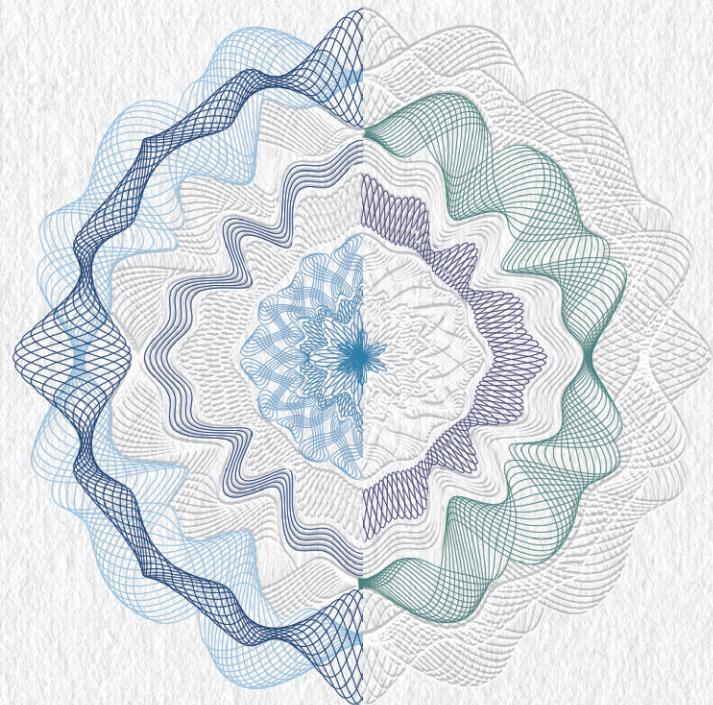


HALF YEARLY REPORT  
DECEMBER 31, 2020



CREATING LASTING  
IMPRESSIONS



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



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## CONTENTS

Company information	02
Directors' Report	03
Auditors' report to the members on review of interim financial information	04
Condensed interim statement of financial position (un-audited)	05
Condensed interim statement of profit or loss (un-audited)	06
Condensed interim statement of other comprehensive income (un-audited)	07
Condensed interim statement of changes in equity (un-audited)	08
Condensed interim statement of cash flows (un-audited)	09
Notes to the condensed interim financial information (un-audited)	10
Attention shareholders	22

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**HALF YEARLY REPORT**



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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 Faruqui	-	Non-executive - Independent
Dr. Abolghassem Jamshidi	-	Non-executive
Ms. Figen Caliskan	-	Non-executive
Mrs. Uzma Ajaz	-	Non-executive - Independent
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 Ajaz	-	Chairperson
Mr. Jamal Nasim	-	Member
Dr. Abolghassem Jamshidi	-	Member
Mr. Rauf Ahmad	-	Member
Mr. Naveed Ehtesham	-	Member
Syed Ibrahim	-	Acting Secretary

### BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mrs. Uzma Ajaz	-	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

### COMPANY SECRETARY

### 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

### 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

### FACTORY

Jinnah Avenue, Malir Halt, Karachi - 75100  
Tel : (+9221) 99248536-37  
Fax : (+9221) 99248616

### TAX CONSULTANTS

A. F. Ferguson & Co.  
Chartered Accountants

### SHARE REGISTRARS

FAMCO Associates (Pvt.) Limited  
8-F, Next to Hotel Faran, Nursery,  
Block-6, P.E.C.H.S, Shahra-e-Faisal,  
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Tel: (+9221) 34380101-5  
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### WEB SITE

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



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## DIRECTORS' REPORT

On behalf of the Board of Directors, we present the un-audited financial information for the six months period ended December 31, 2020.

### BUSINESS AND PERFORMANCE REVIEW

The Company produced 1779 tons of finished paper during the period under review as against 2293 tons in the corresponding period of preceding year. Net sales were reported at Rs 1,774 million during the six months period under review as against Rs 2,490 million in the corresponding period of preceding year. The Company achieved sales volume of 1551 tons as against 2295 tons during the corresponding period of preceding year.

Gross profit was reported at Rs 587 million as against Rs 901 million in the corresponding period of preceding year showing a decrease of Rs 314 million primarily due to lower sales volume. The gross profit margin decreased from 36% to 33%.

The profit before and after taxation during the period under review stood at Rs 737 million and Rs 556 million as against Rs 1,020 million and Rs 741 million respectively during the corresponding period of preceding year. It includes other income of Rs 362 million as against Rs 350 million earned during the corresponding period of preceding year. The improvement in other income is primarily attributable to unrealized capital gain of Rs 257 million on investments in mutual funds as against unrealized capital gain of Rs 202 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 expected to improve after commencement of vaccination in different countries of the world. However, the threat of the pandemic still 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

Karachi  
Dated: January 29, 2021

**JAMAL NASIM**  
Director



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KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
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#### Report on Review of Interim Financial Statements

##### Independent Auditors' Review Report

##### To the members of Security Papers Limited

##### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Security Papers Limited** ("the Company") as at 31 December 2020 and the related condensed interim statement of profit or loss account, the condensed interim statement of other comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

##### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

##### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

##### Other Matter

The figures for the quarters ended 31 December 2020 and 31 December 2019 in the condensed interim statement of profit or loss account and the condensed interim statement of other comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review engagement resulting in this independent auditors' review report is Amyn Malik.

  
KPMG Taseer Hadi & Co.  
Chartered Accountants

Date: 29 January 2021

Karachi

KPMG Taseer Hadi & Co. is a partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



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**Condensed Interim Statement of Financial Position (Un-audited)**  
**As at 31 December 2020**

		31 December 2020 (Un-audited)	30 June 2020 (Audited)
<b>ASSETS</b>	<b>Note</b>	----- (Rupees in '000) -----	
<b>Non-current assets</b>			
Property, plant and equipment	4	1,797,224	1,719,417
Right-of-use assets	4.3	21,866	25,882
Intangible assets		19,170	20,206
Long-term investments	5	891,641	1,299,667
Lease deposits		4,736	4,458
		<u>2,734,637</u>	<u>3,069,630</u>
<b>Current assets</b>			
Stores, spares and loose tools		222,653	197,237
Stock-in-trade		835,055	529,111
Trade debts - considered good		245,108	360,899
Loans, advances, deposits, prepayments and other receivables		55,671	45,552
Interest accrued		65,435	61,453
Investments	6	2,440,036	2,036,153
Cash and bank balances		507,617	683,939
		<u>4,371,575</u>	<u>3,914,344</u>
<b>Total assets</b>		<u><u>7,106,212</u></u>	<u><u>6,983,974</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital		<u>700,000</u>	<u>700,000</u>
70,000,000 (30 June 2020: 70,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up capital		<u>592,559</u>	<u>592,559</u>
59,255,985 ordinary shares of Rs. 10 each			
<b>Revenue reserves</b>			
General reserves		4,663,803	4,217,879
Unappropriated profits		555,761	979,228
		<u>5,219,564</u>	<u>5,197,107</u>
<b>Total shareholders' equity</b>		<u><u>5,812,123</u></u>	<u><u>5,789,666</u></u>
<b>Non-current liabilities</b>			
Lease Liabilities		20,182	19,618
Staff retirement benefits		3,966	2,699
Deferred taxation - net		155,385	120,481
		<u>179,533</u>	<u>142,798</u>
<b>Current liabilities</b>			
Trade and other payables		714,126	669,940
Accrued mark-up		479	359
Unclaimed dividend		3,955	1,523
Unpaid dividend		355,741	258,552
Current portion of lease liabilities		7,092	7,071
Taxation - net	7	33,163	114,065
		<u>1,114,556</u>	<u>1,051,510</u>
<b>Total liabilities</b>		<u><u>1,294,089</u></u>	<u><u>1,194,308</u></u>
Contingencies and commitments	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>7,106,212</u></u>	<u><u>6,983,974</u></u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

**DR. MOHAMMAD ASHRAF BUTT**  
Chief Executive Officer

**JAMAL NASIM**  
Director

**BABAR AIJAZ**  
Chief Financial Officer



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**Condensed Interim Statement of Profit or Loss (Un-audited)**  
For the six months and quarter ended 31 December 2020

	Note	Six months ended		Quarter ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
Sales - net	9	<b>1,773,514</b>	2,489,744	<b>738,277</b>	1,303,862
Cost of sales		<b>(1,186,898)</b>	(1,588,716)	<b>(545,231)</b>	(839,854)
<b>Gross profit</b>		<b>586,616</b>	901,028	<b>193,046</b>	464,008
Administrative and general expenses		<b>(153,355)</b>	(150,242)	<b>(76,028)</b>	(81,815)
Other income	10	<b>361,998</b>	349,684	<b>138,268</b>	279,462
Other charges		<b>(55,431)</b>	(78,479)	<b>(16,788)</b>	4,941
Finance costs		<b>(2,951)</b>	(2,299)	<b>(1,928)</b>	(1,210)
<b>Profit before taxation</b>		<b>736,877</b>	1,019,692	<b>236,570</b>	665,386
<b>Taxation</b>					
- Current		<b>(145,644)</b>	(247,385)	<b>(44,350)</b>	(125,837)
- Prior		<b>(568)</b>	(6,390)	<b>(568)</b>	(6,390)
- Deferred		<b>(34,904)</b>	(25,107)	<b>(13,051)</b>	(35,334)
		<b>(181,116)</b>	(278,882)	<b>(57,969)</b>	(167,561)
<b>Profit after tax</b>		<b>555,761</b>	740,810	<b>178,601</b>	497,825
----- Rupees -----					
<b>Earnings per share - basic</b>					
and diluted		<b>9.38</b>	12.50	<b>3.01</b>	8.40

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

**DR. MOHAMMAD ASHRAF BUTT**  
Chief Executive Officer

**JAMAL NASIM**  
Director

**BABAR AIJAZ**  
Chief Financial Officer



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**Condensed Interim Statement of  
Other Comprehensive Income (Un-audited)**  
For the six months and quarter ended 31 December 2020

	Six months ended		Quarter ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
----- (Rupees in '000) -----				
Profit for the period	555,761	740,810	178,601	497,825
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>555,761</b>	<b>740,810</b>	<b>178,601</b>	<b>497,825</b>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

**DR. MOHAMMAD ASHRAF BUTT**  
Chief Executive Officer

**JAMAL NASIM**  
Director

**BABAR AIJAZ**  
Chief Financial Officer



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**Condensed Interim Statement of Changes in Equity (Un-audited)**  
**For the six months ended 31 December 2020**

Note	Issued subscribed and paid-up share capital	Revenue Reserves			Total equity
		General reserves	Unappropriated Profit	Total Reserves	
<hr/> Rupees in '000 <hr/>					
<b>Balance as at 30 June 2019</b>	592,559	3,937,879	407,658	4,345,537	4,938,096
<b>Total comprehensive income for the six months period ended 31 December 2019</b>					
Profit after tax	-	-	740,810	740,810	740,810
Other comprehensive income for the period	-	-	-	-	-
	-	-	740,810	740,810	740,810
<b>Transactions with owners</b>					
Final cash dividend for the year ended 30 June 2019 at the rate of Rs. 7.25 per share	-	-	(429,605)	(429,605)	(429,605)
Transfer to general reserves	14.1	280,000	(280,000)	-	-
<b>Balance as at 31 December 2019</b>	<b>592,559</b>	<b>4,217,879</b>	<b>438,863</b>	<b>4,656,742</b>	<b>5,249,301</b>
<b>Balance as at 30 June 2020</b>	<b>592,559</b>	<b>4,217,879</b>	<b>979,228</b>	<b>5,197,107</b>	<b>5,789,666</b>
<b>Total comprehensive income for the six months period ended 31 December 2020</b>					
Profit after tax	-	-	555,761	555,761	555,761
Other comprehensive income for the period	-	-	-	-	-
	-	-	555,761	555,761	555,761
<b>Transactions with owners</b>					
Final cash dividend for the year ended 30 June 2020 at the rate of Rs. 9 per share	-	-	(533,304)	(533,304)	(533,304)
Transfer to general reserves	14.1	445,924	(445,924)	-	-
<b>Balance as at 31 December 2020</b>	<b>592,559</b>	<b>4,663,803</b>	<b>555,761</b>	<b>5,219,564</b>	<b>5,812,123</b>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

**DR. MOHAMMAD ASHRAF BUTT**  
Chief Executive Officer

**JAMAL NASIM**  
Director

**BABAR AIJAZ**  
Chief Financial Officer



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**Condensed Interim Statement of Cash Flows (Un-audited)**  
For the six months ended 31 December 2020

Note	Six months ended	
	31 December 2020	31 December 2019
	----- (Rupees in '000) -----	

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash generated from operations	11	294,962	1,192,920
Lease deposits paid		(278)	(391)
Taxes paid		(227,114)	(244,115)
Interest paid		(1,568)	(2,415)
<b>Net cash generated from operating activities</b>		<b>66,002</b>	<b>945,999</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Capital expenditure	(165,363)	(109,281)
Acquisition of intangible assets	(255)	(18,870)
Proceeds from sale of property, plant and equipment	669	3,083
Dividend received from mutual funds	666	885
Mark-up received	88,662	124,615
Investments made during the period	(499,383)	(2,767,739)
Investments matured during the period	771,478	2,621,623
<b>Net cash generated from / (used in) investing activities</b>	<b>196,474</b>	<b>(145,684)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Payments of lease liabilities	(5,115)	(5,076)
Payment against short-term running finance	-	(88,030)
Dividend paid	(433,683)	(425,590)
<b>Net cash used in financing activities</b>	<b>(438,798)</b>	<b>(518,696)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(176,322)</b>	<b>281,619</b>
Cash and cash equivalents at beginning of the period	683,939	204,913
<b>Cash and cash equivalents at end of the period</b>	<b>507,617</b>	<b>486,532</b>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

**DR. MOHAMMAD ASHRAF BUTT**  
Chief Executive Officer

**JAMAL NASIM**  
Director

**BABAR AIJAZ**  
Chief Financial Officer



## Notes to the Condensed Interim Financial statements (Un-audited) For the six months ended 31 December 2020

### 1 THE COMPANY AND ITS OPERATION

- 1.1** 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 specialised paper for banknote and non-banknote security documents.

#### 1.2 Impact of COVID-19 on the condensed interim financial statements

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 these condensed interim financial statements, including but not limited to following areas:

- expected credit losses and modification of financial liability under IFRS 9, 'Financial Instruments';
- impairment of tangible and intangible assets under IAS 36, 'Impairment of Assets';
- net realisable value of inventory under IAS 2, 'Inventories'; and
- going concern assumption used for the preparation of these condensed interim financial statements.

According to management's assessment, there are no material implications of COVID-19 that require specific disclosure in these condensed interim financial statements.

### 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

- 2.1** These condensed interim financial statements of the Company for the six months period ended 31 December 2020 have been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for "interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim 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** These condensed interim financial statements of the Company do 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** These condensed interim financial statements are presented in Pakistan rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.
- 2.4** These condensed interim financial statements are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

**2.5 Use of estimates and judgements**

In preparing these condensed interim financial statements, 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.

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.

**2.6 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:
  - the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
  - any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
  - there is no substantive change to the other terms and conditions of the lease.



- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms.

The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

**Annual Improvements to IFRS standards 2018-2020:**

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

- IFRS 9 - The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 - The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them



to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the Board issued amendments to IFRS 4 Insurance Contracts in 2017. The two optional solutions raised some considerations which required detailed analysis and management judgement. On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to 1 January 2023, aligned with the effective date of IFRS 17.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) - The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.
- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

The above amendments are effective from annual period beginning on or after 01 January 2021 and are not likely to have an impact on Company's financial statements.

### 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 2020.
- 3.2** A number of amendments in applicable accounting and reporting standards became effective from 1 January 2020 but they do not have material effect on the Company's financial statements.



	Note	31 December 2020 (Unaudited)	30 June 2020 (Audited)
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>			----- (Rupees in '000) -----
Operating assets	4.1	<b>1,373,102</b>	1,420,120
Capital work-in-progress (CWIP)	4.2	<b>424,122</b>	299,297
		<b>1,797,224</b>	<b>1,719,417</b>
<b>4.1 Operating assets</b>			
Opening book value		<b>1,420,120</b>	1,486,646
Additions during the period / year	4.1.1	<b>26,552</b>	96,337
Transferred from CWIP		<b>18,423</b>	25,221
Disposals during the period / year at book value		<b>(1)</b>	(41)
Depreciation charged during the period		<b>(91,992)</b>	(188,043)
		<b>1,373,102</b>	<b>1,420,120</b>
<b>4.1.1 Additions during the period / year</b>			
Plant and machinery		<b>35,058</b>	62,482
Electric, water and gas installations		<b>3,677</b>	20,894
Laboratory equipment		<b>3,049</b>	7,858
Building on free hold land		<b>1,245</b>	3,163
Computers and accessories		<b>1,171</b>	3,592
Office and security equipment		<b>409</b>	3,911
Furniture and fixtures		<b>337</b>	549
Motor vehicles - owned		<b>29</b>	2,946
Spare parts and stand by equipment		<b>-</b>	16,163
		<b>44,975</b>	<b>121,558</b>
<b>4.2 Capital work-in-progress</b>			
Opening balance		<b>299,297</b>	4,404
Additions during the period / year		<b>143,248</b>	321,842
Transferred to operating assets		<b>(18,423)</b>	(25,221)
Transferred to right-of-use assets		<b>-</b>	(1,710)
Expensed out		<b>-</b>	(18)
		<b>424,122</b>	<b>299,297</b>
<b>4.3 Right-of-use assets</b>			
Opening balance		<b>25,882</b>	-
Transfer from operating assets		<b>-</b>	23,707
Additions during the period / year		<b>-</b>	10,192
Transferred from CWIP		<b>-</b>	1,710
Disposals during the period / year at book value		<b>(17)</b>	(2,045)
Depreciation for the period / year		<b>(3,999)</b>	(7,682)
		<b>21,866</b>	<b>25,882</b>
<b>5 LONG-TERM INVESTMENTS</b>			
Pakistan Investment Bonds (PIBs)	5.1	<b>1,310,341</b>	1,299,667
Less: PIBs with current maturity	5.2	<b>(418,700)</b>	-
		<b>891,641</b>	<b>1,299,667</b>



**5.1** This represent investments in 3 years to 10 years Pakistan Investment Bonds (PIBs) carrying floating and fixed profit rates ranging from 7.70% to 13.94% (30 June 2020: 7.98% to 14.64%) with maturities from September 2024 to August 2028. The profit payments are made semi-annually.

**5.2** These represent investments in 3 years Pakistan Investment Bonds (PIBs) carrying fixed profit at the rate of 12.05% to 13.69% (30 June 2020: 12.05% to 13.69%) with maturities in July 2021. The profit payments are made semi-annually.

	31 December 2020 (Unaudited)	30 June 2020 (Audited)
Note	----- (Rupees in '000) -----	

## 6 INVESTMENTS

### At amortised cost

Treasury bills	487,810	760,471
Term deposit receipts (TDRs)	150,000	150,000
Pakistan Investment Bonds	5.2	418,700

### At fair value through profit or loss

Units of mutual funds	6.1	1,383,526	1,125,682
		<u>2,440,036</u>	<u>2,036,153</u>

**6.1** Investments in units of mutual funds are as follows:

31 December 2020 (Unaudited)	30 June 2020 (Audited)	Name of Investee Company	31 December 2020 (Unaudited)	30 June 2020 (Audited)
----- (Units) -----				
44,054,830	44,054,830	NAFA Islamic Stock Fund	536,001	416,904
5,191,107	5,191,107	Meezan Islamic Fund	307,050	242,354
19,574,881	19,574,881	NAFA Islamic Asset Allocation Fund	319,758	277,673
8,250,665	8,250,665	Meezan Balance Fund	128,654	113,146
4,838,392	4,760,320	NIT Islamic Equity Fund	43,787	35,226
1,095,110	1,095,110	Meezan Strategic Allocation Plan-I	48,276	40,379
			<u>1,383,526</u>	<u>1,125,682</u>

## 7 TAXATION - net

Under Section 5A "Tax on undistributed profits" of the Income Tax Ordinance, 2001, every public company other than a scheduled bank, modaraba, power generation companies and government owned entities, is required to pay income tax at the rate of 5% of accounting profit before tax for the year if it does not distribute dividend in cash up to 20% of its profits after tax within six months of the end of the said tax year. During the period, the Company has not declared interim dividend. However, the Company intends to announce sufficient dividends for the year ending 30 June 2021 in order to comply with the above stated requirements. Accordingly, no provision for tax on undistributed profits has been recognized in the condensed interim financial statements for the six months period ended 31 December 2020.



## 8 CONTINGENCIES AND COMMITMENTS

- 8.1** There have been no changes in the status of contingencies as reported in the annual financial statements for the year ended 30 June 2020, except for the following tax contingency:

### 8.1.1 Description of tax proceedings

Name of the court, agency or authority	Description of the factual basis of the proceedings and relief sought	Principal parties	Date instituted
Tax Year 2019			
Federal Board of Revenue	The Deputy Commissioner Inland Revenue (DCIR) vide notice dated October 28, 2020 issued under section 176 of the Income Tax Ordinance, 2001 initiated tax monitoring proceedings. In this regard, partial compliance has been made and the details / information as required by the DCIR have been filed.	The Deputy Commissioner Inland Revenue (DCIR) and the Company	28 October 2020
31 December 2020 (Unaudited)			
		30 June 2020 (Audited)	
		----- (Rupees in '000) -----	

### 8.2 Commitments

Ijarah financing	8.2.1	<u>3,977</u>	1,131
Capital expenditure contracted for but not incurred		<u>59,311</u>	44,404
Commitments against letters of credit		<u>101,307</u>	145,174

- 8.2.1** The Company has car ijarah facility from the Meezan Bank Limited amounting to Rs. 50 million (30 June 2020: Rs. 50 million) out of which Rs. 3.9 million (30 June 2020: Rs. 1.131 million) were utilised. The ownership of the cars are with Meezan Bank Limited during the tenor of the facility of each vehicle. As per requirement of IFAS-2 Ijarah financing has been treated as an operating lease.

The total of future Ijarah payment under arrangement are as follows:



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**31 December**      **30 June**  
**2020**              **2020**  
**(Unaudited)**      **(Audited)**  
----- (Rupees in '000) -----

Not later than one year	<b>1,337</b>	905
Later than one year and not later than five years	<b>2,640</b>	226
	<b><u>3,977</u></b>	<b><u>1,131</u></b>

#### 9 SALES - net

	Six months ended		Quarter ended	
	<b>31 December</b> 2020	<b>31 December</b> 2019	<b>31 December</b> 2020	<b>31 December</b> 2019
	----- (Unaudited) -----			
----- (Rupees in '000) -----				
Banknote paper	<b>2,001,469</b>	2,538,358	<b>800,654</b>	1,203,475
Non - banknote paper				
- Commercial paper	<b>12,481</b>	23,601	<b>12,481</b>	17,867
- Others	<b>61,061</b>	351,632	<b>50,649</b>	304,177
	<b><u>2,075,011</u></b>	<b><u>2,913,591</u></b>	<b><u>863,784</u></b>	<b><u>1,525,519</u></b>
Sales tax	<b>(301,497)</b>	(423,847)	<b>(125,507)</b>	(221,657)
	<b><u>1,773,514</u></b>	<b><u>2,489,744</u></b>	<b><u>738,277</u></b>	<b><u>1,303,862</u></b>

- 9.1** Pakistan is the primary geographical market of the Company. Revenue is disaggregated by major product lines and timing of revenue recognition for each product line is at a point in time when control of the asset is transferred to the customer.

#### 10 OTHER INCOME

This includes unrealized gain on investments in mutual funds amounting to Rs.257.27 million (31 December 2019: Rs. 201.83 million) and mark-up on investments and bank deposits amounting to Rs 103.944 million (31 December 2019: Rs. 142.82 million).

**Six months ended (Un-audited)****31 December 2020      31 December 2019****Note      ----- (Rupees in '000) -----****11 CASH GENERATED FROM OPERATIONS**

Profit before taxation	<b>736,877</b>	1,019,692
------------------------	----------------	-----------

**Adjustments for:**

Depreciation on property, plant and equipment and ROUA	4.1 & 4.3	<b>95,991</b>	96,864
Amortization of intangible assets		<b>1,291</b>	400
Gain on disposal of property, plant and equipment		<b>(651)</b>	(999)
Provision against staff retirement benefits		<b>1,267</b>	-
Provision against slow moving stock		-	6,676
Unrealized gain on investments in mutual funds		<b>(257,278)</b>	(201,825)
Dividend income on mutual funds		<b>(666)</b>	(885)
Amortization of discount on Pakistan investment bond		<b>(10,674)</b>	(9,204)
Mark up on Treasury Bills & Term Finance Certificates		<b>(25,677)</b>	(22,156)
Mark up on investments		<b>(54,778)</b>	(73,292)
Mark up on bank deposits and saving accounts		<b>(12,148)</b>	(37,602)
Mark up on security deposits and employee loan		<b>(41)</b>	-
Finance costs		<b>2,951</b>	2,299

**Changes in:**

- Stores, spare parts and loose tools	<b>(25,416)</b>	(35,908)
- Stock-in-trade	<b>(305,944)</b>	(13,900)
- Trade debts	<b>115,791</b>	336,165
- Loans, advances, deposits, prepayments and other receivables	<b>(10,119)</b>	35,575
- Trade and other payables	<b>44,186</b>	91,020
	<b>294,962</b>	<b>1,192,920</b>

**12 TRANSACTIONS WITH RELATED PARTIES**

The Company has related party relationship with associated undertakings, directors, key management personnel and retirement benefit funds. Transactions with related parties essentially entail sale 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.



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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.

Name of related party	Nature of relationship	Basic of relationship	Nature of transactions / balances	Six months ended (Un-audited)	
				31 December 2020	31 December 2019 ----- (Rupees in '000) -----
Pakistan Security Printing Corporation (Private) Limited	Associated undertaking	Common directorship	Sales - net	<u>1,713,083</u>	<u>2,274,501</u>
			Purchases	<u>2,475</u>	<u>2,724</u>
			Shared expenses charged by associate	<u>20,265</u>	<u>19,591</u>
			Shared expenses charged to associate	<u>-</u>	<u>71</u>
			Dividend paid	<u>213,496</u>	<u>171,983</u>
			Trade debts and other payables - net	<u>221,894</u>	<u>543,320</u>
Summer Holdings	Other	Director on board of company	Dividend paid	<u>53,330</u>	<u>42,960</u>
Industrial Development & 'Renovation Organisation, Iran	Other	Director on board of company	Dividend payable	<u>380,758</u>	<u>330,679</u>
Employees retirement funds	Retirement benefit fund	Employees benefit fund	Contribution made	<u>38,118</u>	<u>22,480</u>
Key management personnel	Related parties	Executives	Remuneration and benefits	<u>90,480</u>	<u>70,876</u>

### 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial risk management objectives and policies are consistent with those disclosed in annual financial statements of the Company as at and for the year ended 30 June 2020.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).



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On-balance sheet financial instruments

31 December 2020 (Un-audited)

Note	Carrying amount				Fair value			
	At fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
<b>Financial assets</b>								
<b>measured at fair value</b>								
Units of mutual fund	1,383,526	-	-	1,383,526	1,383,526	-	-	1,383,526
<b>Financial assets not measured at fair value</b>								
Pakistan investment bonds	-	1,310,341	-	1,310,341	-	1,344,986	-	1,344,986
Treasury bills	-	487,810	-	487,810	-	487,810	-	487,810
Term deposit receipts	13.1	-	150,000	-	150,000			
Loans, deposits and other receivables	13.1	-	24,393	-	24,393			
Interest accrued	13.1	-	65,435	-	65,435			
Trade debts	13.1	-	245,108	-	245,108			
Cash and bank balances	13.1	-	507,617	-	507,617			
	<b>1,383,526</b>	<b>2,790,704</b>	<b>-</b>	<b>4,174,230</b>				
<b>Financial liabilities not measured at fair value</b>								
Lease liabilities	13.1	-	-	27,274	27,274			
Trade and other payables	13.1	-	-	585,132	585,132			
Mark-up accrued	13.1	-	-	479	479			
Unpaid dividend	13.1	-	-	355,741	355,741			
Unclaimed dividend	13.1	-	-	3,955	3,955			
	<b>-</b>	<b>-</b>	<b>-</b>	<b>972,581</b>	<b>972,581</b>			

On-balance sheet financial instruments

30 June 2020 (Audited)

Note	Carrying amount				Fair value			
	At fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
<b>Financial assets</b>								
<b>measured at fair value</b>								
Units of mutual fund	1,125,682	-	-	1,125,682	1,125,682	-	-	1,125,682
<b>Financial assets not measured at fair value</b>								
Pakistan Investment Bonds	-	1,299,667	-	1,299,667	-	1,353,554	-	1,353,554
Term deposit receipts	13.1	-	150,000	-	150,000	-		
Treasury bills	-	760,471	-	760,471	-	760,471	-	760,471
Loans, deposits and other receivables	13.1	-	14,507	-	14,507			
Interest accrued	13.1	-	61,453	-	61,453			
Trade debts	13.1	-	360,899	-	360,899			
Cash and bank balances	13.1	-	683,939	-	683,939			
	<b>1,125,682</b>	<b>3,330,936</b>	<b>-</b>	<b>4,456,618</b>				



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On-balance sheet financial instruments

Note	30 June 2020 (Audited)									
	At fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Total carrying amount	Fair value					
					Level 1	Level 2	Level 3	Total		
(Rupees in '000) -----										
<b>Financial liabilities not measured at fair value</b>										
Lease liabilities	13.1	-	-	26,689	26,689					
Trade and other payables	13.1	-	-	432,193	432,193					
Staff retirement benefits	13.1	-	-	2,699	2,699					
Mark-up accrued	13.1	-	-	359	359					
Unpaid dividend	13.1	-	-	1,523	1,523					
Unclaimed dividend	13.1	-	-	258,552	258,552					
				722,015	722,015					

**13.1** The Company has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

**14 GENERAL**

**14.1** The Board of directors in their meeting held on 24 July 2020 approved the transfer of Rs. 445.92 million from unappropriated profits to general reserves (2019: Rs. 280 million).

**14.2** These condensed interim financial statements were authorised by the Board of Directors of the Company on 29 January, 2021.

**DR. MOHAMMAD ASHRAF BUTT**  
Chief Executive Officer

**JAMAL NASIM**  
Director

**BABAR AIJAZ**  
Chief Financial Officer



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## **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 Taxpayers 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:

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).

- (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](mailto:comsec@security-papers.com) and/or FAMCO Associates (Pvt.) Ltd. at phone 021-34380101-5 and email address: [info.shares@famco.com.pk](mailto: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 bona fide 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>.



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#### **6. 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](mailto:comsec@security-papers.com)  
Website: <http://www.security-papers.com>

Karachi  
January 29, 2021

##### **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.  
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