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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  
Mrs. Zillay Huma Khan  
Mr Faisal Zahid  
Mr. Shaukat Zaman  
Mr. Farrukh Siddiqui  
Mr. Muhammad Bilal Chaudhry

## PRESIDENT & CEO

Mr Zafar M Sheikh

## AUDIT COMMITTEE

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

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## CHIEF FINANCIAL OFFICER

Mr. Shakeel Ahmed

## SHARIAH ADVISOR

Mufti Ghaffar Ahmed

## HEAD OF INTERNAL AUDIT

Muhammad Naveed Jamal

## AUDITORS

Muniff Ziauddin & Co.  
Chartered Accountant

## TAX ADVISORS

Grant Thoranton Anjum Rahman  
Chartered Accountants

## LEGAL ADVISORS

Muhammad Altaf  
(Advocate of the Highcourt)

## SHARE REGISTRAR

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

## BANKERS

JS Bank Limited.  
United Bank Limited  
Bank Makramah Limited

## REGISTERED OFFICE

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

# NOTICE OF THE THIRTY FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty fourth Annual General Meeting of Security Investment Bank Limited (the Company) will be held at Hotel Hill View, Block-12-A, F-7, Markaz, Jinnah Super, Islamabad, on 29 April 2025 at 10:30 a.m. to transact the following business:

## ORDINARY BUSINESS:

- 1) To confirm the minutes of the Annual General Meeting held on 29 April 2024.
- 2) To receive and adopt the audited financial statements of the Company together with the Auditors' Report, Chairman Review and Directors' Reports thereon for the year ended 31 December 2024.
- 3) To appoint auditors and fix their remuneration for the year ending 31 December 2025. The retiring auditors M/s. Muniff Ziauddin & Co. 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 2025.
- 4) To approve, as recommended by the Board of Directors, the payment of final cash dividend @15% (i.e. PKR 1.50 per share each having face value PKR 10/-)

## SPECIAL BUSINESS

- 5) To approve, sell the Commercial Plot No. 49-C, Badar commercial area, street 12, Phase V, DHA Karachi (measuring 200 sq. yds) at an agreed price of Rs. 120 M to M/s ARY Laguna (Pvt) Ltd for 3 years deferred payment.

## ANY OTHER BUSINESS

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

## BOOK CLOSURE

The share transfer book of the company will remain closed from 22 April 2025 to 29 April 2025 (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, M-13, Progressive Plaza, Plot No. 5 - CL - 10, Civil Lines Quarter, Beaumont Road, Karachi) by the close of business on 21 April 2025 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:  
22nd March, 2025

Company Secretary

## NOTES:

### Appointment of Proxy

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

**CDC Account Holders**

- CDC accounts holders are in addition are required to follow the guidelines of Circular No.1 dated January 26, 2000 of the SECP for attending the Meeting:
- In case of individuals: The account holder or sub account holder and / or the person whose securities are registered on CDS; and their registration details are uploaded as per the regulations, shall authenticate his/ her identity by showing his/her original CNIC or original passport at the time of attending the Meeting. Members are also required to bring their Participants' I.D. Number and Account Numbers in CDS.
- In case of a corporate entity: Board of Directors Resolution/ Power of Attorney with specimen signature of nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

**Change of Address**

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

**M/S C & K Management Associates (Private) Limited,  
M-13, Progressive Plaza, Plot No. 5 - CL - 10, Civil Lines Quarter, Beaumont Road, Karachi**

**Important Notes to the Members****CNIC Copy**

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

**E-Dividend (Mandatory)**

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

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

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

**Unclaimed Dividend**

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

Members, whose dividends are still unclaimed, are hereby once again advised to approach the Company to claim their outstanding dividend amounts. An updated list of unclaimed dividend is available on the Company's website [www.sibl.com.pk](http://www.sibl.com.pk).

**Centralized Cash Dividend Register (CCDR)**

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

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

### Conversion of Physical Shares into CDS

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

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

### Deduction of Income Tax from Dividend under Section 150

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

<b>For Active tax payers</b>	<b>15%</b>
<b>For non-active taxpayers</b>	<b>30%</b>

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

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

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

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

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

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

### Circulation of Annual Audited Financial Statements via QR Enabled Code

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

Notwithstanding the above, the Company will provide hard copies of the Annual Report, 2024, to any Member on their request at their registered address within one (1) week of receiving such request.

**Placement of Financial Statements**

The Company has placed the Audited Financial Statements for the year ended December 31, 2024 along with Auditors and Directors Reports thereon on its website: <http://www.sibl.com.pk>

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

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

**Agenda Item No.5 of the Notice – Commercial Plot No. 49-C, Badar commercial area, street 12, Phase V, DHA Karachi (measuring 200 sq. yds)**

The Board of Directors has recommended to the members to sell the Commercial Plot No. 49-C, Badar commercial area, street 12, Phase V, DHA Karachi (measuring 200 sq. yds) at an agreed price of Rs. 120 M to M/s ARY Laguna (Pvt) Ltd for 3 years deferred payment in its 133rd board meeting held on December 28, 2023, the resolution as under will be considered to be passed by the members as an ordinary resolution:

“RESOLVED THAT to sell the Commercial Plot No. 49-C, Badar commercial area, street 12, Phase V, DHA Karachi (measuring 200 sq. yds) at an agreed price of Rs. 120 M to M/s ARY Laguna (Pvt) Ltd for 3 years deferred payment, as recommended by the Board of Directors of the Company, be and is hereby approved.”

## Security Investment Bank Limited

### POSTAL BALLOT PAPER

for voting through post for the Annual General Meeting to be held on Tuesday, April 29, 2025, at 10:30 a.m. at Hotel Hill View, Block-12-A, F-7, Markaz, Jinnah Super, Islamabad or email at [general.meeting@sibl.com.pk](mailto:general.meeting@sibl.com.pk).  
Phone: +92-021-35659753-4 Website: [www.sibl.com.pk](http://www.sibl.com.pk)

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

#### Resolution For Agenda Item No. 1

"RESOLVED THAT minutes of the Annual General Meeting of the Company held on 29 April 2024 be and are hereby confirmed."

#### Resolution For Agenda Item No. 2

"RESOLVED THAT the Audited Financial Statements together with Auditor's, Chairman's and Director's Report, as recommended by the Board, of the Company for the year ended 31 December 2024, to the members through QR enabled code and Web-link as part of Annual General Meeting, be and is hereby approved."

#### Resolution For Agenda Item No. 3

"RESOLVED THAT the appointment of M/s. Muniff Ziauddin & Co, Chartered Accountants as auditors of the Company for the year ending 31 December 2025, at the agreed remuneration as recommended by the Audit Committee of the Board of Directors, be and is hereby approved."

#### Resolution For Agenda Item No. 4

RESOLVED THAT a final cash dividend (for the financial year ended December 31, 2024) of Rs. 1.50 per ordinary share of Rs. 10 each, as recommended by the Board of Directors of the Company, be and is hereby approved for distribution to the shareholders of the Company whose names appear on the members register on close of business on April 22, 2025."

#### Resolution For Agenda Item No. 5

"RESOLVED THAT to sell the Commercial Plot No. 49-C, Badar commercial area, street 12, Phase V, DHA Karachi (measuring 200 sq. yds) at an agreed price of Rs. 120 M to M/s ARY Laguna (Pvt) Ltd for 3 years deferred payment, as recommended by the Board of Directors of the Company, be and is hereby approved."

#### Instructions For Poll

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

2. In case if both the boxes are marked as (✓), your poll shall be treated as **"Rejected"**.

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below:

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<u>Resolution For Agenda Item No. 1</u>		

Resolution For Agenda Item No. 2  
Resolution For Agenda Item No. 3  
Resolution For Agenda Item No. 4  
Resolution For Agenda Item No. 5

1. Dully filled ballot paper should be sent to the Chairman of Security Investment Bank Limited at 502, 5<sup>th</sup> floor, Madina City Mall, Abdullah Haroon Road Saddar, Karchi or email at [general.meeting@sibl.com.pk](mailto:general.meeting@sibl.com.pk)
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within business hours by or before **Tuesday, April 22, 2025**. Any postal Ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/ Passport. (In case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
7. Ballot Paper form has also been placed on the website of the Company at: [www.sibl.com.pk](http://www.sibl.com.pk). Members may download the Ballot paper from the website or use an original/photocopy published in newspapers.

Date \_\_\_\_\_

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

# CHAIRMAN'S REVIEW REPORT

As required under the Code of Corporate Governance 2019, an annual evaluation of the Board of Directors (the "Board") of Security Investment Bank Limited ("SIB") was carried out. The Board during the year ended December 31, 2024 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

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 members ensure that they have diligently performed their duties and thoroughly reviewed, discussed and approved business strategies, corporate objectives, budgets, financial statements and other reports. The Board has clear understanding of applicable laws and ensured its compliance. The Board received agenda and detailed memoranda in sufficient time prior to board and committee meetings. The board met frequently enough to adequately discharge its responsibilities.

The Board has effectively put in place all significant policies, sound internal controls, risk management system, transparent and robust system of governance. This reflected by setting up an effective control environment, compliance with best practices of corporate governance.

Based on the aforementioned, it is clear that the Board of SIB has played a pivotal role in not only achieving, but also exceeding the Company's objectives. This success is the result of a collaborative effort with the management team, coupled with the guidance and oversight provided by the Board and its members.

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

Haji Jan Muhammad  
Chairman of the Board

Karachi: March 22, 2025

# DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Security Investment Bank Limited (the "Company") are pleased to present the Annual Report along with the Audited Financial Statements and Auditor's Report thereon for the year ended 31 December 2024.

## Economic Overview

Pakistan's economy moved towards stability in FY2024 with 2.5% growth rate marks a notable recovery after the contraction in FY2023, signaling a rebound in the nation's economic health. This growth coinciding with the general elections suggests a period of transition, where political stability and economic reforms work hand in hand. The fiscal consolidation plan, which led to the first primary surplus in two decades, is especially significant, as it reflects the government's commitment to improving fiscal discipline and reducing the deficit. This progress will likely require continued reforms to sustain growth and ensure long-term economic stability.

The positive momentum could pave the way for enhanced investor confidence and more consistent development, provided the government maintains a balance between fiscal discipline and growth-oriented policies.

During the outgoing financial year, the economy of Pakistan witnessed significant decrease in Inflation from 29% in December 2023 to 4% in December 2024. Better demand-supply balances and a high base effect contributed towards easing inflationary pressures. In view of sharply narrowed CAD, increase in FX reserves from US\$ 4 billion in December 2023 to US\$ 8.0 billion in December 2024 and staff level agreement with the IMF for a 37-month EFF program of about US\$7.0 billion.

The outlook for the year 2025 may continue remain complex and multi-faceted issue. The country does possess significant potential, but the challenges it faces require urgent and sustained attention. However, challenges such as political instability, energy shortages, and inflation threaten to undermine these prospects.

SBP, Monetary Policy Committee (Committee) reviewed its policy frequently to take appropriate action towards supporting growth, financial stability and fiscal adjustments. The Committee keeping the view of overall economic situation significantly reduced 1,000 bps in the policy rate to 12% since June 2024 will continue to unfold and further support economic activity.

In the context of overall economic situation, the equity market registered rising trend during the year under review. The PSX-100 index registered 115126 points at the closing of the year 2024 as compared to 62052 of the preceding year.

## Financial Performance

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

Operating Results	Year 2024	Year 2023
	(Rupees in million)	
Total Income	139	126
Total Expenditure	56	38
Profit from operation	83	88
Un-realized gain / (loss) on re-measurement of shares	5	34
Profit/(Loss) before tax	88	122
Taxation	(11)	(42)
Net Loss / (Profit) after tax	77	80
Earnings per share	1.309	1.349

## 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.
- Key operating and financial data of six years of the Company are as follows:

Description / Year	(Rupees in millions)					
	2024	2023	2022	2021	2020	2019
Shareholder's equity	839	788	708	741	716	639
Short term financing	109	109	120	45	54	242
Investments	504	477	310	447	438	333
Total assets	917	836	731	752	735	839
Total revenue/income	139	126	49	76	41	73
Total expenses	56	38	33	34	32	32
Operating Profit/(Loss)	88	122	(52)	29	90	50
Net Profit/(Loss)	77	80	(33)	25	77	39
Dividend/Bonus		5+15%	-	-	-	-
EPS	1.309	1.349	(0.643)	0.488	1.503	0.768

### Value of Provident Fund Investment

As on 31 December 2024 the value of investment of Provident Fund was Rs. Nil (2023 Rs Nil).

### Pattern of Shareholding

The pattern of shareholding as at 31 December 2024 along with the disclosure required under the Code of Corporate Governance, 2020 annexed to the report.

### Changes in the Board

During the year under review, there was no change in the board of directors.

### Board and Audit Committee Meetings and Attendance

During the year ended 31 December 2024, five 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
Muhammad Mahboob	Non-Independent	Non-Executive	4	3	1
Faisal Zahid	Independent	Non-Executive	5	4	1
Zillay Huma Khan	Independent	Non-Executive	1	Not Applicable	1
Farrukh Siddiqui	Independent	Non-Executive	5	4	Not Applicable
Muhammad Bilal Chaudhry	Independent	Non-Executive	5	Not Applicable	Not Applicable
Shaukat Zaman	Independent	Non-Executive	3	-	-
Zafar M. Shaikht	Non-Independent	Executive	4	Not Applicable	1

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

### Audit Committee

The Audit Committee of the Board continued to perform its duties and responsibilities in an effective manner as per its terms of reference duly approved by the Board. The committee compositions 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 by signing.

### Directors' Training Program

Details provided in Statement of Compliance.

### Earnings per Share

Earning per share of the Company was Rs 1.309 for the year ended 31 December 2024 (2023 Rs 1.349).

### Dividend

15% cash dividend declared for the year ended 31 December 2024 in the Board meeting held on March 22, 2025.

### Future outlook

Your company's management is endeavouring to improve the company's business specifically focus to enhance our car / consumer / corporate financing portfolio under Shariah compliant to enhance profitability and return for shareholders as well. Further, the Management reviewing various business options within the NBFC Regulatory framework.

### Gender Diversity and Pay Gap

The Company is an equal opportunity employer and believes in gender diversity and inclusiveness. It ensured that no employee is discriminated on the grounds of his or her race, nationality, ethnic/ social origin, religious or political beliefs, age, gender, marital status or disability. The Company has cadre wise minimum pay scales approved by the respective authorities. The salary of employees may vary based on performance and length of service.

Following is gender pay gap calculated for the year ended December 31, 2024.

Mean Gender Pay Gap: 69%  
Median Gender Pay Gap: 49%

Any other data / details as deemed relevant: NIL

#### **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 Muniff Ziauddin & Co., Chartered Accountants retire and being eligible have offered themselves for re-appointment.

#### **Acknowledgement**

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

On behalf of the Board

Faisal Zahid  
Director

Zafar M Sheikh  
Chief Executive Officer

Karachi:  
March 22, 2025

## ڈائریکٹرز رپورٹ برائے حصص دار

سیکیورٹی انویسٹمنٹ بینک لمیٹڈ کے ڈائریکٹرز (کمپنی) 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے آؤٹ شدہ مالیاتی بیانات اور اس پر آڈیٹر کی رپورٹ کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوش ہیں۔

### معاشی جائزہ:

پاکستان کی معیشت مالی سال 2024 میں استحکام کی طرف بڑھی جس کی شرح نمو 2.5 فیصد ہے جو کہ مالی سال 2023 میں سکڑاؤ کے بعد اہل ذکر بحالی ہے، جو کہ ملک کی معاشی صحت میں بحالی کا اشارہ ہے۔ عام انتخابات سے ہم آہنگ یہ ترقی تبدیلی کے دور کی نشاندہی کرتی ہے، جہاں سیاسی استحکام اور معاشی اصلاحات ساتھ ساتھ کام کرتی ہیں۔ مالیاتی استحکام کا منصوبہ، جس کی وجہ سے دو دہائیوں میں پہلا بنیادی سرپلس ہوا، خاص طور پر اہم ہے، کیونکہ یہ مالیاتی نظم و ضبط کو بہتر بنانے اور خسارے کو کم کرنے کے لئے حکومت کے عزم کی عکاسی کرتا ہے۔ اس پیش رفت کے لئے ممکنہ طور پر ترقی کو برقرار رکھنے اور طویل مدتی اقتصادی استحکام کو یقینی بنانے کے لئے مسلسل اصلاحات کی ضرورت ہوگی۔

مثبت رفتار سرمایہ کاروں کے اعتماد میں اضافے اور مزید مستقل ترقی کی راہ ہموار کر سکتی ہے۔ بشرطیکہ حکومت مالیاتی نظم و ضبط اور ترقی پمٹی پالیسیوں کے درمیان توازن برقرار رکھے۔

سبکدوش ہونے والے مالی سال کے دوران، پاکستان کی معیشت میں دسمبر 2023 میں افراط زر کی شرح میں نمایاں کمی دیکھی گئی جو دسمبر 2023 میں 29% سے دسمبر 2024 میں 4% رہ گئی۔ طلب اور رسد کے بچتر توازن اور اعلیٰ بنیاد کے اثر نے افراط زر کے واپاک کم کرنے میں اہم کردار ادا کیا۔ تیزی سے کم ہونے والے CAD کے پیش نظر، FX ذخائر دسمبر 2023 میں 4 بلین امریکی ڈالر سے بلاچہ کر دسمبر 2024 میں \$8.0 بلین US ہو گئے اور IMF کے ساتھ تقریباً 7.0 بلین امریکی ڈالر کے 37 ماہ کے EFF پروگرام کے لئے عملے کی سطح کا معاہدہ۔

سال 2025 کا نقطہ نظر چھیدہ اور کثیر جتنی مسئلہ بن سکتا ہے۔ ملک میں نمایاں صلاحیت موجود ہے، لیکن اسے جن چیلنجز کا سامنا ہے ان پر فوری اور مستقل رجحان کی ضرورت ہے۔ تاہم، سیاسی عدم استحکام توانائی کی قلت، اور مہنگائی جیسے چیلنجوں سے ان امکانات کو کمزور کرنے کا خطرہ ہے۔

SBP مانیٹری پالیسی کمیٹی نے ترقی، مالیاتی استحکام اور مالیاتی ایڈجسٹمنٹ کو سپورٹ کرنے کے لئے مناسب اقدام کرنے کے لئے اپنی پالیسی کا اکثر جائزہ لیا۔ کمیٹی نے مجموعی اقتصادی صورتحال کو مد نظر رکھتے ہوئے جون 2024 سے پالیسی رینی میں 1,000 پی پی ایس کو نمایاں طور پر کم کر کے 12 فیصد کر دیا ہے اور اقتصادی سرگرمیوں کو مزید فروغ دینا جاری رکھے گا۔

مجموعی اقتصادی صورتحال کے تناظر میں، زیر جائزہ سال کے دوران انکیو پی مارکیٹ میں اضافے کا رجحان درج ہوا۔ IPSX-100 انڈیکس نے سال 2024 کے اختتام پر 115126 پوائنٹس رجسٹر کے جو پچھلے سال کے 62052 پوائنٹس تھے۔

### مالی کارکردگی:

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

Operating Results	Year 2024	Year 2023
	(Rupees in million)	
Total Income	139	126
Total Expenditure	56	38
Profit from operation	83	88
Un-realized gain / (loss) on re-measurement of shares	5	34
Profit/(Loss) before tax	88	122
Taxation	(11)	(42)
Net Loss / (Profit) after tax	77	80
Earnings per share	1.309	1.349

### مارکیٹ کا خطرہ:

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

### شرح سود کا خطرہ

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

### کارپوریٹ گورننس:

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

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

- ☆ مالیاتی بیانات، جو کمپنی کی انتظامیہ کے ذریعہ تیار کئے گئے ہیں، اس کی حالت اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتے ہیں۔
- ☆ کمپنی کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
- ☆ مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے، اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- ☆ بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں بیرونی کی گئی ہے اور وہاں سے کسی بھی رواں گئی کا مناسب طور پر انکشاف کیا گیا ہے۔
- ☆ اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- ☆ ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔
- ☆ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔
- ☆ ڈائریکٹرز نے مینٹگ فیس اور مینٹگ فیس میں کسی اضافے کے علاوہ کسی بھی معاوضے کے حقدار نہیں ہیں جو ان کی مینٹگ میں بورڈ آف ڈائریکٹرز کی طرف سے منظور کئے گئے اور شیئر ہولڈرز کی آئندہ مینٹگ میں اس کی توثیق کریں۔
- ☆ ایگزیکٹو ڈائریکٹر/چیف ایگزیکٹو آفیسر ان معاوضے کا حقدار ہے جیسے بورڈ آف ڈائریکٹرز نے ان کی مینٹگ میں منظور کیا اور شیئر ہولڈرز کی آئندہ مینٹگ میں اس کی توثیق کی۔

☆ کوڈ آف کارپوریٹ گورننس کی تعمیل میں، اس کے زیادہ تر ڈائریکٹرز کے لئے ڈائریکٹرز کے تربیتی پروگرام کے سلسلے میں تاکہ انہیں ضوابط، تقابلی اطلاق، قوانین، ان کے فرائض اور ذمہ داریوں سے واقف کرایا جاسکے۔

☆ کمپنی کے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا درج ذیل ہے۔

Description / Year	(Rupees in millions)					
	2024	2023	2022	2021	2020	2019
Shareholder's equity	839	788	708	741	716	639
Short term financing	109	109	120	45	54	242
Investments	504	477	310	447	438	333
Total assets	917	836	731	752	735	839
Total revenue/income	139	126	49	76	41	73
Total expenses	56	38	33	34	32	32
Operating Profit/(Loss)	88	122	(52)	29	90	50
Net Profit/(Loss)	77	80	(33)	25	77	39
Dividend/Bonus		5+15%	-	-	-	-
EPS	1.309	1.349	(0.643)	0.488	1.503	0.768

پراویڈنٹ فنڈ کی سرمایہ کاری کی قدر:

31 دسمبر 2024 تک پراویڈنٹ فنڈ کی سرمایہ کاری کی قیمت صفر روپے تھی۔ (2023 صفر روپے)

شیئر ہولڈنگ کا نمونہ:

کوڈ آف کارپوریٹ گورننس، 2020 کے تحت مطلوبہ انکشاف کے ساتھ 31 دسمبر 2024 تک شیئر ہولڈنگ کا نمونہ رپورٹ کے ساتھ منسلک ہے۔

بورڈ میں تبدیلیاں:

زیر نظر سال کے دوران بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں ہوئی۔

بورڈ اور آڈٹ کمیٹی کے اجلاس اور حاضری:

31 دسمبر 2024 کو ختم ہونے والے سال کے دوران، پانچ بورڈ آف ڈائریکٹرز، چار آڈٹ کمیٹی اور ایک ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی (R&HR) کے اجلاس منعقد ہوئے۔ ہر

ڈائریکٹر کی حاضری حسب ذیل ہے۔

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

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
Muhammad Mahboob	Non-Independent	Non-Executive	4	3	1
Faisal Zahid	Independent	Non-Executive	5	4	1
Zillay Huma Khan	Independent	Non-Executive	1	Not Applicable	1
Farrukh Siddiqui	Independent	Non-Executive	5	4	Not Applicable
Muhammad Bilal Chaudhry	Independent	Non-Executive	5	Not Applicable	Not Applicable
Shaukat Zaman	Independent	Non-Executive	3	-	-
Zafar M. Shaikh	Non-Independent	Executive	4	Not Applicable	1

آڈٹ کمپنی:

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

ڈائریکٹرز اور ایگزیکٹوز کے ذریعہ کمپنی کے حصص کی تجارت:

سال کے دوران، ڈائریکٹرز ہی ای او سی ایف او، کمپنی سیکریٹری اور بیڈ آف انٹرنل آڈٹ اور انکی شریک حیات اور بالغ بچوں نے کمپنی کے شیئرز میں کوئی لین دین نہیں کیا۔

اخلاقیات اور کاروباری طرز عمل:

کارپوریٹ گورننس کے رہنما خطوط کے مطابق، کمپنی نے تعمیل کے لئے ایک ”ضابطہ اخلاق“ جاری کیا ہے۔ کمپنی کے تمام ڈائریکٹرز اور ملازمین دستخط کر کے ضابطہ کی اپنی سمجھ اور قبولیت کو تسلیم کرتے ہیں۔

ڈائریکٹرز کا تربیتی پروگرام:

تعمیل کے بیان میں تفصیلات فراہم کی گئی ہیں۔

فی شیئر آمدنی:

31 دسمبر 2024 کو ختم ہونے والے سال کے لئے کمپنی کی فی حصص آمدنی 1.309 روپے تھی۔ (2023 قیمت 1.349 روپے)

ڈیویڈنڈ:

22 مارچ 2025 کو منعقدہ بورڈ میٹنگ میں 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے 15% نقد منافع کا اعلان کیا گیا۔

مستقبل کا نقطہ نظر:

آپ کی کمپنی کی انتظامیہ کمپنی کے کاروبار کو بہتر بنانے کی کوشش کر رہی ہے خاص طور پر ہماری کارکنز یونٹ/ کارپوریٹ فنڈنگ پورٹ فولیو کو بڑھانے پر مرکوز ہے تاکہ منافع میں اضافہ ہو اور حصص یافتگان کے لئے بھی واپسی ہو مزید یہ کہ انتظامیہ NBFC ریگولیٹری فریم ورک کے اندر مختلف کاروباری اختیارات کا جائزہ لے رہی ہے۔

صنعتی تنوع اور تنوع کا فرق:

کمپنی ایک مساوی مواقع آجر ہے اور صنعتی تنوع اور جامعیت پر یقین رکھتی ہے۔ اس نے اس بات کو یقینی بنایا کہ کسی بھی ملازم کے ساتھ اس کی نسل، قومیت، نسلی/ سماجی اصل، مذہبی یا سیاسی عقائد، عمر، جنس، ازاد و اجنبی حیثیت یا معذوری کی بنیاد پر امتیازی سلوک نہ کیا جائے۔ کمپنی کے پاس کیڈر کے مطابق کم از کم تنوع کے اسکیل ہیں جو متعلقہ حکام سے منظور شدہ ہیں۔ ملازمین کی تنوع کارکردگی اور سروس کی لمبائی کی بنیاد پر مختلف ہو سکتی ہے۔

31 دسمبر 2024 کو ختم ہونے والے سال کے لئے صنعتی تنوع کے فرق کا حساب درج ذیل ہے۔

اوسط صنعتی تنوع کا فرق: 69%

اوسط صنعتی تنوع کا فرق: 49%

کوئی دوسرا ڈیٹا/ تفصیلات جیسا کہ متعلقہ سمجھا جاتا ہے۔ صفر

متعلقہ پارٹی لین دین:

فہرست سازی کے ضوابط کے تقاضوں کی تعمیل کرنے کے لئے، کمپنی نے تمام متعلقہ فریقین کے لین دین کو ان کے جائزے اور منظور کے لئے آڈٹ کمیٹی اور بورڈ کے سامنے پیش کیا ہے۔ آڈٹ کمیٹی اور بورڈ کے سامنے پیش کیا ہے۔ آڈٹ کمیٹی اور بورڈ نے اپنے اپنے اجلاسوں میں ان کے لین دین کی منظوری ہے۔

آڈیٹرز:

موجودہ آڈیٹرز مسٹر ضیاء الدین اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کے لئے پیش کر چکے ہیں۔

اعتراف:

ہم SIBL کے ڈائریکٹرز، ریگولیٹرز، اسٹاک ایکسچینج کے تعاون کے لئے شکر گزار ہیں۔ ہم اپنے حصص یافتگان کے تعاون کو تسلیم کرتے ہیں اور ان کے شکر گزار ہیں۔ ہم انتظامیہ اور عملے کی انتہائی کوششوں کو بھی تسلیم کرتے ہیں اور ان کے شکر گزار ہیں۔

بورڈ کی جانب سے

حاجی جان محمد

چیئرمین

کراچی 22 مارچ 2025

# STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

- The total number of directors during the year 2024 are 8 as per the following:

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

\*including the President & CEO who is an Executive Director

- The composition of the Board as at December 31, 2024 is as follows:

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

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

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

**a) Audit Committee**

<b>Name</b>	<b>Designation</b>
Mr. Farrukh Siddiqui	Chairman
Mr. Haji Jan Muhammad	Member
Mr. Muhammad Mehboob	Member
Mr. Faisal Zahid	Member

**b) HR& Remuneration Committee**

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

**c) Risk Management Committee**

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

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

<b>Meetings</b>	<b>Frequency</b>
Audit Committee	Four quarterly meeting were held during the year ended December 31, 2024
HR & Remuneration Committee	One meeting was held during the year ended December 31, 2024

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 Naveed Jamal appointed as Head Internal Audit with effect from 26 December 2024,
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and are registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guide lines on code of ethics as adopted by the ICAP and that the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. The Company has not arranged Directors training programs during the year as required under Regulation 19 of the Regulation.

**FAISAL ZAHID**  
DIRECTOR

Karachi, 22 March 2025

**ZAFAR M SHEIKH**  
CEO

# SHARIAH REVIEW REPORT FOR BOARD OF DIRECTORS

## (For One Year, 01 January 2024 to 31 December 2024)

I have reviewed the financial statements of Security Investment Bank Limited (hereinafter referred to as "SIBL") for the period from 01 January 2024 to 31 December 2024.

As the Shariah Advisor, it is encouraging to note that SIBL's financial transactions, agreements, and dealings are rapidly being structured under a Shariah-based framework. Efforts are being made to ensure that all bank operations comply with Islamic principles. It remains the responsibility of SIBL's management to ensure compliance with the guidelines issued by the Shariah Advisor and to seek approval before introducing any new products or services.

The conversion process of SIBL has been ongoing for the past 16 months. I appreciate the vision of the Board of Directors, CEO, and management in transitioning the bank's operations from a conventional system to Islamic finance. It is also satisfying to see the management striving to accelerate this transition process. Over the past year, several new financing agreements have been executed through Murabaha and Ijarah. Additionally, approximately 14 customer-specific process flows have been modified in accordance with Islamic financial principles after obtaining approval from the Shariah Advisor. Alhamdulillah, during these 16 months, SIBL has been consistently refining its policies, process flows, framework, credit policy, charity policy, and investment structures to align with Shariah principles.

The Shariah Advisor is also responsible for expressing opinions on the presented financial statements. Based on my observations and analysis of the provided information, the following key points are presented:

- 1) The financial transactions of SIBL conducted during the year ending 31 December 2024 complied with the guidelines issued by the Shariah Advisor and the relevant SECP regulations.
- 2) The Murabaha and Ijarah transactions were thoroughly examined, including asset details, purchase invoices, documentation arrangements, and the time gap between purchase and declaration (where applicable) to eliminate the possibility of fictitious transactions. A review of the Shariah Compliance Checklist (SCC) was also conducted. Over the past 12 months, credit approvals, customer-specific transaction process flows, document wording, and security documentation were assessed to ensure Shariah compliance. All these transactions were carried out in accordance with the guidelines issued by the Shariah Advisor and SECP regulations.
- 3) Multiple training sessions were conducted for managerial and business development staff regarding the Islamic financial system and Islamic financing methods, under the supervision of the Shariah Advisor and the Shariah Compliance Officer.
- 4) A charity policy has been developed to purify income that is non-compliant with Shariah. However, a charity account is yet to be established. After conversion, all non-compliant income will be transferred to this account and subsequently distributed to eligible charitable institutions with the approval of the Shariah Advisor.

### Findings and Recommendations

In conclusion, I affirm that the financial agreements, products, services, and transactions conducted by SIBL during the past 12 months are generally in accordance with Shariah principles and guidelines, and ALLAH knows best. However, the following recommendations are proposed:

- 1) The efforts of the management and support teams are commendable, but the transition process needs to be further accelerated. All relevant departments should put in their best efforts and maintain close coordination with the Shariah Advisor.
- 2) Regular training sessions should be conducted to enhance staff capacity, as SIBL requires strong expertise and proper understanding for the successful implementation of the Islamic financial system. The training schedule should include dedicated sessions for back-office staff, while refresher courses should be an integral part of the executive management training calendar. Additionally, awareness sessions should be held for customers and the general public.

- 3) New Islamic financial product manuals (Diminishing Musharakah, Istisna, Salam, Running Musharakah, etc.) have already been developed, and these products can be utilized for financing.
- 4) An important point to note is that SIBL has significant investments in Treasury Bills, which should be immediately converted into Shariah-based Sukuk investments, and financing activities should be increased.
- 5) SIBL should ensure that all of its bank accounts are opened in Islamic banks as soon as possible to maintain Shariah compliance in financial dealings.

I extend my gratitude to the Board of Directors, CEO, management, and all relevant departments of SIBL for their full cooperation in ensuring Shariah compliance and for their continued efforts to implement Islamic principles in the bank's operations.

May Allah grant us the best guidance, bless us with success in this world and the hereafter, and forgive our shortcomings. Ameen!



Ghaffar Ahmed  
Shariah Advisor

## REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of SECURITY INVESTMENT BANK LIMITED (the Company) for the year ended December 31, 2024 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 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 Director's 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 requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instances of non-compliance with the requirements of the Regulations were observed which are not appropriately stated in the Statement of Compliance:

Regulation reference	Description
15	The Company is non-compliant with the requirement to periodically present related party transaction details to the Audit Committee and obtain Board approval following the Committee's recommendations.
18	The Company has not complied with the requirement to provide orientation to its directors on relevant regulations, laws, and their responsibilities.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended December 31, 2024.

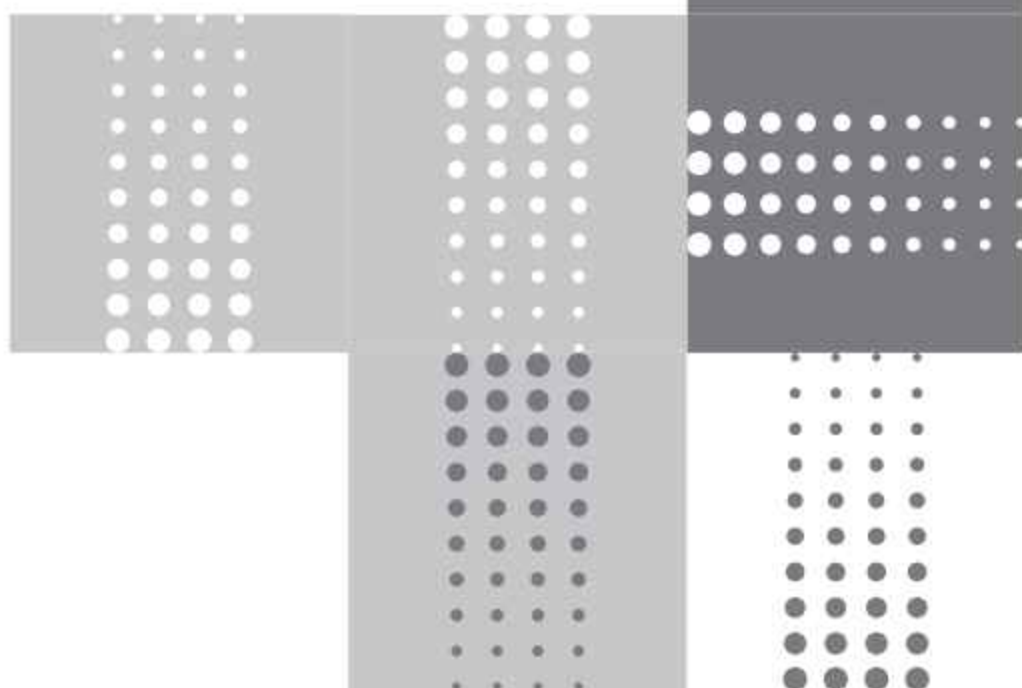
Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the note/paragraph reference where these are stated in the Statement of Compliance:

Reg.	Explanation
10(4)	The company currently does not have a policy regarding transactions or contracts with associated companies and related parties. However, the company is in the process of developing a related party policy.
10A (1)(3)(4)	The Board will ensure that the Company has addressed sustainability - related risk and opportunities. Also, it will ensure that Company's sustainability and DE&I related strategies are periodically reviewed and monitored in future.
10A (5)	Currently, the Board has not constituted a separate Sustainability Committee and the functions will be performed by the Board Audit Committee.
24	Same person holds office of chief financial officer and the company secretary of the company as the company is not operating sufficiently yet and the company believes that there is no need of separate person for both positions.
29(1)	Currently, the board has not constituted a separate Nomination Committee and the function are being performed by the Board

Chartered Accountants  
Karachi  
Date:  
UDIN: CR20210130AOXbCp0Z



**UNCONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2024**





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

## Opinion

We have audited the annexed financial statements of SECURITY INVESTMENT BANK LIMITED (the Company), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including 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, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the period then ended.

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matter

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.

1.	Valuation of Investments	
	Key audit matter	How the matter was addressed in our audit
	<p>As of December 31, 2024, the Company's investment portfolio, comprising equity and debt instruments, amounted to Rs. 504.08 million. The valuation of these investments is conducted using various techniques, as outlined in Note 15 of the financial statements. Furthermore, the movement in investment balances during the year are detailed in Notes 15.</p> <p>We have considered this as a key audit matter in view of the significance of these investments in relation to the total assets of the Company</p>	<p>The valuation of investments was assessed by evaluating the design and implementation of key controls related to investments. We re-performed valuations to ensure that investments were carried in accordance with the valuation methodology specified in the accounting policies. Additionally, we conducted purchase and sale testing on a sample basis for trades made during the year to verify that transactions were recorded in the correct period as part of investment purchases or transfers. The existence of securities was confirmed through the Central Depository Company's report. Furthermore, we reviewed management's assessment to identify any</p>

		indicators of impairment, including for securities that are not actively traded. Lastly, we assessed the adequacy of the investment-related disclosures in the financial statements.
<b>2.</b>	<b>Contingencies</b>	
	<p>The Company is subject to various appeals and reassessments pertaining to taxation which requires management to make assessment and judgements with respect to likelihood and impact of such appeals and reassessments. Management have engaged independent counsel on these matters.</p> <p>The accounting for, and disclosure of, contingencies is complex and is a matter of most significance in our audit because of the judgements required to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessment and the related provisions are disclosed in note 32.2 to the financial statements.</p>	<p>In response to this matter, our audit procedures included:</p> <p>Discussing cases with the tax department to understand the management's view point and obtaining and reviewing the documentation in order to assess the facts and circumstances.</p> <p>Obtaining independent opinion of tax advisors dealing with such cases in the form confirmations.</p> <p>We also evaluated the cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets.</p> <p>The disclosures of exposures and provisions were assessed for completeness and accuracy.</p>

#### Emphasis of Matter

We draw attention to;

- Note 15.1 to the financial statements which states that the legal title of the MCB shares has not been transferred in the name of the Company as the share transfer process remains ongoing.
- Note 12.3 and 12.4 to the financial statements which provides details regarding non-compliance with the Regulation 19(h), and Regulation 28(a) respectively of Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Our opinion is not qualified in respect of these matters.

#### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management of the Company 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 is responsible for overseeing the Investment Bank'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 the management of the Company'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 Companies Act, 2017(XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of Company's business; and
- d) In our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

#### **Other Matter**

The financial statements of the Company for the year ended 31 December 2023 was audited by another firm of Chartered Accountants, whose report dated 21 March 2024 expressed an unqualified opinion on such financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Sohail Saleem.

**Muniff Ziauddin & Co.**  
**Chartered Accountants**

Karachi

Dated: 22-March-2025

UDIN: AR202410130hy6AIRVpN

## STATEMENT OF FINANCIAL POSITION

### AS AT DECEMBER 31, 2024

	Note	2024	Restated 2023
		Rupees	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	8	154,224,814	155,531,709
Ijarah assets - under financing arrangements	9	51,728,480	2,770,833
Intangible assets	10	2,500,000	2,530,000
Long term deposit		537,280	401,280
Deferred Tax Asset	11	10,030,722	-
Long term financing	12	41,568,718	21,568,239
Long term loans and advances	13	6,274,632	4,051,558
		<b>266,864,646</b>	<b>186,853,619</b>
<b>CURRENT ASSETS</b>			
Short term financing	14	45,000,000	75,435,072
Current portion of long term financing	12	22,541,960	10,872,229
Short term investments	15	504,084,309	447,970,413
Current portion of loan and advances	13	2,789,190	6,412,436
Deposits, prepayments and other receivables	16	4,577,445	6,118,052
Ijarah rentals receivable	17	67,665	-
Accrued interest	18	23,717,726	14,590,025
Advance income tax	19	34,031,945	56,075,091
Cash and bank balances	20	12,967,805	1,762,769
		<b>649,778,045</b>	<b>619,236,087</b>
<b>TOTAL ASSETS</b>		<b>916,642,696</b>	<b>806,089,707</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized Share Capital			
100,000,000 (2023: 100,000,000) Ordinary shares of Rs.10/- each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital	21	591,485,917	514,335,580
Statutory reserves	22	145,567,871	207,232,485
Unappropriated profit		102,445,564	66,219,450
		<b>839,499,352</b>	<b>787,787,515</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax	11	-	3,083,572
Security deposits against Ijarah	23	12,670,659	570,000
Deferred income from financing	24	11,940,311	4,959,319
<b>CURRENT LIABILITIES</b>			
Current portion of security deposit against Ijarah	23	-	-
Unclaimed dividend		7,598,446	570,600
Advance against property	25	33,333,330	-
Accrued and other liabilities	26	2,191,836	4,029,556
Current portion of deferred income from financing	24	9,408,762	5,089,145
		<b>52,532,375</b>	<b>9,689,301</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>916,642,696</b>	<b>806,089,707</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	27		

The annexed notes from 1 to 44 form an integral part of these financial statements

**SHAKEEL AHMED**  
CHIEF FINANCIAL OFFICER

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**FAISAL ZAHID**  
DIRECTOR

## STATEMENT OF PROFIT OR LOSS

### FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 ----- Rupees -----	2023
<b>Income</b>			
Income on financing	28	42,272,875	26,026,337
Return on securities	29	78,802,240	52,866,939
Gain on sale of investments		14,962,290	44,293,108
Profit on deposit with banks		2,165,623	1,628,019
Other income	30	1,054,893	1,446,562
		<u>139,257,921</u>	<u>126,260,965</u>
<b>Expenditure</b>			
Administrative expenses	31	56,182,109	38,089,369
<b>Operating profit before taxation</b>		<u>83,075,812</u>	<u>88,171,596</u>
Unrealized gain on remeasurement of investments classified as fair value through profit or loss		5,198,685	33,691,483
<b>Profit before taxation</b>		<u>88,274,497</u>	<u>121,863,079</u>
Taxation	32	(10,845,881)	(42,088,510)
<b>Net profit after taxation</b>		<u>77,428,616</u>	<u>79,774,569</u>
<b>Earnings per share - basic and diluted</b>	33	1.309	Restated 1.349

The annexed notes from 1 to 44 form an integral part of these financial statements.

**SHAKEEL AHMED**  
CHIEF FINANCIAL OFFICER

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**FAISAL ZAHID**  
DIRECTOR

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	Rupees	
Net profit after taxation	77,428,616	79,774,569
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>77,428,616</u>	<u>79,774,569</u>

The annexed notes from 1 to 44 form an integral part of these financial statements.

SHAKEEL AHMED  
CHIEF FINANCIAL OFFICER

ZAFAR M. SHEIKH  
CHIEF EXECUTIVE

FAISAL ZAHID  
DIRECTOR

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	<i>Restated</i> 2023
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	88,274,497	121,863,079
Adjustment for non cash and other items		
Depreciation on fixed assets	1,761,539	1,707,824
Depreciation on ijarah assets	12,441,353	79,167
Amortization	30,000	60,000
Gain on disposal of shares	(14,962,290)	(44,293,108)
Gain on disposal of fixed assets	-	(62,497)
Unrealized (gain) / loss on remeasurement of investments	(5,198,685)	(33,691,483)
	(5,928,083)	(76,200,097)
<b>Cash flows from operating activities before working capital changes</b>	<b>82,346,414</b>	<b>45,662,982</b>
<b>(Increase) / decrease in operating assets</b>		
Short term financing	30,435,072	4,564,928
Current portion of long term financing	(11,669,731)	28,823,259
Deposits, prepayments and other receivables	1,336,942	(752,059)
Accrued interest	(9,127,701)	(429,896)
	10,974,582	32,206,232
<b>Increase / (decrease) in operating liabilities</b>		
Accrued and other liabilities	(1,837,720)	(8,487,756)
Advance against property	33,333,330	-
<b>Net change in operating assets and liabilities</b>	<b>44,564,775</b>	<b>23,718,476</b>
Income tax paid	(1,917,030)	(6,433,394)
<b>Net cash generated from operating activities</b>	<b>124,994,160</b>	<b>62,948,064</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in fixed assets	(454,650)	(1,973,323)
Additions in ijarah assets	(61,399,000)	(2,850,000)
Loans and advances - net	1,400,172	(5,390,496)
Long term financing	(20,000,479)	303,181
Security deposit - net	12,100,659	570,000
Deffered income from financing - net	11,300,609	-
Sale proceeds on disposal of fixed assets	-	62,500
Sale of investments (shares)	92,394,057	141,013,888
Investment / sale of investment in securities	(130,097,287)	(200,539,758)
<b>Net cash used in investing activities</b>	<b>(94,755,919)</b>	<b>(68,804,008)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(19,033,204)	-
<b>Net cash used in financing activities</b>	<b>(19,033,204)</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>11,205,036</b>	<b>(5,855,944)</b>
Cash and cash equivalents at the beginning of the year	1,762,769	7,618,713
<b>Cash and cash equivalents at the end of the year</b>	<b>12,967,805</b>	<b>1,762,769</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

**SHAKEEL AHMED**  
CHIEF FINANCIAL OFFICER

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**FAISAL ZAHID**  
DIRECTOR

## **STATEMENT OF CHANGES IN EQUITY**

### **FOR THE YEAR ENDED DECEMBER 31, 2024**

	Issued, Subscribed and Paidup Share Capital	Reserves		Total
		Statutory reserve	Accumulated profit / (losses)	
----- Rupees -----				
Balance as at January 01, 2023	514,335,580	191,277,571	2,399,795	708,012,946
Total comprehensive income for the year				
Profit for the year	-	-	79,774,569	79,774,569
Other comprehensive income	-	-	-	-
	-	-	79,774,569	79,774,569
Transfer to statutory reserve	-	15,954,914	(15,954,914)	-
Balance as at December 31, 2023	514,335,580	207,232,485	66,219,450	787,787,515
Total comprehensive income for the year				
Profit for the year			77,428,616	77,428,616
Other comprehensive income			-	-
	-	-	77,428,616	77,428,616
Transfer to statutory reserve	-	15,485,723	(15,485,723)	-
Transaction with Certificate Holders				
Issuance of bonus shares	77,150,337	(77,150,337)		
Profit distribution for the year ended December 31, 2023 at Rs. 0.5 per certificate	-	-	(25,716,779)	(25,716,779)
Balance as at December 31, 2024	591,485,917	145,567,871	102,445,564	839,499,352

The annexed notes from 1 to 44 form an integral part of these financial statements.

**SHAKEEL AHMED**  
CHIEF FINANCIAL OFFICER

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**FAISAL ZAHID**  
DIRECTOR

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED DECEMBER 31, 2024**

#### **1. STATUS AND PRINCIPAL ACTIVITIES**

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

#### **2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS**

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

#### **3. BASIS OF PREPARATION**

##### **3.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan.

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are 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 Islamic Financial Accounting Standard (IFAS) 2 'Ijarah' issued by the Institute of Chartered Accountants of Pakistan was adopted by the SECP vide SRO 431(1)/ 2007 dated May 22, 2007. Under IFAS 2, the Ijarah transactions are accounted for in the following manner:

- Mustajir (lessors) presents the assets subject to Ijarah in their statement of financial position according to the nature of the asset. The Mustajir is required to distinguish these Ijarah assets from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income are recognised as expenses.
- Ijarah income is recognised in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

### 3.2 Functional and presentation currency

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

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

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

### 4.1 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective and relevant:

The following amendments to published standards are mandatory for the financial year beginning on 1 January 2024 and are relevant to the Company.

- Classification of liabilities as current or non-current (Amendments to IAS 1 Presentation of Financial Statements)

Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

The following new standards and amendments are effective for the period beginning 1 January 2024, however they are not relevant to the entity's operations:

	Effective from accounting period beginning on or after
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases	January 01, 2024
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	January 01, 2024
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)	January 01, 2024

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025. Management is in the process of evaluating the impact of these amendments and new standards:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these change has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted.

Lack of Exchangeability (amendments to IAS 21) clarify:

- when a currency is exchangeable into another currency; and
- how a Company estimates a spot rate when a Currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the Company because the currency is not exchangeable

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

- Financial Assets with ESG-Linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a Company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

The amendments to IFRS 9 address:

a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:

Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

## 5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these financial statements, management has made judgements and estimates about the future that affect the application of Company's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management. Revisions to estimates are recognised prospectively.

The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant which have been disclosed in the relevant notes to the financial statements are:

- (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)
- (d) impairment of non financial assets (Note 7.4)"

## **6. BASIS OF MEASUREMENT**

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

## **7. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented:

### **7.1 Property and equipment**

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

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

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

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

### **7.2 Ijarah assets given to customers under agreement**

Assets leased out under Ijarah arrangements are recorded as Ijarah assets and are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss as and when incurred. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date.

Depreciation is charged to the statement of profit and loss applying the straight line method whereby the cost of an asset less residual value is depreciated over the estimated useful life of the asset. Depreciation is charged on pro rate basis from the date the asset is available for use till date of maturity / termination. In respect of additions and disposals during the year, depreciation is charged proportionately from the date of delivery of assets to the date of its maturity / termination.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit and loss, in the year in which these arise.

### **7.3 Intangible assets**

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

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

### 7.3.1 Trading rights and membership card

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

### 7.4 Impairment

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

### 7.5 Financial instruments

#### Financial assets

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

#### a) Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

#### b) Financial assets at fair value through other comprehensive income

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

#### c) Financial assets at fair value through profit or loss

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

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

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

#### Derecognition of financial assets

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

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether

there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

#### **Financial liabilities**

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

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

#### **Derecognition of financial liabilities**

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

#### **Impairment of financial assets**

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

#### **Off-setting of financial assets and financial liabilities**

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

### **7.6 Impairment of financing**

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

### **7.7 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 contract that requires delivery of assets within the time frame generally established by regulation or convention in the market place.

### **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 recognised on accrual 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 Details of related parties of the Company**

Name of related party	Nature of relationship	Basis of relationship
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director
- New Delite Company Limited	Associated Company	Common Director
- Madina Electronics	Associated Undertaking	Common Director
- ARY IQ Precious Metals (Private) Limited	Associated Company	Common Director
- ARY Services (Private) Limited	Associated Company	Common Director
- ARY Laguna (Pvt) Limited	Associated Company	Common Director

**7.18 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.

**7.19 Dividend distributions and appropriations**

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

	Note	2024 Rupees	2023 Rupees
<b>8. FIXED ASSETS</b>			
Property and equipment	8.1	154,224,814	155,531,709
		<u>154,224,814</u>	<u>155,531,709</u>

**8.1 PROPERTY AND EQUIPMENT**

As at December 31, 2022

Gross carrying value basis

Cost

Accumulated depreciation

Net book value

Year ended December 31, 2023

Net carrying value basis

Opening net book value

Transfer from CWIP

Additions (at cost)

Disposals

Cost

Accumulated depreciation

Depreciation charge

Closing net book value

As at December 31, 2023

Gross carrying value basis

Cost

Accumulated depreciation

Net book value

Year ended December 31, 2024

Net carrying value basis

Opening net book value

Transfer from CWIP

Additions (at cost)

Disposals

Cost

Accumulated depreciation

Depreciation charge

Closing net book value

As at December 31, 2024

Gross carrying value basis

Cost

Accumulated depreciation

Net book value

Depreciation rate per annum (%)

	Leasehold land	Building	Furniture and fixtures	Computer and equipments	Vehicles	Generator	Telephone system	Total
	Rupees							
As at December 31, 2022								
Gross carrying value basis								
Cost	121,516,047	32,000,000	8,754,461	2,685,465	107,000	582,736	253,969	165,899,678
Accumulated depreciation	-	(2,613,326)	(6,483,372)	(2,240,772)	(54,903)	(555,371)	(253,969)	(12,201,913)
Net book value	121,516,047	29,386,674	2,271,089	444,693	52,097	27,165	-	153,697,765
Year ended December 31, 2023								
Net carrying value basis								
Opening net book value	121,516,047	29,386,674	2,271,089	444,693	52,097	27,165	-	153,697,765
Transfer from CWIP	3,152,777	-	-	-	-	-	-	3,152,777
Additions (at cost)	-	-	-	275,050	-	-	113,944	388,994
Disposals								
Cost	-	-	-	(268,753)	-	-	-	(268,753)
Accumulated depreciation	-	-	-	268,750	-	-	-	268,750
Depreciation charge	-	(639,996)	(875,270)	(167,622)	(13,296)	(11,640)	-	(1,707,824)
Closing net book value	124,668,824	28,746,678	1,395,819	552,118	38,801	15,525	113,944	155,531,709
As at December 31, 2023								
Gross carrying value basis								
Cost	124,668,824	32,000,000	8,754,461	2,691,762	107,000	582,736	367,913	169,172,696
Accumulated depreciation	-	(3,253,322)	(7,358,642)	(2,139,644)	(68,199)	(567,211)	(253,969)	(13,640,987)
Net book value	124,668,824	28,746,678	1,395,819	552,118	38,801	15,525	113,944	155,531,709
Year ended December 31, 2024								
Net carrying value basis								
Opening net book value	124,668,824	28,746,678	1,395,819	552,118	38,801	15,525	113,944	155,531,709
Transfer from CWIP	-	-	-	-	-	-	-	-
Additions (at cost)	-	-	-	454,650	-	-	-	454,650
Disposals								
Cost	-	-	-	(194,700)	-	-	-	(194,700)
Accumulated depreciation	-	-	-	194,694	-	-	-	194,694
Depreciation charge	-	(639,996)	(872,040)	(186,779)	(13,296)	(11,640)	(37,788)	(1,761,539)
Closing net book value	124,668,824	28,106,682	523,779	819,983	25,505	3,885	76,156	154,224,814
As at December 31, 2024								
Gross carrying value basis								
Cost	124,668,824	32,000,000	8,754,461	2,951,712	107,000	582,736	367,913	169,432,646
Accumulated depreciation	-	(3,893,318)	(8,230,682)	(2,131,729)	(81,495)	(578,851)	(291,757)	(15,207,832)
Net book value	124,668,824	28,106,682	523,779	819,983	25,505	3,885	76,156	154,224,814
Depreciation rate per annum (%)	-	2	10	20	20	10	10	

8.2 Cost as at the end of the year include an amount of Rs. 2,259,161 (2023: Rs. 2,453,861) in respect of fully depreciated assets still in use.

	Note	2024	2023
		Rupees	Rupees
9. IJARAH ASSETS - UNDER FINANCING ARRANGEMENTS			
Ijarah contracts - accounted for under IFAS 2	9.1 & 9.2	51,728,480	2,770,833

**9.1 Assets under Ijarah arrangements**
**At January 01 2024**

	2024		
	Vehicles	Equipment	Total
	----- Rupees -----		
Cost	2,850,000	-	2,850,000
Accumulated depreciation	(79,167)	-	(79,167)
Accumulated impairment losses	-	-	-
Net book value as at January 1, 2024	2,770,833	-	2,770,833

Addition during the year	31,399,000	30,000,000	61,399,000
Disposal during the year			
Cost	-	-	-
Accumulated depreciation	-	-	-

Impairment during the year	-	-	-
Depreciation charge for the year	(1,999,876)	(10,441,477)	(12,441,353)
Closing net book value as at December 31, 2024	32,169,957	19,558,523	51,728,480

**At December 31, 2024**

Cost	34,249,000	30,000,000	64,249,000
Accumulated depreciation	(2,079,043)	(10,441,477)	(12,520,520)
Accumulated impairment loss	-	-	-
Net book value as at December 31, 2024	32,169,957	19,558,523	51,728,480

**At January 01 2023**

	2023		
	Vehicles	Equipment	Total
	----- Rupees -----		
Cost	-	-	-
Accumulated depreciation	-	-	-
Accumulated impairment losses	-	-	-
Net book value as at January 1, 2023	-	-	-

Addition during the year	2,850,000	-	2,850,000
Disposal during the year			
Cost	-	-	-
Accumulated depreciation	-	-	-

Impairment during the year	-	-	-
Depreciation charge for the year	(79,167)	-	(79,167)
Closing net book value as at December 31, 2023	2,770,833	-	2,770,833

**At December 31, 2023**

Cost	2,850,000	-	2,850,000
Accumulated depreciation	(79,167)	-	(79,167)
Accumulated impairment loss	-	-	-
Net book value as at December 31, 2023	2,770,833	-	2,770,833

- 9.2 The bank has entered into various Ijarah agreements for periods ranging from 3 to 5 years (2023: 3 years). Security deposits ranging between 10% to 51% (2023: 20%) are obtained at the time of disbursement. The rate of profit implicit in Ijarah finance ranges between 15.2% to 26% (2023: 26%) per annum.

	Note	2024	2023
		Rupees	
<b>10. INTANGIBLE ASSETS</b>			
Corporate membership of the PMEX		2,500,000	2,500,000
DHA Membership	10.1	-	30,000
		<u>2,500,000</u>	<u>2,530,000</u>

- 10.1 The membership with the Pakistan Defence Officers Housing Authority, acquired on June 27, 2019, expired on June 27, 2024, after a 5-year term. As of the reporting date, the membership has not been renewed.

	Note	2024	2023
		Rupees	
<b>11. DEFERRED TAX</b>			
Deferred tax liability / (asset) arising in respect of:			
Accelerated depreciation		(3,647,319)	3,992,816
Unrealized gain / (loss) on revaluation of investments measured at fair value through profit on loss		779,803	5,096,044
Unabsorbed business losses		-	(2,969,621)
Unabsorbed tax depreciation		(7,163,206)	(3,035,667)
		<u>(10,030,722)</u>	<u>3,083,572</u>

**11.1 Movement in deferred tax**

Opening balance - deferred tax assets	(3,083,572)	18,451,450
(Income) / expense during the year	13,114,294	(21,535,022)
Closing balance - deferred tax (liability) / assets	<u>10,030,722</u>	<u>(3,083,572)</u>

**12. LONG TERM FINANCING**

**Secured and considered good**

Murabaha and other finance	85,457,036	42,488,932
Less: Deferred income from finance	(21,346,358)	(10,048,464)
Murabaha and other receivable	<u>64,110,678</u>	<u>32,440,468</u>

12.1 & 12.2

Less: Current portion of long term financing	(22,541,960)	(10,872,229)
	<u>41,568,718</u>	<u>21,568,239</u>

- 12.1 These represent financing of vehicle on Murabaha basis against hypothecation of vehicles for a period of 2 to 3 years, carrying mark up at 1 Year KIBOR + 2.5% to 5% per annum (2023: 1 Year KIBOR + 2.5% to 5%).
- 12.2 This represents financing of working capital requirement against hypothecation of stock and mortgage of property carrying mark up at 1 year KIBOR + 3% to 5% (2023: 22.34%).
- 12.3 Regulation 19(h) of the NBFC Regulations, 2008 prohibits financing to major shareholders, executives, directors, or related parties with significant interests. However, certain financing arrangements have been made with related parties.
- 12.4 Regulation 28(a) of the NBFC Regulations, 2008 requires an NBFC to invest at least 70% of its total assets in its core business. However, the company has invested only 16.6% of its assets in financing activities.

	Note	2024	2023
		----- Rupees -----	
<b>13. LONG TERM LOANS AND ADVANCES</b>			
<b>Advances - secured</b>			
- Staff		6,295,828	7,563,994
- Against expenses		267,994	400,000
- For office premises	13.1	2,500,000	2,500,000
		9,063,822	10,463,994
Less: Current portion of loan and advances		(2,789,190)	(6,412,436)
		<u>6,274,632</u>	<u>4,051,558</u>

- 13.1 This amount represents advance paid for office space in National Commodity Exchange Limited Building (NCEL) in the year 2003-04 and 2004-05. The said building is still under construction.

	2024	2023
	----- Rupees -----	
<b>14. SHORT TERM FINANCING</b>		
Demand finance	-	75,435,072
Murabaha finance	45,000,000	-
	<u>45,000,000</u>	<u>75,435,072</u>

- 14.1 These represent demand finance under collateral of hypothecation of stock and property, carrying mark-up at 1 Year KIBOR + 3% to 5% per annum (2023: 1 Year KIBOR + 3% to 4%).

**15. SHORT TERM INVESTMENTS**

**Measured at amortised cost**

Market treasury bills	490,637,045	340,539,758
Market Sukuk	-	20,000,000

**Measured at fair value through profit or loss**

Investment in quoted equity shares	15.1 & 15.2	13,447,264	87,430,655
		<u>504,084,309</u>	<u>447,970,413</u>

- 15.1 The MCB shares include 46,871 shares which were originally acquired against the settlement of a liability. The legal title to these shares has not yet been transferred in the name of the company, as the share transfer process remains ongoing. Moreover, the related dividend on these shares is not yet being recognized in the financial statements.

**15.2 Investment in quoted equity shares**

2024		2023				
No. of ordinary shares						
		Cost	Market Value	Cost	Market Value	
		Rupees				
<b>Cement</b>						
-	59,358	Lucky Cement Limited	-	-	42,955,010	46,713,559
<b>Bank</b>						
-	350,253	Bank Al Habib Limited	-	-	24,219,995	28,209,377
47,804	48,737	MCB Bank Limited	7,203,585	13,447,264	7,344,179	8,409,569
<b>INV. BANKS / INV. COS. / SECURITIES COS.</b>						
-	-	Pakistan Stock Exchange Limited	-	-	-	-
<b>Engineering</b>						
-	-	Amreli Steels Limited	-	-	-	-
<b>Oil &amp; Gas Exploration Companies</b>						
-	-	Sui Southern Gas Company Limited	-	-	-	-
<b>Power Generation</b>						
-	-	Kot Addu Power Company Limited	-	-	-	-
-	35,000	The Hub Power Company Limited	-	-	2,573,550	4,098,150
-	-	K-Electric Limited	-	-	-	-
<b>Synthetic &amp; Rayon</b>						
-	-	Gatron (Industries) Limited / NOVA	-	-	-	-
<b>Refinery</b>						
-	-	Attock Refinery Limited	-	-	-	-
47,804	493,348		7,203,585	13,447,264	77,092,734	87,430,655

**16. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

	2024	2023
	Rupees	
Prepayments	976,334	608,708
Other receivables - considered good	3,601,111	5,509,344
	4,577,445	6,118,052

**17. IJARAH RENTALS RECEIVABLE**

Ijarah rentals receivable - considered good - secured	67,665	-
	67,665	-

**18. ACCRUED INTEREST**

Profit on demand finance- receivable	9,729,355	4,368,816
Profit on murabaha car finance receivable	13,988,371	10,221,209
	23,717,726	14,590,025

	Note	2024 Rupees	2023
<b>19. ADVANCE INCOME TAX</b>			
Opening balance		56,075,091	70,195,185
Add: tax deducted / paid during the year		1,917,030	7,680,220
Less: provision for taxation		(23,960,175)	(21,800,314)
As at end of the year		34,031,945	56,075,091

## 20. CASH AND BANK BALANCES

Cash in hand		15,358	32,350
With State Bank of Pakistan in current account		13,538	5,021
Current accounts		7,430,159	402,312
Deposit accounts	20.1	<u>5,508,750</u>	<u>1,323,086</u>
		12,967,805	1,762,769

20.1 Rate of return on these deposit accounts ranges from 20.50% to 13.50% per annum (2023: 14.50% to 20.50% per annum).

## 21. SHARE CAPITAL

**Authorized share capital**

Number of shares			
2024	2023		
100,000,000	100,000,000	1,000,000,000	1,000,000,000

**Issued, subscribed and paid-up share capital**

Number of shares			
2024	2023		
23,552,000	23,552,000	235,520,000	235,520,000
35,596,592	27,881,558	355,965,917	278,815,580
59,148,592	51,433,558	591,485,917	514,335,580

	Note	2024	2023
		Rupees	
22. STATUTORY RESERVES	22.1	145,567,871	207,232,485

**22.1** 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.

		2024	2023
	Note	Rupees	
<b>23. SECURITY DEPOSITS</b>			
Security deposits	23.1	12,670,659	570,000
Less: Repayable/adjustable after one year		(12,670,659)	(570,000)
Current portion		-	-
<b>23.1</b>	These represent amounts received under Ijarah finance repayable / adjustable at the expiry of the lease period. These are initially recorded at fair value (level 3) and subsequently measured at amortised cost.		
		2024	2023
	Note	Rupees	
<b>24. Deferred income from financing</b>			
Deferred income from financing		21,349,073	10,048,464
Less: Adjustable after one year		(11,940,311)	(4,959,319)
Current portion		9,408,762	5,089,145
<b>25. ADVANCE AGAINST PROPERTY</b>			
Advance against property	25.1	33,333,330	-
		33,333,330	-
<b>25.1</b>	This amount represents arrangement made through sales agreement dated January 11, 2024 wherein both the parties i.e Security Investment Bank Limited and ARY Laguna (Pvt) Limited. Both the parties agreed to sale/purchase a commercial plot situated at 49-C, Bader Commercial, Street 12, Phase V, DHA Karachi at the sale consideration of Rs. Rs.120 million to be paid in 36 equal monthly installment. Security Investment Bank Limited has agreed to execute the deed of conveyance in favor of ARY Laguna (Pvt) Limited only upon full and final and complete payment of the purchase price.		
		2024	2023
		Rupees	
<b>26. ACCRUED AND OTHER LIABILITIES</b>			
Accrued and other expenses		2,191,836	4,029,556
Discount on Treasury Bills		-	-
		2,191,836	4,029,556
<b>27. CONTINGENCIES AND COMMITMENTS</b>			
There were no contingencies and commitments as at reporting date except tax contingencies as disclosed in note no. 32.2.			
		2024	2023
		Rupees	
<b>28. INCOME ON FINANCING</b>			
Demand finance		5,675,347	20,458,509
Murabaha finance		20,365,523	5,475,948
Ijara finance		16,232,005	91,880
		42,272,875	26,026,337

		2024	2023
		Rupees	
	Note		
<b>29. RETURN ON SECURITIES</b>			
Return on Government securities		77,594,560	39,355,035
Return on term finance certificates (TFC)		-	1,133,743
Dividend income		1,207,680	12,378,161
		<u>78,802,240</u>	<u>52,866,939</u>
<b>30. OTHER INCOME</b>			
Gain on sale of fixed assets		-	62,497
Processing income		124,549	399,616
Rental income		377,520	686,400
Miscellaneous		405,487	218,175
Profit on staff personal loan		147,337	79,874
		<u>1,054,893</u>	<u>1,446,562</u>
<b>31. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits		28,461,788	23,218,285
Rent, rates and taxes		1,009,277	917,037
Telephone, telex and fax		560,404	567,994
Electricity, water and gas		1,391,526	1,050,688
Printing, postage and station		329,130	661,725
Insurance		300,722	269,435
Fees and membership		2,064,925	3,013,291
Brokerage and commission		167,410	279,675
Central Depository Company charges		66,866	220,703
Auditors' remuneration	31.1	430,000	430,000
Legal and professional fees		2,696,805	1,540,752
Vehicle running and maintenance		975,263	991,716
Repairs and maintenance		898,681	740,485
Advertisement		649,946	156,120
Travelling and conveyance		216,117	845,141
Entertainment		1,024,278	789,236
Depreciation	31.2	14,202,892	1,786,991
Amortisation		30,000	60,000
Bank charges		51,444	29,997
Medical expense		404,695	183,353
Books, periodicals and newspapers		-	50,160
Other expenses		249,940	286,585
		<u>56,182,109</u>	<u>38,089,369</u>
<b>31.1 Auditors' remuneration</b>			
Statutory audit fee		300,000	300,000
Half yearly review fee		100,000	100,000
Out of pocket expenses		30,000	30,000
		<u>430,000</u>	<u>430,000</u>

		2024	2023
		Rupees	
	Note		
<b>31.2 Depreciation</b>			
Depreciation on property and equipment	8.1	1,761,539	1,707,824
Depreciation on Ijara assets	9	12,441,353	79,167
		<u>14,202,892</u>	<u>1,786,991</u>
<b>32. TAXATION</b>			
Current tax		(23,960,175)	(21,800,314)
Prior year tax		-	1,246,826
Deferred tax		<u>13,114,294</u>	<u>(21,535,022)</u>
		<u>(10,845,881)</u>	<u>(42,088,510)</u>
<b>32.1 RELATIONSHIP BETWEEN ACCOUNTING AND TAX EXPENSE</b>			
Accounting profit		<u>88,274,497</u>	
Tax at the applicable rate of 29%		25,599,604	
Final tax regime and income subject to lower tax rate		2,425,496	
Permanent differences		(2,290,071)	
Alternative corporate tax		(13,114,294)	
Others		<u>(1,774,853)</u>	
		<u>10,845,881</u>	

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

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

Assessment in respect of tax years 2006 & 2007 were rectified under section 221 of the Ordinance on the issue of apportionment of expenses between Exempt & Taxable Income. The assessment was finalized in respect of the above mentioned tax years, however, a rectification application has been filed in respect of tax year 2007 on short credit of taxes paid/ withheld. The concerned taxation officer called for the record in respect of tax claimed by the Company. The record was duly furnished to the officer, however, tax credit was not allowed. Another application in this respect has been filed vide letter bearing Ref: T-390/2014/98 dated November 18, 2014. No response in this regard has been received by the Company.

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

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

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

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

- Disallowance pertaining to FTR income
- Brought forward losses

The above matters are remanded back to the assessing officer.

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

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

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

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

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

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

Assessment in respect of Tax Year 2018 was amended vide order under section 221 of the Ordinance by Inland Revenue Officer (the "IRO") creating tax demand amounting Rs. 22,556,987. The company filed an appeal before CIR(A) who remanded back the case to IRO with the direction to afford the appellant ample opportunity to present company's point of view along with the relevant supporting evidence to justify the declared return. However, assessing officer has passed the ex-party order. The company filed an appeal before the CIR(A) who remanded back the case vide Assessment order bearing bar code No. 100000113390383 dated November 30, 2021. Remand back proceedings has also been concluded 124/129 of the Ordinance dated June 09, 2021. Being aggrieved with the order, the company again filed an appeal before CIRA and CIRA, through appellate order remand back the case for de-novo consideration and remand back proceedings were concluded on the same point vide order bearing bar code No. 100000196082437 dated May 23, 2024.

Being aggrieved, the company again filed an appeal before CIRA which was transferred to ATIR due to inclusion of Section 126A of the Ordinance. The hearing took place on November 11, 2024 and case decided in the favor of company and demand was deleted accordingly.

Assessment in respect of Tax Year 2018 was amended vide assessment order bearing bar code No. 100000127765319 dated July 29, 2022 in terms of section 122 (5A) of the Ordinance by the Additional Commissioner, Audit-II, Range-II by disallowing the

refund adjustment aggregate Rs. 12,475,163. The company filed an appeal before the CIR(A) and commissioner appeals through appellate order remanded back the case to the assessing officer to pass a speaking order after providing an opportunity of being heard.

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

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

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

### 33. EARNINGS PER SHARE - BASIC AND DILUTED

#### 33.1 Basic earnings per share

		2024	Restated 2023
		----- Rupees -----	
Net profit after taxation	Rs.	<u>77,428,616</u>	<u>79,774,569</u>
		----- Number -----	
Weighted average number of ordinary shares		<u>59,148,592</u>	<u>59,148,592</u>
		----- Rupees -----	
Earnings per share - basic and diluted	Rs.	<u>1.309</u>	<u>1.349</u>

#### 33.2 Diluted earnings 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.

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

	2024				2023			
	Chief Executive Officer	Non-Executive Directors	Executive Director	Executives	Chief Executive Officer	Non-Executive Directors	Executive Director	Executives
	----- Rupees -----							
Directors meeting fees	-	850,000	-	-	-	885,000	-	-
Managerial remuneration	7,245,004	-	-	-	6,700,000	-	-	-
Bonus	1,115,796	-	-	-	802,273	-	-	-
Medical expense	553,752	-	-	-	483,336	-	-	-
Other benefits	3,859,578	-	-	-	2,992,726	-	-	-
	<u>12,774,130</u>	<u>850,000</u>	<u>-</u>	<u>-</u>	<u>10,978,335</u>	<u>885,000</u>	<u>-</u>	<u>-</u>
Number of persons	<u>1</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>7</u>	<u>-</u>	<u>-</u>

- 34.1 The executives of the Company are also entitled to free use of Company owned and maintained vehicles.
- 34.2 During the year director fees was decreased from Rs. 0.885 million per meeting to 0.850 million per meeting.

### 35. LIQUIDITY RISK

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

December 31, 2024				
	Upto three months	More than three months and upto one year	Over one year	Total
----- Rupees -----				
<b>Liabilities</b>				
Unclaimed dividend	7,598,446	-	-	7,598,446
Accrued and other liabilities	2,191,836	-	-	2,191,836
Security deposits against Ijarah	-	-	12,670,659	12,670,659
Deferred income from financing	-	9,408,762	11,940,311	21,349,073
	<b>9,790,283</b>	<b>9,408,762</b>	<b>24,610,970</b>	<b>43,810,015</b>

December 31, 2023				
	Upto three months	More than three months and upto one year	Over one year	Total
----- Rupees -----				
<b>Liabilities</b>				
Unclaimed dividend	570,600	-	-	570,600
Accrued and other liabilities	4,029,556	-	-	4,029,556
Security deposits against Ijarah	-	-	570,000	570,000
Deferred income from financing	-	5,089,145	4,959,319	10,048,464
	<b>4,600,156</b>	<b>5,089,145</b>	<b>5,529,319</b>	<b>15,218,620</b>

### 36. 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:

#### Exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at June 30, 2024 is the carrying amount of the financial assets as set out below:

	2024	2023
	Rupees	
Market treasury bills	490,637,045	340,539,758
Loans and advances	9,063,822	10,463,994
Deposits and other receivables	4,138,391	5,910,624
Accrued interest	23,717,726	14,590,025
Bank Balance	12,952,447	1,730,419
	<u>540,509,431</u>	<u>373,234,820</u>
	2024	2023
	Rupees	

#### Credit risk ratings

Credit risk rating of the banks and their respective balances are given below:

Banks	Short term	Long term	Agency		
MCB Bank Limited	A1+	AAA	PACRA	273,245	273,245
Summit Bank Limited	A-3	BBB-	VIS	1,359,841	934,282
United Bank Limited	A-1+	AAA	VIS	10,882,643	129,795
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	20,069	20,069
JS Bank Limited	A1+	AA	PACRA	403,111	368,007
State bank of pakistan	-	-	-	13,538	5,021
				<u>12,952,447</u>	<u>1,730,419</u>

### 36.1 Finance

	2024		2023	
	Rupees	%	Rupees	%
Trading	8,382,760	5.29%	11,776,633	10.70%
Manufacturing	-	0.00%	75,380,072	68.46%
Others	150,026,259	94.71%	22,956,382	20.85%
	<u>158,409,019</u>	<u>100%</u>	<u>110,113,087</u>	<u>100%</u>

### 36.2 Geographical Segment

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

## 37. 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.

### 37.1 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

Description	Total	December 31, 2024			Not exposed to interest rate / yield risk
		Exposed to interest rate / yield risk			
		Within one year	More than one year and up to five years	Above five years	
Financial assets					
Long term financing	64,110,678	22,541,960	41,568,718	-	-
Ijarah rentals receivable	67,665	-	-	-	67,665
Short term financing	45,000,000	45,000,000	-	-	-
Investment in T-bills	490,637,043	490,637,043	-	-	-
Short term investments in quoted shares	13,447,264	-	-	-	13,447,264
Deposits and other receivables	4,138,391	-	-	-	4,138,391
Accrued interest	23,717,726	-	-	-	23,717,726
Loans and advances	6,563,822	-	-	-	6,563,822
Cash and bank balances	12,967,803	5,508,750	-	-	7,459,053
Total	660,650,396	563,687,755	41,568,718	-	55,393,923
Financial liabilities					
Unclaimed dividend	7,398,446	-	-	-	7,398,446
Accrued and other liabilities	2,191,836	-	-	-	2,191,836
Security deposits against Ijarah	12,670,659	-	-	-	12,670,659
Deferred income from financing	21,349,073	-	-	-	21,349,073
Total	43,810,015	-	-	-	43,810,015
Total interest rate sensitivity gap		563,687,755	41,568,718	-	11,583,908
Cumulative interest rate sensitivity gap		563,687,755	605,256,473	605,256,473	

Description	Total	December 31, 2023			Not Exposed to Interest Rate / Yield Risk
		Exposed to interest rate / yield risk			
		Within one year	More than one year and up to five years	Above five years	
<b>Financial assets</b>					
Long term financing	32,440,468	10,872,229	21,568,239	-	-
Ijarah rentals receivable	-	-	-	-	-
Short term financing	75,435,072	75,435,072	-	-	-
Investment in T-bills	340,539,758	340,100,000	-	-	-
Investment in sukuk	20,000,000	20,000,000	-	-	-
Short term investments in quoted shares	87,430,655	-	-	-	87,430,655
Deposits and other receivables	5,910,624	-	-	-	5,910,624
Accrued interest	14,590,025	-	-	-	14,590,025
Loans and advances	7,963,994	-	-	-	7,963,994
Cash and bank balances	1,762,769	1,323,086	-	-	439,683.00
<b>Total</b>	<b>586,073,365</b>	<b>476,730,387</b>	<b>21,568,239</b>	<b>-</b>	<b>116,334,981</b>
<b>Financial liabilities</b>					
Unclaimed dividend	570,600	-	-	-	570,600
Accrued and other liabilities	4,029,556	-	-	-	43,208,262
Security deposits against Ijarah	570,000	-	-	-	570,000
Deferred income from financing	10,048,464	-	-	-	10,048,464
<b>Total</b>	<b>15,218,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,778,862</b>
<b>Total interest rate sensitivity gap</b>		<b>476,730,387</b>	<b>21,568,239</b>	<b>-</b>	<b>72,556,119</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>476,730,387</b>	<b>498,298,626</b>	<b>498,298,626</b>	

### 37.2 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.

### 37.3 Sensitivity analysis

The table below summarizes Company equity price risk as of December 31, 2024 and 2023 shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Investment Bank's and debt investment portfolio.

	Fair value	Hypothetical price changes	Estimated fair value after hypothetical change in prices	Hypothetical increase (decrease) in shareholders' equity	Hypothetical increase (decrease) in profit / (loss)
			----- Rupees -----		
December 31, 2024	13,447,264	10% increase	14,791,990	1,344,726	1,344,726
		10% decrease	12,102,538	(1,344,726)	(1,344,726)
December 31, 2023	87,430,655	10% increase	96,173,721	8,743,066	8,743,066
		10% decrease	78,687,590	(8,743,066)	(8,743,066)

### 37.4 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.

### 37.5 Financial instruments by category

#### Financial assets

#### Measured at fair value through profit or loss

Investment in quoted equity shares

2024                      2023  
----- Rupees -----

13,447,264              87,430,655

#### Measured at amortized cost

Market treasury bills

490,637,045              340,539,758

Investment in Sukuks

-                      20,000,000

Loans and advances

9,063,822              10,463,994

Deposits and other receivables

4,138,391              5,910,624

Accrued interest

23,717,726              14,590,025

Cash and bank balances

12,967,805              1,762,769

540,524,789              393,267,170

553,972,053              480,697,825

#### Financial liabilities

#### Financial liabilities carried at amortized cost

Unclaimed dividend

7,598,446              2,090,749

Accrued and other liabilities

2,191,836              43,208,262

Security deposits against Ijarah

12,670,659              570,000

Deferred income from financing

21,349,073              10,048,464

43,810,015              55,917,475

### 38. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Level 1: fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs). As at December 31, 2024, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
<b>Measured at fair value through profit or loss</b>				
Quoted shares	13,447,264	-	-	13,447,264

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

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

#### Valuation techniques

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

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. There were no transfers between various levels of fair value hierarchy during the year.

### 39. 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.

#### 40. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

Transactions During the year			2024	2023
Nature of Transaction	Nature of Relationship	Basis of Relationship	Rupees	Rupees
<b>Office rent received</b>				
- ARY Services (Private) Limited	Associated Undertaking	Common Director	720,720	686,400
<b>Personal loan</b>				
- Zafar M. Sheikh	Chief Executive	Directorship		
- Loan paid during the year			2,290,614	7,075,000
- Loan received during the year			2,982,964	2,274,994
<b>OTHER LIABILITIES &amp; PROVISIONS</b>				
- ARY Laguna (Pvt) Limited	Associated Company	Common Director	33,333,330	-
<b>Income on Financing - Ijara finance</b>				
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	451,743	-
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	581,820	-
- New Delite Company (Pvt) Limited	Associated Company	Common Director	12,500,910	-
<b>Income on Financing - Murabaha Finance</b>				
- New Delite Company Limited	Associated Company	Common Director	7,961,436	7,100,132
- Madina Electronics	Associated Undertaking	Common Director	7,207,040	327,430
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	578,514	354,593
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	1,929,551	-
<b>Balances as at the year end</b>				
Nature of Balances	Nature of Relationship	Basis of Relationship	2024	2023
			Rupees	Rupees
<b>Personal loan</b>				
- Zafar M. Sheikh	Director	Directorship	4,940,994	5,633,344
<b>Accrued and other liabilities</b>				
- ARY IQ Precious Metals (Private) Limited	Associated Company	Common Director	23,535	23,535
<b>Deposits, prepayments and other receivables</b>				
- ARY Services (Private) Limited	Associated Company	Common Director	-	343,200
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	24,640	-
<b>OTHER LIABILITIES &amp; PROVISIONS</b>				
- ARY Laguna (Pvt) Limited	Associated Company	Common Director	33,333,330	-
<b>Murabaha and other finance</b>				
- New Delite Company Limited	Associated Company	Common Director	47,593,734	75,380,079
- Madina Electronics	Associated Undertaking	Common Director	28,711,719	-
- Stallion Deliveries (Pvt) Limited	Associated Company	Common Director	1,166,724	1,772,977
- Maryam Goods Transport (Pvt) Limited	Associated Company	Common Director	13,089,726	-

**41. STAFF STRENGTH**

2024                      2023  
----- Numbers -----

Number of employees at end of the year

11                      13

Average number of employees during the year

12                      14

**42. NON-ADJUSTING EVENT AFTER THE REPORTING YEAR**

The Board of Directors of the Management Company has approved dividend at the rate of Rs. 1.50 per certificate (2023: Re. 0.5 per certificate) for the year ended December 31, 2024, resulting in a total distribution of profit distribution of profit amounting to Rs. 88,722,888 (2023: Rs. 25,716,779), in its meeting held on 22 March 2025. These financial statements do not reflect this proposed distribution which will be incorporated in the financial statements for the year ending December 31, 2024.

**43. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were approved and authorized for issue by the Board of Directors on 22 March 2025.

**44. GENERAL**

44.1 Figures have been rounded off to the nearest rupee.

44.2 Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparisons. There were no significant reclassifications / restatement during the year except as disclosed below:"

Reclassified from	Reclassified to	---Rupees---
Accrued and other liabilities	Short term investments	
- Accrued and other liabilities	- Market treasury bills	28,560,242
- Accrued and other liabilities	Deferred income from financing	4,959,319
Accrued and other liabilities	Current portion of deferred income from financing	5,089,145

**SHAKEEL AHMED**  
CHIEF FINANCIAL OFFICER

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**FAISAL ZAHID**  
DIRECTOR

**PATTERN OF SHAREHOLDING FORM "34" SHAREHOLDERS STATISTICS AS AT DECEMBER 31, 2024**

NO. OF SHAREHOLDERS	SHARE HOLDING FROM	TO	TOTAL SHARES HOLD
858	1	100	30,283
507	101	500	119,030
177	501	1000	130,666
557	1001	5000	970,137
57	5001	10000	389,996
19	10001	15000	229,100
5	15001	20000	86,608
5	20001	25000	109,210
7	25001	30000	191,488
1	30001	35000	34,844
1	35001	40000	37,744
1	45001	50000	46,692
4	50001	55000	204,586
1	55001	60000	55,881
2	60001	65000	123,351
1	135001	140000	135,444
1	150001	155000	152,045
1	160001	165000	160,193
1	170001	175000	172,979
3	185001	190000	560,553
1	200001	205000	204,627
1	235001	240000	239,470
1	265001	270000	266,521
1	335001	340000	337,325
1	345001	350000	346,931
1	365001	370000	365,226
2	430001	435000	865,862
1	450001	455000	452,646
1	565001	570000	569,250
1	810001	815000	813,022
1	1055001	1060000	1,055,516
1	1065001	1070000	1,065,168
1	1250001	1255000	1,253,384
1	1330001	1335000	1,334,574
1	1345001	1350000	1,348,374
1	1355001	1360000	1,355,367
1	1630001	1635000	1,634,952
1	1805001	1810000	1,809,582
1	2040001	2045000	2,044,071
1	2095001	2100000	2,098,806
2	2560001	2565000	5,121,086
1	2565001	2570000	2,567,354
1	3200001	3205000	3,200,737
1	3215001	3220000	3,215,530
1	3360001	3365000	3,362,425
1	4195001	4200000	4,197,614
1	5685001	5690000	5,687,112
1	8395001	8400000	8,395,230

2239	Total	59,148,592		
S/R No.	Categories of Share Holding	Number Of Share Holders	Total Share Hold	Percentage %
1	INDIVIDUALS	2200	56,992,489	96.35
2	INVESTMENT COMPANIES	4	2,329	0
3	INSURANCE COMPANIES	2	5,895	0.01
4	JOINT STOCK COMPANIES	24	258,196	0.44
5	FINANCIAL INSTITUTIONS	5	5,837	0.01
6	MODARABA COMPANIES	1	1,022	0
7	MUTUAL FUND	1	1,634,952	2.76
8	OTHERS	1	239,470	0.4
9	EMPLOYEES BENEVOLENT FUND	1	8,402	0.01
		2239	59,148,592	100

**Security Investment Bank Limited**  
**Detail for pattern of shareholding as on 31 December 2024**

Row Labels	Sum of Shares held	%
1) Individual	17,839,430	
Individual	17,839,430	30.16
2) Investment companies except ICP	2,329	
Investment companies except ICP	2,329	0.00
3) Public / Private Sector Companies and Corporations	258,196	
Public / Private Sector Companies and Corporations	258,196	0.44
4) Directors, Chief Executive Officer and their spouse and minor children	8,378	
Haji Jan Muhammad	1,404	0.00
Muhammad Mehboob	3,174	0.01
Farrukh Siddiqui	1,150	0.00
Zillay Huma Khan	1,150	0.00
Shaukat Zaman	1,500	0.00
5) Investment Corporation of Pakistan	1,960	
Investment Corporation of Pakistan	1,960	0.00
6) Associated companies, undertakings and related parties	23,252,756	
Fouzia Bano	2,098,806	3.55
Maryiam Bai	1,355,367	2.29
Muhammad Hanif	2,560,543	4.33
Muhammad Iqbal	4,696,999	7.94
Shahnaz Javed	4,197,614	7.10
Yasmin Bano	2,560,543	4.33
Zarina Iqbal	3,215,530	5.44
Samreen Shoaib	2,567,354	4.34
7) Banks, DFIs, Insurance Companies, Modarabas and Mutual Funds except National Bank of Pakistan, Trustee Department	1,893,618	
Banks, DFIs, Insurance Companies, Modarabas and Mutual Funds except National Bank of Pakistan, Trustee Department	1,893,618	3.20
8) Shareholders holding ten percent or more voting interest	15,891,925	
Amina Bano	8,395,230	14.19
HAR	7,496,695	12.67
<b>Grand Total</b>	<b>59,148,592</b>	<b>100.00</b>

## Dividend Mandate

Dear Shareholder,

Dividend Mandate: (Optional)

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

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

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

**Signature of Member/Shareholder**

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

### CNIC Submission (Mandatory):

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

### Security Investment Bank Limited Share Registrar

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

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

Yours faithfully,

Company Secretary  
Security Investment Bank Limited

## FORM OF PROXY

### THIRTY FOURTH ANNUAL GENERAL MEETING

I/We .....  
of .....  
a member / members of SECURITY INVESTMENT BANK LIMITED and holding .....  
ordinary shares, as per Register Folio/CDC A/c or sub account no. ....  
do hereby appoint .....  
of .....  
to vote for me/us and on my/our behalf at the Thirty Four Second Annual General Meeting of the  
Company to be held on 29th April 2025 and at any adjournment thereof.

As Witness my/our hand this ..... day of ..... 2025.

Folio No. ....

REVENUE  
STAMP  
RS. 5/-

Witness:

1. Name .....  
CNIC No. ....

SIGNATURE OF MEMBER(S)

2. Name .....  
CNIC No. ....

#### IMPORTANT:

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

## پراکسی فارم چونٹیسواں سالانہ عمومی اجلاس

میں/ہم..... کا/کے بحیثیت ممبر (ز) کے سکیورٹی انویسٹمنٹ بینک لمیٹڈ اور حامل..... عام حصص  
برطانیہ فلیو نمبر CDC Sub A/C / CDC A/C نمبر..... مقرر کرتا/کرتے ہیں۔ محترم /محترمہ..... آف..... کو اپنے  
/ہمارے ایماء پر کمپنی کے 29 اپریل 2025 کو ہونے والے 34 واں سالانہ عمومی اجلاس میں شرکت کرنے، حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا  
/ہمارا بطور نمائندہ (پراکسی)

بطور گواہ آج بتاریخ..... میرے/ہمارے دستخط ہوتے۔

پانچ روپے کے رسیدی ٹکٹ پر دستخط

اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت  
ہونا لازمی ہے۔

گواہ:-

۱۔ نام:-

.....:CNIC

۲۔ نام:-

.....:CNIC

اہم نکات:

- ۱۔ کوئی ممبر جو کہ سالانہ عمومی اجلاس میں شرکت کرنے کا مجاز ہے وہ اپنے بدلے شرکت اور حق رائے دہی کے لئے پراکسی نامزد کر سکتا ہے۔
- ۲۔ پراکسی انشرومینٹ ممبر سے یا یا اختیار انارٹی سے دستخط شدہ ہونا لازمی ہے، اگر ممبر کوئی کمپنی یا کاروبار پریشن ہے تو اسکی Common Seal پراکسی انشرومینٹ پر ہونا لازمی ہے۔
- ۳۔ ہر لحاظ سے مکمل اور دستخط شدہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے سیکرٹری رجسٹرازی آفس میں موصول ہونا چاہئے۔
- ۴۔ CDC کا ڈاٹ رکھنے والے کارپوریٹ ادارے۔
- مزید براں درج ذیل شرائط کو پورا کیا جائے گا۔
- (۱) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی نقول بھی دی جائیں۔
- (۲) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
- (۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹری قرار داد/پاور آف انارٹی مع دستخط کے نمونے کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔