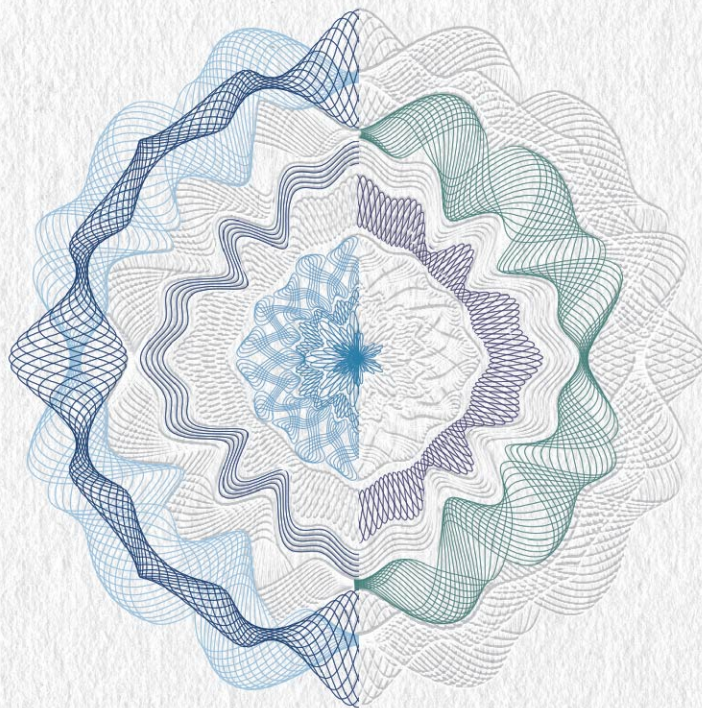


QUARTERLY REPORT
SEPTEMBER 30, 2020



CREATING LASTING
IMPRESSIONS



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COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman

Muhammad Haroon Rasheed - Non-executive

Directors

Mr. Jamal Nasim - Non-executive
Mr. Muhammad Sualeh Ahmad Faruqi - Non-executive - Independent
Dr. Abolghassem Jamshidi - Non-executive
Mrs. Uzma Aijaz - Non-executive - Independent
Ms. Figen Caliskan - Non-executive
Mr. Rauf Ahmad - Non-executive
Mr. Naveed Ehtesham - 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
Mr. Rauf Ahmad - Member
Mr. Naveed Ehtesham - Member
Mr. Aqeel Ahmed - Secretary

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mrs. Uzma Aijaz - Chairperson
Mr. Muhammad Haroon Rasheed - 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 (Formerly NIB 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

Jinnah Avenue, Malir Halt,
Karachi - 75100
Tel : (+9221) 99248285
Fax : (+9221) 99248286
E-mail: comsec@security-papers.com

SHARE REGISTRARS

FAMCO Associates (Pvt.) Limited
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Block-6, P.E.C.H.S, Shakra-e-Faisal,
Karachi.
Tel: (+9221) 34380101-5
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FACTORY

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WEB SITE

<http://www.security-papers.com>



DIRECTORS' REPORT

The Directors are pleased to present the un-audited financial information for the three months period ended September 30, 2020.

BUSINESS AND PERFORMANCE REVIEW

The Company produced 1043 tons of finished paper during the period under review as against 1109 tons in the corresponding period of preceding year. Net sales were reported at Rs 1,035 million during the three months period under review as against Rs 1,186 million in the corresponding period of preceding year. The Company achieved sales volume of 903 tons as against 1106 tons during the corresponding period of preceding year.

Gross profit was reported at Rs 394 million as against Rs 437 million in the corresponding period of preceding year showing a decrease of Rs 43 million primarily due to lower sales volume. The gross profit margin however, improved from 37% to 38%.

The profit before and after taxation during the period under review stood at Rs 500 million and Rs 377 million as against Rs 354 million and Rs 243 million respectively during the corresponding period of preceding year. It includes other income of Rs 224 million as against Rs 70 million earned during the corresponding period of preceding year. The improvement in other income is primarily attributable to unrealized capital gain of Rs 167 million on investments in equity and equity related mutual funds as against unrealized capital loss of Rs 51 million reported during the corresponding period of the preceding year due to positive performance of the stock market during the period under review.

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 since the beginning of July 2020. However, the threat of second wave of the pandemic remains high. 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 23, 2020



Condensed Interim Statement of Financial Position

As at 30 September 2020

		30 September 2020 Un-audited	30 June 2020 Audited
ASSETS	Note	----- (Rupees in '000) -----	
Non-current assets			
Property, plant and equipment	5	1,708,854	1,719,417
Right-of-use assets		23,819	25,882
Intangible assets		19,824	20,206
Long-term investments	6	1,304,930	1,299,667
Lease deposits		4,723	4,458
		<u>3,062,150</u>	<u>3,069,630</u>
Current assets			
Stores, spares and loose tools		212,266	197,237
Stock-in-trade		626,396	529,111
Trade debts - considered good		457,793	360,899
Loan, advances, deposits, prepayments and other receivables		58,096	45,552
Interest accrued		43,771	61,453
Investments	7	1,832,627	2,036,153
Cash and bank balances	11	711,186	683,939
		<u>3,942,135</u>	<u>3,914,344</u>
TOTAL ASSETS		<u><u>7,004,285</u></u>	<u><u>6,983,974</u></u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised share capital			
70,000,000 (June 2020: 70,000,000) ordinary shares of Rs. 10 each		<u>700,000</u>	<u>700,000</u>
Issued, subscribed and paid-up capital 59,255,985 ordinary shares of Rs. 10 each		<u>592,559</u>	<u>592,559</u>
Revenue Reserves			
General reserves		4,663,803	4,217,879
Unappropriated profit		377,160	979,228
Total shareholders' equity		<u>5,633,522</u>	<u>5,789,666</u>
Non-current liabilities			
Lease liabilities		18,123	19,618
Staff retirement benefits		3,437	2,699
Deferred taxation - net		<u>142,336</u>	<u>120,481</u>
		<u>163,896</u>	<u>142,798</u>
Current liabilities			
Trade and other payables		701,853	669,940
Accrued mark-up		-	359
Unclaimed dividend		96,906	1,523
Unpaid dividend		308,154	258,552
Current portion of lease liabilities		6,887	7,071
Taxation - net		<u>93,067</u>	<u>114,065</u>
		<u>1,206,867</u>	<u>1,051,510</u>
Total liabilities		<u>1,370,763</u>	<u>1,194,308</u>
Contingencies & Commitments	8		
TOTAL EQUITY AND LIABILITIES		<u><u>7,004,285</u></u>	<u><u>6,983,974</u></u>

The annexed notes 1 to 12 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 Profit or Loss (Un-audited)
For the Quarter ended 30 September 2020

	30 September 2020	30 September 2019
	----- (Rupees in '000) -----	
Sales - net	1,035,237	1,185,882
Cost of sales	(641,667)	(748,862)
Gross profit	393,570	437,020
Administrative expenses	(77,327)	(68,427)
Other income	223,730	70,222
Other charges	(38,643)	(83,420)
Finance costs	(1,023)	(1,089)
Profit before taxation	500,307	354,307
Taxation		
- Current	(101,294)	(121,548)
- Deferred	(21,853)	10,227
	(123,147)	(111,321)
Profit after taxation	377,160	242,985
	----- (Rupees) -----	
Earnings per share (basic & diluted)	6.36	4.10

The annexed notes 1 to 12 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 2020

	30 September 2020	30 September 2019
	----- (Rupees in '000) -----	
Profit after tax for the period	377,160	242,985
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>377,160</u>	<u>242,985</u>

The annexed notes 1 to 12 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 Changes in Equity (Un-audited)
For the Quarter ended 30 September 2020

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 2019	592,559	3,937,879	407,658	4,345,537	4,938,096
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**Total comprehensive income for the
three months period ended 30 Sep 2019**

Profit for the period	-	-	242,985	242,985	242,985
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Transactions with owners

Final cash dividend for the year ended June 30, 2019	-	-	(429,606)	(429,606)	(429,606)
---	---	---	-----------	-----------	-----------

Transfer to general reserves	-	280,000	(280,000)	-	-
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Balance as at 30 September 2019	592,559	4,217,879	(58,963)	4,158,916	4,751,475
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Balance as at 30 June 2020	592,559	4,217,879	979,228	5,197,107	5,789,666
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**Total comprehensive income for the
three months period ended 30 Sep 2020**

Profit for the period	-	-	377,160	377,160	377,160
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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
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The annexed notes 1 to 12 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 2020

		30 September 2020	30 September 2019
		----- Un-audited -----	
	Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	136,287	857,496
Lease deposits (paid) / recovered		(265)	169
Taxes paid		(122,292)	(126,575)
Finance costs paid		(1,382)	(1,183)
Net cash generated from operating activities		12,348	729,907
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(35,196)	(37,736)
Proceeds from sale of property, plant and equipment		-	2,312
Dividend received on mutual Fund		566	885
Mark-up received		68,981	77,654
Investment made during the period		(150,219)	(1,638,375)
Investment redeemed during the period		520,765	2,060,114
Net cash generated from investing activities		404,897	464,854
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment against lease obligations		(1,679)	(4,093)
Payment against short term running finance		-	(88,034)
Dividend paid		(388,319)	(395,242)
Net cash used in financing activities		(389,998)	(487,369)
Net increase in cash and cash equivalents		27,247	707,392
Cash and cash equivalents at the beginning of the period		683,939	204,913
Cash and cash equivalents at the end of the period	11	711,186	912,305

The annexed notes 1 to 12 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 2020**

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.

1.2 Impact of COVID-19 on the condensed financial information

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. In March 2020, the Government of Pakistan announced a temporary lock down as a measure to reduce the spread of the COVID-19. 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.

In view of the financial and operational effects of COVID-19 on the Company's business and disclosures, the management has assessed the accounting implications of these developments on this condensed interim financial information, including but not limited to following areas:

- expected credit losses and modification of financial liability under IFRS 9, 'Financial Instruments'
- the impairment of tangible and intangible assets under IAS 36, 'Impairment of Assets'
- the net realisable value of inventory under IAS 2, 'Inventories'
- deferred tax assets in accordance with IAS 12, 'Income taxes'
- going concern assumption used for the preparation of this condensed interim financial information.

According to management's assessment, there are no material implications 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 2020 has been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The financial reporting comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and



- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, 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 2020. 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 audited financial statements.
- 2.3** This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousands 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. issued under the Companies Act, 2017. In case requirements differ, the provisions of and directives issued under the Companies Act, 2017, have been followed.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information is the same as those applied in the preparation of the annual financial statements of the Company for the year ended 30 June 2020.
- 3.2** New or Amendments / Interpretations to Existing Standards and Interpretation

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2020 and are considered not to be relevant or do not have any significant effect on the Company's financial position and are not stated in these condensed interim financial information.

4. USE OF ESTIMATES AND JUDGEMENTS

- 4.1** In preparing these condensed interim financial information, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates.
- 4.2** 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 described in the annual financial statements as at and for the year ended 30 June 2020.



		30 September 2020 Un-audited	30 June 2020 Audited
	Note	----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	1,381,202	1,420,120
Capital work-in-progress	5.2	327,652	299,297
		<u>1,708,854</u>	<u>1,719,417</u>
5.1 Operating assets			
Opening book value		1,420,120	1,486,646
Additions during the period / year	5.1.1	6,841	121,558
Disposal during the period / year at book value		-	(41)
Depreciation charged during the period / year		(45,759)	(188,043)
		<u>1,381,202</u>	<u>1,420,120</u>
5.1.1 Additions during the period / year			
Land and building		-	3,163
Plant and machinery		2,112	62,482
Spare parts and stand by equipment		1,993	16,163
Electric, water and gas installations		1,932	20,894
Laboratory Equipment		-	7,858
Furniture & Fixtures		-	549
Office & Security Equipment		259	3,911
Computers and accessories		516	3,592
Motor Vehicles - Owned		29	2,946
		<u>6,841</u>	<u>121,558</u>
5.2 Capital work-in-progress			
Opening balance		299,297	4,404
Addition during the period / year		28,355	321,842
Transferred to operating fixed asset		-	(25,221)
Vehicle		-	(1,710)
Expensed Out		-	(18)
		<u>327,652</u>	<u>299,297</u>
5.3 Right of Use Assets			
Opening balance		25,882	-
Transferred from operating assets		-	23,707
Additions during the period / year		-	10,192
Transferred from CWIP		-	1,710
Disposals		-	(2,045)
Depreciation for the period		(2,063)	(7,682)
		<u>23,819</u>	<u>25,882</u>



	30 September 2020 Un-audited	30 June 2020 Audited
Note	----- (Rupees in '000) -----	

6. LONG-TERM INVESTMENT

Financial Asset at Amortized Cost

Pakistan Investment Bonds	6.1	<u>1,304,930</u>	<u>1,299,667</u>
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- 6.1** These represents investments in Pakistan Investment Bonds (PIBs) carrying floating and fixed profit at the rate ranging from 7.71% to 13.69% (June 2020: 7.98% to 14.64%) with maturities in July 2021, September 2024, May 2028, June 2028 and August 2028. The profit payments are made semi annually.

7. INVESTMENTS

Financial Assets at Amortized Cost

Treasury Bills	389,977	760,471
Term Deposit Receipts	150,000	150,000

Financial Assets at Fair Value Through Profit or Loss

Units of Mutual Funds	1,292,650	1,125,682
	<u>1,832,627</u>	<u>2,036,153</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, 2020.

8.1 Commitments

Ijarah Financing	<u>2,873</u>	<u>1,131</u>
Capital expenditure contracted for but not incurred	<u>8,850</u>	<u>44,404</u>
Commitments against letters of credit	<u>180,179</u>	<u>145,174</u>



	30 September 2020	30 September 2019
	----- Un-audited -----	
	----- (Rupees in '000) -----	
9. CASH GENERATED FROM OPERATIONS		
Profit before taxation	500,307	354,307
Adjustments for:		
Depreciation	47,822	48,198
Amortization of intangibles	637	107
Gain on disposal of fixed asset	-	(738)
Unrealized (gain) / loss on remeasurement of investments	(166,535)	51,177
Amortization of discount on PIB	(5,263)	(4,368)
Dividend Income on mutual Fund	(566)	(885)
Mark up on T-bills / TFC	(15,103)	(11,800)
Mark up on Investments	(29,046)	(31,462)
Mark up on bank deposits and saving account	(7,126)	(18,947)
Mark up on Employee loan	(24)	-
Finance costs	1,023	1,089
Changes In:		
Store, spare parts & loose tools	(15,029)	(7,964)
Stock in trade	(97,285)	30,443
Trade debts	(96,894)	307,427
Loans, advances, deposits, prepayments and other receivables	(12,544)	48,709
Trade and other payables	31,913	92,203
Cash generated from operations	<u>136,287</u>	<u>857,496</u>

10. 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 2020 are as follows:

Name	Nature of relationship	Basic of relationship	Nature of transaction	30 September 2020 ----- Un-audited ----- ----- (Rupees in '000) -----	30 September 2019
Pakistan Security Printing Corporation (Pvt) Limited	Associated undertaking	Common directorship	Sales	1,026,338	1,140,925
			Purchases	1,056	1,233
			Shared expenses charged by associate	9,808	8,777
			Shared expenses charged to associate	-	71
			Dividend Paid	213,496	171,983
Employees Retirement Funds	Retirement benefit fund	Employees benefit fund	Contribution made	3,837	3,629
Key Management Personnel	Related parties	Executives	Remuneration and benefits	47,210	34,062
				30 September 2020 ----- Un-audited ----- ----- (Rupees in '000) -----	30 September 2019

11. CASH AND CASH EQUIVALENTS

Term Deposit Receipt having maturity of less than 3 months	100,000	-
Cash and bank balances	611,186	912,305
	<u>711,186</u>	<u>912,305</u>

12. GENERAL

12.1 Date of authorization

This condensed interim financial information was authorized by the Board of Directors of the Company on 23 October, 2020.

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)

As has already been notified from time to time, SECP has directed vide its Notification S.R.O. 831(1)/2012 dated July 5, 2012 that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

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 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 Share Registrar, M/s. FAMCO Associates (Pvt.) Limited.

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

- (i) Pursuant to the provisions of the Finance Act 2019 effective July 1, 2019, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

1. Rate of withholding Income tax deduction for the persons whose names are appearing on ATL ---- 15%.
2. Rate of withholding Income tax deduction for the persons whose names are not appearing on 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 appearing on Active Tax-payers List (ATL) available on the website of FBR are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend (if any) 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 First Schedule to the Income Tax Ordinance, 2001 (updated as per Finance Act, 2019)

- (ii) 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 to our Share Registrar, in writing as follows:

			Principal Shareholder		Joint Shareholder	
Company Name	Folio/CDS Account #	Total Shares	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).

- (iii) As per FBR Circulars No. 1 (29) WHT/2006 dated 30 June 2010 and 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 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.
- (iv) 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.
- (v) 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. Unpaid Dividend Account

In accordance with the provisions of Section 244 of the Companies Act, 2017,

- (1) where a dividend has been declared by a company but has not been paid or claimed, within a time period specified under section 242, to any shareholder entitled to the payment of the dividend, the company shall, within fifteen days from the date of expiry of the said period, transfer the total amount of dividend which remains unpaid or unclaimed to a separate profit bearing account to be called the unpaid dividend account opened by the company for this purpose in any scheduled bank. The deposits in the unpaid dividend account shall only be used for payment to a claimant as given in sub-section 4.

Explanation - Dividend for the purpose of this section means the dividend payable in cash.

- (2) The company shall, within a period of ninety days of making any deposit of the amount under sub-section (1) to the unpaid dividend account, prepare a statement containing the names, the last known addresses, number of shares held, the amount of unpaid dividend to be paid to each shareholder and such other particulars as may be specified and place it on the website of the company required under any law, rules, regulations or directions to maintain a website and also on any other website as may be specified.
- (3) Any change in the information to be maintained on the website under sub-section (2) shall be effected by the company in such manner and within such time as may be specified.
- (4) Any person claiming to be entitled to any money transferred under sub-section (1) to the unpaid dividend account of the company may apply to the company for payment of the money claimed.
- (5) The company shall make payment to the bonafide claimant within a period of thirty days from the date of submission of claim with the company. No claimant shall be entitled to any amount except his unclaimed dividend amount.
- (6) The amount of profit generated from the account maintained by the company under this section shall be used by the company for its corporate social responsibility initiatives and specified purposes.

5. 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>.

6. Change of Address (If any)

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



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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, Next to 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 23, 2020

Rizwan Ul Haq Khan
Company Secretary



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ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified

REGISTERED OFFICE & SHARES DEPARTMENT
Jinnah Avenue, Malir Halt, Karachi-75100
Phone: (+9221) 99248285 Fax: (+9221) 99248286
Website: www.security-papers.com

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