

ANNUAL REPORT

2021

SIB

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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

Mr. Muhammad Shoaib

Mrs. Samreen Shoaib

Mr. Shaikh Abdullah

Mr. Karim Muhammad Munir

Mr. Faisal Zahid

PRESIDENT & CHIEF EXECUTIVE

Mr. Zafar .M. Sheikh

AUDIT COMMITTEE

Mr. Shaikh Abdullah (Chairman)

Haji Jan Muhammad

Mr. Karim Muhammad Munir

Mr. Faisal Zahid

HUMAN RESOURCE AND REMUNIRATION COMMITTEE

Mr. Faisal Zahid (Chairman)

Mr. Zafar .M. Sheikh

Mr. Muhammad Mehboob

RISK MANAGEMENT COMMITTEE

Mr. Karim Muhammad Munir (Chairman)

Mr. Muhammad Mehboob

Mr. Muhammad Shoaib

Mr. Zafar .M. Sheikh

Mr. Faisal Zahid

CFO

Mr. Shakeel Ahmed

AUDITORS

Bakers Tilly Mehmood Idrees Qamar Chartered Accountant

TAX ADVISORS

Grant Thoranton Anjum Rahman Chartered Accountants

LEGAL ADVISORS

Rehan Kayani (Barrister at Law)

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 Summit Bank Limited.

REGISTERED OFFICE

Suite No. 1, 1st Floor, Junaid Plaza, I-10, Markaz, Islamabad.

Tel: (051) 4102920

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 FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty First Annual General Meeting of Security Investment Bank Limited (the Company) will be held at the Registered Office of the Company located at Suite Number 1, 1st Floor, Junaid Plaza, I-10 Markaz, Islamabad, on 28 April 2022 at 9:00 a.m. to transact the following business:

ORDINARY BUSINESS

- To confirm the minutes of the Annual General Meeting held on 12 April 2021. 1)
- 2) To receive and adopt the audited financial statements of the Company for the year ended 31 December 2021 together with the directors' and auditor's reports thereon.
- 3) To appoint auditors and fix their remuneration for the year ending 31 December 2022. The retiring auditors M/s. Baker Tilly Mehmood Idrees Qamar. Chartered Accountants retire and being eligible offers themselves for reappointment to act as the external auditors of the Bank and fix their remuneration for the years ending 31, December 2022.

ANY OTHER BUSINESS

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

BOOK CLOSURE

The share transfer book of the company will remain closed from 21 April 2022 to 28 April 2022 (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 20 April 2022 will be treated in time for determining the entitlement of members to attend the Annual General Meeting of the Company.

By order of the board

Karachi:

22th March, 2022 Company Secretary

NOTES:

- 1) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his/her behalf. Proxies in order to be effective must be received at the office of the share registrar of the company duly stamped and signed not less than 48 hours before the meeting. A member may not appoint more than one proxy.
- 2) Members are requested to promptly communicate to the Share Registrar of the Company any change in their addresses.
- 3) CDC account holders and sub-account holders are required to follow the under mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan.
 - For attending the meeting.
 - In case of individuals, the account holder or sub-account holder shall bring his or her original CNIC or original passport alongwith Participant ID Number and the Account Number at the time of attending meeting.
 - In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

For appointing proxies

- In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy
- The proxy shall produce his or her original CNIC or original passport at the time of meeting.
- In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature shall be submitted to the company along with proxy form.
- Pursuant to Section 150 of the Income Tax Ordinance, 2001 and Finance Act, 2020 withholding tax on dividend income will be 4) deducted for 'Filer' and 'Non-Filer' shareholders at 15% and 30% respectively. According to the Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts. Members that hold shares with joint shareholders are requested to provide shareholding proportions of principal shareholder and joint holder(s) in respect of shares held by them to our Share Registrar in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal shares by principal shareholder and joint holder(s).

5) SUBMISSION OF COMPUTERISED NATIONAL IDENTITY CARD / NATIONAL TAX NUMBER

We would like to bring it to the notice of our valued shareholders that the Securities & Exchange Commission of Pakistan (SECP) vide Notification No. SRO 831(I)/2012 dated 05 July 2012 in supersession of earlier Notification No. SRO 779(I)/2011 dated 18 August 2011, has directed all the listed companies to issue dividend warrant(s) only crossed as "A/C Payee Only" in the name of registered shareholder or in the name of authorised person where a registered shareholder authorises the Company to pay dividend, on his behalf, to any other person. The dividend warrant(s) should also bear the Computerised National Identity Card Number (CNIC) of the registered shareholder or the authorised person, except in case of minor(s) and corporate shareholders.

In view of the above, it is requested that the Members, who have not yet submitted photocopy of their valid CNIC are requested to send the same at the earliest directly to the Company Share Registrar.

The Corporate Shareholders are requested to provide at the earliest their National Tax Number directly to the Company Share Registrar.

6) DIVIDEND MANDATE OPTION

In compliance of the Circular No. 18 of 2012 dated 05 June 2012, we would like to inform our valued shareholders that Section 242 of the Companies Act, 2017 allows the shareholders of a company to order the company to pay them cash dividend, if declared, through their respective banks.

In this regard, those shareholders who would like to avail the above facility are requested to provided following details directly the Share Registrar of the Company.

Name of Shareholder

Folio Number / Participant ID and Account Number CNIC Number Title of Bank Account Bank Account Number Bank's Name Branch Name Branch Address Cell Number of Shareholder, if any Landline Number of Shareholder, if any

7) **Electronic Transmission of Financial Statements and Notices**

Pursuant to Notification vide SRO 787 (I)/2014 dated September 08, 2014:SECP has directed all companies to facilitate their members receiving Annual Financial Statements and Notice of Annual General Meeting (Notice) through electronic mail system (e-mail). The Company is pleased to offer this facility to our valued members who desire to receive Annual Financial Statements and Notices through email in future. In this regard, those members who wish to avail this facility are hereby requested to convey their consent via email on a standard request form which is available at the Company website i.e. http://www.sibl.com.pk Please ensure that your email account has sufficient rights and space available to receive such email which may be greater than 1MB in size. Further, it is the responsibility of the member (s) to timely update the Share Registrar of any changes in his/her/its/their registered email address at the address of Company's Share Registrar mentioned above.

8) **Placement of Financial Statements**

The Company has placed the Audited Financial Statements for the year ended December 31, 2021 along with Auditors and Directors Reports thereon on its website: http://www.sibl.com.pk

CHAIRMAN'S REVIEW REPORT

On behalf of the Board, it is my pleasure to present the Annual Report for the year ended December 31, 2021. 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.

The emergence of COVID-19 has caused major disruptions to economic activity around the world including Pakistan. The drop in the domestic and global demand compounded the strain on the economy. By the Grace of Allah Almighty, SIB largely remained unscathed by the COVID scourge.

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 Chairmain Karachi: March 22, 2022

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Security Investment Bank Limited (the "Company") are pleased to present the 30th Annual Report along with the Audited Financial Statements and Auditor's Report thereon for the year ended 31 December 2021.

Economic Overview

FY-21 started on a positive note for Pakistan's economy with recovery driven particularly by growth in large-scale manufacturing, construction and service industries. However, the fourth and fifth wave of COVID 19 during the year made government efforts more challenging for containing the pandemic and keeping the economic activities to continue.

In FY-22 (Jul-Dec-21) growth is expected to pick up further, supported by measures taken by SBP, accommodative monetary conditions and disbursements under the SBP's Temporary Economic Refinance Facility (TERF) for investment and other finance facilities, and key budgetary measures include increased development spending and reduced regulatory duties and taxes on import of raw materials and capital goods. Such measures directly expected to benefit construction and allied industries as well as export oriented industries. Agricultural growth also expected to contribute favourable to the economic going forward

CPI inflation during Jul-Nov FY2022 recorded at 9.32 percent against 8.76 percent during the same period last year. The food prices have increased globally due to shortage of supply of commodities and high demand after the post pandemic scenario.

The Current Account posted a deficit of \$ 7.1 billion (5.3 percent of GDP) for Jul-Nov FY2022 as against a surplus of \$ 1.9 billion (1.6 percent of GDP) last year. Current account deficit widened due to constantly growing import volume of energy and non-energy commodities, along with a rising trend in the global prices of oil, COVID-19 vaccines, food and metals.

However, the government is taking all possible measures to control inflationary pressures and provide relief to the masses in order to mitigate the impact of price hike. The government's pro-growth initiatives, as well as the building of strategic reserves, particularly in the food sector, will help the domestic economy by ensuring adequate supply. Further, measures taken by the government to enhance exports and ongoing workers' remittances performance will definitely mitigate associated risks.

SBP, Monetary Policy Committee (Committee) reviewed its policy frequently to take appropriate action, during the first two quarters policy rate remained unchanged. In last quarter of the year 2021, the Committee had cumulatively increased 275 basis points in its policy rate keeping the view of high inflationary pressure, rising trade deficit and increased in global and domestic prices of commodities to curb inflationary pressure and ensure that growth remains sustainable.

During the year 2021 the equity market performed positive outlook, showed slightly increased in the first two quarters but due to overall economic conditions registered declined in the last two quarters. The PSX-100 index showed slightly increased 44416 points at the closing of the year 2021 as compared to PSX-100 index 43694 of the preceding year.

Financial Performance

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

Operating Results	Year 2021	Year 2020
	(Rupees in million)	
Total Income Expenditure Administrative Profit from operation Un-realized gain on re-measurement of shares Profit before tax Taxation Net Profit after tax Earnings per share	76 34 34 42 (12) 29 (4) 25 0.488	41 32 32 9 81 90 (13) 77 1.503

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 up-coming financial year 2021"
- Key operating and financial data of six years of the Company are as follows:

	(Rupees in millions)					
Description / Year	2021	2020	2019	2018	2017	2016
Shareholder's equity	741	716	639	779	582	573
Deposits	-	-	-	-	8	8
Borrowings	-	-	-	3	37	-
Short term financing	45	54	242	556	415	292
Investments	447	438	333	113	56	125
Operating profit	29	90	50	34	22	11
Net profit	25	77	39	17	61	9
Total assets	752	735	839	819	678	623

Value of Provident Fund Investment

As on 31 December 2021 based on the unaudited accounts, the value of investment of Provident Fund is Rs. 1.2 millions (2020 Rs 1.2 millions).

Pattern of Shareholding

The pattern of shareholding as at 31 December 2021 along with the disclosure required under the Code of Corporate Governance, 2020 is annexed to the report.

Changes in the Board

During the year under review, Mr. Faisal Zahid replaced with the outgoing director Ms. Azra Yaqub.

Board and Audit Committee Meetings and Attendance

During the year ended 31 December 2021, four 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	4	4	Not Applicable
Mohammad Shoaib	Non-Independent	Non-Executive	3	Not Applicable	Not Applicable
Muhammad Mahboob	Non-Independent	Non-Executive	3	Not Applicable	1
Samreen Shoaib	Non-Independent	Non-Executive	2	Not Applicable	Not Applicable
Shaikh Abdullah	Independent	Non-Executive	4	4	Not Applicable
Karim Muhammad Munir	Independent	Non-Executive	4	4	Not Applicable
Faisal Zahid	Independent	Non-Executive	3	2	1
Zafar M. Shaikh	Non-Independent	Executive	2	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 composition has also 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 is Rs 0.488 for the year ended 31 December 2021 (2020 Rs 1.503).

Dividend

No dividend is declared for the year ended 31 December 2021 in the Board meeting held on March 22, 2022.

Future outlook

Your company's management is endeavouring to improve the company's business specifically focus to enhance our car / consumer financing portfolio to enhance profitability and return for shareholders as well. 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 Baker Tilly Mehmood Idress Qamar, Chartered Accountants retire and being eligible have offered themselves for re-appointment.

Acknowledgement

We, the directors of SIBL, are grateful to the Regulator, Stock Exchange 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 / Director

Karachi March 22, 2022 Zafar M Sheikh Chief Executive Officer

ڈائر بکٹرزر بورٹ برائے حصص دار

حصص د ہندگان کو مدایت کا روں کی ریورٹ

سیکورٹی انویسٹمنٹ بینک لمیٹر (کمپنی) کے ڈائر کیٹرز 31 و مہر 202 کو ختم ہونے والے سال کے لئے آڈٹ شدہ مالیاتی بیانات اور آڈیٹر کی رپورٹ کے ساتھ 29 سالانہ رپورٹ بیش کررہے ہیں

معاشى جائزه

مالی سال 202 کا آغازیا کستان کی معیشت کے لیے ایک مثبت نوٹ کے ساتھ ہوا جس میں بحالی خاص طور پر بڑے پیانے پر مینوفینکچرنگ بقیرات اور خدمات کی صنعتوں میں ترقی کی وجہ سے ہوئی۔ تاہم، سال کے دوران کو وِڈ19 کی چھی اوریانچویں لہرنے وہائی امراض پر قابویانے اور معاشی سرگرمیوں کو جاری رکھنے کے لیے حکومتی کوششوں کو مزید مشکل بنا دیا۔

مالی سال 2022 (جولا کی تاویمبر 2022) میں مزید تیزی آنے کی توقع ہے، جس کی حمایت SBP کے اقدامات، موافق مانیٹری حالات اور سرماییکاری اور دیگر مالیاتی سہولیات کے لیے SBP کی عارضی اقتصادی ری فنانس سہولت (TERF) کے تحت تقسیم،اورکلیدی ہے۔ بجٹ کےاقدامات میں ترقیا تی اخراجات میں اضافہاورخام مال اورکیپٹل گڈز کی درآ مدیرریگولیٹری ڈیوٹی اورٹیکسوں میں کمی شامل ہے۔اس طرح کے اقدامات سے تغیراتی اوراس سے منسلک صنعتوں کے ساتھ سرآ مدی صنعتوں کو براہ راست فائدہ پہنچنے کی تو قع ہے۔زرعی ترقی ہے بھی تو قع ہے کہ وہ معاثی ترقی کے لیے سازگار کردارا دا کرے گی۔

جولائی تانومبر مالی سال 202 کے دوران CPI فراط زر9.3 فیصدر یکارڈ کیا گیا جوگز شتہ سال کی اسی مدت کے دوران 8.76 فیصد تھا۔ عالمی سطح پراشیائے خوردونوش کی قیمتوں میں اضافیہ واہے جس کی وجہ سے عالمی سطح پراشیاء کی سیلائی میں کمی اور و ہائی امراض کے بعد کی زیادہ مانگ ہے۔

كرنٹ اكاؤنٹ نے جولائى تانومبر مالياتی سال2022 كے ليے 7.1 پلين (جي ڈي پي كا 5.3 فيصد) كاخسارہ پوسٹ كيا جو پچھلے سال 1.9 پلين (جي ڈي پي کا 6.1 فيصد) محسر سے ساتيل، 19-COVID ویکسیز،خوراک اور دھاتوں کی عالمی قیمتوں میں بڑھتے ہوئے ربھان کے ساتھ توانائی اور غیرتوانائی کی اشیاء کی مسلسل بڑھتی ہوئی درآ مدی جم کی وجہ سے کرنٹ اکاؤنٹ خسارہ وسیع ہوا۔

تاہم حکومت مہزگائی کے دباؤ پر قابویانے اورعوام کوریلیف فراہم کرنے کے لیے ہم مکن اقدامات کر رہی ہے تا کہ قیمتوں میں اضافے کے اثرات کو کم کیا جاسکے ۔حکومت کے ترقی کے حامی اقدامات کے ساتھ ساتھ اسٹری جُب ذخائر کی تعمیر، خاص طور پرخوراک کے شعبے میں ،مناسب فراہمی کو یقینی بنا کر ملکی معیشت کو مدوفراہم کرے گی۔مزید برآں ، برآ مدات کو بڑھانے کے لیے حکومت کی جانب سے اٹھائے گئے اقد امات اورور کرز کی ترسیلات زر کی جاری کار کردگی نقینی طور پر متعلقه خطرات کو کم کرے گی۔

اسٹیٹ بینک آف پاکستان ،مانیٹری پالیسی نمیٹی (سمیٹی) نے مناسب کارروائی کرنے کے لیےاپنی پالیسی کاا کثر جائزہ لیا، پہلی دوسہ ماہیوں کےدوران پالیسی ریٹ میں کوئی تبدیل نہیں کی ٹی۔سال 202 م کی آخری سے ماہی میں بمیٹی نے افراط زر کے بلند دباؤ، بڑھتے ہوئے تجارتی خسارے اوراشیا کی عالمی اورملکی قیمتوں میں اضافے کو مدنظرر کھتے ہوئے اپنی پالیسی ریٹ میں مجموعی طور پر 275 میسز پوائنٹس کا اضافه کیا تھا تا کہ افراط زر کے دباؤ کو کم کیاجا سکے اوراس بات کو بیٹنیاجا سکے کہ ترقی یا ئیدار رہے۔

سال2021 کے دوران ایکویٹی مارکیٹ نے مثبت آؤٹ لک کامظاہرہ کیا، پہلی دوسہ ماہیوں میں قدرےاضا فیہوالیکن رجٹر ڈمجموعی معاشی حالات کی وجہسے آخری دوسہ ماہیوں میں کی واقع ہوئی۔ 100-PSX انڈیکس نے پچھلے سال کے 100-PSX انڈیکس 44414کے مقابلے میں 2021 کے اختتا م بے44416 پوئنٹس کا تھوڑ اسااضافہ دکھایا۔

مالياتي كاركردگي

عال2020	سال2021	آ پر یٹنگ ریسلٹس
41	76	کل آمدنی خرچہ
32	34	<i>خ</i> رچہ
		مالياتي لا گت
32	34	الياتى لاگت انتظامى لاگت آپيش سے منافع حصص كى دوباره پيائش پرغير خقيقى فائده منافع قبل از محصول
	42	آ پریش سے منافع
81	(12)	حصص کی دوبارہ پیائش پرغیر حقیقی فائدہ
90	29	منافع قبل ازمحصول
(13)	(4)	ئى <i>ي</i> س
77	25	ئیس کے بعد خالص منافع فی شیئر آر دنی
1.503	0.488	فی شیئر آمدنی

ماركيث كاخطره

بینک کی سرگرمیاں اسے مارکیٹ کے مختلف خطرات (کیکویڈی بٹی اور کریڈٹ کے خطرات کےعلاوہ) 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

سود کی شرح کا خطرہ اس امکان سے پیدا ہوتا ہے جب شرح سود میں تبد بلی مالیاتی آلات کی قدر کومتا ترکرتی ہے۔ بینک اٹانؤں اوروا جبات کی مقداروں میں عدم مماثلت یافرق کے نتیجے میں سود کی شرح کے خطرے ہے دوجارہ قیمتوں مدت میں پختہ یادوبارہ قیمت پر ہے۔ بینک اٹاثوں اور ذمہ داریوں کی دوبارہ قیمتوں کوملا کراس خطرے کا نظام کرتا ہے۔

کار بوریٹ گورننس

سمپنی کا بورڈ آف ڈائر بیٹرز (''بورڈ'') نمپنی کے مجموعی مقاصد کی روثنی میں اسٹر پیچگ ست، کاروباری منصوبوں اور کارکردگی کا با قاعدگی ہے جائزہ لیتا ہے۔ بورڈ اچھی کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار ر کھنے کے لیے برعزم ہے۔ کمپنی ریگولیٹر کی طرف ہے مقرر کردہ دفعات اور شاک ایجیجنج کی فہرست سازی کے قوانین کی قتمیل کر رہی ہے۔

جبيها كه ودُ آف كاريوريث گورننس كے تحت ضروري ہے، بور ڈاس بات كى تصديق كرنا جا ہے گا كه:

- 1. کمپنی کی انتظامیہ کی طرف ہے تیار کے گئے مالیاتی بیانات ،اس کی حالت ،اس کے کاموں کے نتائج ،نقذ بہاؤاورا یکو پٹی میں تبدیلیاں پیش کرتے ہیں۔
 - 2. سمپنی کے اکا وَنٹس کی مناسب کتابیں برقر اررکھی گئی ہیں ؛
 - 3. مالیاتی گوشواروں کی تیاری میں مناسب اکا و نتنگ پالیسیوں کا مسلسل اطلاق کیا گیاہے،اورا کا و نتنگ کے تخییز معقول اور دانشمندانہ فیصلے پرمنی ہیں۔
- 4. بین الاقوای مالیاتی رپورٹنگ کےمعیارات، جبیبا کہ پاکستان میں لاگوہوتا ہے، مالیاتی گوشواروں کی تیاری میں بیروی کی گئی ہےاوروہاں سے کسی بھی روانگی کا مناسب طور پرانکشاف کیا گیا ہے۔
 - 5. اندرونی کنٹرول کانظام ڈیزائن میں درست ہے اوراسے مؤ ترطریقے سے لا گوکیا گیا ہے اوراس کی نگرانی کی گئی ہے۔
 - 6. جاری تشویش کے طور برجاری رکھنے کی تمپنی کی صلاحیت برکوئی خاص شکنہیں ہے۔
 - 7. کار پوریٹ گورننس کے بہترین طریقوں سے کوئی مادی زھتی نہیں ہوئی ہے،جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔
- 8. ڈائر کیٹر زمیٹنگ فیس اورمیٹنگ فیس میں کسی بھی اضافے کے علاوہ کسی معاوضے کے حقدار نہیں ہیں جس کی بورڈ آف ڈائر کیٹر زنے ان کی میٹنگ میں منظوری دی اورثیئر ہولڈرز کی آئندہ میٹنگ میں اس

کی توثیق کی۔

9. ایگزیکٹوڈائر بیٹر/ چیف ایگزیکٹیوآ فیسر پورڈ آفڈائر بیٹرز کی میٹنگ میں منظور شدہ معاوضے کا حقدار ہےاور شیئر ہولڈرز کی آئندہ میٹنگ میں اس کی توثیق کرتا ہے۔

10. کوڈ آف کارپوریٹ گونٹس کی فٹیل میں،اس کے زیادہ تر ڈائر کیٹرز کے لیے ڈائر کیٹرز کے تر ہتی پروگرام کےسلسلے میں تا کہ آئییں ضوابط، قابل اطلاق قوانین،ان کے فرائض اور ذمہ داریوں سے واقف

بیمشق جاری ہے جس کے آنے والے مالی سال 2022 میں مکمل ہونے کی امید ہے۔

11. کمپنی کے چیسالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا درج ذیل ہے:

2016	2017	2018	2019	2020	2021	"قصيل/سال
573	582	779	639	716	714	حصص يافتگان كى ايكوئى
-	-	-	-	-	-	<i>Ŀ</i>
-	37	-	-	-	-	قر ضے
292	415	556	242	54	45	قليل مدتى فنانسنگ
125	56	113	333	438	447	سر ما بیکاری
11	22	34	50	90	29	آ پریٹنگ منافع
-	61	17	39	77	25	خالص منافع
623	678	819	839	735	752	مجموعی ا ثاثے

یروویڈنٹ فنڈ کی سر ماییکاری کی قدر

31 دیمبر 2021 کوغیرآ ڈٹشدہ کھاتوں کی بنیادیر، پروویڈنٹ فنڈ کی سرماریکاری کی قیت روپے ہے۔1.2 ملین (2020روپے1.2 ملین)۔

شيئر ہولڈنگ کانمونہ

کوڈ آف کارپوریٹ گورننس2020 کے تحت در کارانکشاف کے ساتھ 31 دیمبر 2021 تک ٹیئر ہولڈنگ کانموندرپورٹ کے ساتھ نسلک ہے۔

بورڈ میں تبدیلیاں

ز رنظرسال کے دوران، جناب فیصل زاہد نے سبکد وش ہونے والی ڈائر یکٹرمحتر مدعذرہ یعقوب کی جگہ لی۔

بورڈ اورآ ڈٹ کمپٹی کے اجلاس اور حاضری

31دىمبر2021 كونتم ہونے والےسال كے دوران، چار بورڈ آف ڈائر يكٹرز: چارآ ڈے كميٹی اورايك ہيۇس ريبورس اينڈريمونريش كميٹی (HR&R) كے اجلاس منعقد ہوئے۔ ہرڈ ائر يكٹری حاضری حسب ذیل ہے:

اچ آراینڈ آر کمیٹی	آ ڈٹ سمیٹی آ	بوردْ آف دْ ائر يكٹرز	ا یگز یکٹو/ نان ایگز یکٹوڈ ائر یکٹر	انڈیپینڈنٹ/نونانڈیپینڈینٹ	۲t
قابل اطلاق نبيس	4	4	نون ایگزیکٹو	نون انڈییپنڈینٹ	حاجی جان محمد
قابل اطلاق نہیں	قابل اطلاق نهيس	3	نون ایگزیکٹو	نون انڈیبپنڈینٹ	محمر شعيب
1	قابل اطلاق نهيس	3	نونا يگزيکڻو	نونانڈ بیپنڈنٹ	محرمحبوب

قابل اطلاق نبيس	قابل اطلاق نہیں	2	نونا مگزيڻو	نون انڈیبپنڈنٹ	ثمرين شعيب
قابل اطلاق نهيس	4	4	نونا يگزيکڻو	انڈییپنڈنٹ	شخ عبدالله
قابل اطلاق نهيس	4	4	نونا يگزيڻو	انڈیپپڈنٹ	کریم جرمنیر
1	2	3	نونا يگزيكڻو	ا نڈیینپڈنٹ	فيصل زابد
1	قابل اطلاق نهيس	2	ا يگزيکڻو	نون انڈییپنڈنٹ	ظفرمحم

بورڈ اور کمیٹی کےا جلاس میں شرکت نہ کرنے والےارا کین کوغیر حاضری کی چھٹی دی گئی۔

آ ڈٹ سمیٹی

بورڈ کی آ ڈٹ کمیٹی نے بورڈ کی طرف سے منظور شدہ شرا کط کے مطابق اپنے فرائض اور ذمہ داریوں کومؤ ثر انداز میں اداکر ناجاری رکھا۔اس رپورٹ کےساتھ کمیٹی کی تشکیل بھی منسلک کر دی گئی ہے۔

ڈائر بکٹرزاورا بگزیکٹیوز کے ذریعہ کمپنی کے صص کی تحارت

سال کے دوران، ڈائر یکٹرزہی ای اوہ می ایف او بمپنی سیکرٹری اورانٹوئل آ ڈٹ کے سربراہ اوران کی شریک حیات اور نابالغ بچوں نے مپنی کے شیمرز میں کوئی لیبن دین نہیں کیا۔

اخلا قيات اور كاروباري طرزعمل

کار پوریٹ گورننس کے رہنماخطوط کے مطابق بمپنی نے فیمل کے لیےا یک" کوڈ آف ایٹھکس" جاری کیا ہے ۔ کمپنی کے تمام ڈائر بیٹٹرزاورملاز مین نے ضابطہ کی مجھے اور قبولیت کوشلیم کرتے ہوئے اس پر دشخط

ڈائر یکٹرز کاتر بیتی پروگرام

تقمیل کے بیان میں تفصیلات فراہم کی گئی ہیں۔

فی شیئر آمدنی

31دسمبر2021(2020روپے1.503) کوختم ہونے والے سال کے لیے کمپنی کی فی شیئر آمد نی 506.0روپے ہے۔

ڈ بو پٹرنٹر

مارچ2022 كومنعقدہ بورڈ میٹنگ میں 31 دسمبر 2021 كونتم ہونے والےسال كے ليے كسى منافع كاعلان نہيں كيا گياہے۔

مستقبل كامنظر

آپ کی کمپنی کی انتظامیه کمپنی کے کاروبارکوبہتر بنانے کی کوشش کررہی ہے خاص طور پر ہماری کارا کنزیومرفناننگ پورٹ فولیوکو بڑھانے پر توجہ مرکوز کررہی ہے تا کہ منافع میں اضافیہ واورشیئر ہولڈرز کے لیے بھی واپسی ہو سکے۔مزید،انتظامیہ NBFCر یگولیٹری فریم ورک کےاندر مختلف کاروباری اختیارات کا جائزہ لے رہی ہے۔

متعلقه يارٹی لين دين

فہرست سازی کے ضوابط کے نقاضول کی تعیل کرنے کے لیے بمپنی نے تمام متعلقہ فریق لین دین کوآ ڈٹ کمیٹی اور بورڈ کے سامنےان کے جائزےاورمنظوری کے لیے پیش کیا ہے ۔ آ ڈٹ کمیٹی اور بورڈ نے ا بیخا سیخ اجلاس میں ان لین دین کی منظوری دی ہے۔

آ ڈیٹرز موجودہ آڈیٹرنیکرٹلی محمودادرلیں قمر، چارٹرڈا کا وَنٹنٹس ریٹائر ہورہ بیں اوراہل ہونے کی وجہ سے نودکود وبارہ تقرری کے لیے ہیں کر چکے ہیں۔

اعتراف

مر ہم ،SIBL کے ڈائر یکٹرز،ریگولیٹر،اشاک استھینجو کے تعاون اورتعاون کے لیےان کے شکر گزار ہیں۔ہم شلیم کرتے ہیں اوراپ شیئر ہولڈرز کے تعاون اورتعاون کے لیےان کے شکر گزار ہیں۔ہم انتظامیہاور ' عملے کی انتقک کوششوں کو بھی تسلیم کرتے ہیں اوران کے شکر گز ارہیں۔

بورڈ کی جانب سے

ظفرا يم يثنخ چيف الگيزيکڻيوآ فيسر

حا جی جان محمد چیئر مین

کراچی 22 مارچ،2022

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:

1. The total number of directors during the year 2021 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

2. The composition of the Board as at December 31, 2021 is as follows:

Category	Name
	Mr. Haji Jan Muhammad
Non-Executive Director	Mr. Muhammad Mahboob
Non-Executive Director	Mr. Muhammad Shoaib
	Mrs. Samreen Shoaib
	Mr. Shaikh Abdullah
Independent Director	Faisal Zahid
	Mr. Karim Muhammad Munir
President & CEO	Mr. Zafar M Sheikh

^{**} Further, during the year ended, Mr. Faisal Zahid replaced with the outgoing director Ms. Azra Yaqub Vowda on March 29, 2021.

- 3. 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).
- 4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 5. The Board has 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 6. 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. 7. 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 8. Companies Act, 2017 and these Regulations.
- 9. The Board has not arranged any training program for its directors during the year. Two of the seven directors namely Mr. Muhammad Mahboob and Mr. Muhammad Shoaib 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 within the prescribed timelines.

- 10. 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 listed against each committee during the year 2021:

Audit Committee a)

Name	Designation
Mr. Shaikh Abdullah	Chairman
Mr. Haji Jan Muhammad	Member
Mr. Karim Muhammad Munir	Member
Mr. Faisal Zahid	Member

b) HR& Remuneration Committee

Mr. Faisal Zahid	Chairman
Mr. Zafar M. Sheikh	Member
Mr. Muhammad Mahboob	Member

Risk Management Committee

Mr. Karim Muhammad Munir	Chairman
Mr. Muhammad Mahboob	Member
Mr. Muhammad Shoaib	Member
Mr. Zafar M Sheikh	Member
Mr. Faisal Zahid	Member

- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance. 13.
- 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, 2021
HR & Remuneration Committee	One meeting was held during the year ended December 31, 2021

- 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. Mr. Muhammad Farhan Uddin was appointed as Head Internal Audit with effect from 12 April 2021,.
- 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.
- The Company has not arranged Directors training programs during the year as required under Regulation 19 of the Regulation. 19.

HAJI JAN MUHAMMAD

ZAFAR M SHEIKH

CEO

CHAIRMAN

Karachi, 22th March 2022

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, 2021 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 unconsolidated 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, 2021.

We draw attention to paragraph 19 to the annexed statement of compliance as at December 31, 2021 which states that the Company is in non-compliance with certain provisions of the Regulations.

Engagement Partner: Mehmood A. Razzak

Karachi.

Date: March 24, 2022

UDIN: AR202110151ud2mJ5Nef

UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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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, 2021, 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, 2021 and of the profit, 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 are the Key audit matters:

1.	Control environment relating to the financial reporting process and related IT systems			
	Key audit matter	How the matter was addressed in our audit		
	The IT control environment relating to the The IT control environment relating to the financial reporting process and the application controls of individual IT systems have an impact on the selected audit approach. As the financial statements are based on extensive number of data flows from IT systems, consequently the financial reporting control environment is determined as a key audit matter.	Our audit procedures included evaluation of the financial reporting process and related control environment, as well as testing of the effectiveness of controls including general IT controls. Our audit procedures focused on testing the reconciliation and approval controls as well as on evaluating the administration of access rights. Our audit procedures extensively consisted of several substantive procedures as well as data analysis relating to the most significant balances on the profit and loss account and statement of financial position.		

2.	Valuation of Investments			
	Key audit matter	How the matter was addressed in our audit		
	The Company's investment comprises investments in equity and debt instruments. As at December 31, 2021 total net investment amount to Rs. 446.982 million. The valuation of these investments is made using different valuation techniques as disclosed in note 14 to the financial statements. The Company's accounting policy and movement in the year in the investments balances are disclosed in note no. 7.9 and 14 respectively to the financial statements. 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.	Valuation of investments were addressed by applying following procedures: 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. Checked the existence of the securities from the Central Depository Company's report. We also reviewed management's assessment of whether there are any indicators of impairment including those securities that are not actively traded; and Furthermore, we also assessed the adequacy of the respective disclosure relating to investments as disclosed in the financial statements.		
3.	Compliance with laws and regulations			
	The Company is in highly regulated industry and is governed by stringent laws and regulations which mainly include Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008, various circulars issued by the SECP from time to time to regulate the business of the Company. The Company is required to comply with these rules and regulations. We have considered compliance with laws and regulation as a key audit matter since failure to comply with any of these applicable laws and regulations could have a material financial impact on the business of the Company.	Our audit procedures in respect of this area included the following: Obtained an understanding of the relevant legal and regulatory framework within which the Company operates and assessed the design and operation of its key controls over this framework. Discussed the applicable policies and procedures with senior management and reviewed Board papers, and internal audit reports for any recorded instances of potential non-compliance, and maintained a high level of vigilance when carrying out our other audit procedures for indications of non-compliance.		

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 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) 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 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) 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: 24th March 2022

UDIN: AR202110151ud2mJ5Nef



UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Note	2021 Ruj	2020 nees
ASSETS		,	,
NON CURRENT ASSETS			
Property and equipment	8	155,317,754	156,727,396
Intangible assets	9	2,733,344	3,043,340
Deferred tax	10	5,880,764	941,809
Long term investments	11	_	45,941,799
Long term financing	12	12,023,421	5,017,015
Long term loans and advances	13	2,500,000	2,500,000
		178,455,283	214,171,359
CURRENT ASSETS		-,,	, , , , , , , , , , , , , , , , , , , ,
Short term financing	12	44,651,381	53,968,338
Loans and advances	13	958,207	1,030,957
Short term investments	14	446,982,039	391,990,545
Deposits, prepayments and other receivables	15	5,922,695	8,065,351
Accrued interest	16	5,181,422	2,903,489
Tax refund due from Government	17	62,263,062	55,843,850
Cash and bank balances	18	7,272,005	7,293,874
		573,230,812	521,096,404
TOTAL ASSETS		751,686,095	735,267,763
EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES Authorized Share Capital			
100,000,000 (2020: 100,000,000) ordinary shares of Rs.10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital		514,335,580	514,335,580
Statutory reserves	19	191,277,571	186,259,883
Accumulated profit / (losses)	20	35,467,685	15,396,933
		741,080,836	715,992,396
CURRENT LIABILITIES			
Unclaimed dividend		2,090,749	2,090,749
Accrued and other liabilities	21	8,514,510	17,184,618
		10,605,259	19,275,367
TOTAL EQUITY AND LIABILITIES		751,686,095	735,267,763
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

SHAKEEL AHMED **CFO**

ZAFAR M. SHEIKH **CHIEF EXECUTIVE**

HAJI JAN MOHAMMAD CHAIRMAN/DIRECTOR

UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	N T (2021	2020
Income	Note	Rupees	
Income on financing	23	8,256,984	10,943,250
Return on securities	24	18,635,920	12,090,674
Gain on sale of investments		47,040,169	16,446,192
Profit on deposit with banks		565,481	555,262
Other income	25	1,274,520	1,285,938
		75,773,074	41,321,316
Expenditure			,- ,- <u>-</u>
Administrative expenses	26	34,303,645	32,117,244
Operating profit before taxation		41,469,429	9,204,072
operating profit before taxation			
Unrealized loss / gain on remeasurement of investments classified as fair value through profit or loss		(12,275,811)	80,954,237
		29,193,618	90,158,309
Profit before taxation			
Taxation	27	(4,105,178)	(12,853,116)
		25,088,440	77,305,193
Profit after taxation			
Earnings per share - basic and diluted	28	0.488	1.503

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.



UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

Profit after Taxation

Other Comprehensive Income for the year Items that may be reclassified subsequently to profit and loss account Surplus/deficit on revaluation of investments

Rupees				
25,088,440	77,305,193			
-	-			
25,088,440	77,305,193			

2020

2021

Total comprehensive income for the year

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Ruj	2020 nees
CASH FLOWS FROM OPERATING ACTIVITIES		29,193,618	90,158,309
Profit before taxation	26	25,150,010	70,130,307
Adjustment for non cash and other items	27	1,808,268	1,963,202
Depreciation		309,996	309,996
Amortization		(45,631,212)	(16,446,192)
Gain on disposal of equity investments	28	(1,945,381)	-
Return on term finance certificates (TFCs)		(84,071)	(8,998)
Gain on disposal of fixed assets			
Unrealized loss / (gain) on remeasuerment of investments classified as	29	12,275,811	(80,954,237)
fair value through profit and loss		(33,266,589)	(95,136,229)
Cash used in operating activities before working capital changes		(4,072,971)	(4,977,921)
(Increase) / decrease in operating assets			
Deposits, prepayments and other receivables		16,143,218	(4,555,322)
Accrued interest		(3,647,677)	6,709,579
		12,495,541	2,154,257
(Decrease) in operating liabilities			
Unclaimed Divedend		-	(3,834)
Accrued and other liabilities		(8,670,108)	(48,735)
		(8,670,108)	(52,569)
Net change in operating assets and liabilities		3,825,433	2,101,688
Income tax paid	30	(15,463,345)	(2,995,296)
Net cash generated from operating activities		(15,710,883)	(5,871,529)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets - net	31	(301,810)	(36,500)
Proceeds from disposal of long term Investment		13,580,936	-
Investment in quoted shares		(41,414,818)	(265,800,979)
Loans and advances		72,750	448,043
Long term financing - net		2,310,551	191,236,487
Proceeds from sale of fixed assets		84,100	9,000
Proceeds from sale of investments (shares)		202,205,961	259,275,404
Sale of investments in TFCs		9,151,344	-
Investment in securities (T-Bills)		(170,000,000)	-
Net cash used in investing activities		15,689,014	185,131,455
CASH FLOW FROM FINANCING ACTIVITIES			
Subordinated loans			(180,000,000)
Net cash used in financing activities			(180,000,000)
Net decrease in cash and cash equivalents		(21,869)	(740,074)
Cash and cash equivalents at the beginning of the year		7,293,874	8,033,947
Cash and cash equivalents at the end of the year		7,272,005	7,293,874

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

SHAKEEL AHMED CFO

ZAFAR M. SHEIKH CHIEF EXECUTIVE

HAJI JAN MOHAMMAD CHAIRMAN/DIRECTOR



UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Res	erves	
	Issued, Subscribed and Paidup Share Capital	Statutory reserve	Accumulated profit / (losses)	Total
		R	upees	
Balance as at January 01, 2020	514,335,580	170,798,844	(46,447,221)	638,687,203
Total comprehensive income for the year ended December 31, 2020				
Profit for the year	-	-	77,305,193	77,305,193
Other comprehensive income	-	-	77,305,193	77,305,193
Transfer to statutory reserve	-	15,461,039	(15,461,039)	
Balance as at December 31, 2020	514,335,580	186,259,883	15,396,933	715,992,396
Total comprehensive income for the year ended December 31, 2021				
Profit for the year	-	-	25,088,440	25,088,440
Other comprehensive income	-	-	25,088,440	25,088,440
	-	_		-
Transfer to statutory reserve	-	5,017,688	(5,017,688)	-
Balance as at December 31, 2021	514,335,580	191,277,571	35,467,685	741,080,836

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

SHAKEEL AHMED CFO CFO

ZAFAR M. SHEIKH CHIEF EXECUTIVE

HAJI JAN MOHAMMAD CHAIRMAN/DIRECTOR

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATUS AND PRINCIPAL ACTIVITIES

- Security Investment Bank Limited (the Company) is a public limited company incorporated in Pakistan under the repealed 1.1 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, 2022.
- 1.3 During the year 2021, 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 In the year 2016, the Company made an investment in newly incorporated wholly owned subsidiary company namely Security Capital & Investment (Private) Limited amounting to Rs. 50 million. As per the agreement dated September 07, 2016 between the Company and the subsidiary, the Company ceded the legal right on Trading Right Entitlement Certificate (TREC) and 1,602,953 shares of the Pakistan Stock Exchange Limited (PSX) and Pakistan Mercantile Exchange (PMEX) membership card to the subsidiary. During the year 2017, the TREC had been transferred by the Company in the name of the subsidiary. However, title of shares of PSX and PMEX card has not yet been transferred in the name of the subsidiary due to the reason that the subsidiary has not obtained license to deal as broker from SECP till the date of unconsolidated statement of financial position.

Rahat Aziz, an advocate of High Court, had filed an application on instruction of Security Capital & Investment (Private) Limited for striking off the name of the Company from the Register of Companies under Companies Easy Exit Scheme (CEES). And on 15 January 2020, via Letter No. CEER/MISC/1-1/2020 of Securities and Exchange Commission of Pakistan, persuant to the provisions of sub section (1) of section 426 of the Companies Act, 2017 (the Act) read with Companies (Easy Exit) Regulations, 2014 (the Regulations), same has been accepted.

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.

BASIS OF PREPARATION 3.

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

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

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:

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

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after January 01, 2021. These are considered either not to be relevant or not to have any significant impact on the Company's operations and therefore are not detailed in these financial statements.

4.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended use - Amendments to IAS 16	January 01, 2022
Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37	January 01, 2022
Annual improvement process IFRS 1 First-time Adoption of International	
Financial Reporting Standards - Subsidiary as a first-time adopter	January 01, 2022
Annual improvement process IFRS 9 Financial Instruments - Fees in the '10 percent'	
test for derecognition of financial liabilities	January 01, 2022
Annual improvement process IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single	January 01, 2023
Transaction - Amendments to IAS 12	
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	
Amendments to IFRS 10 and IAS 28	January 01, 2023

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES 5.

The preparation of unconsolidated 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 unconsolidated 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 and 7.5)
- (c) recognition of taxation and deferred tax (Note 7.15) and
- (d) accounting for post employment benefits (Note 7.8)
- (e) impairment of non financial assets (Note 7.3)

6. **BASIS OF MEASUREMENT**

These unconsolidated 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 unconsolidated financial statements, except for the amount reflected in cash flow statements, all the transactions have been accounted for on accrual basis.

SIGNIFICANT ACCOUNTING POLICIES 7.

7.1 Property and equipment

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

Depreciation is charged to profit and loss account applying the straight line method in accordance with the rate specified in note 8 to these unconsolidated 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 current year's income. Major renewals and repairs are capitalized.

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

7.2 **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 9)

7.2.1 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.

7.3 **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.

7.4 **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.



7.5 **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.

Financial assets at fair value through profit or loss c)

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.

Impairment of financing 7.6

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 NBFS Rules and Regulations.

7.7 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, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market place.

7.8 Staff retirement benefits

Defined contribution plan

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

7.9 **Financial instruments**

All financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Company looses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to income currently.

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.

PROPERTY AND EQUIPMENT 8.

	Leasehold Property	Building	Furniture and fixtures	Computer and Equipments	Vehicles	Generator	Telephone System	Total
As at December 31, 2019				Rupees				
Gross carrying value basis								
Cost	121,516,047	32,000,000	8,916,237	3,518,267	40,501	582,736	253,969	166,827,757
Accumulated depreciation	-	(693,334)	(3,944,743)	(2,836,870)	(21,780)	(520,648)	(156,282)	(8,173,657)
Net book value	121,516,047	31,306,666	4,971,494	681,397	18,721	62,088	97,687	158,654,100
Year ended December 31, 2020								
Net carrying value basis								
Opening net book value	121,516,047	31,306,666	4,971,494	681,397	18,721	62,088	97,687	158,654,100
Additions (at cost)	-	-	-	36,500	-	-	-	36,500
Disposals								
Cost	- [-	-	(77,400)	-	-	-	(77,400)
Accumulated depreciation	-	-	_	77,398	-	_	_	77,398
	-	-	-	(2)	-	-	-	(2)
Depreciation charge		(640,000)	(888,625)	(327,121)	(8,100)	(11,643)	(87,713)	(1,963,202)
Closing net book value	121,516,047	30,666,666	4,082,869	390,774	10,621	50,445	9,974	156,727,396
As at December 31, 2020 Gross carrying value basis								
Cost	121,516,047	32,000,000	8,916,237	3,477,367	40,501	582,736	253,969	166,786,857
Accumulated depreciation	-	(1,333,334)	(4,833,368)	(3,086,593)	(29,880)	(532,291)	(243,995)	(10,059,461)
Net book value	121,516,047	30,666,666	4,082,869	390,774	10,621	50,445	9,974	156,727,396
Year ended December 31, 2021 Net carrying value basis								
Opening net book value	121,516,047	30,666,666	4,082,869	390,774	10,621	50,445	9,974	156,727,396
Additions (at cost) Disposals		-	-	332,154	66,500	-	-	398,654
Cost	-	-	-	(993,291)	-	-	-	(993,291
Accumulated depreciation	-	-	-	993,263	-	-	-	993,263
	-	-	-	(28)	-	-	-	(28)
Depreciation charge		(639,996)	(888,636)	(248,814)	(9,208)	(11,640)	(9,974)	(1,808,268)
Closing net book value	121,516,047	30,026,670	3,194,233	474,086	67,913	38,805	-	155,317,754
As at December 31, 2021 Gross carrying value basis								
Cost	121,516,047	32,000,000	8,916,237	2,816,230	107,001	582,736	253,969	166,192,220
Accumulated depreciation		(1,973,330)	(5,722,004)	(2,342,144)	(39,088)	(543,931)	(253,969)	(10,874,466)
Net book value	121,516,047	30,026,670	3,194,233	474,086	67,913	38,805	-	155,317,754
Depreciation rate per annum (%)	-	2	10	20	20	10	10	

Cost and accumulated depreciation as at the end of the year include an amount of Rs. 2,522,914/- (2020: Rs. 3,035,614/-) in 8.1 respect of fully depreciated assets still in use.



8.2 Particulars of Disposal of Property and Equipment

Original Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds	Profit / (Loss) on Disposal	Mode of Disposal	Particulars of Buyer	Relationship
		Rupees -					

Computer And Equipments

Computers-Usb	5,000	4,999	1	4,000	3,999
Computer Accessories - SIBL Exchange Co.	1,500	1,499	1	4,000	3,999
Computer Accessories	8,100	8,099	1	4,000	1,499
Computers 4 Cpu	13,800	13,799	1	1,500	1,499
3 Computers	142,500	142,499	1	1,500	1,499
Computers	21,600	21,599	1	1,500	1,499
Computers SIBL Exchange Co. (Pvt) Ltd	45,667	45,666	1	1,500	1,499
1-Computer	19,646	19,645	1	1,500	1,499
1-Computer	18,450	18,449	1	1,500	1,499
Computer LCD Printer	74,880	74,879	1	3,870	3,869
Computer	10,995	10,994	1	1,500	1,499
Computer Accessories	24,846	24,845	1	1,500	1,499
Computer Accessories	10,696	10,695	1	1,500	1,499
Computer Accessories	14,815	14,814	1	1,500	1,499
Computer	24,762	24,761	1	1,500	1,499
Computer	28,571	28,570	1	1,500	1,499
Computer Printer	11,583	11,582	1	1,935	1,934
Computer	22,624	22,623	1	1,500	1,499
Inter Core Computer	122,162	122,161	1	3,000	2,999
Computer Printer	11,583	11,582	1	1,935	1,934
Computer	10,000	9,999	1	1,500	1,499
Computer Accessories - SIBL Exchange Co	5,000	4,999	1	4,000	3,999
Computer Accessories - SIBL Exchange Co.	5,000	4,999	1	4,000	3,999
Computer Accessories - SIBL Exchange Co.	13,333	13,332	1	4,000	3,999
Computer Lcd Monitor 2/18	9,845	9,844	1	1,200	1,999
Split AC Purchase For New Office (2/6 Sets)	111,038	111,037	1	9,000	8,999
Split AC Purchase For New Office (2/6 Sets)	111,038	111,037	1	10,500	10,499
Vacume Cleaner	11,300	11,299	1	500	499
Office Shareddre	35,100	35,099	1	2,500	2,499
Racks And Patch Panel	18,025	18,024	1	1,660	1,659
Fax Machine	9,832	9,831	1	1,000	999
Oppo	20,000	15,000	5,000	2,000	1,999

Negotiation	Unrelated Party	No Relationship
Negotiation	Unrelated Party	No Relationship

			2021	2020
		Note	Rupe	ees
9.	INTANGIBLE ASSETS			
	Corporate membership of the PMEX		2,500,000	2,500,000
	NBFC License	9.1	83,344	333,340
	DHA Membership	9.2	150,000	210,000
			2,733,344	3,043,340

- 9.1 'This represents NBFC license which was renewed on 29 May 2019 and is valid for three years from the date of renewal.
- 9.2 'This membership was acquired in 27 June 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.

			2021	2020
		Note	Rup	ees
9.	DEFERRED TAX			
		9.1	3,546,676	3,307,988
	Deferred tax liability / (asset) arising in respect of:	9.2		
	Accelerated depreciation		(2,255,472)	12,143,153
	through profit on loss		(5,511,104)	(4,816,421)
	Unabsorbed business losses		(1,660,864)	(875,507)
	Unabsorbed tax depreciation		-	(10,701,022)
	Alternative corporate tax-2020			
	•		(5,880,764)	(941,809)
			2021	2020
		Note	2021 Rup	2020
10.1	M	Note	Kup	ices
10.1	Movement in deferred tax			
	Opening balance - (asset) / liability	13.1	(941,809)	238,635,923
	Income / (expense) during the year	11	(4,938,955)	4,018,870
	Closing balance - (asset) / liability		(5,880,764)	242,654,793
	5		(-))	
			2021	2020
		Note	Rup	ees
11.	LONG TERM INVESTMENTS			
	Investment - subsidiary			
	5,000,000 ordinary shares of Security Capital &			
	Investments (Private) Limited @ Rs. 10/- each	10.1		45,941,799
11 1	This remeasure investment in whelly owned subsidiant of the Com-	maner on datailed in mate	. 1 / to this ye	alidated financial
11.1	This represents investment in wholly owned subsidiary of the Comstatements. Break up value per share on December 31, 2020 is Rs. 1			ondated imancial
	statements. Dreak up value per share on December 31, 2020 is Rs. I	10.173 (2013. NS. 9.100	·)·	

	Note	2021 Rup	ees
LONG TERM FINANCING			
Murabaha Financing			
Secured and considered good			
Murabaha finance		61,819,042	60,371,151
Less: Deferred Murabaha income		(5,144,240)	(1,385,798)
Murabaha receivable	12.1	56,674,802	58,985,353
Less: Current maturity		(44,651,381)	(53,968,338)
		12,023,421	5,017,051

12.

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% to 3% per annum (2020: 1 Year KIBOR+3%).



		Note	2021 Rupe	2020 ees
13.	LONG TERM LOAN AND ADVANCES			
	Advances - Staff - Against expenses - For office premises	13.1	326,957 631,250 2,500,000 3,458,207	410,957 620,000 2,500,000 3,530,957
	Less: Current portion		(958,207)	(1,030,957)
			2,500,000	2,500,000

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.

		Note	2021 Rup	2020 bees
١.	SHORT TERM INVESTMENTS		•	
	Measured at amortised cost			
	Market treasury bills		223,000,000	53,000,000
	Measured at fair value through other other comprehensive income			
	Term finance certificates	14.1	-	5,836,219
	Measured at fair value through profit or loss			
	Investment in equity shares	14.2	223,982,039	333,154,326
			446,982,039	391,990,545

14.1 Particulars of listed Term Finance Certificates (TFC):

	No. of Certificates			2021	2020			
			Cost	Market Value	Cost	Market Value		
	2021	2020		Rupees				
	-	5,000	-	-	7,781,625	5,836,219		

Telecard Limited

14.

14.1.1 Terms of redemption of listed TFCs are as follows:

Particulars	Certificates denomination	Profit rate per annum	Profit payment	Redemption terms
Telecard Limited	5,000	3 months KIBOR + 0%	Quarterly	Originally Eight years from May
			•	2005. Then rescheduled up to
Redemption up to December 31, 2021	(5,000)			May 27, 2015. Now it is
1	() /			restructured to be redeemable
Balance as at December 31, 2021	-			over the period of 5 years with 2
•				years grace period carrying mark
				up @ 3 months KIBOR+0%.

14.1.2 Telecard Limited has restructured its TFCs redemption schedule on December 30, 2011 relating to the default of payment of redemption due on May 27, 2011, without any consequences or delay penalties after the approval obtained by the Company from the TFC holders upon Company's request. The said restructuring has resulted in lower current maturity. As a result, the last

redemption date had been extended to May 27, 2015, instead of the revised final redemption date of November 27, 2013. In the year 2015 it was restructured to be redeemable over the period of 5 years with 2 years grace period carrying mark up @ 3 months

The TFCs were secured against a first specific charge over the fixed assets of the Company, aggregating to Rs. 800 million and specific charge over the intangible assets (frequency spectrum) procured from the Pakistan Telecommunication Authority.

14.2 **Quoted Shares**

All shares have face value of Rs. 10/- each unless identified otherwise.

2021	2020			2021	2020		
No. of ordi	nary shares		Cost	Market	Cost	Market	
				Value		Value	
212,358	365,708	Cement		Rupe	ees		
-	28,872		153,674,990	144,250,542	164,926,570	254,565,682	
_	25,445	D.G. Khan Cement Company Limited	-	-	2,355,185	3,308,154	
-	50,000	Maple Leaf Cement Factory Limited	-	-	939,684	1,145,279	
-	21,993	Fauji Cement Company Limited	-	-	729,500	1,083,500	
		Pioneer Cement Limited	-	-	641,316	2,271,877	
629,253	629,253	Bank					
48,737	48,737	Bank Al Habib Limited	43,512,845	43,424,750	41,939,010	43,796,009	
-	45,175	MCB Bank Limited	7,344,179	7,473,819	7,912,030	9,029,991	
_	4,467	Habib Metropolitan Bank Limited	-	-	1,771,614	1,761,373	
_	6,512	Bank Of Punjab	_	_	42,571	41,409	
	- /-	Bank Alfalah Limited	-	-	262,434	230,069	
1 002 052							
1,002,953	-	Inv. Banks / Inv. Cos. / Sec. Cos.	10 212 022	12 700 604			
		Pakistan Stock Exchange Limited	18,313,922	13,790,604	-	-	
35,000	-	Engineering					
		Amreli Steels Limited	1,370,250	1,566,600	-	-	
71,750	115,750	Oil & Gas Exploration Companies					
		Sui Southern Gas Company Limited	784,228	666,558	2,068,909	1,680,690	
55,000	126,500	Power Generation					
71,000	114,000	Kot Addu Power Company Limited	1,916,200	1,779,250	2,873,201	3,440,800	
45,000	_	The Hub Power Company Limited	5,220,630	5,065,140	9,344,927	9,043,620	
		K-Electric Limited	180,000	154,800			
1,477	1,000	Synthetic & Rayon					
2,	1,000	Gatron (Industries) Limited/ NOVA	474,073	768,926	675,000	620,000	
35,000	-	Refinery					
		Attock Refinery Limited	6,227,200	5,041,050	-	-	
_	685	Modarabas					
		First Prudential Modaraba	-	-	692	966	
_	5,581	Fertilizer					
		Fatima Fertilizer Company Limited	-	-	130,093	162,407	
-	60,000	Technology & Communication					
-	71,000	Hum Network Limited	-	_	334,416	326,400	
	,	Pakistan Telecommunication Company Lt	d -	-	825,020	646,100	
2,207,528	1,720,678	-	239.018 517	223,982,039	237,772,171	333,154,326	
_,_0,,0,0	1,720,070	=	207,010,017	223,702,037	-5191129111	333,131,320	



					2021	2020
15.	DEPOSITS, PREF	PAYMENTS ANI	O OTHER RECEIVABLES		Rup	oees
10.	DEI OSIIS, I KEI		O THER RECEIVIBLES			
	Security deposits				361,280	361,280
	Prepayments				1,154,431	727,185
	Other receivables -	considered good			4,406,984	6,976,886
					5,922,695	8,065,351
16.	ACCRUED INTE	REST				
	Profit on demand fir	nance- receivable			_	147,947
	Profit on TFC - rece	eivable			-	1,369,744
	Profit on murabaha	car finance receiv	rable		5,181,422	1,385,798
					5,181,422	2,903,489
17.	TAX REFUND DU	JE FROM GOVI	ERNMENT			
	Advance tax				288,325,732	272,862,387
	Less: Provisions for	r taxation			(226,062,670)	(217,018,537)
					62,263,062	55,843,850
18.	CASH AND BANK	X BALANCES				
	Cash in hand				22,396	45,012
	With State Bank of	Pakistan in currer	nt account		1,292	4,009
	Current accounts				1,805,697	1,805,810
	Deposit accounts			18.1	5,442,620	5,439,043
					7,272,005	7,293,874
18.1	Rate of return on the	ese deposits accou	unts range from 7% to 9% per	annum (2019: 5% to 79	% per annum).	
					2021	2020
19.	ISSUED, SUBSCR	RIBED AND PAI	D UP CAPITAL	Note	Rup	oees
	Number of	f shares				
	2021	2020				
	23,552,000	23,552,000	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		
	25 001 550	25 001 550	paid bonus shares.		278,815,580	278,815,580
	<u>27,881,558</u> <u>51,433,558</u>	27,881,558			514 225 590	514 225 590
		51,433,558			514,335,580	514,335,580
20.	STATUTORY RES	SERVES		20.1	191,277,571	186,259,883

20.1 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.

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		Note	2021	2020
		Note	Kupe	es
21.	ACCRUED AND OTHER LIABILITIES			
	Payable to related parties		23,535	14,024,097
	Accrued and other expenses		8,490,975	3,160,521
			8,514,510	17,184,618
22.	CONTINGENCIES AND COMMITMENTS			
	There were no contingencies and commitments as at the statement of financia	l position da	nte.	
			2021	2020
		Note	Rupe	es
23.	INCOME ON FINANCING			
	Demand finance		7,261,099	10,302,511
	Murabaha Car finance		995,885	640,739
	ividiabana Cai imanee		8,256,984	10,943,250
24.	RETURN ON SECURITIES			
	Return on government securities (T-Bills)		11,091,645	4,350,183
	Return on term finance certificates (TFCs)		1,945,381	-,550,105
	Dividend income		5,598,894	7,740,491
	Dividend modific		18,635,920	12,090,674
25.	OTHER INCOME			
	Gain on sale of fixed assets		84,071	8,998
	Processing income		445,804	607,350
	Rental income		624,000	624,000
	Miscellaneous		120,645	45,590
			1,274,520	1,285,938
26.	ADMINISTRATIVE EXPENSES			
	Calarian annual adam barafa		10.007.070	17 020 416
	Salaries, wages and other benefits Contribution to provident fund		19,896,960 445,985	17,929,416 326,945
	Rent, rates and taxes		1,425,155	1,400,806
	Telephone, telex and fax		775,295	748,232
	Electricity, water and gas		616,734	450,833
	Printing, postage and stationery		557,275	499,126
	Insurance		269,532	378,151
	Fees and membership		2,370,781	1,956,647
	Brokerage and commission		414,809	320,044
	Central Depository Company charges		165,759	1,823,697
	Auditors' remuneration		430,000	430,000
	Legal and professional fees		2,153,539	1,007,200
	Vehicle running and maintenance		635,554	494,394
	Repairs and maintenance		466,970	513,574



			2021	2020
		Note	Rupe	ees
	Advertisement		150,158	150,298
	Travelling and conveyance		335,154	405,988
	Entertainment		335,967	408,644
	Depreciation		1,808,268	1,963,202
	Amortisation		60,000	309,996
	Bank charges		21,577	12,865
	Old age benefit		878,866	233,146
	Books, periodicals and newspapers		11,698	16,300
	Other expenses		77,609	337,740
			34,303,645	32,117,244
26.1	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
			430,000	430,000
27.	TAXATION			
	Current tax	27.1	19,546,862	14,378,391
	Prior year tax		(10,502,729)	397,010
	Deferred tax		(4,938,955)	(1,922,285)
			4,105,178	12,853,116

27.1 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.

The declared results for Assessment years 1993-94, 1994-95 were accepted whereas return of income in respect of Tax years 2004, 2009, 2010, 2017 and 2018, 2019 and 2020, are deemed to be assessed in terms of section 120(1)(b) of the Income Tax Ordinance, 2001 (the "Ordinance").

- 27.2 The return of income furnished for assessment year 1995-96 to 2001-02 were filed in the status of a public company. However the status of a banking company was assigned to the Company by the tax department and certain disallowances were made in the profit and loss expenses. For the assessment year 1995-96 to 2000-01 issues were settled in favor of the Company by the Appellate Tribunal Inland Revenue (the ATIR).
- 27.3 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 Commissioner Inland Revenue (Appeals) (the CIR(A)), which was decided in favor of tax department and the Company filed a second appeal before ATIR which was also decided 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.

No additional provision has been made against this demand as the management is confident that reference application will be decided in favour of the Company.

27.4 The return in respect of tax year 2012 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. And 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 Commissioner Inland Revenue (Appeals-I) which has been heard for order.

Assessment in respect of tax year 2012 was amended vide assessment order dated February 28, 2014 under section 221/113 of the Ordinance. 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. No further notice in this regard has been received by the Company.

The returns filed by the Company for the said years were selected for audit under section 177 of the Ordinance, online showcause notices were issued but adjournment was asked. However, no further action has been taken by the authorities in this regard.

27.5 The numerical reconciliation between tax expense and accounting profit for the year ended December 31, 2021 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.

28.	28. EARNINGS PER SHARE - BASIC AND DILUTED		2021 Rupe	2020 pees	
28.1	Basic earning per share				
	Profit after tax Weighted average number of ordinary shares	Rs.	25,088,440 51,433,558	77,305,193 51,433,558	
	Earnings per share	Rs.	0.488	1.503	

28.2 Diluted earning per share

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

29. **DEFINED CONTRIBUTION PLAN**

An amount of Rs. 0.446 million (2020: Rs. 0.327 million) has been charged during the year in respect of contributory provident fund maintained by the Company.

29.1 Disclosure relating to provident fund

The Company operates a recognised Provident Fund (the Fund) for its permanent employees.

			Note	2021 Rupe	2020 ees
(i)	Size of the Fund			2,727,259	1,830,981
(ii)	Cost of investments made			2,743,734	1,856,030
(iii)	Percentage of investments made			0.58	0.67
(iv)	Fair value of investments in govern	ment securities		1,577,866	1,243,642
		2021	2020	2021	2020
Break u	p of the investments is as follows:	Percent	age	Rupe	ees
Bank ba		40.92	25.71	1,115,862	470,719
Governi	ment securities	57.86	67.92	1,577,866	1,243,642



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

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

	2021			2020				
	Chief Executive Officer	Non- Executive Directors	Executive Director	Executive	Chief Executive Officer	Non- Executive Directors	Executive Director	Executive
				Ru	pees			
Directors meeting fees	-	700,000	-	-	-	735,000	-	-
Managerial remuneration	5,400,000	-	-	-	5,400,000	-	-	-
Bonus	650,000	-	-	-	450,000	-	-	-
Medical expense	450,000	-	-	-	450,000	-	-	-
Other benefits	2,366,133	-	-	-	2,586,696	-	-	-
	8,866,133	700,000	-	-	8,886,696	735,000	-	-
Number of persons	1	7	-	-	1	7	-	

- 30.1 The executives of the Company are also entitled to free use of Company owned and maintained vehicles.
- 30.2 The amount charged in the financial statements as the fee of directors for attending Board of Directors meeting was Rs. 35,000 per meeting.

31. 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. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if an

any.		December 31, 2021				
	Upto three months	More than three months and upto one year	Over one year	Total		
		Rupees				
Liabilities						
Subordinated loan	-	-	-	-		
Unclaimed dividend	2,090,749	-	-	2,090,749		
Accrued and other liabilities	8,490,975	23,535	-	8,514,510		
	10,581,724	23,535		10,605,259		

		December	31, 2020	
	Upto three months	More than three months and upto one year	Over one year	Total
		Ruj	pees	
Liabilities				
Subordinated loan	-	-	-	-
Unclaimed dividend	2,090,749	-	-	2,090,749
Accrued and other liabilities	3,160,521	14,024,097	-	17,184,618
	5,251,270	14,024,097		19,275,367

32. 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:

32.1 **Finance**

Services Cable and electric goods Individuals

20)21	2020		
Rupees	%	Rupees	%	
-	0.00%	-	0.00%	
41,569,569	73.35%	50,000,000	84.77%	
15,105,233	26.65%	8,985,353	15.23%	
56,674,802	100%	58,985,353	100%	

32.2 **Geographical Segment**

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

33. 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.



33.1 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:

		De	ecember 31, 2021		
		Exposed to			
Description	Total	Within one year	More than one year and up to five years	Above five years	Not Exposed to Interest Rate / Yield Risk
Financial assets					
Long term financing	56,674,802	44,651,381	12,023,421	-	-
Investment in T-bills	223,000,000	223,000,000	-	-	-
Investments in quoted shares	223,982,039	-	-	-	223,982,039
Loans and advances	326,957	-	-	-	326,957
Deposits and other receivables	4,768,264	-	-	-	4,768,264
Accrued interest	5,181,422	-	-	-	5,181,422
Balances with banks and cash in hand	7,272,005	5,442,620	-	-	1,829,385
Total	521,205,489	273,094,001	12,023,421	-	236,088,067
Financial liabilities					
#REF!	2,090,749	-	-	_	2,090,749
Accrued and other liabilities	8,514,510	-	-	-	8,514,510
	10,605,259		-	-	10,605,259
Total interest rate sensitivity gap		273,094,001	12,023,421	-	225,482,808
Cumulative interest rate sensitivity gap		273,094,001	285,117,422	285,117,422	

33.2 **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.

33.3 **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.

Financial instruments by category Financial assets Measured at fair value through profit or loss Investment in quoted equity shares 223,982,039 333,154,326 Measured at fair value through other comprehensive income Term finance certificates - 5,836,219 Measured at amortized cost Market treasury bills 223,000,000 2,500,000 Long term advances 2,500,000 2,500,000 Deposits and other receivables 4,768,264 7,338,166 Accrued interest 5,181,422 2,903,489 Bank balances 7,272,005 7,293,874 Emancial liabilities 242,721,691 73,035,529 Financial liabilities 2,090,749 2,090,749 Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618 10,605,259 19,275,367		Note	2021	2020
Measured at fair value through profit or loss 223,982,039 333,154,326 Measured at fair value through other comprehensive income 333,154,326 Term finance certificates - 5,836,219 Measured at amortized cost - 5,836,219 Market treasury bills 223,000,000 53,000,000 Long term advances 2,500,000 2,500,000 Deposits and other receivables 4,768,264 7,338,166 Accrued interest 5,181,422 2,903,489 Bank balances 7,272,005 7,293,874 Einancial liabilities 466,703,730 412,026,074 Financial liabilities carried at amortized cost 2,090,749 2,090,749 Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Financial instruments by category	11000		
Measured at fair value through other comprehensive income 223,982,039 333,154,326 Term finance certificates - 5,836,219 Measured at amortized cost - 53,000,000 Market treasury bills 223,000,000 2,500,000 Long term advances 2,500,000 2,500,000 Deposits and other receivables 4,768,264 7,338,166 Accrued interest 5,181,422 2,903,489 Bank balances 7,272,005 7,293,874 Emancial liabilities 7,272,005 7,293,874 Emancial liabilities 2,000,749 2,090,749 Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Financial assets			
Measured at fair value through other comprehensive income - 5,836,219 Measured at amortized cost - 5,836,219 Market treasury bills 223,000,000 53,000,000 Long term advances 2,500,000 2,500,000 Deposits and other receivables 4,768,264 7,338,166 Accrued interest 5,181,422 2,903,489 Bank balances 7,272,005 7,293,874 Enancial liabilities 466,703,730 412,026,074 Financial liabilities carried at amortized cost 2,090,749 2,090,749 Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Measured at fair value through profit or loss			
Measured at amortized cost - 5,836,219 Market treasury bills 223,000,000 53,000,000 Long term advances 2,500,000 2,500,000 Deposits and other receivables 4,768,264 7,338,166 Accrued interest 5,181,422 2,903,489 Bank balances 7,272,005 7,293,874 Bank balances 466,703,730 412,026,074 Financial liabilities Financial liabilities carried at amortized cost Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Investment in quoted equity shares		223,982,039	333,154,326
Measured at amortized cost Market treasury bills 223,000,000 53,000,000 Long term advances 2,500,000 2,500,000 Deposits and other receivables 4,768,264 7,338,166 Accrued interest 5,181,422 2,903,489 Bank balances 7,272,005 7,293,874 Financial liabilities Financial liabilities carried at amortized cost Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Measured at fair value through other comprehensive income			
Market treasury bills 223,000,000 53,000,000 Long term advances 2,500,000 2,500,000 Deposits and other receivables 4,768,264 7,338,166 Accrued interest 5,181,422 2,903,489 Bank balances 7,272,005 7,293,874 Financial liabilities 73,035,529 Financial liabilities carried at amortized cost Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Term finance certificates		-	5,836,219
Long term advances 2,500,000 2,500,000 Deposits and other receivables 4,768,264 7,338,166 Accrued interest 5,181,422 2,903,489 Bank balances 7,272,005 7,293,874 242,721,691 73,035,529 Financial liabilities Financial liabilities carried at amortized cost Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Measured at amortized cost			
Deposits and other receivables 4,768,264 7,338,166 Accrued interest 5,181,422 2,903,489 Bank balances 7,272,005 7,293,874 242,721,691 73,035,529 Financial liabilities Financial liabilities carried at amortized cost Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Market treasury bills		223,000,000	53,000,000
Accrued interest 5,181,422 2,903,489 Bank balances 7,272,005 7,293,874 242,721,691 73,035,529 Financial liabilities Financial liabilities carried at amortized cost Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Long term advances		2,500,000	2,500,000
Bank balances 7,272,005 7,293,874 242,721,691 73,035,529 Financial liabilities Financial liabilities carried at amortized cost Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Deposits and other receivables		4,768,264	7,338,166
Financial liabilities 466,703,730 412,026,074 Financial liabilities carried at amortized cost Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Accrued interest		5,181,422	2,903,489
Financial liabilities 466,703,730 412,026,074 Financial liabilities Financial liabilities carried at amortized cost Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Bank balances		7,272,005	7,293,874
Financial liabilities Financial liabilities carried at amortized cost Unclaimed dividend Accrued and other liabilities 2,090,749 4,514,510 17,184,618			242,721,691	73,035,529
Financial liabilities carried at amortized cost 2,090,749 2,090,749 Unclaimed dividend 2,514,510 17,184,618			466,703,730	412,026,074
Unclaimed dividend 2,090,749 2,090,749 Accrued and other liabilities 8,514,510 17,184,618	Financial liabilities			
Accrued and other liabilities 8,514,510 17,184,618	Financial liabilities carried at amortized cost			
	Unclaimed dividend		2,090,749	2,090,749
10,605,259 19,275,367	Accrued and other liabilities		8,514,510	17,184,618
			10,605,259	19,275,367

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

33.4

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)



Valuation techniques

For level 3 investments - investment in respect of term finance certificates, the Company has received Telecard Limited sukuks 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

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

Transfers during the year

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

35. 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.

BALANCES AND TRANSACTIONS WITH RELATED PARTIES 35.

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	2021 Rupees	2020 Rupees
Return on financing				
- H.M Esmail & Co. Limited	Associated Undertaking	Common Director	_	4,244,625
- Madina Electronics	Associated Undertaking	Common Director	_	525,436
- New Delite Company Limited	Associated Undertaking	Common Director	-	2,298,707
- Ary Services (Private) Limited	Associated Undertaking	Common Director	-	1,167,563
		-	_	8,236,331
Repayment / adjustment of dem				121 012 002
- H.M Esmail & Co. Limited	Associated Undertaking	Common Director	-	121,813,993
- Madina Electronics	Associated Undertaking	Common Director	-	14,575,555
- New Delite Company Limited	Associated Undertaking	Common Director	-	65,565,563
- Ary Services (Private) Limited	Associated Undertaking	Common Director	-	47,680,759
		- -	-	249,635,870

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Balances as at the year end				
N. d	N. d CD. L. d L	Desire (Deletie edit	2021	2020
Nature of Balances	Nature of Relationship	Basis of Relationship	Rupees	Rupees
Markup included in principal				
- H.M Esmail & Co. Limited	Associated Undertaking	Common Director	_	8,312,136
- Madina Electronics	Associated Undertaking	Common Director	_	525,436
- New Delite Company Limited	Associated Undertaking	Common Director	_	4,345,735
- Ary Services (Private) Limited	Associated Undertaking	Common Director	_	1,167,563
Thy Solvices (Tilvate) Emilied	Tissociated Chaortaining	-		14,350,870
A.P. O 4 / D 4 . C.L		=		
Adjustment / Repayment of der		-		121 012 002
- H.M Esmail & Co. Limited	Associated Undertaking	Common Director	-	121,813,993
- Madina Electronics	Associated Undertaking	Common Director	-	14,575,555
- New Delite Company Limited	Associated Undertaking	Common Director	-	65,565,563
- Ary Services (Private) Limited	Associated Undertaking	Common Director		47,680,759 249,635,870
		=		
Subordinated loan adjusted				
- Haji Jan Mohammad	Director	Directorship	-	30,000,000
- Muhammad Shoaib	Director	Directorship	-	25,000,000
- Muhammad Mehboob	Director	Directorship	-	25,000,000
- Shahnaz Jawed	Sponsor	Sponsorship	-	25,000,000
- Fouzia Rauf	Sponsor	Sponsorship	-	25,000,000
- Muhammad Iqbal	Sponsor	Sponsorship	-	25,000,000
- Zarina Iqbal	Sponsor	Sponsorship		25,000,000
		=		180,000,000
Office rent received		_		
- Ary Services (Private) Limited	Associated Undertaking	Common Director	208,000	624,000
Transactions During the year				
			2021	2020
Nature of Transaction	Nature of Relationship	Basis of Relationship	Rupees	Rupees
Advance against expenses				
- Sheikh Abdullah-Paid	Director	Directorship	46,000	24,000
D		1 =		
Recovery against car finance - Zafar M Sheikh	Chief Executive	Directorship	2,805,075	1,020,012
Zarar W Shenkii	Chief Executive	= Encerosinp	2,000,070	1,020,012
Other				
- Contribution to staff provident f	fund Employee Fund	=	445,985	326,945
Long term investments				
- Security Capital &				
Investment (Private) Limited	Subsidiary	Wholly owned subsidiary	-	45,941,799
		·		
Long term financing				
Car financing - Zafar M Sheikh	Chief E	Dimenta :1: !		2 905 075
- Zatar IVI Sheikh	Chief Executive	Directorship	-	2,805,075



Balances as at the year end			-0-1	
Nature of Balances	Nature of Relationship	Basis of Relationship	2021 Rupees	2020 Rupees
Advance against expenses - Sheikh Abdullah				
	Director	Directorship	56,000	122,000
Advance from subsidiary - Security Capital & Investment				
(Private) Limited	Subsidiary Company	Wholly owned subsidiary	-	14,000,562
Accrued and other liabilities - ARY IQ Precious Metals (PVT)	LTD			
	Director	Directorship	23,535	23,535
Deposits, prepayments and othe - Ary Services (Private) Limited	er receivables			
	Associated Undertaking	Common Director	416,000	
			2021	2020
			Rupe	
STAFF STRENGTH				
Number of employees at end of	the year		12	12
Average number of employees d	uring the year		12	14

DATE OF AUTHORIZATION FOR ISSUE 38.

These unconsolidated financial statements were authorized for issue by the Board of Directors on March 22, 2022.

39. **GENERAL**

- 39.1 Figures have been rounded off to the nearest rupee.
- 39.2 Corresponding figures' have been re-classified, wherever necessary for the purposes of comparison.

PATTERN OF SHAREHOLDING AT THE YEAR ENDED 31 DECEMBER, 2021

NO.	OF S	SHAR	E HOLDING		TOTAL
SHAREH		FRO			SHARES HOLD
SHAREH	OLDENO	IKO	10		SHARES HOLD
797		1	- 100		29,767
481		101	- 500		118,473
221		501	- 1000		179,507
448		001	- 5000		760,410
41		001	- 10000		285,136
14		0001	- 15000		175,931
3		001	- 20000		53,051
6		0001	- 25000		143,262
4		0001	- 35000		131,622
1		001	- 40000		39,423
2		0001	- 45000		83,602
1		001	- 50000		45,172
4		0001	- 55000		210,127
1		001	- 70000		68,575
1		001	- 75000		71,000
3	160		- 165000		487,440
1	205		- 210000		208,236
2		001	- 235000		463,258
1	300		- 305000		301,680
1	365		- 370000		366,000
1	375		- 380000		375,463
1	490		- 495000		495,000
1	520		- 525000		521,072
1	705		- 710000		706,977
1	820		- 825000		
1	915				824,447
1	913				917,841
	1085		- 930000 - 1090000		926,234
1	1110				1,089,900
_			- 1115000		1,114,392
1	1160		- 1165000		1,160,500
1	1170		- 1175000		1,172,500
1	1175		- 1180000		1,178,581
1	1420		- 1425000		1,421,698
1	1570		- 1575000		1,573,550
1	1825		- 1830000		1,825,050
2	2225		- 2230000		4,453,120
1	2230		- 2235000		2,232,482
1	2795		- 2800000		2,796,114
1	2920		- 2925000		2,923,849
1	3605		- 3610000		3,607,500
1	3650		- 3655000		3,650,100
1	4945		- 4950000		4,945,316
1	7300	1000	- 7305000		7,300,200
2057	Total				51,433,558
	Categories		Number Of	Total	
S/R No.	of Share Holding		Share Holders	Share Hold	Percentage %
	or share froiding		Share moluers	Share Holu	
1	INDIVIDUALS		2017	47,950,635	93.23
2	INVESTMENT COMPANIES		4	2,029	0
3	INSURANCE COMPANIES		2	375,693	0.73
4	JOINT STOCK COMPANIES		25	1,461,992	2.84
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
			2057	51,433,558	100



DETAILS OF PATTERN OF SHAREHOLDING AS PER REQUIREMENTS OF CODE OF COOPERATE GOVERNANCE

Row Labels	Sum of Shares Held	%
1) Individual	12,443,189	
Individual	12,443,189	24.19
2) Investment companies except ICP	2,029	
Investment companies except ICP	2,029	0.00
3) Public / Private Sector Companies and Corporations	1,461,992	
Public / Private Sector Companies and Corporations	1,461,992	2.84
4) Directors, Chief Executive Officer and their spouse and minor children	2,239,074	
Haji Jan Muhammad	1,221	0.00
Karim Muhammad Munir	500	0.00
Mohammad Shoaib	1,111	0.00
Muhammad Mehboob	2,760	0.01
Shaikh Abdullah	1,000	0.00
Samreen Shoaib	2,232,482	4.34
5) Investment Corporation of Pakistan	1,705	
Investment Corporation of Pakistan	1,705	0.00
6) Associated companies, undertakings and related parties	17,987,314	
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
7) Banks, DFIs, Insurance Companies, Modarabas and Mutual Funds except		
National Bank of Pakistan, Trustee Department	3,479,189	
Banks, DFIs, Insurance Companies, Modarabas and Mutual Funds except National Bank of Pakistan, Trustee Department	3,479,189	6.76
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	10

Dividend Mandate

Dear Shareholder,

Dividend Mandate: (Optional)

Security Investment Bank Limited wishes to inform its Shareholders that under the Law (Companies at 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 execise this option or wanting to update the Bank Mandate information already provided should subit 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 nonreceipt 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 FIRST ANNUAL GENERAL MEETING

I/We	
of	
a member / members of SECURITY INVESTM	ENT 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 T	hirty First Annual General Meeting of the Company to be
held on 28th April 2022 and at any adjournment	at thereof.
As Witness my/our hand this	. day of2022.
Folio No.	REVENUE STAMP RS. 5/-
Witness:	
1. Name	SIGNATURE OF MEMBER(S)
CNIC No	
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.
- The instrument appointing a proxy should be signed by the member or by his attorney duly 2 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.
 - 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.

المنيسوال شألانه موتي أجلال
میں/ ہم۔۔۔۔۔۔۔۔کا/ کے بحثیت ممبر (ز) کے سکیو رٹی انویسٹنٹ بینک کمیٹڈ اور حامل۔۔۔۔۔۔عام حصص
بمطابق فوليونمبر CDC Sub A/C / CDC A/C نمبرمقرركرتا /كرت بين محترم المحترم سيحترم المحترمية
/ ہمارے ایماء پر کمپنی کے 28 اپریل 2022 کوہونے واے 31 وال سالانہ عمومی اجلاس میں شرکت کرنے ،حق رائے وہی استعمال کرنے پاکسی بھی التواء کی صورت میں اپنا
/ ہمارابطورنمائندہ (پراکسی)
بطورگواہ آج بتاریخ۔۔۔۔۔۔۔میرے/ ہمارے دستخط ہوئے۔
پاچ روپے کے رسیدی ٹکٹ پر دشخط فولیونمبر:۔۔۔۔۔ اس دشخط کا کمپنی کے ساتھ ور جسٹر ڈ دشخط کے نمونے سے مشابہت
ہونالازی ہے۔ گواہ::
وه اـ نام:ــــــــــــــــــــــــــــــــــــ
:CNIC
ار: المار: المار
::CNIC
اہم نکات: ا کوئی ممبر جو کہ سالا ندعمومی اجلاس میں شرکت کرنے کا مجاز ہے وہ اپنے بدلے شرکت اور حق رائے دہی کے لئے پراکسی نامز دکر سکتا ہے۔
۲_ پراکسی انسٹر ومیدے ممبرے یابا اختیارا ٹارنی ہے دستخط شدہ ہونالازمی ہے،اگر ممبر کوئی مکپنی یا کاروپریشن ہےتواسکی Common Seal پراکسی انسٹر ومیدے پر ہوالازمی
ہے۔ ۳۔ ہرلحاظ سے مکمل اور دستخطاشدہ فارم میٹنگ ہے کم از کم 48 گھنے قبل کمپنی کے شیئر رجسڑ از کی آفس میں موصول ہونا جا ہے ۔
٣ ـ C D C ا كا ؤنث ر كفنه والسل كوريث ادار
مزید براں درج ذیل شرائط کو پورا کیا جائے گا۔
ا) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈیا پاسپورٹ کی نقول بھی دی جا ئیں۔
۲) پراکسی کوا پنااصل شناختی کارڈیا پاسپدرٹ میڈنگ کے وقت دکھا نا ہوگا۔
۳) کار پوریٹ ادار ہے کی صورت میں بورڈ آف ڈائر بکٹر کی قرار داد/ پاورآف اٹارنی مع دستخط کے نمونے کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔



Islamabad Office:

Office No. 1, 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