274	-	-	741,274

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

ASSETS

Investment in securities - financial assets at fair value through profit or loss				
- Quoted shares	792,900	-	-	792,900
- Mutual fund units	-	2,295	-	2,295
	<u>792,900</u>	<u>2,295</u>	<u>-</u>	<u>795,195</u>
Investment in securities - financial assets at fair value through other comprehensive income				
- Quoted shares	<u>622,671</u>	<u>-</u>	<u>-</u>	<u>622,671</u>

18 GENERAL**18.1 Corresponding figures**

There were no significant re-classifications during the period.

19 AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 26, 2023 by the Board of Directors of the Company.

Chief Financial Officer

Chief Executive Officer

Director

Website www.cyanlimited.com



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