



**QUARTERLY REPORT**  
MARCH 31, 2021

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Haji Jan Muhammad (Chairman)  
Mr. Muhammad Mehboob  
Mr. Muhammad Shoaib  
Mrs. Samreen Shoaib  
Mr. Shaikh Abdullah  
Mr. Karim Muhammad Munir  
Mr. Faisal Zahid

### PRESIDENT & CHIEF EXECUTIVE

Mr. Zafar .M. Sheikh

### AUDIT COMMITTEE

Mr. Shaikh Abdullah (Chairman)  
Haji Jan Muhammad  
Mr. Karim Muhammad Munir

### HUMAN RESOURCE AND REMUNIRATION COMMITTEE

Mr. Zafar .M. Sheikh  
Mr. Muhammad Mehboob

### BUSINESS DEVELOPMENT COMMITTEE

Mr. Karim Muhammad Munir (Chairman)  
Mr. Muhammad Mehboob  
Mr. Muhammad Shoaib  
Mr. Zafar .M. Sheikh

### Chief Financial Officer

Mr. Shakeel Ahmed

### AUDITORS

Bakers Tilly Mehmood Idrees Qamar,  
Chartered Accountants

### TAX ADVISORS

Grant Thoranton Anjum Rahman  
Chartered Accountants

### LEGAL ADVISORS

Rehan Kayani (Barrister at Law)

### SHARE REGISTRAR

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

### BANKERS

Habib Metropolitan Bank Limited.  
United Bank Limited.  
Summit Bank Limited.

### REGISTERED OFFICE

Suite No. 1, 1st Floor, Junaid Plaza,  
I-10, Markez, Islamabad.  
Tel : (051) 4102920  
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) 35659750-54  
Fax: (021) 35659755  
E-mail : [sibl@sibl.com.pk](mailto:sibl@sibl.com.pk)

## DIRECTORS' REPORT

The directors of **Security Investment Bank Limited** (the **Company**) are pleased to present the Financial Statements of the Company for the first quarter ended 31 March 2021.

Year 2020 was a full of surprises and turned out as one of the most challenging year in the history. The investor mood around the globe appears to be pleasant before the start of 2021, as government have placed large orders for procurement of vaccine. Tectonic events of 2020 will soon be behind us as life will slowly go back to normal. From Pakistan vantage point, covid was relatively less damaging, but Pakistan still has to walk a long hard road ahead and continue with its macro economic recovery process under the watchful eye of the IMF. The present government takes various measures to overcome the halted situation. As a result Pakistan's economy witnessed positive signs during first quarter of the ongoing fiscal year 2020-21 (FY20-21) as remittances grew 26.5%, foreign direct investment (FDI) rose 9.1%, tax collection went up 4.5%, and the primary balance has been in a surplus worth Rs258 billion.

SBP, Monetary Policy Committee (Committee) reviewed its policy frequently to take appropriate action towards supporting growth and employment during these challenging times. The Committee considered that outlook for growth and inflation in Pakistan is likely to improve, therefore decided to keep the policy rate unchanged at 7%.

During the quarter under review, the Pakistan Stock Exchange Ltd (KSE-100 index) registered slightly increased to 44,491 points as of 31 March 2021 compared to 43,694 points as of 31 December 2020.

Alhamdulillah, your company posted operating profit before taxes of Rs. 37.762 million for the first quarter ended 31 March 2021 as compared to loss of Rs. (31.976) million of the corresponding period. Your company's EPS was 0.734 as compared to negative of Rs. (0.622) of the corresponding period.

The board wishes to place on record the gratitude to Pakistan Stock Exchange and Securities and Exchange Commission of Pakistan for their continued valued support, assistance and guidance. The board would also like to thank untiring efforts of the Management and staff.

On behalf of the Board

Haji Jan Muhammad  
Chairman  
Karachi, 13 April 2021

## ڈائیکٹر رپورٹ

سیکیورٹی انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی پہلی سہ ماہی کے لئے کمپنی کے مالی بیانات پیش کرنے پر خوش ہیں۔

سال 2020 حیرت سے بھرا ہوا تھا اور تاریخ کا ایک مشکل ترین سال قرار پایا۔ 2021 کے آغاز سے قبل پوری دنیا میں سرمایہ کاری کا مزاج خوشگوار معلوم ہوتا ہے ، کیونکہ حکومت نے ویکسین کی خریداری کے بڑے احکامات جاری کر دینے ہیں۔ 2020 کے مشکل واقعات جلد ہی ختم ہوں گے اور پھر زندگی آہستہ آہستہ معمول پر آجائے گی۔ پاکستان شریعت نقطہ سے ، کورونا وائرس نسبتاً کم نقصان دہ تھا ، لیکن پاکستان کو اب بھی ایک طویل راہ چلنا ہے اور آئی ایم ایف کی نگاہ میں اپنی معاشی بحالی کے عمل کو جاری رکھنا ہے۔ موجودہ حکومت معاشی سست روی صورتحال پر قابو پانے کے لئے مختلف اقدامات کر رہی ہے۔ اس کے نتیجے میں رواں مالی سال 2020-21 کی پہلی سہ ماہی کے دوران پاکستان کی معیشت میں مثبت علامات دیکھنے میں آئیں۔ جب ترسیلات زر میں 26.5 فیصد ، غیر ملکی براہ راست سرمایہ کاری میں 9.1 فیصد کا اضافہ ہوا ، ٹیکسوں کی وصولی میں 4.5 فیصد اضافہ ہوا ، اور بنیادی بیلنس 258 ارب روپے کی سرپلس میں رہا ہے۔

ایس بی پی ، مانیٹری پالیسی کمیٹی نے اس مشکل وقت کے دوران ترقی اور روزگار کی حمایت کے لئے موزوں اقدام اٹھانے کے لئے اپنی پالیسی کا کثرت سے جائزہ لیا۔ کمیٹی نے غور کیا کہ پاکستان میں افراط زر اور افراط زر کے نقطہ نظر میں بہتری آنے کا امکان ہے ، لہذا پالیسی کی شرح کو 7% پر کوئی تبدیلی نہیں رکھنے کا فیصلہ کیا گیا۔

زیر جائزہ سہ ماہی کے دوران ، پاکستان اسٹاک ایکسچینج لمیٹڈ (کے ایس ای 100 انڈیکس) 31 دسمبر 2020 کے 43,694 پوائنٹس کے مقابلے 31 مارچ 2021 کے مقابلے میں قدرے بڑھ کر 44,491 پوائنٹس پر آگیا۔

الحمد للہ ، آپ کی کمپنی نے 31 مارچ 2021 کو ختم ہونے والی پہلی سہ ماہی کے لئے آپریٹنگ پرافٹ ٹیکس سے پہلے 37.762 ملین روپے ریکارڈ کیا جب کے پچھلے سہ ماہ میں 31.976 ملین منفی تھا۔ آپ کی کمپنی کا EPS 0.734 ہے جو گزشتہ مدت منفی 0.610 تھا

بورڈ پاکستان اسٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مسلسل معاونت ، مدد اور رہنمائی پر ان کا شکریہ ادا کرنا چاہتا ہے۔ بورڈ انتظامیہ اور عملے کی انتہک کوششوں کا بھی شکریہ ادا کرنا چاہتا ہے۔

بورڈ کی جانب سے

حاجی جان محمد

چیئرمین

کراچی ، 13 اپریل 2021

## UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2021

		Mar 31 2021 (Un-audited)	December 31 2020 (Audited)
Note	-----	Rupees	-----
<b>Non-current assets</b>			
Property, plant and equipment	5	156,339,111	156,727,396
Intangible assets		2,965,841	3,043,340
Deferred tax		941,809	941,809
Long term investments	6	45,941,799	45,941,799
Long term financing	7	5,449,146	5,017,015
Long term Advances		2,500,000	2,500,000
		<b>214,137,706</b>	<b>214,171,359</b>
<b>Current assets</b>			
Short term financing	8	54,961,076	53,968,338
Short term investments	9	429,017,284	391,990,545
Loans and advances		1,776,157	1,030,957
Deposits, prepayments and other receivables		6,145,549	8,065,351
Accrued interest		4,313,944	2,903,489
Tax refund due from government		57,209,597	55,843,850
Cash and bank balances	10	5,024,615	7,293,874
		<b>558,448,222</b>	<b>521,096,404</b>
		<b>772,585,928</b>	<b>735,267,763</b>
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
<b>Authorised capital</b>			
100,000,000 ordinary shares of Rs.10/- each		<b>1,000,000,000</b>	1,000,000,000
Issued, subscribed and paid up capital		<b>514,335,580</b>	514,335,580
Statutory reserves		<b>193,812,348</b>	186,259,883
Accumulated profit		<b>45,606,792</b>	15,396,933
		<b>753,754,719</b>	<b>715,992,396</b>
<b>Non Current Liabilities</b>			
Deferred tax liabilities - net		-	-
<b>Current liabilities</b>			
Unclaimed Dividend		<b>2,090,749</b>	2,090,749
Accrued and other liabilities		<b>16,740,460</b>	17,184,618
		<b>18,831,209</b>	19,275,367
Contingencies and commitments	11	-	-
		<b>772,585,928</b>	<b>735,267,763</b>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MOHAMMAD**  
CHAIRMAN/DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	Mar 31 2021	Mar 31 2020
	----- Rupees -----	
<b>Income</b>		
Income on financing and placements	1,891,441	7,566,486
Return on investments	1,055,435	5,130,141
Capital gain	3,363,202	1,267,100
Profit on deposit with banks	105,793	100,905
Other income	225,818	194,936
	<u>6,641,689</u>	<u>14,259,568</u>
<b>Expenditure</b>		
Return on deposits and borrowings	-	-
Operating expenses	7,370,034	7,452,757
	<u>7,370,034</u>	<u>7,452,757</u>
Operating profit	(728,345)	6,806,811
Unrealized gain/(loss) on remeasurement of investments classified as fair value through profit or loss	38,490,668	(38,783,731)
Profit before taxation	<u>37,762,323</u>	<u>(31,976,920)</u>
<b>Taxation</b>		
Current	-	-
Deferred	-	-
	<u>-</u>	<u>-</u>
Net Profit after tax	<u>37,762,323</u>	<u>(31,976,920)</u>
<b>Earning per share - basic and diluted</b>	<u><u>0.734</u></u>	<u><u>(0.622)</u></u>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

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CFO

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CHIEF EXECUTIVE

HAJI JAN MOHAMMAD  
CHAIRMAN/DIRECTOR

**UNCONSOLIDATED CONDENSED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	<u>Three months ended Mar 31,</u>	
	<u>2021</u>	<u>2020</u>
	----- Rupees -----	
Net profit after tax	37,762,323	(31,976,920)
Other comprehensive income for the period		
Deficit on revaluation of investments - net of tax	-	-
Total comprehensive income for the period	<u>37,762,323</u>	<u>(31,976,920)</u>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

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CFO

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CHIEF EXECUTIVE

HAJI JAN MOHAMMAD  
CHAIRMAN/DIRECTOR

**UNCONSOLIDATED  
CONDENSED CASH FLOW STATEMENT (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	<u>Three months ended Mar 31,</u>	
	2021	2020
	----- Rupees -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit before taxation	37,762,323	6,806,811
<b>Adjustments for non-cash and other items</b>		
Depreciation	451,884	490,136
Amortization	15,000	
Unrealized gain/loss on remeasurement of investment classified as fair value charged to profit and loss account	(38,490,668)	38,783,731
Gain on disposal of shares	(3,363,202)	(1,267,100)
Gain on disposal of fixed assets	(8,999)	8,998
	(41,395,985)	38,015,765
<b>Cash flows from operating activities before working capital changes</b>	(3,633,662)	44,822,576
<b>(Increase) / Decrease in operating assets</b>		
(Increase) / Decrease in financing and placements	(992,738)	(1,563,929)
(Increase) / Decrease in loans and advances	(745,200)	-
(Increase) / Decrease in deposits, prepayment and other receivables	1,919,802	(8,773,676)
(Increase) / Decrease in accrued interest	(1,410,455)	-
	(1,228,592)	(10,337,605)
<b>Increase / (Decrease) in operating liabilities</b>		
(Decrease) / Increase in short term deposits	-	-
(Decrease) / Increase in borrowings	-	-
(Decrease) / Increase in accrued and other liabilities	(444,158)	45,865
	(444,158)	45,865
Net changes in operating assets and liabilities	(1,672,750)	(10,291,740)
Income tax paid	(1,365,747)	(761,980)
<b>Net cash used in operating activities</b>	(6,672,159)	33,768,856
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Deletion in intangible assets	-	77,499
Purchase of fixed assets - net	(54,600)	(11,000)
Sale proceeds of quoted shares	18,670,867	-
Investments in quoted shares	(13,781,236)	(31,568,573)
Purchases of Government securities	-	(7,500,000)
<b>Net cash generated from investing activities</b>	4,835,031	(39,002,074)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing	(432,131)	1,754,429
Subordinate loan	-	-
<b>Net cash generated from financing activities</b>	(432,131)	1,754,429
Net Increase in cash and cash equivalents	(2,269,259)	(3,478,789)
<b>Cash and cash equivalents at the beginning of the period</b>	7,293,874	8,033,947
<b>Cash and cash equivalents at the end of the period</b>	5,024,615	4,555,158

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MOHAMMAD**  
CHAIRMAN/DIRECTOR

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	Share capital	Statutory reserve	Unappropriated loss/profit	Total
----- Rupees -----				
<b>Balance as at 01 January 2020</b>	514,335,580	170,798,844	(46,447,221)	638,687,203
Total comprehensive loss for the period	-	-	(31,976,920)	(31,976,920)
Appropriations:				-
Statutory reserves	-	-	-	-
<b>Balance as at 31 Mar 2020</b>	<b>514,335,580</b>	<b>170,798,844</b>	<b>(78,424,140)</b>	<b>606,710,284</b>
Total comprehensive income for the year	-	-	109,282,113	109,282,113
Appropriations:				
Statutory reserves	-	15,461,039	(15,461,039)	-
<b>Balance as at 31 December 2020</b>	<b>514,335,580</b>	<b>186,259,883</b>	<b>15,396,933</b>	<b>715,992,396</b>
Profit for the period	-	-	37,762,323	37,762,323
other comprehensive income	-	-	-	-
Statutory reserves	-	7,552,465	(7,552,465)	-
<b>Balance as at 31 Mar 2021</b>	<b>514,335,580</b>	<b>193,812,348</b>	<b>45,606,792</b>	<b>753,754,719</b>

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MOHAMMAD**  
CHAIRMAN/DIRECTOR

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE FIRST QUARTER ENDED 31 MARCH 2021

### 1 STATUS AND PRINCIPAL ACTIVITIES

Security Investment Bank Limited (SIBL) 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 23 May 1991 and started its commercial operation on 31 December 1991. Its shares are quoted on Pakistan Stock Exchange. The registered office of SIBL is situated at Flat No.4, 3rd floor, AL-Baber Centre, Main Markaz, F-8, Islamabad.

SIBL 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 15 October 2015 and Non-Banking Finance Companies and Notified Entities Regulations 2008 as amended through SRO 1160(I) / 2015 dated 25 November 2015 (previously this was covered under SRO 585(1)/87 dated 13 July 1987, issued by the Ministry of Finance).

In the year 2016, the Company made an investment in newly incorporated wholly owned subsidiary company namely Security Capital & Investment (Private) Limited amounting to Rs. 50 million. As per the agreement dated September 07, 2016 between the Company and the subsidiary, the Company ceded the legal right on Trading Right Entitlement Certificate (TREC) and 1,602,953 shares of the Pakistan Stock Exchange Limited (PSX) and Pakistan Mercantile Exchange (PMEX) membership card to the subsidiary. During the year 2017, the TREC has been transferred by the Company in the name of the subsidiary. However, title of shares of PSX and PMEX card has not yet been transferred in the name of the subsidiary due to the reason that the subsidiary has not obtained license to deal as broker.

During the year the Company has not renewed its credit rating. During the year 2019, VIS Credit Rating Company Limited (VIS) had assigned initial entity ratings of 'BBB+/A-2' (Triple B Plus/A-Two) to Security Investment Bank Limited (SIBL). The long term rating of 'BBB+' signifies adequate credit quality. The short term rating of 'A-2' signifies good certainty of timely payment.

### 2 BASIS OF PRESENTATION

This unconsolidated condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations); directives issued by the Securities and Exchange Commission of Pakistan (SECP); and provisions of and directives issued under the Companies Act, 2017.

Where the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) , Non-Banking Finance Companies and Notified

Entities Regulations, 2008 (the Regulations); directives issued by the Securities and Exchange Commission of Pakistan (SECP); and provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations), directives issued by the Securities and Exchange Commission of Pakistan (SECP), and provisions of and directives issued under the Companies Act, 2017 shall prevail.

This unconsolidated condensed interim financial information do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31, 2018. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 237 of the Companies Act, 2017 and Listing Regulations of Pakistan Stock Exchange.

The comparative statement of financial position presented in this unconsolidated condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2020, whereas, the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the first quarter ended March 31, 2021.

### 3 ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparation of the financial statements for the year ended 31 December 2020.

### 4 ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2020.

	<b>Mar 31 2021 (Un-audited)</b>	<b>December 31 2020 (Audited)</b>
<b>5 Operating Assets</b>	<b>Note</b>	<b>Rupees</b>
<b>Cost</b>		
Opening balance	166,786,857	166,827,757
Addition	63,600	36,500
Deletion	(1)	(77,400)
	<b>166,850,456</b>	<b>166,786,857</b>
<b>Less: Accumulated Depreciation</b>		
Opening balance	10,059,461	8,173,657
Depreciation expenses	451,884	1,885,804
Adjustment made	-	-
	<b>10,511,345</b>	<b>10,059,461</b>
	<b>156,339,111</b>	<b>156,727,396</b>

	Mar 31 2021 (Un-audited)	December 31 2020 (Audited)
6 Long term investments	Note ----- Rupees -----	
<b>INVESTMENT IN SHARES OF PSX - AVAILABLE FOR SALE</b>		
5,000,000 ordinary shares of Security Capital & Investments (Pvt) Ltd @ Rs. 10/- each		
	<u>45,941,799</u>	<u>45,941,799</u>
	<b>45,941,799</b>	<b>45,941,799</b>
<b>7 Long term financing</b>		
Related parties - secured and considered good		
- Associated companies	-	-
- Others	61,548,739	60,371,151
Less: Deferred Murahaba income	<u>(1,138,517)</u>	<u>(1,385,798)</u>
Murahaba receivable	60,410,222	58,985,353
Less: Current maturity	<u>(54,961,076)</u>	<u>(53,968,338)</u>
	<u><b>5,449,146</b></u>	<u><b>5,017,015</b></u>
<b>8 Short term financing- secured and considered good</b>		
Associated companies	-	-
Current maturity of long term financing	<u>54,961,076</u>	<u>53,968,338</u>
	<u><b>54,961,076</b></u>	<u><b>53,968,338</b></u>
<b>9 Short term investment</b>		
Held to Maturity		
Market Treasury Bills	53,000,000	53,000,000
Available for sale		
Term Finance Certificates	<u>5,836,219</u>	<u>5,836,219</u>
Quoted shares	<u>370,181,065</u>	<u>333,154,326</u>
	<u><b>429,017,284</b></u>	<u><b>391,990,545</b></u>
<b>10 Cash and bank balances</b>		
With State Bank of Pakistan in current account	4,009	4,009
With other banks in		
Current account	<u>1,805,809</u>	<u>1,805,810</u>
Deposit accounts	<u>3,134,797</u>	<u>5,439,043</u>
	<u><b>4,940,606</b></u>	<u><b>7,244,853</b></u>
Cash in hand	<u>80,000</u>	<u>45,012</u>
	<u><b>5,024,615</b></u>	<u><b>7,293,874</b></u>

	<b>Mar 31 2021 (Un-audited)</b>	<b>December 31 2020 (Audited)</b>
<b>Note</b>	<b>----- Rupees -----</b>	<b>----- Rupees -----</b>
<b>11 Contingencies and commitments</b>		
<b>11.1</b> Guarantees issued on behalf of customers	<u>          -          </u>	<u>          -          </u>
<b>12 Transaction with related parties</b>		

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 share holder 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;

	<b>Mar 31 2021 (Un-audited)</b>	<b>December 31 2020 (Audited)</b>
<b>Note</b>	<b>----- Rupees -----</b>	<b>----- Rupees -----</b>

**BALANCES AS AT THE PERIOD END**

**Financing**

Balance at year end		
- Associated undertakings	<u>          -          </u>	<u>          -          </u>

**Un funded Guarantee**

- Associated undertakings	-	-
- Others	-	-

**Investment in subsidiary**

Equity shares	<u>45,941,799</u>	<u>45,941,799</u>
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**Advance from subsidiary**

Advance against purchase of certain assets	<u>14,000,562</u>	<u>14,000,562</u>
--	-------------------	-------------------

<b>Three Months ended Mar 31,</b>	
<b>2021</b>	<b>2020</b>
<b>----- Rupees -----</b>	<b>----- Rupees -----</b>

**TRANSACTIONS DURING THE PERIOD**

**Return on financing**

- Associated undertakings	-	-
- Others	1,891,441	139,614
"Contribution to staff retirement benefit plan"	<u>110,337</u>	<u>79,130</u>

**13 Date of authorisation**

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors on \_\_\_\_\_.

**14 General**

Figures have been rounded off to the nearest rupee.

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MOHAMMAD**  
CHAIRMAN/DIRECTOR





**CONSOLIDATED  
FINANCIAL STATEMENT**  
FOR THE QUARTER ENDED  
MARCH 31, 2021

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Mar 31 2021 (Un-audited)	December 31 2020 (Audited)
Note	----- Rupees -----	----- Rupees -----
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, Plant and equipment	156,339,111	156,727,396
Intangible Assets	2,965,841	3,043,340
Deferred Tax	941,809	941,809
Long term financing	5,449,146	5,017,015
Long term advances, deposits and prepayments	2,500,000	2,500,000
	168,195,907	168,229,560
<b>CURRENT ASSETS</b>		
Short term financing	54,961,076	53,968,338
Short term Investments	429,017,284	391,990,545
Loan and advances	1,776,157	1,030,957
Deposits, prepayments and other receivable	6,145,549	8,065,351
Accrued interest	4,313,944	2,903,489
Tax refund due from Government	57,209,597	55,843,850
Cash and bank balances	5,024,615	7,293,874
	558,448,222	521,096,403
Non current assets held for distribution	36,726,592	36,726,592
	763,370,721	726,052,555
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorised Capital</b>		
100,000,000 ordinary shares of Rs.10/- each	1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	514,335,580	514,335,580
Statutory reserves	193,812,348	186,259,883
Accumulated losses	50,392,146	20,182,288
Surplus/(deficit) on revaluation of investment	758,540,074	720,777,750
	758,540,074	720,777,750
<b>NON CURRENT LIABILITIES</b>		
Deferred liabilities	-	-
<b>CURRENT LIABILITIES</b>		
Subordinated Loan	-	-
Unclaim Dividend	2,090,749	2,090,749
Accrued and other liabilities	2,739,898	3,184,056
	4,830,647	5,274,805
Contingencies and commitments	-	-
	763,370,721	726,052,555

The annexed notes form an integral part of these condensed interim consolidated financial statements.

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MOHAMMAD**  
CHAIRMAN/DIRECTOR

**CONSOLIDATED CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	Quarter Ended	
	Mar 31 2021	Mar 31 2020
	----- Rupees -----	
<b>INCOME</b>		
Income on financing and placements	1,891,441	7,566,486
Return on Investments	1,055,435	5,130,141
Gain on sale of shares	3,363,202	1,267,100
Profit on deposit with banks	105,793	491,105
Other income	225,818	194,936
	<u>6,641,689</u>	<u>14,649,768</u>
<b>EXPENDITURE</b>		
Return on deposits and borrowings	-	-
Operating expenses	7,370,034	7,527,089
	<u>7,370,034</u>	<u>7,527,089</u>
<b>Operating Profit before tax</b>	<u>(728,345)</u>	<u>7,122,679</u>
Reclassification of unrealized gain to P & L	38,490,668	(46,125,254)
Taxation	-	-
<b>PROFIT AFTER TAXATION</b>	<u>37,762,323</u>	<u>(39,002,575)</u>
<b>EARNINGS PER SHARE- BASIC AND DILUTED</b>	<u>0.7342</u>	<u>(0.7583)</u>

The annexed notes form an integral part of these condensed interim consolidated financial statements.

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MOHAMMAD**  
CHAIRMAN/DIRECTOR

**CONSOLIDATED CONDENSED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE MONTHS ENDED 31 MARCH 2021**

	<b>Three months ended Mar 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>Rupees</b>	
Net profit after tax	<b>37,762,323</b>	(39,002,575)
Surplus / deficit on revaluation of investments - net of tax	-	-
Total comprehensive income for the period	<b><u>37,762,323</u></b>	<b><u>(39,002,575)</u></b>

The annexed notes form an integral part of these condensed interim consolidated financial statements.

**SHAKEEL AHMED**  
CFO

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CHAIRMAN/DIRECTOR

**CONSOLIDATED CONDENSED  
CASH FLOW STATEMENT (UNAUDITED)  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	<u>Three months ended Mar 31,</u>	
	2021	2020
	----- Rupees -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit before taxation	37,762,323	6,806,811
<b>Adjustments for non-cash and other items</b>		
Depreciation	451,884	490,136
Amortization	15,000	
Unrealized gain/loss on remeasurement of investment classified as fair value charged to profit and loss account	(38,490,668)	38,783,731
Gain on disposal of shares	(3,363,202)	(1,267,100)
Gain on disposal of fixed assets	(8,999)	8,998
	(41,395,985)	38,015,765
<b>Cash flows from operating activities before working capital changes</b>	(3,633,662)	44,822,576
<b>(Increase) / Decrease in operating assets</b>		
(Increase) / Decrease in financing and placements	(992,738)	(1,563,929)
(Increase) / Decrease in loans and advances	(745,200)	-
(Increase) / Decrease in deposits, prepayment and other receivables	1,919,802	(8,773,676)
(Increase) / Decrease in accrued interest	(1,410,455)	-
	(1,228,592)	(10,337,605)
<b>Increase / (Decrease) in operating liabilities</b>		
(Decrease) / Increase in short term deposits	-	-
(Decrease) / Increase in borrowings	-	-
(Decrease) / Increase in accrued and other liabilities	(444,158)	45,865
	(444,158)	45,865
Net changes in operating assets and liabilities	(1,672,750)	(10,291,740)
Income tax paid	(1,365,747)	(761,980)
<b>Net cash used in operating activities</b>	(6,672,159)	33,768,856
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Deletion in intangible assets	-	77,499
Purchase of fixed assets - net	(54,600)	(11,000)
Sale proceeds of quoted shares	18,670,867	-
Investments in quoted shares	(13,781,236)	(31,568,573)
Purchases of Government securities	-	(7,500,000)
<b>Net cash generated from investing activities</b>	4,835,031	(39,002,074)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing	(432,131)	1,754,429
Subordinate loan	-	-
<b>Net cash generated from financing activities</b>	(432,131)	1,754,429
Net Increase in cash and cash equivalents	(2,269,259)	(3,478,789)
<b>Cash and cash equivalents at the beginning of the period</b>	7,293,874	8,033,947
<b>Cash and cash equivalents at the end of the period</b>	5,024,615	4,555,158

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MOHAMMAD**  
CHAIRMAN/DIRECTOR

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS ENDED 31 MARCH 2021

	Share capital	Statutory reserve	Accumulated losses	Total
----- Rupees -----				
Balance as at 01 January 2020	514,335,580	170,798,844	(46,447,221)	638,687,203
Net profit for the period	-	-	(39,002,575)	(39,002,575)
Transfer to Statutory Reserve	-	-	-	-
<b>Balance as at 31 March , 2020</b>	<b>514,335,580</b>	<b>170,798,844</b>	<b>(85,449,796)</b>	<b>599,684,628</b>
Net profit for the year	-	-	121,093,123	121,093,123
Reclassification of unrealized gain to P & L	-	-	-	-
Transfer to Statutory Reserve	-	15,461,039	(15,461,039)	-
<b>Balance as at 31 December , 2020</b>	<b>514,335,580</b>	<b>186,259,883</b>	<b>20,182,288</b>	<b>720,777,751</b>
Net profit for the period	-	-	37,762,323	37,762,323
Reclassification of unrealized gain to P & L	-	7,552,465	(7,552,465)	-
<b>Balance as at 31 March, 2021</b>	<b>514,335,580</b>	<b>193,812,348</b>	<b>50,392,146</b>	<b>758,540,074</b>

The annexed notes form an integral part of these condensed interim consolidated financial statements.

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MOHAMMAD**  
CHAIRMAN/DIRECTOR

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE FIRST QUARTER ENDED 31 MARCH 2021

### 1. "STATUS AND PRINCIPAL ACTIVITIES

The group consist of Security Investment Bank Limited ( the holding company) and Security Capital & Investment (Private) Limited (the subsidiary company).

Security Investment Bank Limited (SIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Bank was incorporated in Pakistan on May 23, 1991 and started its commercial operation on December 31, 1991. Its shares are quoted on Pakistan Stock Exchange Limited. The registered office of SIBL is situated at Flat No. 4, 3rd Floor, Al-Baber Centre, Main Markaz, F-8, Islamabad.

SIBL is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under section 282C of the Companies Ordinance, 1984 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 15 October 2015 and Non-Banking Finance Companies and Notified Entities Regulations 2008 as amended through SRO 1160(I) / 2015 dated 25 November 2015 (previously this was covered under SRO 585(1)/87 dated 13 July 1987, issued by the Ministry of Finance).

The Investment Bank made an investment in newly incorporated wholly owned subsidiary company namely Security Capital & Investment (Private) Limited amounting to Rs. 50 million . As per agreement dated September 07, 2016 between the Investment Bank and Security Capital & Investment (Private) Limited, the Investment Bank has transferred the legal right on Trading Right Entitlement Certificate (TREC) and 1,602,953 shares of Pakistan Stock Exchange Limited (PSX). However actual transfer of these assets could not be materialized due to regulatory formalities which are in the process of completion.

Rahat Aziz, an advocate of High Court, had file an application on instruction of Security Capital & Investment (Private) Limited for striking off the name of the Holding Company from the Register of Companies under Companies Easy Exit Scheme (CEES). And on 15 January 2020, via Letter No. CEER/MISC/1-1/2020 of Securities and Exchange Commission Of Pakistan, pursuant to the provisions of sub section (1) of section 426 of the Companies Act, 2017 (the Act) read with Companies (Easy Exit) Regulations, 2014 (the Regulations), same has been accepted and dissolution letter will be issued to the company after publication of company name under sub section 426(3) of the Companies Act, 2017

The subsidiary company discontinued its business of undertaking stock brokerage business, and to act as Trading Right Entitlement Certificate (TREC) Holder of the stock exchange and as broker under the Securities Brokers (Licensing and Operations) Regulations, 2016 . Accordingly, the assets have been classified as held for distribution as at 31 December 2019 in accordance with the requirement of IFRS-5 "Non Current Assets - Held For Sale" in the consolidated financial statements.

### 2 STATEMENT OF COMPLIANCE

These consolidated condensed interim financial information have been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting), the requirements of the repealed Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). In

case requirements differ, the requirements of the repealed Companies Ordinance, 1984 and the said directives have been followed.

These consolidated condensed interim financial information does not include all the information required for preparation of full financial information and should be read in conjunction with the preceding published annual financial statements for the year ended December 31, 2020.

The comparative balance sheet presented in this consolidated condensed interim financial information has been extracted from audited financial statements of the company for the year ended December 31, 2020, Whereas the comparative profit and loss account, statement of changes in equity and the cash flow statements for the quarter ended Mar 31, 2021 have been subjected to a review but not audit.

### 3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the preceding published annual financial statements of the company for the year ended December 31, 2020.

### 4 ESTIMATES

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2020.

	Mar 31 2021 (Un-audited)	December 31 2020 (Audited)
5 CASH AND BANK BALANCES	Note	Rupees
With State Bank of Pakistan in		
Current account	4,009	4,009
With other Banks in		
Current account	1,805,809	1,805,810
Deposit accounts	3,134,797	5,439,043
	4,940,606	7,244,853
Cash in hand	80,000	45,012
	5,024,615	7,293,874

### 6 DATE OF AUTHORISATION

These financial statements were authorised for issuance by the Board of Directors on April \_\_\_\_ 2021.

### 7 GENERAL

Figures have been rounded off to the nearest rupee.

**SHAKEEL AHMED**  
CFO

**ZAFAR M. SHEIKH**  
CHIEF EXECUTIVE

**HAJI JAN MOHAMMAD**  
CHAIRMAN/DIRECTOR