



INVESTING TODAY FOR PROSPERITY TOMORROW

First Quarter Report
March 31, 2024

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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. Shafiq Ahmed – 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
Mr. Shafiq Ahmed – 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 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, 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

Directors' Review

The Board of Directors of Cyan Limited (the Company) are pleased to present the un-audited condensed interim financial statements of the Company for the quarter ended March 31, 2024.

The Environment in Which We Operated

Transitioning from an economically challenging 2023, the largest milestone for the Country in Q1 was a peaceful conduct of general elections. The successful transfer to a newly elected Government, followed by a successful review of the IMF program, boosted investor sentiment in the Country. This was supported by improvement in other key indicators, particularly a gradual reduction in the Consumer Price Index, which was recorded at 20.7% – a 22-month low. Likewise, the current account showed noticeable improvement, with the Current Account Deficient (CAD) clocking at USD 1.0bn versus USD 3.8bn in the same period last year.

On an overall basis, these key developments helped improve investor confidence. The KSE-100 index continued to perform, posting a return of 7.3% in 1Q 2024 to close the quarter at 67,005 points.

Portfolio Update

We continue to remain long on the banking sector; however, we have rationalized our position in the sector. Our primary holding in the sector is UBL, which maintains an investor-friendly capital allocation policy and offers a good mix of value and growth.

Likewise, our thesis on energy exploration and production companies remains intact. We believe both OGDC and PPL offer deep value to investors and will be frontline beneficiaries of key reforms in the energy sector, especially the resolution of circular debt. The recent increases in gas prices have significantly improved cashflows of these businesses, which we believe will translate into shareholder returns given the strong balance sheet positions of these companies. We have increased our position in the sector subsequent to the close of the quarter, utilizing the funds generated from reduction in our banking exposure.

The technology sector is another sector we remain invested in, of which Systems Limited is our largest holding. We have faith in the ability of the company's management to continue its impressive run of sales growth, having a demonstrated track record of doing so in the past several years. The company has healthy cash flow generation and we believe it will continue reinvesting in the business to ensure future growth. The recent stability of the Pak Rupee has restricted bottom-line growth in recent quarters; however, we remain confident in the company's ability to generate consistent profitability growth in the years to come.

Company Performance

During the quarter ended March 31, 2024 the company posted an earnings per share of Rs.0.14 compared to Rs.0.72 in the corresponding period in 2023.

Future Outlook

We believe (and are heartened by the fact) that the incumbent government appears determined to institute the key reforms agenda that is central to structural improvement of the economy. This will likely entail some painful decisions that are important to bring the economy onto a sustainable growth trajectory in the medium term. The government looks all set to

proceed with the next IMF program after the conclusion of the current one, which is likely to provide confidence to investors, given a significant external financing gap projected over the next few years. With inflation seemingly under control, interest rate reduction is now a question of when, not if. Albeit gradual, the reduction of interest rates will bode well for businesses as it will reduce their cost of doing business and help them return to growth trajectories. That said, shoring up fiscal balances and improving tax collections will remain a major challenge for the economy in the immediate term. We believe that our investment profile is well aligned to balance risks, while making the best of opportunities available.

There were no material movements in our portfolio during the quarter.

Acknowledgement

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

Shafiq Ahmed
Director

Mohammad Shamoony Chaudry
Chief Executive Officer

Karachi: April 29, 2024

ڈائریکٹرز کی رپورٹ

سیان لمیٹڈ (کمپنی) کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 مارچ، 2024 کو ختم ہونے والی سہ ماہی مدت کے لئے غیر آڈٹ شدہ مختصر مالیاتی گوشوارے پیش کر رہے ہیں۔

ماحول جس میں ہم نے کام کیا

اقتصادی مشکلات سے بھرپور سال 2023 سے نکل کر پہلی سہ ماہی میں ملک کا پہلا سنگ میل عام انتخابات کا پر امن انعقاد تھا جسے حکومت نے کامیابی سے عبور کیا۔ نو منتخب شدہ حکومت کو اقتدار کی کامیاب منتقلی جس کے بعد آئی ایم ایف پروگرام کے کامیاب جائزے نے ملک میں سرمایہ کار کے جذبات کو ہمیز دی۔ اس میں دیگر اہم اشاریوں خصوصاً کنزیومر پرائس انڈیکس میں مرحلہ وار کمی نے اضافہ کیا۔ واضح ہو کہ کنزیومر پرائس انڈیکس میں 22 ماہ میں سب سے کم یعنی 20.7% ریکارڈ کی گئی۔ اسی طرح کرنٹ اکاؤنٹ خسارے (CAD) میں قابل ذکر حد تک کمی دیکھی گئی اور جاری کھاتے کا خسارہ 1.0 بلین امریکی ڈالر ریکارڈ کیا گیا جو گزشتہ برس کی اسی مدت کے دوران 3.8 بلین ڈالر رہا تھا۔

مجموعی بنیادوں پر ان اہم واقعات نے سرمایہ کار کے اعتماد میں اضافہ کیا۔ KSE-100 انڈیکس بدستور بہتر کارکردگی دکھاتا رہا اور 2024 کی پہلی سہ ماہی میں 7.3% کی آمدنی ریکارڈ کرتے ہوئے 67,005 پوائنٹ پر بند ہوئی۔

پورٹ فولیو کی صورت حال

ہم نے بینکاری سیکٹر سے بدستور سرمایہ لگایا ہوا ہے۔ تاہم اس شعبہ میں ہم نے اپنی حیثیت کو معقول بنا لیا ہے۔ اس سیکٹر میں ہماری بنیادی ملکیت یونائیٹڈ بینک لمیٹڈ کی ہے جو تخصیص سرمایہ کی سرمایہ کار دوست پالیسی اپنائے ہوئے ہے اور قدر اور بڑھوتی کا اچھا امتزاج پیش کرتا ہے۔

اسی طرح توانائی کی کھوج اور پیداوار کرنے والی کمپنیوں کے متعلق ہمارا دعویٰ برقرار ہے۔ ہم یقین رکھتے ہیں کہ OGDCL اور PPL دونوں کمپنیاں سرمایہ کاروں کو اچھی قدر پیش کرتی ہیں اور خصوصاً سرکلر ڈیٹ کے حل کے لئے توانائی کے شعبہ میں کمی جانے والی اصلاحات سے سب سے پہلے فائدہ اٹھائیں گی۔ گیس کی قیمتوں میں حالیہ اضافے نے ان دونوں کمپنیوں میں نقدی کے بہاؤ کی صورت حال کافی بہتر کی ہے اور ہمیں یقین ہے کہ یہ صورت حال شیئر ہولڈروں کو بہتر آمدنی مہیا کرے گی کیونکہ ان دونوں کمپنیوں کی بیلنس شیٹ کافی مضبوط ہے۔ سہ ماہی کے اختتام کے قریب بینکاری شعبہ میں کمی لانے سے ملنے والے فنڈز کو استعمال کرتے ہوئے ہم نے اس سیکٹر میں اپنی موجودگی کو وسیع دی ہے۔

ایک اور سیکٹر جس میں ہم نے سرمایہ لگا رکھا ہے وہ ٹیکنالوجی سیکٹر ہے اور اس شعبہ میں سسٹم لمیٹڈ میں ہمارا سب سے زیادہ سرمایہ ہے۔ ہمیں اس کمپنی کی انتظامیہ کی اہلیت پر کامل یقین ہے کہ وہ اپنی مصنوعات کی فروخت بڑھانے کا چلن قائم رکھے گی۔ یہ کارکردگی انہوں نے گزشتہ کئی برسوں سے قائم رکھی ہوئی ہے۔ اس کمپنی کی نقدی کی صورت حال کافی مضبوط ہے اور ہم یقین رکھتے ہیں کہ مستقبل میں مزید ترقی کی غرض سے یہ کاروبار میں اپنا سرمایہ بڑھاتی رہے گی۔ پاکستانی روپے کی قدر میں حالیہ استحکام نے حالیہ سہ ماہیوں میں اس کمپنی کے منافع میں رکاوٹ پیدا کی ہے تاہم ہم بدستور پر اعتماد ہیں کہ یہ کمپنی آنے والے برسوں میں اپنا منافع

بڑھانے کی بھرپور صلاحیت رکھتی ہے۔

کمپنی کی کارکردگی

31 مارچ 2024 کو ختم ہونے والی سہ ماہی میں کمپنی نے 0.14 روپے کی فی شیئر کمائی ظاہر کی جو 2023 کی اسی مدت کے دوران 0.72 روپے رہی تھی۔

مستقبل کا منظر

ہمیں یقین ہے (اور اس حقیقت سے ہمیں حوصلہ ہوتا ہے) کہ موجودہ حکومت ان اصلاحات کے نفاذ کے ایجنڈے کے معاملے میں سنجیدہ دکھائی دیتی ہے جو معیشت کے ڈھانچے میں بہتری لانے کے لئے مرکزی نکتہ ہے۔ اس کے نتیجے میں ممکن ہے کہ حکومت کو ایسے کئی تکلیف دہ فیصلے کرنا پڑیں جو وسطی مدت میں ملکی معیشت کو پٹری پر لانے کے لئے انتہائی اہمیت کے حامل ہیں۔ موجودہ پروگرام کے اختتام پر حکومت آئی ایم ایف کا آئندہ پروگرام حاصل کرنے کے لئے پوری طرح تیار دکھائی دیتی ہے جس سے سرمایہ کاروں کو اعتماد ملے گا کیونکہ آئندہ چند برسوں میں بیرونی مالیات کی کافی ضرورت پڑے گی۔ بظاہر محسوس ہوتا ہے کہ مہنگائی قابو میں آجائے گی لہذا سوال یہ نہیں کہ آیا شرح سود میں کمی لائی جائے گی بلکہ سوال یہ ہے کہ یہ کمی کب لائی جائے گی۔ چاہے وہ مرحلہ وار ہی کیا جائے لیکن شرح سود میں کمی کاروباروں کے لئے مفید رہے گی کیونکہ اس سے کاروبار کرنے کی لاگت کم ہوگی اور انہیں بڑھوتی کی جانب جانے کا راستہ ملے گا۔ دوسری جانب مالیاتی توازن کو سنبھالنا اور ٹیکس اکٹھا کرنے کی صورت حال میں بہتری لانا فوری طور سے ملکی معیشت کے لئے بدستور چیلنج رہیں گے۔ ہمیں یقین ہے کہ ہمارا سرمایہ کاری کی پروفائل خطرات کو متوازن کرنے اور دستیاب مواقع سے زیادہ سے زیادہ فائدہ اٹھانے کے لئے پوری طرح تیار ہے۔

اظہار تشکر

غیر متزلزل بھروسہ اور اعتماد کرنے پر ہم اپنے شیئرز ہولڈروں خصوصاً قابل قدر سرمایہ کاروں کو کوہدہ تہنیت پیش کرتے ہیں۔ جاں فشانی سے کام کرنے پر ہم اپنی انتظامی ٹیم کی کاوشوں کے بھی تہ دل سے مشکور ہیں۔ قابل قدر تعاون اور اعانت جاری رکھنے پر بورڈ سیکورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کا سپاس گزار ہے۔

محمد شمعون چوہدری

چیف ایگزیکٹو آفیسر

شفیق احمد

ڈائریکٹر

کراچی۔ 29 اپریل 2024

CYAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Note	(Un-audited) March 31 2024	(Audited) December 31, 2023
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Property and equipment	6	2,488	2,653
Intangible assets	7	49	57
Deferred taxation		18,367	19,119
Long term investments	8.1	724,561	684,939
Long term deposits		2,500	2,500
		<u>747,965</u>	<u>709,268</u>
Current assets			
Short term investments	8.2	730,150	927,905
Trade and other receivables		206,325	2,358
Advances and short term prepayments		1,313	1,089
Cash and bank balances	9	5,039	4,092
		<u>942,827</u>	<u>935,444</u>
TOTAL ASSETS		<u><u>1,690,792</u></u>	<u><u>1,644,712</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
100,000,000 (2023: 100,000,000) Ordinary shares of Rs 10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up share capital		615,591	615,591
Unappropriated profit		402,585	393,720
Reserves		13,088	13,088
Remeasurement on post retirement benefits obligation - net of tax		3,129	3,129
Surplus on revaluation of investment carried at fair value through other comprehensive income - net of tax		550,362	513,536
		<u>1,584,755</u>	<u>1,539,064</u>
Non-current liabilities			
Deferred liability - gratuity		93	118
		<u>93</u>	<u>118</u>
Current liabilities			
Trade and other payable		9,573	10,936
Unclaimed dividend		29,163	29,163
Taxation - net		67,208	65,431
		<u>105,944</u>	<u>105,530</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,690,792</u></u>	<u><u>1,644,712</u></u>
CONTINGENCIES AND COMMITMENTS	11	-	-

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

Chief Financial Officer

Chief Executive Officer

Director

CYAN LIMITED

**CONDENSED INTERIM PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2024**

	Note	For the Quarter Ended March 31,	
		2024	2023
------(Rupees in '000)-----			
Return on investments	12	31,832	36,332
Gain on sale of investments - net		6,231	22,481
Other income		301	185
		38,364	58,998
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(19,961)	9,929
		18,403	68,927
Expenses			
Operating and administrative expenses		(6,847)	(7,066)
Financial charges		-	(7,247)
		(6,847)	(14,313)
Profit for the period before taxation		11,556	54,614
Taxation - Net	13	(2,691)	(10,033)
Profit for the period after taxation		8,865	44,581
<i>Other comprehensive income for the period</i>			
<i>Items that will not be reclassified to profit or loss</i>			
Surplus on revaluation of investments carried at fair value through other comprehensive income		36,826	-
Total comprehensive income for the period		45,691	44,581
Basic and diluted Earnings per share	14	0.14	0.72

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

Chief Financial Officer

Chief Executive Officer

Director

CYAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2024

	Share Capital	Capital reserves			Revenue reserves		Remeasurement on post retirement benefits obligation-net of tax	Surplus on revaluation of available for sale investments	Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	Reserve for bonus shares	Capital gain reserve	General reserve	Unappropriated profit			
(Rupees in '000)									
Balance as at January 1, 2023	615,591	10,535	-	2,553	-	69,116	3,215	530,578	1,231,518
Total comprehensive income for the period ended March 31, 2023									
Net profit during the quarter	-	-	-	-	-	44,581	-	-	44,581
Other comprehensive Income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	44,581	-	-	44,581
Balance as at March 31, 2023	615,591	10,535	-	2,553	-	113,697	3,215	530,578	1,276,099
Balance as at January 1, 2024	615,591	10,535	-	2,553	-	393,720	3,129	513,536	1,539,064
Net Profit during the quarter	-	-	-	-	-	8,865	-	-	8,865
Other comprehensive Income	-	-	-	-	-	-	-	36,826	36,826
	-	-	-	-	-	8,865	-	36,826	45,691
Balance as at March 31, 2024	615,591	10,535	-	2,553	-	402,585	3,129	550,362	1,584,755

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 QUARTER ENDED MARCH 31, 2024

Note	For the Quarter Ended	
	March 31,	
	2024	2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,556	54,614
Adjustment for non cash charges and other items:		
Depreciation / amortisation	173	241
Capital Gain on sale of investments - net	(6,231)	(22,481)
Amortisation income on government securities	(848)	(645)
Financial charges	-	7,247
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	19,961	(9,929)
	13,055	(25,567)
Operating profit before working capital changes	24,611	29,047
(Increase) / decrease in operating assets		
Trade and other receivables	(202,713)	(19,751)
Advances and short term prepayments	(224)	(255)
	(202,937)	(20,006)
(Decrease) / increase in operating liabilities		
Increase / (Decrease) in trade and other payable	(1,363)	840
Deferred liability	(25)	67
	(179,714)	9,948
Proceeds from sale of investments	293,005	370,818
Investment in securities	(108,984)	(123,034)
Taxes paid	(3,360)	(1,466)
Financial charges paid	-	(12,200)
dividend paid	-	(29)
Net cash generate from operating activities	947	244,037
CASH FLOWS FROM INVESTING ACTIVITIES		
	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
Net increase in cash and cash equivalents	947	244,037
Cash and cash equivalents at the beginning of the year	4,092	(239,877)
Cash and cash equivalents at the end of the period	5,039	4,160
9.1		

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 QUARTER ENDED MARCH 31, 2024

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 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, 2023.

2.2 Changes in accounting standards, interpretations and pronouncements

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

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

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

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

2.2.3 These condensed interim financial statements include the condensed interim statement of financial position as at March 31, 2024 and the condensed interim profit or loss account and other comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes thereto for the first quarter period then ended.

The comparative statement of financial position presented in these condensed interim financial statements as at December 31, 2023 has been extracted from the audited financial statements of the Company for the year ended December 31, 2023. 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 quarter ended March 31, 2023 have been extracted from the condensed interim financial statements of the Company for the three months period then ended.

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

2.5 Rounding off

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial statements are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2023.

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, 2023.

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, 2023.

6 PROPERTY AND EQUIPMENT

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
Opening book value	2,653	3,444
Additions during the period / year	-	85
	2,653	3,529
Less: Written down value of disposals during the period / year	-	-
Less: Depreciation for the period / year	(165)	(876)
	(165)	(876)
	<u>2,488</u>	<u>2,653</u>

	(Un-audited) March 31, 2024	(Audited) December 31, 2023
	----- (Rupees in '000) -----	
The details of additions and disposals during the period / year are as follows:		
Additions - cost		
Office equipment	-	-
Furniture and Fixture	-	-
Right of use asset	-	-
	<u>-</u>	<u>-</u>
Disposals - cost		
Office equipment	-	826
	<u>-</u>	<u>826</u>

7 INTANGIBLE ASSETS

Opening book value	57	106
Additions during the period / year	-	-
Less: Amortisation for the period / year	(8)	(49)
	<u>49</u>	<u>57</u>
Additions - cost		
Software, License	-	-
	<u>-</u>	<u>-</u>

	Note	(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----			
8 INVESTMENTS			
Long term investment	8.1	724,561	684,939
Short term investment	8.2	730,150	927,905
		<u>1,454,711</u>	<u>1,612,844</u>
8.1 Long term investment			
Investments carried at fair value through other comprehensive income	8.1.1	679,007	638,978
Investments carried at amortised cost	8.1.2	45,554	45,961
		<u>724,561</u>	<u>684,939</u>

8.1.1 Quoted Shares - Related Parties

Name of investee company	Note	Number of Shares		Cost	Market value	
		31-Mar-24	31-Dec-23		31-Mar-24	31-Mar-24
----- Rupees '000' -----						
Inv. Banks/Inv. Cos/ Securities Cos.						
Dawood Lawrencepur Limited Equity held: 5% (2023: 5%)		2,965,095	2,965,095	222,111	679,007	638,978
				<u>222,111</u>	<u>679,007</u>	<u>638,978</u>
Less : Provision for impairment				<u>(130,018)</u>		
Carrying value				<u>92,093</u>		
Market value as at March 31, 2024				<u>679,007</u>		
Unrealised gain on quoted shares				<u>586,914</u>		

8.1.2 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. 45.88 million as at Marh 31, 2024 (December 31, 2023: 45.12). 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, 2023: 19.25%) payable at six month interval.

		(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- (Rupees in '000) -----			
8.2 Short term investment			
Investments carried at amortised cost	8.2.1	3,000	3,000
Investments carried at fair value through profit or loss	8.2.2	727,150	924,905
		<u>730,150</u>	<u>927,905</u>
8.2.1 Investments carried at amortised cost			
Deposits maturing within one month	8.2.1.1	3,000	3,000
		<u>3,000</u>	<u>3,000</u>

8.2.1.1 These 'Term Deposit Receipts' carry mark-up at 15.25% per annum (December 31, 2023: 19.50% per annum) and are due to mature on April 11, 2024 (December 31, 2023: January 27, 2023). These have been pledged against guarantees issued on behalf of the Company in favour of Nazir of Sindh High Court.

	Note	Market Value	
		(Un-audited) March 31, 2024	(Audited) December 31, 2023
----- Rupees '000' -----			
8.2.2 Investment carried at fair value through profit or loss			
Quoted shares	8.2.2.1	675,321	890,623
Mutual funds	8.2.2.2	51,829	34,282
		<u>727,150</u>	<u>924,905</u>

8.2.2.1 Quoted Shares

Name of investee company	Number of Shares		Carrying Value	Market value		
	31-Mar-24	31-Dec-23	31-Mar-24	31-Mar-24	31-Dec-23	
Rupees '000'						
Oil and Gas Marketing						
Pakistan State Oil Company Limited	125,000	125,000	22,089	21,568	22,089	
Cement						
Maple Leaf Cement Factory Limited	328,189	450,000	12,773	11,677	17,514	
Oil & Gas Exploration companies						
Oil & Gas Development Company Limited	720,000	720,000	80,964	87,588	80,964	
Pakistan Petroleum Limited	4,000	4,000	460	425	460	
Technology & Communication						
System Limited	8.2.2.1.1	751,000	751,000	318,094	289,420	318,094
Power Generation & Distribution						
K-Electric Limited		850,000	-	4,886	3,757	-
Commercial Banks						
MCB Bank Limited		-	-	-	-	-
United Bank Limited		-	40,000	-	-	6,902
BankIslami Pakistan Limited		1,380,000	2,500,000	245,419	251,546	444,600
		175,000	-	4,614	3,630	-
Transport						
Pakistan International Bulk Terminal Limited		1,000,000	-	6,056	5,710	-
			695,355	675,321	890,623	
Unrealised loss on Quoted Shares			(20,034)			

8.2.2.1.1 0.1 million shares of System Limited having market value of Rs. 38.54 million as at March 31, 2023 have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

8.2.2.2 Mutual Funds

Name of fund	Note	Number of Units		Carrying Value	Market value	
		31-Mar-24	31-Dec-23	31-Mar-24	31-Mar-24	31-Dec-23
Rupees '000'						
NAFA Government Securities Liquid Fund	8.2.2.2.1	224,846	224,846	2,315	2,315	2,315
MCB Cash Management Optimizer		348,529	313,874	49,441	49,514	31,918
			51,756	51,829	34,233	
Market Value as at March 31, 2024			51,829			
Unrealised gain on mutual funds			73			

8.2.2.2.1 223,873 units (December 31, 2023: 223,873 units) of NBP Government Liquid Fund having a market value of Rs. 2.305 million (December 31, 2023: Rs. 2.305 million) have been kept under pledge with NBP Government Liquid Fund pending settlement of a claim in litigation.

	Note	(Un-audited) March 31, 2024	(Audited) December 31, 2023
9 CASH AND BANK BALANCES		----- (Rupees in '000) -----	
Cash in hand		15	-
Cash at bank	9.1	5,024	4,092
		<u>5,039</u>	<u>4,092</u>
		(Un-audited) March 31, 2024 2023	
9.1 Cash and cash equivalents		----- (Rupees in '000) -----	
Cash and cash equivalents for the purpose of cash flow comprises of the following:			
Cash and bank balances		5,039	1,160
Term deposit receipts		-	3,000
		<u>5,039</u>	<u>4,160</u>
10 SHORT TERM BORROWINGS			
10.1	The Company has running finance facility of Rs. 500 million under mark-up arrangement with Bank Al Habib Limited. The facility carries mark-up at 3 month KIBOR plus 0.30% per annum and will expire on March 30, 2026.		
10.2	The Company has running finance facility of Rs.300 million under mark-up arrangement with Habib Metropolitan Bank Limited. The facility carries mark up at 3 months KIBOR plus 0.50% per annum and will expire on October 31, 2024.		
		(Un-audited) March 31, 2024	(Audited) December 31, 2023
11 CONTINGENCIES AND COMMITMENTS		----- (Rupees in '000) -----	
Guarantee issued on behalf of the Company by a commercial bank		<u>2,800</u>	<u>2,800</u>
11.1	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, 2023 has remained unchanged.		
		(Un-audited) For the Quarter Ended March 31,	
		2024	2023
12 RETURN ON INVESTMENTS		----- (Rupees in '000) -----	
Amortisation on Government Securities		848	645
Interest Income on Government Securites		1,245	992
Dividend income		29,620	34,597
Profit on term deposits receipts		120	98
		<u>31,832</u>	<u>36,332</u>
13 TAXATION			
- Current year		(5,137)	(5,477)
- Deferred		2,446	(4,556)
		<u>(2,691)</u>	<u>(10,033)</u>

		(Un-audited) For the Quarter Ended March 31,	
		2024	2023
		----- (Rupees in '000) -----	
14	PROFIT PER SHARE - BASIC AND DILUTED		
	Profit for the period after taxation	<u>8,865</u>	<u>44,581</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>0.14</u>	<u>0.72</u>

15 TRANSACTIONS WITH RELATED PARTIES

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

15.1

		Un-audited For the Quarter Ended March 31,	
		2024	2023
		----- (Rupees in '000) -----	
	Transactions		
	Associated companies		
	Expenses against shared services	<u>1,684</u>	<u>1,614</u>
	Reimbursement of other expenses	<u>162</u>	<u>86</u>
	Cost charged for services rendered	<u>794</u>	<u>688</u>
	Other related parties		
	Provision relating to staff gratuity fund	<u>93</u>	<u>67</u>
	Contribution to staff provident fund	<u>143</u>	<u>103</u>
	Key management personnel		
	Director fee	<u>200</u>	<u>300</u>
	Remuneration	<u>2,264</u>	<u>2,251</u>

15.2

		March 31, 2024	December 31, 2023
		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
	Balances outstanding		
	Receivable from related party	<u>151</u>	<u>423</u>
	Payable to related party	<u>955</u>	<u>2,113</u>

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from carrying value as the items are short-term in nature or periodically repriced.

As per the requirements of the IFRS 13, the Company shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

Investment carried at fair value are categorized as follows:

	----- As at March 31, 2024 -----			
	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	675,321	-	-	675,321
- Mutual fund units	-	51,829	-	51,829
	<u>675,321</u>	<u>51,829</u>	<u>-</u>	<u>727,150</u>
Investment in securities - financial assets Through Other Comprehensive income				
- Quoted shares	<u>679,007</u>	<u>-</u>	<u>-</u>	<u>679,007</u>

	----- 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	890,623	-	-	890,623
- Mutual fund units	-	34,282	-	34,282
	<u>890,623</u>	<u>34,282</u>	<u>-</u>	<u>924,905</u>
Investment in securities - financial assets Through Other Comprehensive income				
- Quoted shares	<u>638,978</u>	<u>-</u>	<u>-</u>	<u>638,978</u>

17 CORRESPONDING FIGURES

There were no significant re-classifications / restatements during the period.

18 SUBSEQUENT EVENTS

The Board of Directors in its meeting held on April 29, 2024 have approved an interim cash dividend of Rs.4.00 per share amounting to Rs. 246.24 million for the quarter ended March 31, 2024 (March 31, 2023: Nil). These condensed interim financial statements do not include the effect of these appropriations which will be accounted for subsequent to the period end.

19 AUTHORISATION FOR ISSUE

These condensed interim financial statements was authorised for issue on April 29, 2024 by the Board of Directors of the Company.


Chief Financial Officer

Chief Executive Officer


Director



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