

2023 ANNUAL REPORT



CONTENTS

| | |
|---|----|
| Corporate Information | 01 |
| Notice Of The Annual General Meeting | 02 |
| Statement Of Material Facts Concerning | 05 |
| Chairman's Review Report | 08 |
| Directors' Report to the Shareholders | 09 |
| Statement of Compliance | 19 |
| Shariah Review Report To The Board Of Directors | 22 |
| With the Code of Corporate Governance | 24 |

VISION

Aiming for continued growth, we will further develop our strengths to seize new opportunities and maintain our steadfast commitment.

MISSION

- ❑ *Meet the challenges of highly competitive market with our expertise, creativity and service.*
- ❑ *Develop & maintain strong client relationship.*
- ❑ *Continuously enhance our contributions towards industrial development of the country.*
- ❑ *Above all, in a tradition of prudent growth, our unwavering determination to strengthen long-term earnings and return on shareholders' equity will endure.*

COMPANY INFORMATION

BOARD OF DIRECTORS

Haji Jan Muhammad (Chairman)
Mr Muhammad Mehboob
Mrs. Zillay Huma Khan
Mr Faisal Zahid
Mr. Shaukat Zaman
Mr. Farrukh Siddiqui
Mr. Muhammad Bilal Chaudhry

PRESIDENT & CEO

Mr Zafar M Sheikh

AUDIT COMMITTEE

Mr. Farrukh Siddiqui (Chairman)
Haji Jan Muhammad
Mr Muhammad Mehboob
Mr Faisal Zahid

**HUMAN RESOURCE &
REMUNERATION COMMITTEE**

Mr Faisal Zahid (Chairman)
Mr Zafar M Sheikh
Mr Muhammad Mehboob
Mrs. Zillay Huma Khan

RISK MANAGEMENT COMMITTEE

Mr. Shaukat Zaman
Mr Muhammad Mehboob
Mr. Farrukh Siddiqui
Mr Faisal Zahid
Mr Zafar M Sheikh

CHIEF FINANCIAL OFFICER

Mr. Shakeel Ahmed

SHARIAH ADVISOR

Mufti Muhammad Hanif

HEAD OF INTERNAL AUDIT

Syed Ahsan Ali

SHARIAH COMPLIANCE OFFICER

Mufti Abdul Ghaffar

AUDITORS

Bakers Tilly Mehmood Idrees Qamar
Chartered Accountant

TAX ADVISORS

Grant Thoranton Anjum Rahman
Chartered Accountants

LEGAL ADVISORS

Rizwan Ahmed (Barrister at Law)
Ahmad, Azim & Co (Advocates)

SHARE REGISTRAR

M/s. C&K Management
Associates (Pvt) Limited
404, Trade Tower,
near Hotel Metropole, Karachi.

BANKERS

Habib Metropolitan Bank Limited.
United Bank Limited
Bank Makramah Limited

REGISTERED OFFICE

Suite No. 3, 1st Floor, Junaid Plaza,
I-10, Markaz, Islamabad.
Tel : (051) 4102919
Website : www.sibl.com.pk

KARACHI OFFICE

502, 5th Floor, Madina City Mall,
Abdullah Haroon Road, Saddar Karachi.
Tel: (021) 35659753-54
Fax: (021) 35659755
E-mail : sibl@sibl.com.pk

NOTICE OF THE THIRTY THIRD ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty third Annual General Meeting of Security Investment Bank Limited (the Company) will be held at the Registered Office of the Company located at Suite Number 3, 1st Floor, Junaid Plaza, I-10 Markaz, Islamabad, on 29 April 2024 at 10:30 a.m. to transact the following business:

ORDINARY BUSINESS

- 1) To confirm the minutes of the Extra Ordinary General Meeting held on 19 July 2023.
- 2) To receive and adopt the audited financial statements of the Company for the year ended 31 December 2023 together with the directors' and auditor's reports thereon.
- 3) To appoint auditors and fix their remuneration for the year ending 31 December 2024. The retiring auditors M/s. Baker Tilly Mehmood Idrees Qamar, Chartered Accountants could not be reappointed as the outgoing auditors have completed their term under the Code of Corporate Governance. The members are hereby notified that the Board's Audit Committee and the Board of Directors have recommended the name of M/s. Muniff Ziauddin & Co., Chartered Accountants for appointment as the external auditor of the Company for the year ending 31 December 2024.
- 4) To approve, as recommended by the Board of Directors, the payment of final cash dividend @ 5% i.e. PKR 0.5 per share each having face value PKR 10/-

SPECIAL BUSINESS

- 5) To approve, as recommended by the Board of Directors, issue of 15% fully paid bonus shares i.e. in proportion of fifteen (15) ordinary share for every 100 ordinary shares held by the members whose names appear in the Members' Register as at the close of business on April 22, 2024 out of the statutory reserves of the Company.

ANY OTHER BUSINESS

- 6) To consider any other business with the permission of the Chair.

BOOK CLOSURE

The share transfer book of the company will remain closed from 22 April 2024 to 29 April 2024 (both days inclusive). Transfer applications received in order at the office of the Share Registrar of the Company (i.e. C & K Management Associates (Private) Limited, room number 404, Trade Tower, Abdullah Haroon Road, Karachi) by the close of business on 21 April 2024 will be treated in time for determining the entitlement of members to attend the Annual General Meeting of the Company.

Karachi:
21st March, 2024

By order of the board

NOTES:

Appointment of Proxy

- A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his/her behalf, provided such proxy is also a Member.
- An instrument of proxy and the Power of Attorney or other authority (if any) under which it is signed, or a Notary Public certified copy of such Power of Attorney, in order to be valid, must be deposited with the Company's Share Registrar, THK Associates (Private) Limited not later than (48) forty-eight hours before the time of holding the Meeting.
- Form of Proxy is herewith enclosed.

CDC Account Holders

- CDC accounts holders are in addition are required to follow the guidelines of Circular No.1 dated January 26, 2000 of the SECP for

Company Secretary

attending the Meeting:

- In case of individuals: The account holder or sub account holder and / or the person whose securities are registered on CDS; and their registration details are uploaded as per the regulations, shall authenticate his/ her identity by showing his/her original CNIC or original passport at the time of attending the Meeting. Members are also required to bring their Participants' I.D. Number and Account Numbers in CDS.
- In case of a corporate entity: Board of Directors Resolution/ Power of Attorney with specimen signature of nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

Change of Address

Members are requested to immediately notify change of address to the Company's Share Registrar at the following address:

**M/S C & K Management Associates (Private) Limited,
Room number 404, Trade Tower, Abdullah Haroon Road, Karachi**

Important Notes to the Members

CNIC Copy

Members are requested to submit a copy of their valid CNIC (only physical members), if not already provided to the Share Registrar of the Company. Corporate account holders should submit National Tax Number, if not yet submitted. In case of non-submission of CNIC/NTN Certificate (copy), all future dividends will be withheld till provision of these documents.

E-Dividend (Mandatory)

In accordance with the provisions of Section 242 of the Companies Act, 2017 and E Dividend Regulations of the SECP through S.R.O. 1145(1)/2017 dated November 6, 2017, it is mandatory for the Company to pay cash dividend to the members only through electronic mode directly into the bank account designated by the Member.

In order to receive dividends directly into bank accounts, members are requested to fill in Dividend Mandate Request Form available at Company's website www.sibl.com.pk and to send the same duly signed along with copy of CNIC to the Company's Share Registrar, in case of physical shares. In case the shares are held on the CDS, the Form required to be submitted directly to the Member's broker/participant/CDC Account Services.

In case of non-compliance, the Company will be constrained to withhold payment of dividend to such Member.

Unclaimed Dividend

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached such members to claim their unclaimed dividend in accordance with the law.

Members, whose dividends are still unclaimed, are hereby once again advised to approach the Company to claim their outstanding dividend amounts. An updated list of unclaimed dividend is available on the Company's website www.kapco.com.pk.

Centralized Cash Dividend Register (CCDR)

Central Depository Company ("CDC") has developed Centralized Cash Dividend Register ("CCDR"), an eServices web portal which would incorporate details pertaining to cash dividends paid, unpaid or withheld by listed companies. The CCDR will help to maintain history of dividends paid to members by listed companies and access of all such information will be provided to the respective members. The web portal will facilitate members of listed companies in retrieving details of cash dividends from the centralized register and using the same for their record purposes.

You may access CCDR via <https://eservices.cdcaccess.com.pk>. In addition, the Dividend/ Zakat & Tax Deduction Report can also be obtained directly from your Participant (stock broker) which has been provided to them on their CDS terminals.

Conversion of Physical Shares into CDS

In compliance with the requirements of Section 72 of the Companies Act, every existing listed company is required to replace his/her physical shares with book- entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, that is, May 30, 2017.

Members having physical share certificates are requested to convert their shares from physical form into book entry form as early as possible. It would facilitate the members in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at better rates.

Deduction of Income Tax from Dividend under Section 150

The Government of Pakistan through Finance Act, 2019 made certain amendments to Section 150 of the Income Tax Ordinance, 2001 whereby different rates have been prescribed for deduction of withholding tax on the amount of dividend paid by the companies in the following manner:

| | |
|--------------------------|-----|
| For Active tax payers | 15% |
| For non-active taxpayers | 30% |

Active tax payers should ensure that their names duly appear on the Active Tax Payers List (ATPL) of the Federal Board of Revenue (FBR). You may visit the FBR website for assistance. Should the name of a member be absent on the ATPL, the Company will be constrained to deduct tax at 30% notwithstanding that such member may be an income tax filer.

In case of joint accounts, FBR has clarified that withholding tax will be determined separately on 'Active/ Non-Active' status of principal members as well as joint- holder(s) based on their shareholding proportions. Members holding shares jointly are advised to provide shareholding proportions of principal member and joint- holder(s) in respect of shares held by them, if not already provided, at the earliest to the Share Registrar on the

Following format, otherwise it will be assumed that share are held in equal proportion:

| Company Name | Folio/CDS Accounts Number | Total Shares | Principal Shareholder | | Joint Shareholders | |
|--------------|---------------------------|--------------|-----------------------|--|--------------------|--|
| | | | Name & CNIC | Shareholding proportions (No. of shares) | Name & CNIC | Shareholding proportions (No. of shares) |
| | | | | | | |

In another clarification by FBR, valid tax exemption certificate for claim of exemption under section 150, 151 and 233 of the Income Tax Ordinance, 2001 is required where statutory exemption under clause 47B of Part-IV of the Second Schedule is available. Such certificate U/S 159(1) of the Income Tax Ordinance, 2001 issued by concerned Commissioner of Inland Revenue is to be produced to avail tax exemption.

Corporate Members having CDC accounts are required to provide their National Tax Number (NTN) to their participants. Corporate physical Members should send a copy of their NTN certificate to the Share Registrar. Members while sending NTN or NTN certificates, as the case may be, must quote company name and their respective Folio Numbers.

Circulation of Annual Audited Financial Statements via QR Enabled Code

SECP vide its SRO No.389(1)/2023 dated March 31, 2023 has allowed companies to circulate Annual Audited Financial Statements together with Auditor's, Chairman's and Director's Report to the members through QR enabled code and Web-link as part of Annual General Meeting.

Notwithstanding the above, the Company will provide hard copies of the Annual Report, 2023, to any Member on their request at their registered address within one (1) week of receiving such request.

Placement of Financial Statements

The Company has placed the Audited Financial Statements for the year ended December 31, 2023 along with Auditors and Directors Reports thereon on its website: <http://www.sibl.com.pk>

STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2017

The statement sets out the material facts concerning the Special Business given in agenda item No.5 of the Notice will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

Agenda Item No.5 of the Notice – issue of Bonus Shares to be passed as an Ordinary Resolution

The Board of Directors has recommended to the members of the Company for issue of fully paid bonus shares @ 15% for the year ended 31 December 2023 i.e. in proportion of 15 (fifteen) ordinary shares for every 100 (hundred) ordinary shares held by the members whose names appear in the Members' Register as at the close of business on April 22, 2024, by capitalization of a sum of Rs.77,150,337/- by way of issue of 7,715,038 fully paid bonus shares each having face value PKR 10/-. Subject to approval of the Board of Directors' recommendation as above, the resolution as under will be considered to be passed by the members as an ordinary resolution:

“RESOLVED THAT 15% fully paid bonus shares i.e. in proportion of fifteen (15) ordinary share for every 100 ordinary shares held by the members whose names appear in the Members' Register as at the close of business on April 22, 2024, by capitalization of a sum of Rs.77,150,337/- by way of issue of 7715038 fully paid bonus shares each having face value PKR 10/- out of the statutory reserves of the Company, as recommended by the Board of Directors of the Company, be and is hereby approved.”

Security Investment Bank Limited

POSTAL BALLOT PAPER

for voting through post for the Annual General Meeting to be held on Monday, April 29, 2024, at 10:30 a.m. at Suite NO. 3, 1st floor, Junaid Plaza, I-10 Markaz, Islamabad or email at general.meeting@sibl.com.pk.

Phone: +92-051-4102919 **Website:** www.sibl.com.pk

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. 1

“**RESOLVED THAT** minutes of the Extra Ordinary General Meeting of the Company held on 29 July 2023 be and are hereby confirmed.”

Resolution For Agenda Item No. 2

“**RESOLVED THAT** the Audited Financial Statements together with Auditor’s, Chairman’s and Director’s Report, as recommended by the Board, of the Company for the year ended 31 December 2023, to the members through QR enabled code and Web-link as part of Annual General Meeting, be and is hereby approved.”

Resolution For Agenda Item No. 3

“**RESOLVED THAT** the retirement of M/s. Baker Tilly Mehmood Idrees Qamar., Chartered Accountants as auditors of the Company be and is hereby approved.”

“**RESOLVED FURTHER THAT** the appointment of M/s. Muniff Ziauddin & Co, Chartered Accountants as auditors of the Company for the year ending 31 December 2024, at the agreed remuneration of not exceeding Rs=400,000/- per annum plus 10% of cost of documents as recommended by the Audit Committee of the Board of Directors, be and is hereby approved.”

Resolution For Agenda Item No. 4

RESOLVED THAT a final cash dividend (for the financial year ended December 31, 2023) of Rs. 0.5 per ordinary share of Rs. 10 each, as recommended by the Board of Directors of the Company, be and is hereby approved for distribution to the shareholders of the Company whose names appear on the members register on close of business on April 22, 2024.”

Resolution For Agenda Item No. 5

RESOLVED THAT 15% fully paid bonus shares i.e. in proportion of fifteen (15) ordinary share for every 100 ordinary shares held by the members whose names appear in the Members’ Register as at the close of business on April 22, 2024, by capitalization of a sum of Rs.77,150,337/- by way of issue of 7,715,038 fully paid bonus shares each having face value PKR 10/- out of the statutory reserves of the Company, as recommended by the Board of Directors of the Company, be and is hereby approved.”

Instructions For Poll

1. Please indicate your vote by ticking (✓) the relevant box.

2. In case if both the boxes are marked as (✓), you 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;

| Resolution | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|--|-------------------------------------|--|
| <u>Resolution For Agenda Item No. 1</u> | | |
| <u>Resolution For Agenda Item No. 2</u> | | |
| <u>Resolution For Agenda Item No. 3</u> | | |
| <u>Resolution For Agenda Item No. 4</u> | | |
| <u>Resolution For Agenda Item No. 5</u> | | |

1. Dully filled ballot paper should be sent to the Chairman of Security Investment Bank Limited at **Suite No. 3, 1st floor, Junaid Plaza, I-10 Markaz, Islamabad** or email at **general.meeting@sibl.com.pk**
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 **Monday, April 22, 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.sibl.com.pk**. Members may download the Ballot paper from the website or use an original/photocopy published in newspapers.

Date _____

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

CHAIRMAN'S REVIEW REPORT

On behalf of the Board, it is my pleasure to present the Annual Report for the year ended December 31, 2023. Security Investment Bank Limited ("SIB") is committed to maintaining high standards of good corporate governance without any concession.

Pursuant to the updated Code of Corporate Governance, the company is trying to ensure full compliance. These steps will surely contribute to board development, remuneration processes, accountability and audit, and relations with our valued shareholders.

During the outgoing year 2023 Pakistan has faced series of unprecedented challenges, devastating floods, and political uncertainty. In addition, the Russia-Ukraine war severely disrupted the global demand-supply balance, which led to a commodity super-cycle resulting in slow down of the global economic growth, inconsistent policies, unsustainable fiscal deficit, the exponential rise in public debt, economic uncertainties, and mounting circular debt have been the main challenges for the government. The outlook for the year 2024 may continue remain in tough phase during the FY-2024, despite the government taking some corrective measures immediately to overcome the crises.

The Board has constituted effective Audit, Human Resource & Remuneration and Risk Management Committees and approved their respective terms of references, assigned adequate resources so that the Committees perform their responsibilities diligently.

All significant issues throughout the year presented before the Board or its Committees to strengthen and formalize the corporate decision-making. The Board received agendas and supporting written material in sufficient time prior to the board and its committee meetings. The non-executive and independent directors are equally involved in important decisions.

The Board has exercised its power assigned to the Board in accordance with the relevant laws and regulations applicable and the Board has always prioritized the Compliance with all the applicable laws and regulations.

On behalf of the Board of Directors, I would like to express gratitude to our stakeholders for their continued support and encouragement. I would also like to appreciate the valuable services rendered by the employees of the company. I also acknowledge the commitment and diligence of my fellow directors and their valuable contributions for the continued growth of the company.

We look forward to future success in the Company's endeavours.

Haji Jan Muhammad
Chairman

Karachi: March 21, 2024

DIRECTORS’ REPORT TO THE SHAREHOLDERS

The Directors of Security Investment Bank Limited (the “Company”) are pleased to present the Annual Report along with the Audited Financial Statements and Auditor’s Report thereon for the year ended 31 December 2023.

Economic Overview

During the outgoing year, 2023 Pakistan has faced series of unprecedented challenges, devastating floods, and political uncertainty. In addition, the Russia-Ukraine war severely disrupted the global demand-supply balance, which led to a commodity super-cycle resulting in slow down of the global economic growth, inconsistent policies, unsustainable fiscal deficit, the exponential rise in public debt, economic uncertainties, and mounting circular debt have been the main challenges for the government.

The confluence of these developments substantially weakened Pakistan’s macroeconomic performance during FY23. The real GDP growth fell to the third-lowest level since FY52, whereas average National CPI inflation spiked to a multi-decade high. While the current account deficit narrowed considerably, limited foreign inflows maintained pressures on the external account leading to a decline in SBP reserves.

The outlook for the year 2024 may continue remain in tough phase during the FY-2024, but economic expert citing several factors that will support the economic recovery, such as IMF loans, easing supply bottlenecks, and rate cuts coupled with political stability. The general elections scheduled for February 2024 should lead to greater political stability and investor confidence. However, some headwinds to the growth outlook, such as high taxes, fuel and energy bills, debt servicing costs, and potential disruptions to the IMF aid or the elections.

SBP, Monetary Policy Committee (Committee) reviewed its policy frequently to take appropriate action towards supporting growth, financial stability and employment during these challenging times. During the year under review 2023, the Committee keeping the view of overall economic situation and rising trend of inflation, has been deciding to raise its policy rate in frequent committee meetings, during the year over all increased in policy rate was 600 basis point to 22% as compared to policy rate at the beginning of the year 16%.

In the context of overall economic situation, the equity market performed free fall during the year under review. The PSX-100 index registered 62052 points at the closing of the year 2023 as compared to 39747 of the preceding year.

Financial Performance

The key financial result achieved during the year presented as under:

| Operating Results | Year 2023 | Year 2022 |
|---|-----------|-----------|
| (Rupees in million) | | |
| Total Income | 126 | 49 |
| Total Expenditure | 38 | 33 |
| Profit from operation | 88 | 16 |
| Un-realized gain / (loss) on re-measurement of shares | 34 | (68) |
| Profit/(Loss) before tax | 122 | (52) |
| Taxation | (42) | (19) |
| Net Loss / (Profit) after tax | 80 | (33) |
| Earnings per share | 1.551 | (0.643) |

Market risk

The Bank’s activities expose it to a variety of market risks (in addition to liquidity and credit risks). Market risk with respect to the bank’s activities include interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate risk arises from the possibility when changes in interest rate affect the value of financial instruments. The Bank is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or re-price in a given period. The Bank manages this risk by matching the re-pricing of assets and liabilities.

Corporate Governance

The Board of Directors of the Company (the “Board”) regularly reviews the strategic direction, business plans and performance in the light of the Company’s overall objectives. The Board is committed to maintain the high standards of good corporate governance. The Company is complying with the provisions set out by the Regulator and the listing rules of the Stock Exchanges.

As required under the Code of Corporate Governance, the Board would like to confirm that:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company’s ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The directors are not entitled any remuneration except meeting fee and any increase in meeting fees approved by the board of directors in their meeting and ratify it in upcoming meeting of shareholders.”
- The executive director/Chief Executive Officer is entitled remuneration approved by the board of directors in their meeting and ratifies it in upcoming meeting of shareholders.”
- In compliance to the Code of Corporate Governance, in respect of Director’s Training Program for majority of its Directors so as to acquaint them with the regulations, applicable laws, their duties and responsibilities. The exercise is on-going expected to be completed in the upcoming financial year 2022”
- Key operating and financial data of six years of the Company are as follows:

| Description / Year | (Rupees in millions) | | | | | |
|-------------------------|----------------------|---------|-------|-------|-------|-------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Shareholder’s equity | 788 | 708 | 741 | 716 | 639 | 779 |
| Short term financing | 109 | 120 | 45 | 54 | 242 | 556 |
| Investments | 477 | 310 | 447 | 438 | 333 | 113 |
| Total assets | 836 | 731 | 752 | 735 | 839 | 819 |
| Total revenue | 126 | 49 | 76 | 41 | 73 | 73 |
| Total expenses | 38 | 33 | 34 | 32 | 32 | 39 |
| Operating Profit/(Loss) | 122 | (52) | 29 | 90 | 50 | 34 |
| Net Profit/(Loss) | 80 | (33) | 25 | 77 | 39 | 17 |
| EPS | 1.551 | (0.643) | 0.488 | 1.503 | 0.768 | 0.335 |

Value of Provident Fund Investment

As on 31 December 2023 the value of investment of Provident Fund was Rs. Nil (2022 Rs Nil).

Pattern of Shareholding

The pattern of shareholding as at 31 December 2023 along with the disclosure required under the Code of Corporate Governance, 2020 annexed to the report.

Changes in the Board

During the year under review, Mr. Shaukat Zaman replaced with the outgoing director Mr. Azam Khan Ghauri to fill the casual vacancy.

Board and Audit Committee Meetings and Attendance

During the year ended 31 December 2023, seven Board of Directors; four Audit Committee and one Human Resources and Remuneration Committee (HR & R) meetings were held. Attendance of each director is as follows:

| Name | Independent / Non-Independent | Executive / Non-Executive Director | Board of Directors | Audit Committee | HR & R Committee |
|-------------------------|-------------------------------|------------------------------------|--------------------|-----------------|------------------|
| Haji Jan Muhammad | Non-Independent | Non-Executive | 7 | 4 | Not Applicable |
| Muhammad Mahboob | Non-Independent | Non-Executive | 4 | 2 | 1 |
| Faizal Zahid | Independent | Non-Executive | 7 | 4 | 1 |
| Zillay Huma Khan | Independent | Non-Executive | 4 | Not Applicable | 1 |
| Farrukh Siddiqui | Independent | Non-Executive | 5 | 3 | Not Applicable |
| Muhammad Bilal Chaudhry | Independent | Non-Executive | 7 | Not Applicable | Not Applicable |
| Azam Khan Ghauri | Independent | Non-Executive | 4 | Not Applicable | Not Applicable |
| Shaukat Zaman | Independent | Non-Executive | - | - | - |
| Zafar M. Shaikh | Non-Independent | Executive | 7 | Not Applicable | 1 |

Leave of absence granted to members who did not attend the Board and Committee meetings.

Audit Committee

The Audit Committee of the Board continued to perform its duties and responsibilities in an effective manner as per its terms of reference duly approved by the Board. The committee compositions have been attached with this report.

Trading in Shares of the Company by Directors and Executives

During the year, the Directors, CEO, CFO, Company Secretary and Head of Internal Audit and their spouses and minor children did not carry out any transaction in the shares of the Company.

Ethics and Business Practices

As per the Corporate Governance guidelines, the Company has circulated a “Code of Ethics” for compliance. All directors and employees of the Company acknowledging their understanding and acceptance of the Code have signed it.

Directors’ Training Program

Details provided in Statement of Compliance.

Earnings per Share

Earning per share of the Company was Rs 1.551 for the year ended 31 December 2023 (2022 negative Rs 0.643).

Dividend

15% bonus shares and 5% cash dividend declared for the year ended 31 December 2023 in the Board meeting held on March 21, 2024.

Future outlook

Your company’s management is endeavouring to improve the company’s business specifically focus to enhance our car / consumer / corporate financing portfolio under shariah compliant to enhance profitability and return for shareholders as well. During the year under review, the company submitted an application to the regulator to convert SIB into shariah compliant entity, which is in under process. Further, the Management is reviewing various business options within the NBFC Regulatory framework.

Related party transaction

In order to comply with the requirements of listing regulations, the Company has presented all related party transactions before the Audit Committee and Board for their review and approval. The Audit Committee and Board have approved these transactions in their respective meetings.

Auditors

The present auditors Bakers Tilly Mehmood Idrees Qamar, Chartered Accountants retire who remained auditor of the Company for the last 5 years.

The Clause xxviii(a) of the Code 2012 stipulates that all listed companies in the financial sector shall change their external auditors every five years; and therefore the retiring auditors could not be appointed as an auditor for the next year.

The Audit Committee in view of the above has recommended appointment of Muniff Ziauddin & Co., Chartered Accountants as an auditor of the Company for the year ending 31 December 2024.

The Board of Directors endorsed the recommendation of the Audit Committee for the appointment of Muniff Ziauddin & Co., Chartered Accountants as an auditor of the Company for the year ending 31 December 2024.

Acknowledgement

We, the directors of SIBL, are grateful to the Regulator, Stock Exchanges for their cooperation and support. We do acknowledge and are thankful to our shareholders for their support and cooperation. We also acknowledge and are thankful for the untiring efforts of the management and staff.

On behalf of the Board

Haji Jan Muhammad
Chairman

Zafar M Sheikh
Chief Executive Officer

Karachi
March 21, 2024

ڈائریکٹرز رپورٹ برائے حصدار

سیکیورٹی انویسٹمنٹ بینک لمیٹڈ کے ڈائریکٹرز (کمپنی) 31 دسمبر 2023 کو ختم ہونے والے سال کے لئے آڈٹ شدہ مالیاتی بیانات اور اس پر آڈیٹر کی رپورٹ کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوش ہیں۔

معاشی جائزہ:

سبکدوش ہونے والے سال 2023 کے دوران پاکستان کو بے مثال چیلنجوں، تباہ کن سیلابوں اور سیاسی غیر یقینی صورتحال کا سامنا کرنا پڑا۔ مزید برآں، روس یوکرین جنگ نے عالمی طلب اور رسد کے توازن کو بری طرح متاثر کیا، جس کے نتیجے میں ایک اجناس سپر سائیکل کا نتیجہ نکلا جس کے نتیجے میں عالمی اقتصادی ترقی کی رفتار سست ہو گئی، متضاد پالیسیاں، غیر پائیدار مالیاتی خسارہ، عوامی قرضوں میں غیر معمولی اضافہ، اقتصادی غیر یقینی صورتحال اور بڑھتے ہوئے گردشی قرضے حکومت کے لئے اہم چیلنجز رہے ہیں۔

ان پیش رفتوں کے سنگم نے مالی سال 23 کے دوران پاکستان کی میکرو اکنامک کارکردگی کو کافی حد تک کمزور کر دیا۔ حقیقی جی ڈی پی کی شرح نمو مالی سال 52 کے بعد تیسری کم ترین سطح پر آگئی، جب کہ اوسط قومی سی پی آئی افراط زر کئی دہائیوں کی بلند ترین سطح پر پہنچ گیا۔ جبکہ کرنٹ اکاؤنٹ خسارہ کافی حد تک کم ہوا، محدود غیر ملکی آمد نے بیرونی کھاتے پر دباؤ برقرار رکھا جس کی وجہ سے اسٹیٹ بینک کے ذخائر میں کمی واقع ہوئی۔

سال 2024 کے لئے آؤٹ لک مالی سال 2024 کے دوران مشکل مرحلے میں جاری رہ سکتا ہے۔ لیکن معاشی ماہر نے کئی عوامل کا حوالہ دیتے ہوئے کہا جو معاشی بحالی میں معاون ثابت ہوں گے، جیسے کہ آئی ایم ایف کے قرضے، رسد میں رکاوٹوں کو کم کرنا، اور شرح میں کمی اور سیاسی استحکام کے ساتھ فروری 2024 کو ہونے والے عام انتخابات زیادہ سیاسی استحکام اور سرمایہ کاروں کے اعتماد کا باعث بنیں گے، تاہم، نمو کے نقطہ نظر کے لئے کچھ سرفہرست ہیں۔ جیسے کہ زیادہ ٹیکس، ایندھن اور توانائی کے بل، قرض کی فراہمی کے اخراجات اور IMF کی امداد یا انتخابات میں ممکنہ رکاوٹیں۔

SBP، مانیٹری پالیسی کمیٹی (کمٹی) نے اس مشکل وقت میں ترقی، مالیاتی استحکام اور روزگار میں معاونت کے لئے مناسب اقدام کرنے کے لئے اپنی پالیسی کا اکثر جائزہ لیا، زیر جائزہ سال 2023 کے دوران کمیٹی مجموعی معاشی صورتحال اور افراط زر کے بڑھتے ہوئے رجحان کو مدنظر رکھتے ہوئے کمیٹی کے متواتر اجلاسوں میں پالیسی ریٹ بڑھانے کا فیصلہ کرتی رہی ہے، سال کے دوران پالیسی ریٹ میں مجموعی طور پر 600 بیس پوائنٹس سے 22 فیصد اضافہ ہوا، سال کے آغاز میں پالیسی ریٹ کے مقابلے میں 16% تھا۔

مجموعی اقتصادی صورتحال کے تناظر میں، ایکویٹی مارکیٹ نے زیر جائزہ سال کے دوران آزادانہ گراؤٹ کا مظاہرہ کیا، 100PSX انڈیکس نے سال 2023 کے اختتام پر 62052 پوائنٹس رجسٹر کئے جو پچھلے سال کے 39747 پوائنٹس تھے۔

مالیاتی کارکردگی

سال کے دوران حاصل کردہ کلیدی مالیاتی نتائج ذیل میں پیش کئے گئے۔

| Operating Results | Year 2023 | Year 2022 |
|---|---------------------|--------------|
| | (Rupees in million) | |
| Total Income | 126 | 49 |
| Total Expenditure | 38 | 33 |
| Profit from operation | 88 | 16 |
| Un-realized gain / (loss) on re-measurement of shares | 34 | (68) |
| Profit/(Loss) before tax | 122 | (52) |
| Taxation | (42) | (19) |
| Net Loss / (Profit) after tax | 80 | (33) |
| Earnings per share | 1.551 | (0.643) |

مارکیٹ کا خطرہ:

بینک کی سرگرمیاں اسے مارکیٹ کے مختلف خطرات (لیکویڈیٹی اور کریڈٹ کے خطرات کے علاوہ) سے بے نقاب کرتی ہیں۔ بینک کی سرگرمیوں کے حوالے سے مارکیٹ کے خطرے میں شرح سود کا خطرہ، کرنسی کا خطرہ اور قیمت کے دیگر خطرات شامل ہیں۔

شرح سود کا خطرہ:

شرح سود کا خطرہ اس امکان سے پیدا ہوتا ہے جب شرح سود میں تبدیلی مالیاتی آلات کی قدر کو متاثر کرتی ہے۔ اثاثوں اور واجبات کی مقدار میں عدم مماثلت یا فرق کے نتیجے میں بینک سود کی شرح کے خطرے سے دوچار ہے جو ایک مقررہ مدت میں پختہ یا دوبارہ قیمت پر ہے۔ بینک اثاثوں اور ذمہ داریوں کی دوبارہ قیمتوں کو ملا کر اس خطرے کا انتظام کرتا ہے۔

کارپوریٹ گورننس:

کمپنی کا بورڈ آف ڈائریکٹرز (بورڈ) کمپنی کے مجموعی مقاصد کی روشنی میں اسٹریٹجک سمت، کاروباری منصوبوں اور کارکردگی کا باقاعدگی سے جائزہ لیتا ہے، بورڈ اچھی کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لئے پرعزم ہے، کمپنی ریگولیٹری طرف سے مقرر کردہ دفعات اور اسٹاک ایکسچینج کی فہرست سازی کے قوانین کی تعمیل کر رہی ہے۔

جیسا کہ کوڈ آف کارپوریٹ گورننس کے تحت ضروری ہے، بورڈ اس بات کی تصدیق کرنا چاہے گا کہ:

☆ نتائج کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالی بیانات، اس کی حالت اسے کاموں کے نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش

کرتے ہیں۔

- ☆ کمپنی کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے،
- ☆ مالیاتی گوشواروں کی تیار مناسبات کا وٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے، اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- ☆ بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے۔ مالیاتی بیانات کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی رواگتی کا مناسب طور پر انکشاف کیا گیا ہے۔
- ☆ اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- ☆ ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔
- ☆ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔
- ☆ ڈائریکٹرز میٹنگ فیس اور میٹنگ میں کسی بھی اضافے کے علاوہ کسی بھی معاوضے کے حقدار نہیں ہیں جو ان کی میٹنگ میں بورڈ آف ڈائریکٹرز نے منظور کیا اور شیئر ہولڈرز کی آئندہ میٹنگ میں اس کی توثیق کی۔
- ☆ کوڈ آف کارپوریٹ گورننس کی تعمیل میں اس کے زیادہ تر ڈائریکٹرز کے لئے ڈائریکٹرز کے تربیتی پروگرام کے سلسلے میں تا کہ انہیں ضوابط، قابل اطلاق قوانین ان کے فرائض اور ذمہ داریوں سے واقف کرایا جاسکے۔ یہ مشق جاری ہے جس کے آنے والے مالی سال 2022 میں مکمل ہونے کی امید ہے۔
- ☆ کمپنی کے چھ سالوں کی کلیدی آپریٹنگ اور مالیاتی ڈیٹا درج ذیل ہے:

| Description / Year | (Rupees in millions) | | | | | |
|-------------------------|----------------------|---------|-------|-------|-------|-------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Shareholder's equity | 788 | 708 | 741 | 716 | 639 | 779 |
| Short term financing | 109 | 120 | 45 | 54 | 242 | 556 |
| Investments | 477 | 310 | 447 | 438 | 333 | 113 |
| Total assets | 836 | 731 | 752 | 735 | 839 | 819 |
| Total revenue/income | 126 | 49 | 76 | 41 | 73 | 73 |
| Total expenses | 38 | 33 | 34 | 32 | 32 | 39 |
| Operating Profit/(Loss) | 122 | (52) | 29 | 90 | 50 | 34 |
| Net Profit/(Loss) | 80 | (33) | 25 | 77 | 39 | 17 |
| EPS | 1.551 | (0.643) | 0.488 | 1.503 | 0.768 | 0.335 |

پراویڈنٹ فنڈ کی سرمایہ کاری کی قدر

31 دسمبر 2023 تک پراویڈنٹ فنڈ کی سرمایہ کاری کی قیمت صفر روپے تھی، جو کہ 2022 صفر روپے تھی۔

شیئر ہولڈنگ کا نمونہ

کوڈ آف کارپوریٹ گورننس، 2020 کے تحت درکار انکشاف کے ساتھ 31 دسمبر 2023 تک شیئر ہولڈنگ کا نمونہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ میں تبدیلیاں

زیر نظر سال کے دوران، جناب شوکت زمان نے سبکدوش ہونے والے ڈائریکٹر جناب اعظم خان غوری کئی جگہ آرام دہ اسامی کوپڑ رکیا۔

بورڈ اور آڈٹ کمیٹی کے اجلاس اور حاضری:-

31 دسمبر 2023 کو ختم ہونے والے سال کے دوران، ساتھ بورڈ آف ڈائریکٹرز، چار آڈٹ کمیٹی اور ایک ہیومن ریسورس اینڈ ریمونریشن (R&HR) کے اجلاس منعقد ہوئے، ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

| Name | Independent / Non-Independent | Executive / Non-Executive Director | Board of Directors | Audit Committee | HR & R Committee |
|-------------------------|-------------------------------|------------------------------------|--------------------|-----------------|------------------|
| Haji Jan Muhammad | Non-Independent | Non-Executive | 7 | 4 | Not Applicable |
| Muhammad Mahboob | Non-Independent | Non-Executive | 4 | 2 | 1 |
| Faisal Zahid | Independent | Non-Executive | 7 | 4 | 1 |
| Zillay Huma Khan | Independent | Non-Executive | 4 | Not Applicable | 1 |
| Farrukh Siddiqui | Independent | Non-Executive | 5 | 3 | Not Applicable |
| Muhammad Bilal Chaudhry | Independent | Non-Executive | 7 | Not Applicable | Not Applicable |
| Azam Khan Ghauri | Independent | Non-Executive | 4 | Not Applicable | Not Applicable |
| Shaukat Zaman | Independent | Non-Executive | - | - | - |
| Zafar M. Shaikh | Non-Independent | Executive | 7 | Not Applicable | 1 |

بورڈ اور کمیٹی کے اجلاسوں میں شرکت نہ کرنے والے اراکین کو غیر حاضری کی چھٹی دی گئی۔

آڈٹ کمیٹی:

بورڈ کی آڈٹ کمیٹی نے اپنے فرائض اور ذمہ داریوں کو بورڈ کی طرف سے منظور شدہ شرائط کے مطابق موثر انداز میں ادا کرنا جاری رکھا اس رپورٹ کے ساتھ کمیٹی کی ترکیبیں منسلک کر دی گئی ہیں۔

ڈائریکٹرز اور ایگزیکٹو کے ذریعہ کمپنی کی حصص کی تجارت:

سال کے دوران ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری اور ہیڈ آف انٹرنل آڈٹ اور ان کی شریف حیات اور نابالغ بچوں نے کمپنی کی شیئر میں کوئی لین دین نہیں کیا۔

اخلاقیات اور کاروباری طرز عمل:

کارپوریٹ گورننس کے رہنما خطوط کے مطابق، کمپنی نے تعمیل کے لئے ایک ”کوڈ آف ایتھکس“ جاری کیا ہے، کمپنی کے تمام ڈائریکٹرز اور ملازمین نے ضابطہ کی سمجھ اور قبولیت کو تسلیم کرتے ہوئے اس پر دستخط کئے ہیں۔

ڈائریکٹرز کا تربیتی پروگرام

تعمیل کے بیان میں تفصیلات فراہم کی گئی ہے۔

فی شیئر آمدنی

31 دسمبر 2023 کو ختم ہونے والے سال کے لئے کمپنی کی فی حصص آمدنی 1.551 روپے تھے، جو کہ 2022 میں منفی 0.643 روپے تھی۔

ڈیویڈنڈ

21 مارچ 2024 کو ہونے والی بورڈ میٹنگ میں 31 دسمبر 2023 کو ختم ہونے والے سال کے لئے 15% بونس شیئرز اور 5% کیش ڈیویڈنڈ کا اعلان کیا گیا۔

مستقبل کا نقطہ نظر

آپ کی کمپنی کی انتظامیہ کمپنی کے کاروبار کو بہتر بنانے کی کوشش کر رہی ہے خاص طور پر ہماری کارکنز یومر/کارپوریٹ فنانشنگ پورٹ فولیو کو شریعہ کے مطابق بڑھانے پر مرکوز ہے تاکہ منافع میں اضافہ ہو اور شیئر ہولڈرز کے لئے بھی واپسی ہو، زیر نظر سال کے دوران، کمپنی نے SIB کو شریعت کے مطابق ادارے میں تبدیل کرنے کے لئے ریگولیٹرز کو ایک درخواست جمع کرائی، جو زیر عمل ہے مزید، انتظامیہ NBFC ریگولیٹری فریم ورک کے اندر مختلف کاروباری اختیارات کا جائزہ لے رہی ہے۔

متعلقہ پارٹی لین دین

فہرست سازی کے ضوابط کے تقاضوں کی تعمیل کرنے کے لئے، کمپنی نے تمام متعلقہ فریق لین کو آڈٹ کمیٹی اور بورڈ کئے سامنے ان کے جائزے اور منظور کے

لئے پیش کیا ہے۔ آڈٹ کمیٹی اور بورڈ نے اپنے اپنے اجلاسوں میں ان لین دین کی منظوری دی ہے۔
آڈیٹرز

موجودہ آڈیٹرز بیکرز ٹیلی محمود ادریز قمر، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے جو گذشتہ 5 سال سے کمپنی کے آڈیٹرز رہے۔

کوڈ 2012 کی شق (a)xxvii میں یہ شرط رکھی گئی ہے کہ مالیاتی شعبے میں درج تمام کمپنیاں ہر پانچ سال بعد اپنے بیرونی آڈیٹرز کو تبدیل کریں گی اور اس لئے ریٹائر ہونے والے آڈیٹرز کو اگلے سال کے لئے آڈیٹرز کے طور پر مقرر نہیں کیا جاسکتا۔

مذکورہ بالا کو مدنظر رکھتے ہوئے آڈٹ کمیٹی نے مناف ضیاء الدین اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر تقرری کی سفارش کی ہے۔

بورڈ آف ڈائریکٹرز نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے مناف ضیاء الدین اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹرز تقرری کے لئے آڈٹ کمیٹی کی سفارش کی توثیق کی۔

اعتراف

ہم، SIBL کے ڈائریکٹرز، ریگولیٹر، اسٹاف افسیسز کے تعاون کے لئے ان کے شکر گزار ہیں۔ ہم اپنے حصص یافتگان کے تعاون کو تسلیم کرتے ہیں اور ان کے شکر گزار ہیں، ہم انتظامیہ اور عملے کی انتھک کوششوں کو بھی تسلیم کرتے ہیں اور ان کے شکر گزار ہیں۔ ہم انتظامیہ اور عملے کی انتھک کوششوں کو بھی تسلیم کرتے ہیں اور ان کے شکر گزار ہیں۔

بورڈ کی جانب سے

ظفر ایم شیخ
چیف ایگزیکٹو آفیسر

حاجی جان محمد
چیئر مین

کراچی: 21 مارچ 2024

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

- The total number of directors during the year 2023 are 8 as per the following:

| Category | Number of Directors |
|-------------------|---------------------|
| a Male Director* | 7 |
| b Female Director | 1 |

*including the President & CEO who is an Executive Director

- The composition of the Board as at December 31, 2023 is as follows:

| Category | Name |
|------------------------|----------------------------|
| Non-Executive Director | Mr. Haji Jan Muhammad |
| | Mr. Muhammad Mehboob |
| | Mrs. Zillay Huma Khan |
| Independent Director | Mr. Faisal Zahid |
| | Mr. Farrukh Siddiqui |
| | Mr Muhammad Bilal Chaudhry |
| | Mr. Azam Khan Ghauri |
| President & CEO | Mr. Shaukat Zaman |
| | Mr. Zafar M Sheikh |

** During the year under review, Mr. Shaukat Zaman replaced with the outgoing director Mr. Azam Khan Ghauri to fill the casual vacancy.

- The Directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including Securities Investment Bank Limited (excluding the listed subsidiaries of listed holding companies where applicable).
- 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.
- The Board has approved a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.
- The meetings of the Board presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations.
- The Board has not arranged any training program for its directors during the year. One of the seven directors namely Mr. Muhammad Mehboob have already obtained certification under the Director’s Training Program and one of the directors namely Mr. Haji Jan Muhammad is exempt from Director’s Training Program as per criteria prescribed in the said regulation. The Board is committed to compliance with corporate governance regulations and plans fulfillment of the Director’s Training Program.
- The Board has approved the Appointment of the Chief Financial Officer and the Company Secretary, Auditor including their remuneration

and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The financial statements of the company were duly endorsed by Chief Executive Office and Chief Financial Officer before approval of the Board.
12. The Board formulated the following committees comprising of the members in its first board meeting held on July 07, 2022 after completion of election process, which was held on June 29, 2022:

| Audit Committee | |
|---------------------------------------|--------------------|
| Name | Designation |
| Mr. Farrukh Siddiqui | Chairman |
| Mr. Haji Jan Muhammad | Member |
| Mr. Muhammad Mehboob | Member |
| Mr. Faizal Zahid | Member |
| HR& Remuneration Committee | |
| Mr. Faizal Zahid | Chairman |
| Mr. Muhammad Mehboob | Member |
| Mr. Zafar M. Sheikh | Member |
| Mrs.Zillay Huma Khan | Member |
| Risk Management Committee | |
| Mr. Muhammad Mehboob | Member |
| Mr. Farrukh Siddiqui | Member |
| Mr. Faizal Zahid | Member |
| Mr. Zafar M Sheikh | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:

| Meetings | Frequency |
|-----------------------------|--|
| Audit Committee | Four quarterly meeting were held during the year ended December 31, 2023 |
| HR & Remuneration Committee | One meeting was held during the year ended December 31, 2023 |

15. The Board has set-up an effective internal audit function/managed by suitably qualified and experienced personnel who are conversant with the policies and procedures of the Company. Syed Ahsan Ali appointed as Head Internal Audit with effect from 11 September 2023,
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 ICAP and are registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guide lines on code of ethics as adopted by the ICAP and that the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. The Company has not arranged Directors training programs during the year as required under Regulation 19 of the Regulation.

Haji Jan Muhammad
CHAIRMAN

Date: March 21- 2024

Zafar M Sheikh
CEO

SHARIAH REVIEW REPORT TO THE BOARD OF DIRECTORS

(for Four Months (from September 01, 2023 to December 31, 2023))

I have examined the accompanying financial statements of Security Investment Bank Limited (hereafter referred to as "SIBL") from September 01, 2023 to December 31, 2023.

I acknowledge that as Shariah Advisor of SIBL it is my responsibility to provide Shariah guidelines and develop framework for assurance that the financial arrangements, contracts and transactions undertaken by the SIBL with its customers and stakeholders are in compliance with the requirements of Shariah rules and principles. It is the responsibility of the SIBL's management to ensure that the rules, principles and guidelines set by the Shariah Advisor are complied with, and that all Products and services being offered are duly approved by the Shariah Advisor.

I appreciate the vision of the BOD, CEO and Management to convert the Bank's entire operations from conventional to Islamic Financing and I am pleased with Management's efforts for speeding up the conversion process. During the four months, some new financing agreement have been facilitated with Murabaha and Ijarah mode of financing. Furthermore, 4 to 5 customers specific process flows have been approved by Shariah Advisor for the conversion of the facilities to Islamic. During the four months, Alhamdulillah, the SIBL has ongoing process for converting its policies, process flows, frameworks, credit policy and charity policy and investments with Shariah compliant rules and principles.

It is also the responsibility of the Shariah Advisor to express his opinion on the submitted financial statements. In my opinion, and to the best of my understanding based on the provided information and explanations, below are the findings:

- (i) Financial transactions undertaken by the SIBL for the year ended 31 December 2023 were in accordance with guidelines issued by Shariah Advisor as well as the related SECP rules and regulations.
- (ii) The transactions of Murabaha and Ijarah were reviewed. Declarations, description of assets, relevant purchase invoices, sequence and order of the documents and time difference between purchases and declaration where applicable were reviewed to obviate the possibility of fictitious transactions. Shariah Compliance Checklists (SCC) of transactions was also reviewed. During the four months, credit approvals, customer-specific transaction process flows, text of documents and security documents were reviewed to ensure Shariah compliance while offering financing products to the customers. These transactions were in accordance with guidelines issued by Shariah Advisor as well as requirements of SECP Rules.
- (iii) Training sessions were held in on awareness of Islamic economic System and related modes of Financing for Managerial and Business Development Staff and facilitated by Shariah Advisor and Shariah Compliance Officer.
- (iv) A charity policy would be developed for treatment of non-Shariah compliant income and a Charity account would be maintained. All non-Shariah compliant incomes received after the conversion would be transferred to this account and eventually to charitable institutions as approved by the Shariah Advisor.

While concluding; I state that over all the financial arrangements, products, services and transactions entered into by the SIBL for four months ended December 31, 2023 are in compliance with the requirements of the Shariah rules and guidelines And Allah knows the best. However, the following are recommended:

1. The efforts of the Management and other support teams are commendable; however, the conversion process needs to be addressed more aggressively, wherein, all the concerned departments are required to put their maximum efforts for the cause with close coordination with Shariah.
2. Staff Capacity building should be addressed through frequent refreshers, as the SIBL needs strong skills and mind set in Islamic Financing to smoothly execute the expansion and conversion process. The training calendar should contain ample training for the back office staff and refresher courses for the Executive Management should also be made part of regular training calendar. Furthermore, awareness sessions should also be arranged for customers and general public.
3. Keeping in view that, exponential growth and conversion in SIBL Islamic Financing Facilities is projected the adherence to Shariah guidelines become more important, therefore, it is recommended that Shariah Compliance should be an integral part of performance appraisal mechanism and the existing appraisal mechanism should be revisited, while incorporating direct impact of instances of Shariah Noncompliance on the employee's appraisal.
4. New Product Manuals (DM, Salam, Istsina, Musawama etc.), Process Manuals, marketing policy and new Investment policy based on Shariah guidelines would be prepared and duly approved by the Shariah Advisor and BOD before conversion.

I am grateful to the Board of Directors of SIBL, CEO, Management, and all relevant departments who cooperated with the Shariah Compliance function and provided every possible support to ensure Shariah Compliance in my practices.

May Allah bless us with the best Tawfeeq and bestow us with success in this world and in the world hereafter, and forgive us for our mistakes. A'ameen.

Mufti Muhammad Hanif
Shariah Advisor
Security Investment Bank Limited
March 21, 2024

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

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 Security Investment Bank Limited, 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approvals of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company’s process for identification of related parties and that whether the related party transactions were undertaken at arm’s length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2023.

We draw attention to paragraph 19 to the annexed statement of compliance as at December 31, 2023 which states that the Company is in non-compliance with certain provisions of the Regulations.

Engagement Partner: Mehmood A. Razzak

Karachi.

Date: March 21, 2024

UDIN: CR202310151clvtnJB2V

**UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2023**

CONTENTS

| | |
|-----------------------------------|----|
| Auditors' Report to the Members | 28 |
| Balance Sheet | 32 |
| Profit and Loss Account | 33 |
| Comprehensive Income | 34 |
| Cash Flow Statement | 35 |
| Statement of Changes in Equity | 36 |
| Notes to the Financial Statements | 37 |

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF SECURITY INVESTMENT BANK LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SECURITY INVESTMENT BANK LIMITED (the Company), which comprise of the statement of financial position as at December 31, 2023, and the profit and loss account, statement of comprehensive income, cash flow statement, statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity 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) along with Part VIIIA of the repealed Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), 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 loss, 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 the 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 judgment, 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:

| 1. | Valuation of Investments | |
|----|---|--|
| | Key audit matter | How the matter was addressed in our audit |
| | <p>The Company's investment comprises investments in equity and debt instruments. As at December 31, 2023 total net investment amount to Rs. 476.531 million.</p> <p>The valuation of these investments is made using different valuation techniques as dis closed in note 15 to the financial statements.</p> <p>The Company's accounting policy and movement in the year in the investments balances are disclosed in note no. 7.5 and 15 respectively to the financial statements.</p> | <p>Valuation of investments were addressed by applying following procedures:</p> <ul style="list-style-type: none"> ▪ Evaluated the design and implementation of key control around investments; ▪ Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; ▪ Performed purchases and sales testing on sample basis of trades made during the year and checked that transaction were recorded in the correct period as part of investment in case of purchases/transfers. |

| | |
|---|--|
| <p>We have considered this as a key audit matter in view of the significance of these investments in relation to the total assets of the Company.</p> | <p>Checked the existence of the securities from the Central Depository Company's report.</p> <p>We also reviewed management's assessment of whether there are any indicators of impairment including those securities that are not actively traded; and</p> <p>Furthermore, we also assessed the adequacy of the respective disclosure relating to investments as disclosed in the financial statements.</p> |
|---|--|

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

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial statements of the company and our auditor's reports 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 Companies Act, 2017 (XIX of 2017) along with Part VIII A of the repealed Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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 judgment and maintain professional skepticism throughout the audit. We also:

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

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) along with Part VIII A of the repealed Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended 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
Mehmood A. Razzak.

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Karachi

Dated: March 21, 2023

UDIN: AR202310151mhiA19VGQ

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

| | | 2023 | 2022 |
|---|------|--------------------|--------------------|
| | Note | Rupees | Rupees |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 8 | 155,531,709 | 155,266,213 |
| Ijarah assets - under financing arrangements | 9 | 2,770,833 | - |
| Intangible assets | 10 | 2,530,000 | 2,590,000 |
| Deferred tax | 11 | - | 18,451,450 |
| Long term financing | 12 | 21,568,239 | 21,871,420 |
| Long term loans and advances | 13 | 4,051,558 | 2,500,000 |
| | | 186,452,339 | 200,679,083 |
| CURRENT ASSETS | | | |
| Short term financing | 14 | 75,435,072 | 80,000,000 |
| Current portion of long term financing | 12 | 10,872,229 | 39,695,488 |
| Short term investments | 15 | 476,530,655 | 310,459,952 |
| Current portion of loan and advances | 13 | 6,412,436 | 2,573,498 |
| Deposits, prepayments and other receivables | 16 | 6,519,332 | 5,767,273 |
| Accrued interest | 17 | 14,590,025 | 14,160,129 |
| Tax refund due from Government | 18 | 56,075,091 | 70,195,185 |
| Cash and bank balances | 19 | 3,282,919 | 7,618,713 |
| | | 649,717,759 | 530,470,238 |
| TOTAL ASSETS | | 836,170,098 | 731,149,321 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized Share Capital | | | |
| 100,000,000 (2022: 100,000,000) Ordinary shares of Rs.10/- each | 20 | 1,000,000,000 | 1,000,000,000 |
| Issued, subscribed and paid-up share capital | 20 | 514,335,580 | 514,335,580 |
| Statutory reserves | 21 | 207,232,485 | 191,277,571 |
| Unappropriated profit | | 66,219,450 | 2,399,795 |
| | | 787,787,515 | 708,012,946 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax | 11 | 3,083,572 | - |
| CURRENT LIABILITIES | | | |
| Unclaimed dividend | | 2,090,749 | 2,090,749 |
| Accrued and other liabilities | 22 | 43,208,262 | 21,045,626 |
| | | 45,299,011 | 23,136,375 |
| TOTAL EQUITY AND LIABILITIES | | 836,170,098 | 731,149,321 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 23 | | |

The annexed notes from 1 to 40 form an integral part of these financial statements.

SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MOHAMMAD
CHAIRMAN/DIRECTOR

UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2023

| | 2023 | 2022 |
|--|--------------------|--------------------|
| Note | ----- Rupees ----- | ----- Rupees ----- |
| Income | | |
| Income on financing | 24 26,026,337 | 13,799,610 |
| Return on securities | 25 52,866,939 | 31,614,690 |
| Gain on sale of investments | 44,293,108 | 1,592,748 |
| Profit on deposit with banks | 1,628,019 | 981,958 |
| Other income | 26 1,446,562 | 1,381,202 |
| | 126,260,965 | 49,370,208 |
| Expenditure | | |
| Administrative expenses | 27 38,089,369 | 33,081,611 |
| | 88,171,596 | 16,288,597 |
| Operating profit before taxation | | 16,288,597 |
| Unrealized gain / (loss) on remeasurement of investments classified as fair value through profit or loss | 33,691,483 | (68,222,822) |
| | 121,863,079 | (51,934,225) |
| Profit / (loss) before taxation | | (51,934,225) |
| Taxation | 28 (42,088,510) | 18,866,335 |
| | 79,774,569 | (33,067,890) |
| Net profit / (loss) after taxation | | (33,067,890) |
| Earnings / (loss) per share - basic and diluted | 29 1.551 | (0.643) |

The annexed notes from 1 to 40 form an integral part of these financial statements.

SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MOHAMMAD
CHAIRMAN/DIRECTOR

**UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | 2023 | 2022 |
|--|--------------------------|----------------------------|
| | ----- Rupees ----- | |
| Net profit / (loss) after taxation | 79,774,569 | (33,067,890) |
| Other comprehensive income for the year | | |
| - Items that may be reclassified subsequently to statement of profit or loss | | |
| Surplus / (deficit) on revaluation of investments | - | - |
| Total comprehensive income / (loss) for the year | <u><u>79,774,569</u></u> | <u><u>(33,067,890)</u></u> |

The annexed notes from 1 to 40 form an integral part of these financial statements.

SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MOHAMMAD
CHAIRMAN/DIRECTOR

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

| | 2023 | 2022 |
|--|---------------|--------------|
| Note | Rupees | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit / (loss) before taxation | 121,863,079 | (51,934,225) |
| Adjustment for non cash and other items | | |
| Depreciation | 1,786,991 | 1,722,809 |
| Amortization | 60,000 | 143,344 |
| Gain on disposal of shares | (44,293,108) | (1,592,748) |
| Gain on disposal of fixed assets | (62,497) | (3,700) |
| Unrealized (gain) / loss on remeasurement of investments | (33,691,483) | 68,222,822 |
| | (76,200,097) | 68,492,527 |
| Cash flows from operating activities before working capital changes | 45,662,982 | 16,558,302 |
| (Increase) / decrease in operating assets | | |
| Short term financing | 4,564,928 | (80,000,000) |
| Current portion of long term financing | 28,823,259 | 4,955,893 |
| Deposits, prepayments and other receivables | (752,059) | 155,422 |
| Accrued interest | (429,896) | (8,978,707) |
| | 32,206,232 | (83,867,392) |
| Increase in operating liabilities | | |
| Accrued and other liabilities | 22,162,636 | 12,531,116 |
| Net change in operating assets and liabilities | 54,368,868 | (71,336,276) |
| Income tax paid | (6,433,394) | (1,636,474) |
| Net cash generated from / (used in) operating activities | 93,598,456 | (56,414,448) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions in fixed assets | (1,973,323) | (1,721,868) |
| Additions in ijarah assets | (2,850,000) | - |
| Loans and advances - net | (5,390,496) | (1,615,291) |
| Long term financing - net | 303,181 | (9,847,999) |
| Sale proceeds on disposal of fixed assets | 62,500 | 54,300 |
| Sale of investments (shares) | 141,013,888 | 6,892,014 |
| Investment / sale of investment in securities | (229,100,000) | 63,000,000 |
| Net cash (used in) / generated from investing activities | (97,934,250) | 56,761,156 |
| Net (decrease) / increase in cash and cash equivalents | (4,335,794) | 346,708 |
| Cash and cash equivalents at the beginning of the year | 7,618,713 | 7,272,005 |
| Cash and cash equivalents at the end of the year | 3,282,919 | 7,618,713 |

The annexed notes from 1 to 40 form an integral part of these financial statements.

SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MOHAMMAD
CHAIRMAN/DIRECTOR

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

| | Reserves | | Total | |
|--|--------------------|-----------------------|-------------------|--------------------|
| | Statutory reserve | Unappropriated profit | | |
| Rupees | | | | |
| Balance as at January 01, 2022 | 514,335,580 | 191,277,571 | 35,467,685 | 741,080,836 |
| Total comprehensive loss for the year ended December 31, 2022 | | | | |
| Loss for the year | - | - | (33,067,890) | (33,067,890) |
| Other comprehensive income | - | - | - | - |
| | - | - | (33,067,890) | (33,067,890) |
| Balance as at December 31, 2022 | 514,335,580 | 191,277,571 | 2,399,795 | 708,012,946 |
| Total comprehensive income for the year ended December 31, 2023 | | | | |
| Profit for the year | - | - | 79,774,569 | 79,774,569 |
| Other comprehensive income | - | - | - | - |
| | - | - | 79,774,569 | 79,774,569 |
| Transfer to statutory reserve | - | 15,954,914 | (15,954,914) | - |
| Balance as at December 31, 2023 | 514,335,580 | 207,232,485 | 66,219,450 | 787,787,515 |

The annexed notes from 1 to 40 form an integral part of these financial statements.

SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MOHAMMAD
CHAIRMAN/DIRECTOR

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. STATUS AND PRINCIPAL ACTIVITIES

- 1.1** Security Investment Bank Limited (the Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company was incorporated in Pakistan on May 23, 1991 and started its commercial operations on December 31, 1991. Its shares are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at Office No. 1, 1st Floor, Junaid Plaza, I-10 Markaz, Islamabad.
- 1.2** The Company is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under section 282C of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) as amended through SRO 1002 (I) /2015 dated October 15, 2015 and Non-Banking Finance Companies and Notified Entities Regulations 2008 as amended through SRO 1160(I) / 2015 dated November 25, 2015 (previously this was covered under SRO 585(1)/87 dated July 13, 1987, issued by the Ministry of Finance). The license is valid until May 29, 2025.
- 1.3** From the year 2020, the bank had not renewed its credit rating as the bank as there has been no change in the non deposit taking status of the company. Previously, VIS Credit Rating Company Limited (VIS) had assigned initial entity ratings of 'A-/A-2' to Security Investment Bank Limited (SIBL). The long term rating of 'A-' signifies adequate credit quality. The short term rating of 'A-2' signifies good certainty of timely payment.
- 1.4** During the year, the company submitted an application to the regulator to convert SIBL into shariah compliant entity, which is under process. SIBL submitted conversion plan to the regulator wherein it has been mentioned that SIBL will complete the conversion process within two years effective from September 01, 2023.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at Office No. 1, 1st Floor, Junaid Plaza, I-10 Markaz, Islamabad. The Company has a regional office at Suite no. 502, 5th Floor, Madina City Mall, Abdullah Haroon Road, Saddar Karachi.

3. BASIS OF PREPARATION

3.1 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 along with part VIIIA of the repealed Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by SECP. Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and directives issued by Securities and Exchange Commission of Pakistan (SECP) differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and directives issued by SECP have been followed.

3.2 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Company and rounded to the nearest Rupee.

4. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

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

The Company has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. These amendments neither resulted in any changes to the accounting policies nor impacted the accounting policies' information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The information disclosed in Note 7 material accounting policies has been assessed to be in line with the amendments.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these financial statements.

4.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates, underlying assumptions and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

"In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- (a) determining the residual values and useful lives of property and equipment (Note 8)
- (b) classification, valuation and impairment of financial instruments (Note 7.4, 7.5 and 7.6)
- (c) recognition of taxation and deferred tax (Note 7.15)
- (d) accounting for post employment benefits (Note 7.9)
- (e) impairment of non financial assets (Note 7.4)"

6. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except for investments carried at fair value through profit and loss and investments carried at fair value through other comprehensive income. In these financial statements, except for the amount reflected in cash flow statements, all the transactions have been accounted for on accrual basis.

7. MATERIAL ACCOUNTING POLICY INFORMATION

7.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to the statement of profit or loss applying the straight line method in accordance with the rate specified in note 8 to these financial statements, whereby the cost of an asset is written off over its estimated useful life. Full month's depreciation is charged on additions during the month in which asset is acquired, while no depreciation is charged in the month of disposal.

The assets residual values and useful lives are reviewed, and adjusted if significant, at each statement of financial position date. Minor renewals or replacements, maintenance, repairs and profit or loss on disposal of fixed assets are included in the statement of profit or loss. Major renewals and repairs are capitalized.

Fully depreciated assets are being kept at written down value of Rs. 1/- each.

7.2 Ijarah assets given to customers under agreement

Assets leased out under Ijarah are recorded as Ijarah assets and are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Depreciation is charged to the statement of profit or loss by applying the straight line method whereby the cost of an asset less salvage value is written off over the lease term, which is considered to be the estimated useful life of the asset. (Refer Note 9)

- Muj`ir (lessors) presents the assets subject to Ijarah in their balance sheet according to the nature of the asset, distinguished from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expenses.
- Initial direct costs incurred specifically to earn revenues from Ijarah are recognised as an expense in the statement of profit or loss in the year in which they are incurred.

7.3 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Intangibles are stated at cost less accumulated amortization and impairment losses, if any. These costs are amortized over their estimated useful life using the straight-line method. (Refer Note 10)"

7.3.1 Trading rights and membership card

These are stated at cost less impairments, if any. The carrying amounts are reviewed at each statement of financial position date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

7.4 Impairment

The carrying amount of the Company's assets, except assets carried as per IFRS-9, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognised as expense in the profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

7.5 Investments in subsidiary

Investment in unquoted subsidiary is initially valued at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

7.6 Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) 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 asset 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, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

b) Financial assets at fair value through other comprehensive income

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

c) Financial assets at fair value through profit or loss

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

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach to recognise lifetime expected credit losses for trade and other receivables.

Off-setting of financial assets and financial liabilities

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

7.7 Impairment of financing

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. This objective evidence of impairment of fixed income securities is determined in accordance with provisioning criteria for non performing exposures as per the requirements of NBFC Rules and Regulations.

7.8 Trade date and settlement date accounting

All "regular way" purchases and sales of financial assets are recognised on the settlement date, i.e. the date on which the asset is delivered to or by the Company. Regular way purchases or sales of financial assets are those contract that requires delivery of assets within the time frame generally established by regulation or convention in the market place.

7.9 Staff retirement benefits

Defined contribution plan

The Company operated an approved Provident Fund Scheme for all its permanent employees. Equal monthly contributions were made, both by the Company and the employee, to the fund @ 10% of basic salary.

7.10 Cash and bank balances

Cash in hand and at bank are carried at nominal amounts.

7.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with banks in current and deposit account and short term clean placement.

7.12 Provisions

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

7.13 Revenue

Income on financing, placement, government securities, profit on deposits and term finance certificates are generally recognised on time proportion basis taking into account the principal / net investment outstanding and applicable rates of profit / return thereon. Income on discounted commercial papers is recognized on a time proportion basis over the life of instruments. Where recovery is considered doubtful, income is recognised on receipt basis.

Dividends on equity investments are recognised as income when the right to receive payment is established.

Income from capital gains is recognised on earned basis.

Fee, commission, liquidated damages etc. are recorded on earned basis except which is spread over the time proportion.

7.14 Finance cost

Finance cost includes return on deposits and borrowings which are recognised on a time proportionate basis taking into account the relevant issue date and final maturity date.

7.15 Taxation

Current

Current tax is the expected tax payable on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using tax rates enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method on all temporary differences at the statement of financial position date between the tax base of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, if any, to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the statement of financial position date.

Deferred tax on surplus / (deficit) on revaluation of investments is charged or credited directly to the same account.

7.16 Related party transactions

All transactions with the related parties are priced on arm's length basis.

7.17 Provision for doubtful debts on financing

The Company reviews its doubtful debts at each reporting date to assess whether provision / (income suspension) should be recorded in the profit and loss account in addition to the mandatory provision / (income suspension) required in accordance with the requirements of the NBFC Regulations issued by Securities and Exchange Commission of Pakistan. In particular, calculating the provision for doubtful debts on financing is subject to numerous judgments, estimates and timing of future cash flows. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

7.18 Dividend distributions and appropriations

Dividend distributions and appropriations other than statutory appropriations are recorded in the period in which they are approved.

| 8. FIXED ASSETS | Note | 2023 | 2022 |
|--------------------------|------|--------------------|--------------------|
| | | Rupees | |
| Property and equipment | 8.1 | 155,531,709 | 153,697,765 |
| Capital work in progress | | - | 1,568,448 |
| | | <u>155,531,709</u> | <u>155,266,213</u> |

8.1 PROPERTY AND EQUIPMENT

| | Leasehold land | Building | Furniture and fixtures | Computer and equipments | Vehicles | Generator | Telephone system | Total |
|-------------------------------------|----------------|-------------|------------------------|-------------------------|----------|-----------|------------------|--------------|
| ----- Rupees ----- | | | | | | | | |
| As at December 31, 2021 | | | | | | | | |
| Gross carrying value basis | | | | | | | | |
| Cost | 121,516,047 | 32,000,000 | 8,916,237 | 2,816,230 | 107,000 | 582,736 | 253,969 | 166,192,219 |
| Accumulated depreciation | - | (1,973,330) | (5,722,004) | (2,342,144) | (39,087) | (543,931) | (253,969) | (10,874,465) |
| Net book value | 121,516,047 | 30,026,670 | 3,194,233 | 474,086 | 67,913 | 38,805 | - | 155,317,754 |
| Year ended December 31, 2022 | | | | | | | | |
| Net carrying value basis | | | | | | | | |
| Opening net book value | 121,516,047 | 30,026,670 | 3,194,233 | 474,086 | 67,913 | 38,805 | - | 155,317,754 |
| Additions (at cost) | - | - | - | 153,420 | - | - | - | 153,420 |
| Disposals | | | | | | | | |
| Cost | - | - | (161,776) | (284,185) | - | - | - | (445,961) |
| Accumulated depreciation | - | - | 117,386 | 277,975 | - | - | - | 395,361 |
| Depreciation charge | - | - | (44,390) | (6,210) | - | - | - | (50,600) |
| Closing net book value | 121,516,047 | 29,386,674 | 2,271,089 | 444,693 | 52,097 | 27,165 | - | 153,697,765 |
| As at December 31, 2022 | | | | | | | | |
| Gross carrying value basis | | | | | | | | |
| Cost | 121,516,047 | 32,000,000 | 8,754,461 | 2,685,465 | 107,000 | 582,736 | 253,969 | 165,899,678 |
| Accumulated depreciation | - | (2,613,326) | (6,483,372) | (2,240,772) | (54,903) | (555,571) | (253,969) | (12,201,913) |
| Net book value | 121,516,047 | 29,386,674 | 2,271,089 | 444,693 | 52,097 | 27,165 | - | 153,697,765 |
| Year ended December 31, 2023 | | | | | | | | |
| Net carrying value basis | | | | | | | | |
| Opening net book value | 121,516,047 | 29,386,674 | 2,271,089 | 444,693 | 52,097 | 27,165 | - | 153,697,765 |
| Transfer from CWIP | 3,152,777 | - | - | - | - | - | - | 3,152,777 |
| Additions (at cost) | - | - | - | 275,050 | - | - | 113,944 | 388,994 |
| Disposals | | | | | | | | |
| Cost | - | - | - | (268,753) | - | - | - | (268,753) |
| Accumulated depreciation | - | - | - | 268,750 | - | - | - | 268,750 |
| Depreciation charge | - | - | - | (3) | - | - | - | (3) |
| Closing net book value | 124,668,824 | 28,746,678 | 1,395,819 | 552,118 | 38,801 | 15,525 | 113,944 | 155,531,709 |
| As at December 31, 2023 | | | | | | | | |
| Gross carrying value basis | | | | | | | | |
| Cost | 124,668,824 | 32,000,000 | 8,754,461 | 2,691,762 | 107,000 | 582,736 | 367,913 | 169,172,696 |
| Accumulated depreciation | - | (3,253,322) | (7,358,642) | (2,139,644) | (68,199) | (567,211) | (253,969) | (13,640,987) |
| Net book value | 124,668,824 | 28,746,678 | 1,395,819 | 552,118 | 38,801 | 15,525 | 113,944 | 155,531,709 |
| Depreciation rate per annum (%) | - | 2 | 10 | 20 | 20 | 10 | 10 | |

8.2 Cost as at the end of the year include an amount of Rs. 2,453,861 (2022: Rs. 2,472,198) in respect of fully depreciated assets still in use.

8.3 Particulars of Disposal of Property and Equipment

| | Original cost | Accumulated depreciation | Written down value | Sales proceeds | Profit on disposal | Mode of disposal | Relationship |
|-------------------------------------|----------------|--------------------------|--------------------|----------------|--------------------|------------------|--------------|
| ----- Rupees ----- | | | | | | | |
| Year ended December 31, 2023 | | | | | | | |
| Computer and equipments | | | | | | | |
| Split Air Conditioner (2 Sets) | 222,078 | 222,077 | 1 | 22,000 | 21,999 | Negotiation | Third party |
| Split Air Conditioner (2 Sets) | 41,675 | 41,674 | 1 | 12,500 | 12,499 | Negotiation | Third party |
| Batteries for ups | 5,000 | 4,999 | 1 | 28,000 | 27,999 | Negotiation | Third party |
| Total | 268,753 | 268,750 | 3 | 62,500 | 62,497 | | |

| 9. IJARAH ASSETS - UNDER FINANCING ARRANGEMENTS | Note | 2023 | 2022 |
|---|------|--------------------|----------|
| | | ----- Rupees ----- | |
| Vehicle | | | |
| Year ended December 31, | | | |
| Net carrying value basis | | | |
| Opening net book value | | - | - |
| Additions (at cost) | | 2,850,000 | - |
| Depreciation charge | | (79,167) | - |
| Closing net book value | | <u>2,770,833</u> | <u>-</u> |
| As at December 31, | | | |
| Gross carrying value basis | | | |
| Cost | | 2,850,000 | - |
| Accumulated depreciation | | (79,167) | - |
| Net book value | | <u>2,770,833</u> | <u>-</u> |

9.1 The Bank has entered into Ijarah arrangements for period of 3 years against which security deposit were obtained at the time of disbursement.

| 10. INTANGIBLE ASSETS | Note | 2023 | 2022 |
|----------------------------------|------|--------------------|------------------|
| | | ----- Rupees ----- | |
| Corporate membership of the PMEX | | 2,500,000 | 2,500,000 |
| DHA Membership | 10.1 | 30,000 | 90,000 |
| | | <u>2,530,000</u> | <u>2,590,000</u> |

10.1 This membership was acquired on June 27, 2019 which is valid for a period of 5 years and after that it shall be renewed as per the requirements of Pakistan Defence Officers Housing Authority.

| 11. DEFERRED TAX | | 2023 | 2022 |
|--|--|--------------------|---------------------|
| | | ----- Rupees ----- | |
| Deferred tax liability / (asset) arising in respect of: | | | |
| Accelerated depreciation | | 3,992,816 | 3,780,198 |
| Unrealized gain / (loss) on revaluation of investments measured at fair value through profit on loss | | 5,096,044 | (10,233,423) |
| Unabsorbed business losses | | (2,969,621) | (9,609,909) |
| Unabsorbed tax depreciation | | (3,035,667) | (2,388,316) |
| | | <u>3,083,572</u> | <u>(18,451,450)</u> |
| 11.1 Movement in deferred tax | | | |
| Opening balance - deferred tax assets | | 18,451,450 | 5,880,764 |
| (Income) / expense during the year | | (21,535,022) | 12,570,686 |
| Closing balance - deferred tax (liability) / assets | | <u>(3,083,572)</u> | <u>18,451,450</u> |

| | | 2023 | 2022 |
|--|--|--------------------|--------------------|
| | Note | Rupees | |
| 12. LONG TERM FINANCING | | | |
| <i>Secured and considered good</i> | | | |
| Murabaha and other finance | | 42,488,932 | 73,929,822 |
| Less: Deferred income from finance | | (10,048,464) | (12,362,914) |
| Murabaha and other receivable | 12.1 & 12.2 | 32,440,468 | 61,566,908 |
| Less: Current portion of long term financing | | (10,872,229) | (39,695,488) |
| | | <u>21,568,239</u> | <u>21,871,420</u> |
| 12.1 | These represent financing of vehicle on Murabaha basis against hypothecation of vehicles for a period of 2 to 3 years, carrying mark up at 1 Year KIBOR + 2.5% to 5% per annum (2022: 1 Year KIBOR+ 2% to 3%). | | |
| 12.2 | This represents financing of working capital requirement against hypothecation of stock and mortgage of property carrying mark up at 22.34% (2022: 1 Year KIBOR+ 2% to 3%). | | |
| 13. LONG TERM LOANS AND ADVANCES | | | |
| <i>Advances - secured</i> | | | |
| - Staff | | 7,563,994 | 1,973,498 |
| - Against expenses | | 400,000 | 600,000 |
| - For office premises | 13.1 | 2,500,000 | 2,500,000 |
| | | 10,463,994 | 5,073,498 |
| Less: Current portion of loan and advances | | (6,412,436) | (2,573,498) |
| | | <u>4,051,558</u> | <u>2,500,000</u> |
| 13.1 | This amount represents advance paid for office space in National Commodity Exchange Limited Building (NCEL) in the year 2003-04 and 2004-05. The said building is still under construction. | | |
| 14. SHORT TERM FINANCING | | | |
| Demand finance | 14.1 | 75,435,072 | 80,000,000 |
| | | <u>75,435,072</u> | <u>80,000,000</u> |
| 14.1 | These represent demand finance under collateral of hypothecation of stock and property, carrying mark-up at 1 Year KIBOR + 3% to 4% per annum (2022: 1 Year KIBOR+ 3% to 4%). | | |
| 15. SHORT TERM INVESTMENTS | | | |
| <i>Measured at amortised cost</i> | | | |
| Market treasury bills | | 369,100,000 | 160,000,000 |
| Market Sukuk | | 20,000,000 | |
| <i>Measured at fair value through profit or loss</i> | | | |
| Investment in quoted equity shares | 15.1 | 87,430,655 | 150,459,952 |
| | | <u>476,530,655</u> | <u>310,459,952</u> |

15.1 Investment in quoted equity shares

| 2023 | | 2022 | | 2023 | | 2022 | |
|------------------------|------------------|---|-------------------------------------|--------------------|-------------------|--------------------|--------------------|
| No. of ordinary shares | | | | Cost | Market Value | Cost | Market Value |
| | | | | ----- Rupees ----- | | | |
| | | Cement | | | | | |
| 59,358 | 212,358 | | Lucky Cement Limited | 42,955,010 | 46,713,559 | 153,674,990 | 94,834,836 |
| | | Bank | | | | | |
| 350,253 | 629,253 | | Bank Al Habib Limited | 24,219,995 | 28,209,377 | 43,512,845 | 34,785,106 |
| 48,737 | 48,737 | | MCB Bank Limited | 7,344,179 | 8,409,569 | 7,344,179 | 5,661,290 |
| | | INV. BANKS / INV. COS. / SECURITIES COS. | | | | | |
| - | 1,002,953 | | Pakistan Stock Exchange Limited | - | - | 18,313,922 | 8,103,860 |
| | | Engineering | | | | | |
| - | 35,000 | | Anreli Steels Limited | - | - | 1,370,250 | 628,250 |
| | | Oil & Gas Exploration Companies | | | | | |
| - | - | | Sui Southern Gas Company Limited | - | - | - | - |
| | | Power Generation | | | | | |
| - | 55,000 | | Kot Addu Power Company Limited | - | - | 1,916,200 | 1,465,750 |
| 35,000 | 71,000 | | The Hub Power Company Limited | 2,573,550 | 4,098,150 | 5,220,630 | 4,478,680 |
| - | - | | K-Electric Limited | - | - | - | - |
| | | Synthetic & Rayon | | | | | |
| - | 1,477 | | Gartron (Industries) Limited / NOVA | - | - | 474,073 | 502,180 |
| | | Refinery | | | | | |
| - | - | | Attock Refinery Limited | - | - | - | - |
| <u>493,348</u> | <u>2,055,778</u> | | | <u>77,092,734</u> | <u>87,430,655</u> | <u>231,827,089</u> | <u>150,459,952</u> |

| 16. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | Note | 2023 | 2022 |
|---|---|------|--------------------|-------------------|
| | | | ----- Rupees ----- | |
| | Security deposits | | 401,280 | 401,280 |
| | Prepayments | | 608,708 | 938,585 |
| | Other receivables - considered good | | 5,509,344 | 4,427,408 |
| | | | <u>6,519,332</u> | <u>5,767,273</u> |
| 17. ACCRUED INTEREST | | | | |
| | Profit on demand finance- receivable | | 4,368,816 | 1,774,292 |
| | Profit on murabaha car finance receivable | | 10,221,209 | 12,385,837 |
| | | | <u>14,590,025</u> | <u>14,160,129</u> |

18. TAX REFUND DUE FROM GOVERNMENT

| | | |
|-------------------------------|--------------------------|-------------------|
| Advance tax | 296,395,600 | 289,962,206 |
| Less: Provisions for taxation | (240,320,509) | (219,767,021) |
| | <u>56,075,091</u> | <u>70,195,185</u> |

19. CASH AND BANK BALANCES

| | | | |
|--|-------------|-------------------------|------------------|
| Cash in hand | | 32,350 | 49,953 |
| With State Bank of Pakistan in current account | | 5,021 | 21 |
| Current accounts | | 1,922,462 | 1,922,462 |
| Deposit accounts | <i>19.1</i> | 1,323,086 | 5,646,277 |
| | | <u>3,282,919</u> | <u>7,618,713</u> |

19.1 Rate of return on these deposit accounts ranges from 14.50% to 20.50% per annum (2022: 12.50% to 14.50% per annum).

20. SHARE CAPITAL

Note **2023** **2022**
----- Rupees -----

Authorized share capital

| <u>Number of shares</u> | |
|---------------------------|--------------------|
| <u>2023</u> | <u>2022</u> |
| <u>100,000,000</u> | <u>100,000,000</u> |

| | |
|-----------------------------|----------------------|
| <u>1,000,000,000</u> | <u>1,000,000,000</u> |
|-----------------------------|----------------------|

Issued, subscribed and paid-up share capital

| <u>Number of shares</u> | |
|--------------------------|-------------------|
| <u>2023</u> | <u>2022</u> |
| <u>23,552,000</u> | <u>23,552,000</u> |
| <u>27,881,558</u> | <u>27,881,558</u> |
| <u>51,433,558</u> | <u>51,433,558</u> |

| | | | | |
|--|--|---|---------------------------|--------------------|
| | | Ordinary shares of Rs. 10/- each fully paid in cash | 235,520,000 | 235,520,000 |
| | | Ordinary shares of Rs. 10/- each issued as fully paid bonus shares. | 278,815,580 | 278,815,580 |
| | | | <u>514,335,580</u> | <u>514,335,580</u> |

Note **2023** **2022**
----- Rupees -----

21. STATUTORY RESERVES

| | | |
|-------------|---------------------------|---------------------------|
| <i>21.1</i> | <u>207,232,485</u> | <u>191,277,571</u> |
|-------------|---------------------------|---------------------------|

21.1 This reserve is created at the rate of 20% of profit for the year from ordinary activities after taxation as per management discretion. However, in prior periods, this reserve was created in compliance with Regulation No. 16 of Non-Banking Finance Companies and Notified Entities Regulations 2008, as this was mandatory to be created by a deposit taking NBFC. The Company has ceased to be a deposit taking NBFC in 2016.

| | 2023 | 2022 |
|--|-------------------|-------------|
| | Rupees | |
| 22. ACCRUED AND OTHER LIABILITIES | | |
| Payable to related parties | - | 23,535 |
| Accrued and other expenses | 43,208,262 | 21,022,091 |
| | 43,208,262 | 21,045,626 |
| 23. CONTINGENCIES AND COMMITMENTS | | |
| There were no contingencies and commitments as at the statement of financial position date except tax contingencies as disclosed in note no. 28.1. | | |
| | | |
| | 2023 | 2022 |
| | Rupees | |
| 24. INCOME ON FINANCING | | |
| Demand finance | 20,458,509 | 10,266,259 |
| Murabaha finance | 5,475,948 | 3,533,351 |
| Ijara finance | 91,880 | - |
| | 26,026,337 | 13,799,610 |
| 25. RETURN ON SECURITIES | | |
| Return on Government securities | 39,355,035 | 25,149,574 |
| Return on term finance certificates (TFC) | 1,133,743 | - |
| Dividend income | 12,378,161 | 6,465,116 |
| | 52,866,939 | 31,614,690 |
| 26. OTHER INCOME | | |
| Gain on sale of fixed assets | 62,497 | 3,700 |
| Processing income | 399,616 | 581,678 |
| Rental income | 686,400 | 624,000 |
| Miscellaneous | 218,175 | 171,824 |
| Profit on staff personal loan | 79,874 | - |
| | 1,446,562 | 1,381,202 |

| 27. ADMINISTRATIVE EXPENSES | Note | 2023 Rupees | 2022 Rupees |
|--|------|---------------------|-------------------|
| Salaries, wages and other benefits | | 23,092,860 | 19,800,626 |
| Contribution to provident fund | 30 | - | 274,608 |
| Rent, rates and taxes | | 917,037 | 1,168,038 |
| Telephone, telex and fax | | 567,994 | 845,833 |
| Electricity, water and gas | | 1,050,688 | 766,892 |
| Printing, postage and stationery | | 661,725 | 584,754 |
| Insurance | | 269,435 | 142,587 |
| Fees and membership | | 3,013,291 | 2,223,273 |
| Brokerage and commission | | 279,675 | 17,305 |
| Central Depository Company charges | | 220,703 | 123,307 |
| Auditors' remuneration | 27.1 | 430,000 | 430,000 |
| Legal and professional fees | | 1,540,752 | 1,521,039 |
| Vehicle running and maintenance | | 991,716 | 844,626 |
| Repairs and maintenance | | 740,485 | 664,099 |
| Advertisement | | 156,120 | 362,938 |
| Travelling and conveyance | | 845,141 | 259,042 |
| Entertainment | | 789,236 | 551,870 |
| Depreciation | 27.2 | 1,786,991 | 1,722,809 |
| Amortisation | | 60,000 | 143,344 |
| Bank charges | | 29,997 | 32,768 |
| Medical expense | | 183,353 | 317,582 |
| Old age benefit | | 125,425 | 63,300 |
| Books, periodicals and newspapers | | 50,160 | 30,050 |
| Other expenses | | 286,585 | 190,921 |
| | | <u>38,089,369</u> | <u>33,081,611</u> |
| 27.1 Auditors' remuneration | | | |
| Statutory audit fee | | 300,000 | 300,000 |
| Half yearly review fee | | 100,000 | 100,000 |
| Out of pocket expenses | | 30,000 | 30,000 |
| | | <u>430,000</u> | <u>430,000</u> |
| 27.2 Depreciation | | | |
| Depreciation on property and equipment | 8.1 | 1,707,824 | 1,722,809 |
| Depreciation on Ijara assets | 9 | 79,167 | - |
| | | <u>1,786,991</u> | <u>1,722,809</u> |
| 28. TAXATION | | | |
| Current tax | 28.1 | (21,800,314) | (5,135,532) |
| Prior year tax | | 1,246,826 | 11,431,181 |
| Deferred tax | | (21,535,022) | 12,570,686 |
| | | <u>(42,088,510)</u> | <u>18,866,335</u> |

28.1 The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates, underlying assumptions and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Assessment in respect of tax years 2006 & 2007 were rectified under section 221 of the Ordinance on the issue of apportionment of expenses between Exempt & Taxable Income. The assessment was finalized in respect of the above mentioned tax years, however, a rectification application has been filed in respect of tax year 2007 on short credit of taxes paid/ withheld. The concerned taxation officer called for the record in respect of tax claimed by the Company. The record was duly furnished to the officer, however, tax credit was not allowed. Another application in this respect has been filed vide letter bearing Ref: T-390/2014/98 dated November 18, 2014.

Assessment in respect of tax year 2008 was amended vide order dated December 24, 2009 issued under section 122 of the Ordinance by Deputy Commissioner Inland Revenue (the "DCIR") creating tax demand of Rs. 37,791,566. The Company filed an appeal before CIR(A), which was decided in favor of tax department. The Company filed a second appeal before ATIR which was also decided mostly against the Company.

The Company has filed a reference application before Islamabad High Court against the said order of ATIR. The date of hearing has not yet been fixed.

"The return filed by the Company was selected for audit under section 177 of the Ordinance. Information document request was served under section 176 of the Ordinance which was duly responded. On the basis of reply submitted and hearing with the officer the return was amended under section 122(5) creating a tax demand amounting Rs. 14,460,027.

"Being aggrieved with the assessment, an appeal against the said order was submitted before the CIR (A) which has been decided in the favor of Company on the following grounds.

- "Disallowance pertaining to FTR income
- "Brought forward losses

The above matters are remanded back to the assessing officer.

The stance of the Company on Profit on debt and Advertisement expenses is not accepted by the CIR(A) and decided in the favor of department. An appeal on the above grounds will be filed before Appellate Tribunal Inland Revenue the (ATIR).

Assessment in respect of tax year 2012 was amended vide assessment order dated February 28, 2014 under section 221/113 of the Ordinance BY ADIR creating tax demand amounting Rs. 1,096,510. A rectification application was filed which was rejected. The order of DCIR was contested before CIR(A) who remanded back the case to DCIR for further verification. However, DCIR again issued assessment order under section 124/122(5A). The company filed an appeal before CIR(A) and commissioner appeals through appellate order partially confirm the assessment order. The Company filed an appeal before ATIR.

Assessment in respect of Tax Year 2013 was amended vide assessment order dated September 09, 2018 issued under Section 122 (5A) of the Ordinance by Additional Commissioner Inland Revenue (the "ADIR") creating tax demand of Rs. 22,746, 522. The company filed an appeal before CIR(A).

Assessment in respect of Tax Year 2014 was amended vide assessment order dated January 31, 2019 issued under section 122 (5A) of the Ordinance by ADIR creating tax demand amounting Rs. 612,042. The company filed an appeal before the CIR(A) who remanded back the order. However, DCIR again issued assessment order under section 124/122(5A). The company filed an appeal before CIR(A) and commissioner appeals through appellate order partially confirm the assessment order. The Company filed an appeal before ATIR.

Assessment in respect of Tax Year 2015 was amended vide assessment order bearing bar code No. 100000091909912 dated February 02, 2021 issued under Section 122 (5A) of the Ordinance by Additional Commissioner Inland Revenue (the "ADIR") Audit-I, range-II creating tax demand of Rs. 19,462,238. The company filed an appeal before CIR(A) and commissioner appeals through appellate order partially confirm the assessment order. The Company is in the process of filing of appeal before ATIR.

Assessment in respect of Tax Year 2016 was amended vide assessment order bearing DCR No. 07/26 dated January 01, 2021 in terms of section 122 (5A) of the Ordinance by the Additional Commissioner, Audit-I, Range-II creating an aggregate demand amounting Rs. 11,084,337 in furtherance of proceedings under Section 122 of the Ordinance. The company filed an appeal before the CIR(A) and commissioner appeals through appellate order partially confirm the assessment order. The Company is in the process of filing of appeal before ATIR.

Assessment in respect of Tax Year 2018 was amended vide order under section 221 of the Ordinance by Inland Revenue Officer (the "IRO") creating tax demand amounting Rs. 22,556,987. The company filed an appeal before CIR(A) who remanded back the case to IRO with the direction to afford the appellant ample opportunity to present company's point of view along with the relevant supporting evidence to justify the declared return. However, assessing officer has passed the ex-parte order. The company filed an appeal before the CIR(A) who remanded back the case vide Assessment order bearing bar code No. 100000113390383 dated November 30, 2021. As per our information no further notice is yet received in this regard.

Assessment in respect of Tax Year 2018 was amended vide assessment order bearing bar code No. 100000127765319 dated July 29, 2022 in terms of section 122 (5A) of the Ordinance by the Additional Commissioner, Audit-II, Range-II by disallowing the refund adjustment aggregate Rs. 12,475,163. The company filed an appeal before the CIR(A) and commissioner appeals through appellate order remanded back the case to the assessing officer to pass a speaking order after providing an opportunity of being heard.

Assessment in respect of Tax Year 2018 was amended vide assessment order bearing bar code No. 100000166641681 dated October 30, 2023 in terms of section 122 (1) of the Ordinance by the Assistant / Deputy Commissioner Inland Revenue (the "ADCIR"), Zone-I, Range-I, Zone-IV creating tax demand amounting Rs. 5,528,108. The company filed an appeal CIR(A) and no hearing notice in this regard has been issued to the tax payer.

Assessment in respect of Tax Year 2020 was amended vide assessment order bearing bar code No. 100000127773690 dated July 29, 2022 in terms of section 122 (5A) of the Ordinance by the Additional Commissioner, Audit-II, Range-II by disallowing the refund adjustment aggregate Rs. 9,852,119. The company filed an appeal before the CIR(A) and commissioner appeals through appellate order remanded back the case to the assessing officer to pass a speaking order after providing an opportunity of being heard.

Assessment in respect of tax year 2022 was rectified under section 221 of the Ordinance vide assessment order dated May 29, 2023 by Assistant / Deputy Commissioner Inland Revenue, Zone-I, Range-I, Zone-IV creating tax demand amounting Rs. 6,707,811. The company filed an appeal before the CIR(A) and commissioner appeals through appellate order remanded back the case to the assessing officer to pass a speaking order after providing an opportunity of being heard.

The numerical reconciliation between tax expense and accounting profit for the year ended December 31, 2023 has not been presented for in these financial statements as the income of the Company was either subject to minimum tax, alternate corporate tax, special rate of tax or final tax under various provisions of the Income Tax Ordinance, 2001.

29. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

| | 2023 | 2022 |
|---|-----------------------|---------------------|
| | ----- Rupees ----- | |
| 29.1 Basic earnings / (loss) per share | | |
| Net profit / (loss) after taxation | Rs. <u>79,774,569</u> | <u>(33,067,890)</u> |
| | ----- Number ----- | |
| Weighted average number of ordinary shares | <u>51,433,558</u> | <u>51,433,558</u> |
| | ----- Rupees ----- | |
| Earnings / (loss) per share - basic and diluted | Rs. <u>1.551</u> | <u>(0.643)</u> |

29.2 Diluted earnings / (loss) per share

No figure for diluted earnings / (loss) per share has been presented as the Company has not issued any instrument that would have an impact on its earnings / (loss) exercised.

30. DEFINED CONTRIBUTION PLAN

An amount of Rs. 0.00 million (2022: Rs. 0.275 million) has been charged during the year in respect of contributory provident fund maintained by the Company.

30.1 Disclosure relating to provident fund

The Company operated a recognised Provident Fund (the Fund) for its permanent employees, however the fund was suspended in October 2022.

| | 2023 | 2022 |
|---|--------------------|-----------|
| | ----- Rupees ----- | |
| (i) Size of the fund | - | 1,009,014 |
| (ii) Cost of investments made | - | 919,485 |
| (iii) Percentage of investments made | - | - |
| (iv) Fair value of investments in government securities | - | 89,529 |

| Break up of the investments is as follows: | 2023 | 2022 | 2023 | 2022 |
|---|------------------------|-------|--------------------|---------|
| | ----- Percentage ----- | | ----- Rupees ----- | |
| Bank balance | 0.00 | 91.13 | - | 919,485 |
| Government securities and other receivables | 0.00 | 8.87 | - | 89,529 |

30.2 Investments out of Provident Fund were made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

31. REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVE AND NON-EXECUTIVE DIRECTORS AND EXECUTIVES

| | 2023 | | | | 2022 | | | |
|-------------------------|-------------------------|-------------------------|--------------------|-----------|-------------------------|-------------------------|--------------------|-----------|
| | Chief Executive Officer | Non-Executive Directors | Executive Director | Executive | Chief Executive Officer | Non-Executive Directors | Executive Director | Executive |
| | ----- Rupees ----- | | | | | | | |
| Directors meeting fees | - | 885,000 | - | - | - | 805,000 | - | - |
| Managerial remuneration | 6,700,000 | - | - | - | 5,925,000 | - | - | - |
| Bonus | 802,273 | - | - | - | 725,000 | - | - | - |
| Medical expense | 483,336 | - | - | - | 450,000 | - | - | - |
| Other benefits | 2,992,726 | - | - | - | 2,469,528 | - | - | - |
| | 10,978,335 | 885,000 | - | - | 9,569,528 | 805,000 | - | - |
| Number of persons | 1 | 7 | - | - | 1 | 7 | - | - |

- 31.1 The executives of the Company are also entitled to free use of Company owned and maintained vehicles.
- 31.2 During the year director fees was increased from Rs. 0.035 million per meeting to Rs. 0.05 million per meeting.

32. LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company has diversified its funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily cashable marketable securities. The maturity profile is monitored on regular basis by Assets and Liabilities Committee to ensure that adequate liquidity is maintained. Following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any.

| | December 31, 2023 | | | Total |
|-------------------------------|-------------------|--|---------------|-------------------|
| | Upto three months | More than three months and upto one year | Over one year | |
| ----- Rupees ----- | | | | |
| Liabilities | | | | |
| Unclaimed dividend | 2,090,749 | - | - | 2,090,749 |
| Accrued and other liabilities | 43,208,262 | - | - | 43,208,262 |
| | 45,299,011 | - | - | 45,299,011 |

| | December 31, 2022 | | | Total |
|-------------------------------|-------------------|--|---------------|-------------------|
| | Upto three months | More than three months and upto one year | Over one year | |
| ----- Rupees ----- | | | | |
| Liabilities | | | | |
| Unclaimed dividend | 2,090,749 | - | - | 2,090,749 |
| Accrued and other liabilities | 21,022,091 | 23,535 | - | 21,045,626 |
| | 23,112,840 | 23,535 | - | 23,136,375 |

33. CREDIT RISK AND CONCENTRATION OF CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter-parties, and continually assessing the credit worthiness of counter-parties.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of a Company's performance to developments affecting a particular industry.

The Company follows two sets of guidelines. Firstly, it has its own operating policies duly approved by the Board of Directors. Secondly, it adheres to the regulations issued by the SECP and SBP. The operating policies define the extent of fund and non-fund based exposures with reference to a particular sector or group.

The Company seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentration of risks with individuals or groups of customers in specific locations or business. It also obtains security when appropriate. Details of industry / sector analysis of finance portfolio is given below:

33.1 Finance

| | 2023 | | 2022 | |
|---------------|--------------------|-------------|--------------------|-------------|
| | Rupees | % | Rupees | % |
| Trading | 11,776,633 | 10.70% | - | 0.00% |
| Manufacturing | 75,380,072 | 68.46% | 80,000,000 | 56.51% |
| Others | 22,956,382 | 20.85% | 61,566,908 | 43.49% |
| | <u>110,113,087</u> | <u>100%</u> | <u>141,566,908</u> | <u>100%</u> |

33.2 Geographical Segment

These financial statements represent operations of the Company in Pakistan only.

34. MARKET RISK

The Company's activities expose it to a variety of market risks (in addition to liquidity and credit risks). Market risk with respect to the Company's activities include interest rate risk, currency risk and other price risk.

34.1 Interest rate risk

Interest rate risk arises from the possibility when changes in interest rate affect the value of financial instruments. The Company is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or reprice in a given period. The Company manages this risk by matching the repricing of assets and liabilities.

The Company's exposure to interest rate risk on its financial assets and financial liabilities are summarized as follows:

| Description | December 31, 2023 | | | | |
|--|--------------------|---------------------------------------|-----------------------------------|------------------|---|
| | Total | Exposed to interest rate / yield risk | | | Not exposed to interest rate / yield risk |
| | | Within one year | More than one year and up to five | Above five years | |
| Financial assets | | | | | |
| Long term financing | 32,440,468 | 10,872,229 | 21,568,239 | - | - |
| Ijarah financing | 2,280,000 | 468,429 | 1,811,571 | - | - |
| Short term financing | 75,435,072 | 75,435,072 | - | - | - |
| Investment in T-bills | 369,100,000 | 369,100,000 | - | - | - |
| Investment in sukuk | 20,000,000 | 20,000,000 | - | - | - |
| Short term investments in quoted shares | 87,430,655 | - | - | - | 87,430,655 |
| Deposits and other receivables | 5,910,624 | - | - | - | 5,910,624 |
| Accrued interest | 14,590,025 | - | - | - | 14,590,025 |
| Cash and bank balances | 3,282,919 | 1,323,086 | - | - | 1,959,833 |
| Total | 610,469,763 | 477,198,816 | 23,379,810 | - | 109,891,137 |
| Financial liabilities | | | | | |
| Unclaimed dividend | 2,090,749 | - | - | - | 2,090,749 |
| Accrued and other liabilities | 43,208,262 | - | - | - | 43,208,262 |
| Total | 45,299,011 | - | - | - | 45,299,011 |
| Total interest rate sensitivity gap | | 477,198,816 | 23,379,810 | - | 64,592,126 |
| Cumulative interest rate sensitivity gap | | 477,198,816 | 500,578,626 | 500,578,626 | |

| Description | December 31, 2022 | | | | |
|--|--------------------|---------------------------------------|-----------------------------------|------------------|---|
| | Total | Exposed to interest rate / yield risk | | | Not Exposed to Interest Rate / Yield Risk |
| | | Within one year | More than one year and up to five | Above five years | |
| Financial assets | | | | | |
| Long term financing | 61,566,908 | 39,695,488 | 21,871,420 | - | - |
| Short term financing | 80,000,000 | 80,000,000 | - | - | - |
| Investment in T-bills | 160,000,000 | 160,000,000 | - | - | - |
| Short term investments in quoted shares | 150,459,952 | - | - | - | 150,459,952 |
| Deposits and other receivables | 4,828,688 | - | - | - | 4,828,688 |
| Accrued interest | 14,160,129 | - | - | - | 14,160,129 |
| Cash and bank balances | 7,618,713 | 5,646,277 | - | - | 1,972,436 |
| Total | 478,634,390 | 285,341,765 | 21,871,420 | - | 171,421,205 |
| Financial liabilities | | | | | |
| Unclaimed dividend | 2,090,749 | - | - | - | 2,090,749 |
| Accrued and other liabilities | 21,045,626 | - | - | - | 21,045,626 |
| Total | 23,136,375 | - | - | - | 23,136,375 |
| Total interest rate sensitivity gap | | 285,341,765 | 21,871,420 | - | 148,284,830 |
| Cumulative interest rate sensitivity gap | | 285,341,765 | 307,213,185 | 307,213,185 | |

34.2 Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

34.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to currency risk arising from currency exposure as it is not involved in foreign currency transactions.

| 34.4 Financial instruments by category | 2023 | 2022 |
|--|--------------------|-------------|
| | ----- Rupees ----- | |
| Financial assets | | |
| Measured at fair value through profit or loss | | |
| Investment in quoted equity shares | 87,430,655 | 150,459,952 |
| Measured at amortized cost | | |
| Market treasury bills | 369,100,000 | 160,000,000 |
| Investment in Sukuks | 20,000,000 | - |
| Long term advances | 4,051,558 | 2,500,000 |
| Deposits and other receivables | 5,910,624 | 4,828,688 |
| Accrued interest | 14,590,025 | 14,160,129 |
| Cash and bank balances | 3,282,919 | 7,618,713 |
| | 416,935,126 | 189,107,530 |
| | 504,365,781 | 339,567,482 |
| Financial liabilities | | |
| Financial liabilities carried at amortized cost | | |
| Unclaimed dividend | 2,090,749 | 2,090,749 |
| Accrued and other liabilities | 43,208,262 | 21,045,626 |
| | 45,299,011 | 23,136,375 |

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the 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 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.

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the period end date. The quoted market price used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1:** fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** fair value measurements using 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 3:** fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2023, the Company held the following financial instruments measured at fair value:

| | Level 1 | Level 2 | Level 3 | Total |
|--|------------|---------|---------|------------|
| Measured at fair value through profit or loss | | | | |
| Quoted shares | 87,430,655 | - | - | 87,430,655 |

As at December 31, 2022, the Company held the following financial instruments measured at fair value:

| | Level 1 | Level 2 | Level 3 | Total |
|--|-------------|---------|---------|-------------|
| Measured at fair value through profit or loss | | | | |
| Quoted shares | 150,459,952 | - | - | 150,459,952 |

Valuation techniques

For level 3 investments - investment in respect of term finance certificates, the Company has received Government of Pakistan sukuku which are non tradeable.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

There were no transfers between various levels of fair value hierarchy during the year.

36. CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company is exposed to externally imposed capital requirements.

The Securities and Exchange Commission of Pakistan has notified amendments in the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 and Non-Banking Finance Companies and Notified Entities Regulations 2008 (vide SRO No. 1002(I)/2015 dated October 15, 2015 and SRO No. 1160(I)/2015 dated November 25, 2015). The Board of Directors in its meeting held on September 07, 2016 has resolved to continue the Company's IFS License as Non Deposit taking Lending NBFC and, accordingly, the Company is in compliance with Minimum Capital Requirement as stipulated in the NBFC Regulations, 2008.

37. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes subsidiary company, associated companies with or without common directors, directors and major shareholders and their close family members, key management personnel and retirement benefit funds. The Company has a policy whereby all transactions with related parties are entered into at arm's length prices using comparable uncontrolled price method and are in the normal course of business at contracted rates and terms determined in accordance with market rates. Transactions with related parties during the year, other than Director's remuneration, are as follows:

Transactions During the year

| Nature of Transaction | Nature of Relationship | Basis of Relationship | 2023 Rupees | 2022 Rupees |
|--|-------------------------------|------------------------------|------------------------|------------------------|
| Office rent received | | | | |
| - ARY Services (Private) Limited | Associated Undertaking | Common Director | <u>686,400</u> | <u>1,040,000</u> |
| Advance against expenses | | | | |
| - Sheikh Abdullah | Director | Directorship | <u>-</u> | <u>56,000</u> |
| Personal loan | | | | |
| - Zafar M. Sheikh | Chief Executive | Directorship | <u>7,075,000</u> | <u>2,000,000</u> |
| - Loan paid during the year | | | <u>2,274,994</u> | <u>1,166,662</u> |
| - Loan received during the year | | | | |
| Other | | | | |
| - Contribution to staff provident fund | Employee Fund | | <u>-</u> | <u>274,608</u> |

Balances as at the year end

| Nature of Balances | Nature of Relationship | Basis of Relationship | 2023 Rupees | 2022 Rupees |
|--|-------------------------------|------------------------------|------------------------|------------------------|
| Personal loan | | | | |
| - Zafar M. Sheikh | Director | Directorship | <u>5,633,344</u> | <u>833,338</u> |
| Accrued and other liabilities | | | | |
| - ARY IQ Precious Metals (Private) Limited | Associated Undertaking | Common Director | <u>23,535</u> | <u>23,535</u> |
| Deposits, prepayments and other receivables | | | | |
| - ARY Services (Private) Limited | Associated Undertaking | Common Director | <u>343,200</u> | <u>-</u> |

| 38. STAFF STRENGTH | 2023 | 2022 |
|---|---------------------|-------------|
| | ----- Numbers ----- | |
| Number of employees at end of the year | <u>13</u> | <u>12</u> |
| Average number of employees during the year | <u>14</u> | <u>14</u> |

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on _____.

40. GENERAL

40.1 Figures have been rounded off to the nearest rupee.

40.2 Corresponding figures' have been re-classified, wherever necessary for the purposes of comparison.

SHAKEEL AHMED
CHIEF FINANCIAL OFFICER

ZAFAR M. SHEIKH
CHIEF EXECUTIVE

HAJI JAN MOHAMMAD
CHAIRMAN/DIRECTOR

PATTERN OF SHAREHOLDING AT THE YEAR ENDED 31 DECEMBER, 2023

| NO. OF SHAREHOLDERS | SHARE HOLDING | | TOTAL SHARES HOLD |
|------------------------|---------------|-----------|----------------------|
| | FROM | TO | |
| 813 | 1 | - 100 | 29,934 |
| 477 | 101 | - 500 | 118,024 |
| 226 | 501 | - 1000 | 184,064 |
| 451 | 1001 | - 5000 | 771,428 |
| 49 | 5001 | - 10000 | 353,812 |
| 7 | 10001 | - 15000 | 93,623 |
| 3 | 15001 | - 20000 | 53,051 |
| 7 | 20001 | - 25000 | 165,272 |
| 1 | 25001 | - 30000 | 29,500 |
| 2 | 30001 | - 35000 | 63,122 |
| 2 | 40001 | - 45000 | 80,652 |
| 2 | 45001 | - 50000 | 95,172 |
| 2 | 50001 | - 55000 | 107,263 |
| 1 | 55001 | - 60000 | 59,702 |
| 1 | 60001 | - 65000 | 63,000 |
| 1 | 135001 | - 140000 | 139,299 |
| 3 | 160001 | - 165000 | 487,440 |
| 1 | 205001 | - 210000 | 208,236 |
| 1 | 230001 | - 235000 | 231,758 |
| 1 | 235001 | - 240000 | 237,500 |
| 1 | 300001 | - 305000 | 301,680 |
| 1 | 315001 | - 320000 | 316,000 |
| 3 | 375001 | - 380000 | 1,128,389 |
| 1 | 390001 | - 395000 | 393,606 |
| 1 | 490001 | - 495000 | 495,000 |
| 1 | 520001 | - 525000 | 521,072 |
| 1 | 705001 | - 710000 | 706,977 |
| 1 | 820001 | - 825000 | 824,447 |
| 1 | 915001 | - 920000 | 917,841 |
| 1 | 925001 | - 930000 | 926,234 |
| 1 | 1085001 | - 1090000 | 1,089,900 |
| 1 | 1160001 | - 1165000 | 1,160,500 |
| 1 | 1170001 | - 1175000 | 1,172,500 |
| 1 | 1175001 | - 1180000 | 1,178,581 |
| 1 | 1420001 | - 1425000 | 1,421,698 |
| 1 | 1570001 | - 1575000 | 1,573,550 |
| 1 | 1825001 | - 1830000 | 1,825,050 |
| 2 | 2225001 | - 2230000 | 4,453,120 |
| 1 | 2230001 | - 2235000 | 2,232,482 |
| 1 | 2795001 | - 2800000 | 2,796,114 |
| 1 | 2920001 | - 2925000 | 2,923,849 |
| 1 | 3605001 | - 3610000 | 3,607,500 |
| 1 | 3650001 | - 3655000 | 3,650,100 |
| 1 | 4945001 | - 4950000 | 4,945,316 |
| 1 | 7300001 | - 7305000 | 7,300,200 |
| 2079 | Total | | 51,433,558 |

| S/R No. | Categories of Share Holding | Number Of Share Holders | Total Share Hold | Percentage % |
|---------|--------------------------------|----------------------------|---------------------|--------------|
| 1 | INDIVIDUALS | 2042 | 47,973,745 | 93.27 |
| 2 | INVESTMENT COMPANIES | 4 | 2,029 | 0 |
| 3 | INSURANCE COMPANIES | 2 | 375,693 | 0.73 |
| 4 | JOINT STOCK COMPANIES | 22 | 1,438,882 | 2.8 |
| 5 | FINANCIAL INSTITUTIONS | 5 | 5,079 | 0.01 |
| 6 | MODARABA COMPANIES | 1 | 889 | 0 |
| 7 | MUTUAL FUND | 1 | 1,421,698 | 2.76 |
| 8 | OTHERS | 1 | 208,236 | 0.4 |
| 9 | EMPLOYEES BENEVOLENT FUND | 1 | 7,307 | 0.01 |
| | | 2079 | 51,433,558 | 100 |

SECURITY INVESTMENT BANK LIMITED
DETAIL FOR PATTERN OF SHAREHOLDING AS ON 31 DECEMBER 2023

| Row Labels | Sum of Shares held | % |
|---|--------------------|---------------|
| 1) Individual | 13,928,902 | |
| Individual | 13,928,902 | 27.08 |
| 2) Investment companies except ICP | 2,029 | |
| Investment companies except ICP | 2,029 | 0.00 |
| 3) Public / Private Sector Companies and Corporations | 1,438,882 | |
| Public / Private Sector Companies and Corporations | 1,438,882 | 2.80 |
| 4) Directors, Chief Executive Officer and their spouse and minor children | 5,981 | |
| Haji Jan Muhammad | 1,221 | 0.00 |
| Muhammad Mehboob | 2,760 | 0.01 |
| Farrukh Siddiqui | 1,000 | 0.00 |
| Zillay Huma Khan | 1,000 | 0.00 |
| 5) Investment Corporation of Pakistan | 1,705 | |
| Investment Corporation of Pakistan | 1,705 | 0.00 |
| 6) Associated companies, undertakings and related parties | 20,219,796 | |
| Fouzia Bano | 1,825,050 | 3.55 |
| Maryiam Bai | 1,178,581 | 2.29 |
| Muhammad Hanif | 2,226,560 | 4.33 |
| Muhammad Iqbal | 4,084,349 | 7.94 |
| Shahnaz Javed | 3,650,100 | 7.10 |
| Yasmin Bano | 2,226,560 | 4.33 |
| Zarina Iqbal | 2,796,114 | 5.44 |
| Samreen Shoaib | 2,232,482 | 4.34 |
| 7) Banks, DFIs, Insurance Companies, Modarabas and Mutual Funds except National Bank of Pakistan, Trustee Department | 2,017,197 | |
| Banks, DFIs, Insurance Companies, Modarabas and Mutual Funds except National Bank of Pakistan, Trustee Department | 2,017,197 | 3.92 |
| 8) Shareholders holding ten percent or more voting interest | 13,819,066 | |
| Amina Bano | 7,300,200 | 14.19 |
| HAR | 6,518,866 | 12.67 |
| Grand Total | 51,433,558 | 100.00 |

Dividend Mandate

Dear Shareholder,

Dividend Mandate: (Optional)

Security Investment Bank Limited wishes to inform its Shareholders that under the Law (Companies Act 2017, they are entitled (if they so opt) to receive their cash dividend directly in their designated bank accounts instead of receiving it through dividend warrants. This will not only be convenient but will also save considerable time as funds will be credited directly into the bank account.

Shareholders either desiring to exercise this option or wanting to update the Bank Mandate information already provided should submit the following information to Security Investment Bank Limited Share Registrar at the address noted herein:

| S.No | Shareholder/Member Details | |
|------|--|--|
| 1 | Shareholder Name | |
| 2 | Father's/ Husband's Name | |
| 3 | Folio Number | |
| 4 | Name of Bank and Branch | |
| 5 | Title of Bank Account | |
| 6 | Bank Account Number | |
| 7 | Cell Number | |
| 8 | Telephone Number (if any) | |
| 9 | CNIC Number (attach copy) | |
| 10 | NTN (in case of corporate entity, attach copy) | |
| 11 | Passport No. (in case of foreign shareholder) | |

Signature of Member/Shareholder

Please note that this dividend mandate is OPTIONAL and NOT COMPULSORY, in case you do not wish your dividend to be directly credited into your bank account then the same shall be paid to you through the dividend warrants.

CNIC Submission (Mandatory):

Pursuant to the directives of the Securities and Exchange Commission of Pakistan, CNIC number is mandatorily required to be mentioned on dividend warrants, you are therefore requested to submit a copy of your valid CNIC. In case of non-receipt of the copy of valid CNIC, Security Investment Bank Limited (the Company) would be unable to comply with SRO 831(1)/2012 dated 5 July 2012 of SECP and therefore may be constrained under Section 251(2) (a) of the Companies Act 2017 to withhold dispatch of dividend warrants of such shareholders in future.

Security Investment Bank Limited Share Registrar

C & K Management Associates (Pvt) Limited
404, Trade Tower, Near Hotel Metropolitan, Karachi.

***Note:** The Shareholders who hold shares in Central Depository Company are requested to submit the duly filled in Dividend Mandate Form to their Participants/Investor Account Services.

Yours faithfully,

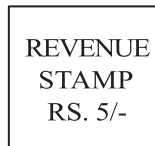
Company Secretary
Security Investment Bank Limited

FORM OF PROXY THIRTY THIRD ANNUAL GENERAL MEETING

I/We
of
a member / members of SECURITY INVESTMENT BANK LIMITED and holding
ordinary shares, as per Register Folio/CDC A/c or sub account no.
do hereby appoint
of
to vote for me/us and on my/our behalf at the Thirty Second Annual General Meeting of the Company to be held on 29th April 2024 and at any adjournment thereof.

As Witness my/our hand this..... day of2024.

Folio No. _____



Witness:

1. Name _____
CNIC No. _____

SIGNATURE OF MEMBER(S)

2. Name _____
CNIC No. _____

IMPORTANT:

- 1 A member entitled to attend Thirtieth Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him.
- 2 The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing. If the member is a corporation its common seal (if any) should be affixed on the instrument.
- 3 The proxies shall be deposited at the Share registrar's office of the Company not less than 48 hours before the time of the meeting.
- 4 For CDC Account Holders / Corporate Entities
In addition to the above the following requirements have to be met.
 - (i) Copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - (ii) The proxy shall produce his original CNIC or original passport at the time of meeting.
 - (iii) in case of a corporate entity, the Board of Director's resolution / power of attorney with specimen signature.

8



Islamabad Office:

Office No. 3, 1st Floor, Junaid Plaza, 1-10 Markaz, Islamabad
Ph: (051) 4102920

Karachi Office:

502, 5th Floor, Madina City Mall, Abdullah Haroon Road, Saddar, Karachi.
Ph: (021) 35659752-53, Fax: (021) 35659755
E-mail: sibi@sible.com.pk Website: www.sibl.com.pk