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QUARTERLY REPORT
SEPTEMBER 30,

2021



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QUARTERLY REPORT



COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. Mohammad Aftab Manzoor - Non-executive

Directors

Mr. Muhammad Sualah Ahmad Faruqi - Non-executive - Independent
Mr. Jamal Nasim - Non-executive
Dr. Abolghassem Jamshidi - Non-executive
Ms. Figen Caliskan - Non-executive
Mrs. Uzma Aijaz - Non-executive - Independent
Hafiz Mohammad Yousaf - Non-executive
Mr. Shafqaat Ahmed - Non-executive
Mr. Munir Ahmed - Non-executive - Independent

Chief Executive Officer

Dr. Mohammad Ashraf Butt - Executive

BOARD AUDIT COMMITTEE

Mrs. Uzma Aijaz - Chairperson
Mr. Jamal Nasim - Member
Dr. Abolghassem Jamshidi - Member
Hafiz Mohammad Yousaf - Member
Mr. Shafqaat Ahmed - Member
Mr. Aqeel Ahmed - Secretary

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mrs. Uzma Aijaz - Chairperson
Mr. Mohammad Aftab Manzoor - Member
Mr. Jamal Nasim - Member
Mr. Munir Ahmed - Member
Dr. Mohammad Ashraf Butt - Member
Mr. Shahbaz Ali - Secretary

CHIEF FINANCIAL OFFICER

- Mr. Babar Aijaz

COMPANY SECRETARY

- Mr. Rizwan Ul Haq Khan

BANKERS

Bank Al Habib Limited
National Bank of Pakistan
Meezan Bank Limited
Habib Metropolitan Bank Limited
Bank Alfalah Limited
Khushhali Microfinance Bank Limited
MIB Bank Limited

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

TAX CONSULTANTS

A. F. Ferguson & Co.
Chartered Accountants

LEGAL ADVISORS

Mohsin Tayebaly & Co.
Advocates & Legal Consultants

REGISTERED OFFICE

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DIRECTORS' REPORT

The Directors are pleased to present the un-audited financial information for the three months period ended September 30, 2021.

BUSINESS AND PERFORMANCE REVIEW

The Company produced 1090 tons of finished paper during the period under review as against 1043 tons in the corresponding period of preceding year. Net sales were reported at Rs 1,184 million during the three months period under review as against Rs 1,035 million in the corresponding period of preceding year. The Company achieved sales volume of 986 tons as against 903 tons during the corresponding period of preceding year.

Gross profit was reported at Rs 418 million as against Rs 394 million in the corresponding period of preceding year showing an increase of Rs 24 million primarily due to higher sales volume.

The profit before and after taxation during the period under review stood at Rs 332 million and Rs 228 million as against Rs 500 million and Rs 377 million respectively during the corresponding period of preceding year. It includes other income of Rs 67 million earned during the period under review as against Rs 224 million in the corresponding period of preceding year. During the period under review, the Company has unrealized capital loss of Rs 41 million as against unrealized capital gain of Rs 167 million in the corresponding period of preceding year from investments in mutual funds mainly due to subdued capital market.

FUTURE PROSPECTS

Despite the challenging business environment, your Company has always been able to continue its operations while maintaining standard operating procedures for the safety of all the employees. The COVID-19 situation is improving and cases have been steadily declining in Pakistan and around the world. Your Company remains cognizant of the present business challenges and is continually assessing its strategy to meet the customers' demand while improving productivity through innovation, improving efficiency and effective cost containment initiatives.

ACKNOWLEDGEMENT

The directors of your Company take this opportunity to express their gratitude to all the stakeholders for their encouragement and support.

On behalf of the Board of Directors

Dr. Mohammad Ashraf Butt
Chief Executive Officer

Jamal Nasim
Director

Karachi
Dated: October 28, 2021



Condensed Interim Statement of Financial Position

As at 30 September 2021

		30 September 2021 Un-audited	30 June 2021 Audited
ASSETS			
	Note	----- (Rupees in '000) -----	
Non-current assets			
Property, plant and equipment	5	1,838,982	1,868,242
Right-of-use assets	5.3	21,420	21,628
Intangible assets		17,582	18,133
Long-term investment	6	1,318,015	892,543
Lease deposits		4,929	4,770
		<u>3,200,928</u>	<u>2,805,316</u>
Current assets			
Stores, spares and loose tools		205,415	200,998
Stock-in-trade		569,169	553,921
Trade debts - considered good		459,054	812,253
Loan, advances, deposits, prepayments and other receivables		34,121	79,784
Interest accrued		33,882	58,152
Investments	7	3,103,875	2,974,822
Cash and bank balances		661,688	652,103
		<u>5,067,204</u>	<u>5,332,033</u>
Total assets		<u>8,268,132</u>	<u>8,137,349</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 70,000,000 (30 June 2021: 70,000,000) ordinary shares of Rs 10 each		700,000	700,000
Issued, subscribed and paid-up capital			
59,255,985 (30 June 2021: 59,255,985) ordinary shares of Rs 10 each		592,559	592,559
Revenue reserves			
General reserves		5,594,837	4,663,799
Unappropriated profit		227,985	1,464,342
Total shareholders' equity		<u>6,415,381</u>	<u>6,720,700</u>
Non-current liabilities			
Lease Liabilities		19,507	19,324
Staff retirement benefits		33,106	25,191
Deferred taxation - net		166,072	188,230
		<u>218,685</u>	<u>232,745</u>
Current liabilities			
Trade and other payables		687,292	704,317
Accrued mark-up		-	29
Unclaimed dividend		473,050	3,931
Unpaid dividend		355,658	355,658
Current portion of liabilities against subject to finance lease		7,073	7,362
Taxation - net		110,993	112,607
		<u>1,634,066</u>	<u>1,183,904</u>
Total liabilities		<u>1,852,751</u>	<u>1,416,649</u>
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		<u>8,268,132</u>	<u>8,137,349</u>

The annexed notes 1 to 13 form an integral part of this condensed financial information.

DR. MOHAMMAD ASHRAF BUTT
Chief Executive Officer

BABAR AIJAZ
Chief Financial Officer

JAMAL NASIM
Director



Condensed Interim Statement of Profit or Loss (Un-audited)
For the Quarter ended 30 September 2021

	30 September 2021	30 September 2020		
	----- (Rupees in '000) -----			
Sales - net	1,184,251	1,035,237		
Cost of sales	<u>(765,813)</u>	<u>(641,667)</u>		
Gross profit	418,438	393,570		
Administrative expenses	(81,611)	(77,327)		
Other income	9 66,993	223,730		
Other charges	9 (71,121)	(38,643)		
Finance costs	<u>(1,004)</u>	<u>(1,023)</u>		
Profit before taxation	331,695	500,307		
Taxation				
- Current	<table border="1"><tr><td>(125,871)</td><td style="text-align: right;">(101,294)</td></tr></table>	(125,871)	(101,294)	(101,294)
(125,871)	(101,294)			
- Deferred	<table border="1"><tr><td>22,161</td><td style="text-align: right;">(21,853)</td></tr></table>	22,161	(21,853)	(21,853)
22,161	(21,853)			
	<u>(103,710)</u>	<u>(123,147)</u>		
Profit after taxation	<u>227,985</u>	<u>377,160</u>		
	----- (Rupees) -----			
Earnings per share (basic & diluted)	<u>3.85</u>	<u>6.36</u>		

The annexed notes 1 to 13 form an integral part of this condensed financial information.

DR. MOHAMMAD ASHRAF BUTT
Chief Executive Officer

BABAR AIJAZ
Chief Financial Officer

JAMAL NASIM
Director



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**Condensed Interim Statement of
Other Comprehensive Income (Un-audited)**
For the Quarter ended 30 September 2021

	30 September 2021	30 September 2020
	----- (Rupees in '000) -----	
Profit after tax for the period	227,985	377,160
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>227,985</u>	<u>377,160</u>

The annexed notes 1 to 13 form an integral part of this condensed financial information.

DR. MOHAMMAD ASHRAF BUTT
Chief Executive Officer

BABAR AIJAZ
Chief Financial Officer

JAMAL NASIM
Director



Condensed Interim Statement of Changes in Equity (Un-audited)
For the Quarter ended 30 September 2021

Note	Issued subscribed and paid-up share capital	Revenue Reserves			Total equity
		General reserves	Unappropriated Profit	Total reserves	
----- Rupees in '000 -----					
Balance as at 30 June 2020	592,559	4,217,879	979,228	5,197,107	5,789,666
Total comprehensive income for the three months period ended 30 Sep 2020					
Profit for the period	-	-	377,160	377,160	377,160
Transactions with owners					
Transfer to general reserves	-	445,924	(445,924)	-	-
Final cash dividend for the year ended June 30, 2020	-	-	(533,304)	(533,304)	(533,304)
Balance as at 30 September 2020	592,559	4,663,803	377,160	5,040,963	5,633,522
Balance as at 30 June 2021	592,559	4,663,799	1,464,342	6,128,141	6,720,700
Total comprehensive income for the three months period ended 30 Sep 2021					
Profit for the period	-	-	227,985	227,985	227,985
Transactions with owners					
Transfer to general reserves	13.1	931,038	(931,038)	-	-
Final cash dividend for the year ended June 30, 2021	-	-	(533,304)	(533,304)	(533,304)
Balance as at 30 September 2021	592,559	5,594,837	227,985	5,822,822	6,415,381

The annexed notes 1 to 13 form an integral part of this condensed financial information.

DR. MOHAMMAD ASHRAF BUTT
Chief Executive Officer

BABAR AIJAZ
Chief Financial Officer

JAMAL NASIM
Director



Condensed Interim Statement of Cash Flows (Un-audited)
For the Quarter ended 30 September 2021

		30 September 2021	30 September 2020
Note		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	10	734,672	136,287
		(159)	(265)
		(127,485)	(122,292)
		(1,033)	(1,382)
		605,995	12,348
CASH FLOWS FROM INVESTING ACTIVITIES			
		(25,218)	(35,196)
		1,113	566
		87,944	68,981
		(2,025,267)	(150,219)
		1,730,965	520,765
		(230,464)	404,897
CASH FLOWS FROM FINANCING ACTIVITIES			
		(1,761)	(1,679)
		(64,185)	(388,319)
		(65,946)	(389,998)
		309,585	27,247
		652,103	683,939
	12	961,688	711,186

The annexed notes 1 to 13 form an integral part of this condensed financial information.

DR. MOHAMMAD ASHRAF BUTT
Chief Executive Officer

BABAR AIJAZ
Chief Financial Officer

JAMAL NASIM
Director



Notes to the Condensed Interim Financial Information (Un-audited) For the Quarter ended 30 September 2021

1. THE COMPANY AND ITS OPERATION

Security Papers Limited (the "Company") is incorporated and domiciled in Pakistan as a public Company Limited by shares. The address of its registered office and factory is Jinnah Avenue, Malir Halt, Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange Limited.

The principal activity of the Company is manufacturing of specialized paper for Banknote and non-bank note security documents.

1.1 Impact of COVID-19 on the condensed financial information

The COVID-19 situation is improving in Pakistan as well as around the world. The management had taken all necessary steps to ensure smooth and adequate continuation of its business by following standard operating procedures (SOPs) in order to maintain business performance despite slowed down economic activity.

The management has assessed the accounting implications of COVID-19 pandemic on this condensed interim financial information. According to management's assessment, there is no material implication of COVID-19 that require specific disclosure in this condensed interim financial information.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information of the Company for the three months period ended 30 September 2021 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountant of Pakistan and provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions of and directives issued under the Companies Act, 2017, have been followed.

2.2 This condensed interim financial information of the Company does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended 30 June 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.3 This condensed interim financial information is presented in Pakistan Rupees, which is the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

2.4 This condensed interim financial information is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the audited financial statements for the year ended 30 June 2021.



3.2 A number of amendments in applicable accounting and reporting standards became effective from 1 January 2021 but they do not have material effect on the Company's financial statements.

4. USE OF ESTIMATES AND JUDGEMENTS

4.1 The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

4.2 Estimates and judgements made by management in the preparation of this condensed interim financial information are the same as those that were applied to the annual financial statements of the Company as at and for the year ended 30 June 2021.

4.3 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual financial statements as at and for the year ended 30 June 2021.

		30 September 2021 Un-audited	30 June 2021 Audited
Note		----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
	Operating assets	5.1 1,672,600	1,712,277
	Capital work-in-progress	5.2 166,382	155,965
		<u>1,838,982</u>	<u>1,868,242</u>
5.1. Operating assets			
	Opening book value	1,712,277	1,420,120
	Additions during the period / year	5.1.1 14,801	483,904
	Disposal during the period / year at book value	-	(19)
	Depreciation charged during the period / year	(54,478)	(191,728)
		<u>1,672,600</u>	<u>1,712,277</u>
5.1.1. Additions during the period / year			
	Land and building	-	44,398
	Plant and machinery	6,395	363,929
	Spare parts and stand by equipment	1,880	9,140
	Electric, water and gas installations	2,682	24,743
	Laboratory Equipment	336	4,853
	Furniture & Fixtures	-	584
	Office & Security Equipment	390	33,510
	Computers and accessories	3,118	2,718
	Motor Vehicles - Owned	-	29
		<u>14,801</u>	<u>483,904</u>



	30 September 2021	30 June 2021
	Un-audited	Audited
Note	----- (Rupees in '000) -----	
5.2. Capital work-in-progress		
Opening balance	155,965	299,297
Addition during the period / year	10,417	282,031
Transferred to operating fixed asset	-	(425,363)
	<u>166,382</u>	<u>155,965</u>
5.3 Right of Use Assets		
Opening balance	21,628	25,882
Additions during the period / year	1,655	4,437
Disposals	-	(660)
Depreciation for the period / year	(1,863)	(8,031)
	<u>21,420</u>	<u>21,628</u>
6. LONG-TERM INVESTMENTS		
Pakistan Investment Bonds (PIBs)	6.1 <u>1,318,015</u>	<u>892,543</u>
6.1	These represents investments in Pakistan Investment Bonds (PIBs) carrying floating and fixed profit at the rate ranging from 7.63% to 12.38% (June 2021: 7.67% to 14.64%) with maturities in June 2023, October 2023, September 2024, May 2028, June 2028 and Aug 2028. The profit payments are made quarterly and semi annually.	
7. INVESTMENTS		
At amortized cost		
Treasury bills	1,716,366	1,418,024
Term deposit receipts (TDRs)	300,000	-
Pakistan Investment Bonds - current maturity	-	429,240
At fair value through profit or loss		
Units of mutual funds	1,087,509	1,127,558
	<u>3,103,875</u>	<u>2,974,822</u>
8. CONTINGENCIES AND COMMITMENTS		
There are no major changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2021.		



	30 September 2021 Un-audited	30 June 2021 Audited
Note	----- (Rupees in '000) -----	
8.1 Commitments		
Ijarah Financing	1,055	2,472
Capital expenditure contracted for but not incurred	7,196	54,793
Commitments against letters of credit	150,403	48,443
	<u>158,654</u>	<u>105,708</u>
9.	This includes unrealized loss on investments in mutual funds amounting to Rs 40.99 million (2020: Unrealized gain of Rs 166.53 million).	
	30 September 2021	30 September 2020
	----- Un-audited -----	
	----- (Rupees in '000) -----	
10. CASH GENERATED FROM OPERATIONS		
Profit before taxation	331,695	500,307
Adjustments for:		
Depreciation	56,341	47,822
Amortization of intangibles	652	637
Provision for staff retirement benefits	7,915	-
Loss/ (Gain) on re-measurement of investments	40,995	(166,535)
Amortization of discount on PIB	(1,316)	(5,263)
Dividend Income on Mutual Fund	(1,113)	(566)
Mark up on T-bills	(29,943)	(15,103)
Mark up on Investments	(21,950)	(29,046)
Mark up on bank deposits and saving account	(11,771)	(7,126)
Mark up on employee Loan	(9)	(24)
Finance costs	1,004	1,023
Changes In:		
Store, spares & loose tools	(4,417)	(15,029)
Stock in trade	(15,248)	(97,285)
Trade debts	353,199	(96,894)
Loans, advances, deposits, prepayments and other receivables	45,663	(12,544)
Trade and other payables	(17,025)	31,913
Cash generated from operations	<u>734,672</u>	<u>136,287</u>



11. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with associated undertakings, directors, key management personnel and retirement benefit funds. Transaction with related parties essentially entail sale and purchase of goods and /or services from the below mentioned concerns.

All sales transactions with Pakistan Security Printing Corporation (Private) Limited are carried out by the Company using the "Cost Plus Mark-up Method". Transactions with employee benefit funds are carried out based on the terms of employment of the employees and according to the actuarial advice. All other transactions are carried out on commercial terms.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including the Chief Executive Officer and Directors to be its key management personnel.

There are no transactions with key management personnel other than under their terms of employments / entitlements. Balances outstanding from related parties are interest free, unsecured and repayable on demand.

The significant transactions with related parties carried out during the quarter ended 30 September 2021 and the balances outstanding as at 30 September 2021 are as follows:

Name	Nature of relationship	Basic of relationship	Nature of transaction	30 September 2021 ----- Un-audited ----- ----- (Rupees in '000) -----	30 September 2020
Pakistan Security Printing Corporation (Pvt) Limited	Associated undertaking	Common directorship	Sales	1,124,509	1,026,338
			Purchases	2,327	1,056
			Shared expenses charged by associate	11,854	9,808
			Dividend Payable / Paid	213,496	213,496
			Trade debts and other payables - net	430,024	441,390
Summer Holdings, Turkey	Other	Director on board of Company	Dividend Payable / Paid	53,329	53,329
Industrial Development & Renovation Organisation, Iran	Other	Director on board of Company	Dividend Payable	437,339	384,010
Employees Retirement Funds	Retirement benefit fund	Employees benefit fund	Contribution made	3,814	3,837
Key management personnel	Related parties	Executives	Remuneration and benefits	52,920	47,210



30 September 30 September
2021 2020
----- Un-audited -----
----- (Rupees in '000) -----

12. CASH AND CASH EQUIVALENTS

Term Deposit Receipt having maturity of less than 3 months	300,000	100,000
Cash and bank balances	661,688	611,186
	<u>961,688</u>	<u>711,186</u>

13. GENERAL

- 13.1** The Board of directors in their meeting held on 27 August 2021 approved the transfer of Rs 931.03 million from unappropriated profits to general reserves (2020: Rs 445.92 million).
- 13.2** These condensed interim financial statements were authorised by the Board of Directors of the Company on October 28, 2021.

DR. MOHAMMAD ASHRAF BUTT
Chief Executive Officer

BABAR AIJAZ
Chief Financial Officer

JAMAL NASIM
Director



ATTENTION SHAREHOLDERS

Attention of shareholders is invited to the following legal requirements:

1. CNIC / NTN Number on Dividend Warrant (Mandatory)

In terms of the Companies (Distribution of Dividends) Regulations, 2017. Regulation 4, Manner of payment of cash dividend, (iv) the Dividend Warrant or cheque should bear identification number.

Explanation - For the purpose of these regulations identification number includes Computerized National Identity Card Number (CNIC) of the registered shareholder or the authorized person, child registration certificate number or juvenile card number in case of a minor, where applicable and registration number or national tax number of the shareholder being a person other than a natural person.

In order to comply with the SECP's directives and in terms of Section 243(2)(a) of the Companies Act, 2017, the Company shall be constrained to withhold the Dividend Warrant(s), in case of non-availability copy of valid CNIC (for individuals) and National Tax Number (for a corporate entity).

Accordingly, shareholders who have not yet submitted copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Company or its Share Registrar, M/s. FAMCO Associates (Pvt.) Limited if not already provided. The shareholders while sending CNIC must quote their respective folio numbers.

2. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 (Mandatory)

The rates of deduction of Withholding Income Tax from dividend payments under the Income Tax Ordinance, 2001 shall be as follows:

Persons appearing in Active Tax Payers List (ATL) — 15%.
Persons not appearing in Active Tax Payers List (ATL) — 30%.

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers' List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Persons not appearing in the Active Taxpayers' List: The rate of tax required to be deducted/collected, as the case may be, is increased by 100% (as specified in the Tenth Schedule to the Income Tax Ordinance, 2001).

Withholding Tax will be determined separately on 'persons names appearing on ATL/persons names not appearing on ATL' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts.



In this regard, all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

As per FBR Circulars C. No. 1 (29) WHT/2006 dated 30 June 2010 and C. No. 1 (43) DG (WHT)/2008- Vol. II -66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of part – IV of Second Schedule is available. The shareholders who fall in the category mentioned in the above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates.

For any query/problem/information, the investors may contact the Company Secretary at phone: 021-99248285 and email address comsec@security-papers.com and/or FAMCO Associates (Pvt.) Ltd. at phone 021-34380101-5 and email address: info.shares@famco.com.pk.

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or FAMCO Associates (Pvt.) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

3. Payment of Cash Dividend Electronically (Mandatory)

In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants.

Therefore, shareholders are requested to provide the details of their bank mandate information specifying: (a) title of account, (b) account number (c) IBAN number (d) bank name and (e) branch name, code and address to the Company or Share Registrar. Those shareholders who hold shares with participants / Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participant / CDC.



Please note that as per Section 243(3) of the Companies Act, 2017, listed companies are entitled to withhold payment of dividend, if necessary, information is not provided by shareholders.

For the convenience of shareholders, e-Dividend Mandate Form is available on Company's website: <http://www.security-papers.com>.

4. Unclaimed / Unpaid Shares and Dividends

In accordance with the provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it is due and payable, the Company shall give ninety days notices to the shareholders to file claim, if no claim is made before the Company by the shareholders, the Company shall proceed to deposit the unclaimed or unpaid Shares / Dividends with the Federal Government in compliance with the Section 244 of the Companies Act, 2017.

In this regard, a Notice dated December 28, 2017 was sent by Registered Post acknowledgement due on the last known addresses of the shareholders to submit their claims within 90 days to the Company. In compliance of Section 244(1)(b) of the Companies Act, 2017 a Final Notice had also been published on 30th March 2018 in two daily newspapers i.e. (i) Business Recorder and (ii) Daily Jang in English and Urdu respectively.

In case no claim is received within the given period from the aforesaid Notice, the Company shall proceed to deposit the unclaimed / unpaid amounts with the Federal Government (as and when the account detail is provided) pursuant to the provisions of sub-section (2) of Section 244 of the Companies Act, 2017.

5. Conversion of Shares from Physical Form to Book-Entry-Form

The Securities and Exchange Commission of Pakistan (SECP) has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies referring their attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires to all the then existing companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act.

In order to ensure full compliance with the provisions of the aforesaid Section 72 and to be benefitted of the facility of holding shares in the Book-Entry-Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form.

6. Placement of Financial Accounts on Website

Pursuant to the notification of the SECP (SRO 634(I)/2014) dated: 10th July 2014 the financial statements of the Company have been placed on Company's website: <http://www.security-papers.com>.



7. Change of Address (If any)

Members are requested to notify any change in their addresses immediately.

Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Company / Share Registrar:

Registered Office

The Company Secretary
Security Papers Limited
Jinnah Avenue, Malir Halt,
Karachi.
Tel. No: (+9221) 99248285
Fax No: (+9221) 99248286
Email: comsec@security-papers.com
Website: <http://www.security-papers.com>

OR

Share Registrar

FAMCO Associates (Pvt.) Limited
8-F, Near Hotel Faran, Nursery,
Block-6, P.E.C.H.S., Shahrah-e-Faisal,
Karachi.
Tel. No: (+9221) 34380101-5
Fax No: (+9221) 34380106
Email: info.shares@famco.com.pk
Website: www.famco.com.pk

Karachi
October 28, 2021

Rizwan Ul Haq Khan
Company Secretary



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