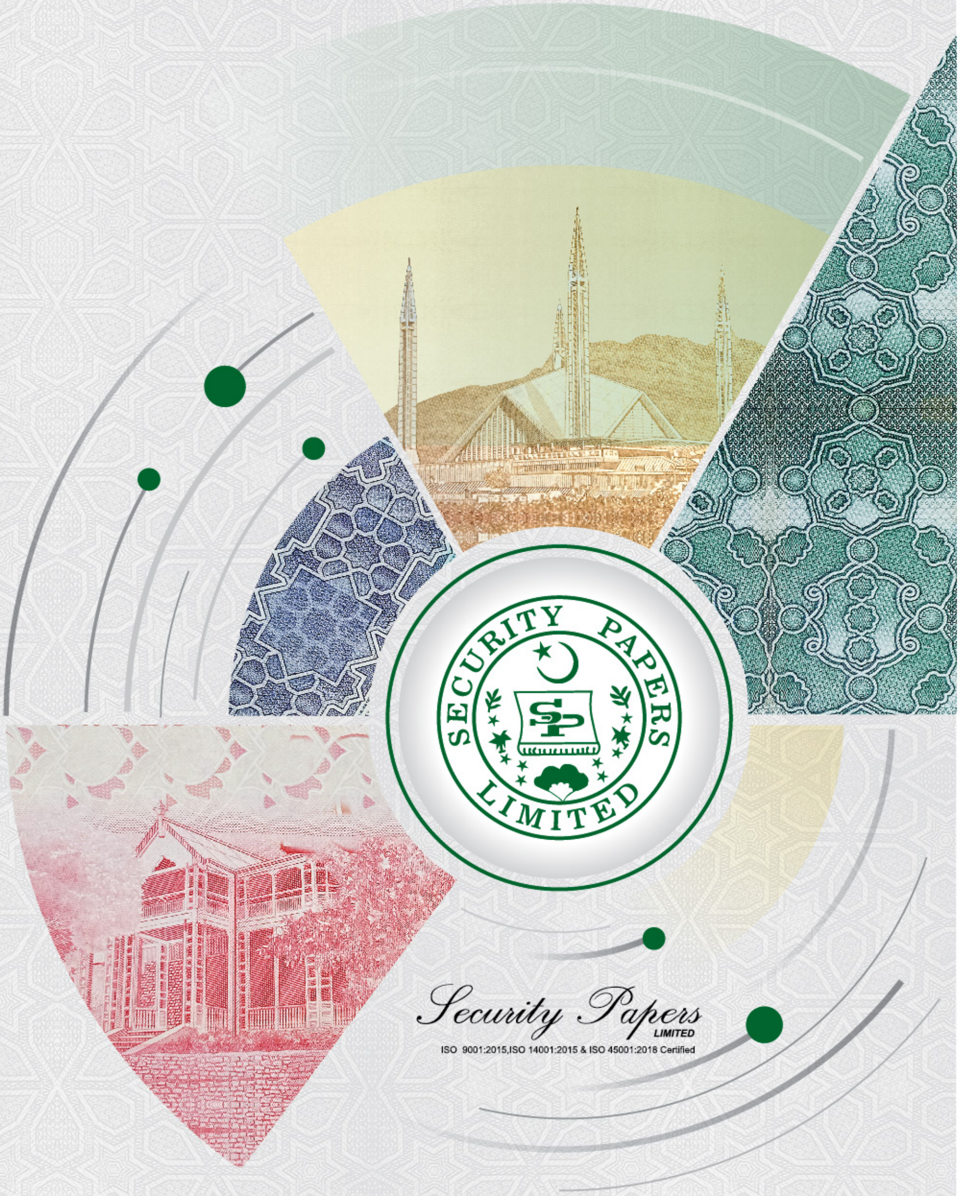
QUARTERLY REPORT SEPTEMBER 30, 2022



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COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. Mohammad Aftab Manzoor	-	Non-executive

Directors

Mr. Muhammad Sualeh Ahmad Faruqui	-	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

Mr. Imran Qureshi	-	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. Rizwan Ul Haq Khan	-	Secretary

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mrs. Uzma Aijaz	-	Chairperson
Mr. Mohammad Aftab Manzoor	-	Member
Mr. Jamal Nasim	-	Member
Mr. Munir Ahmed	-	Member
Mr. Rizwan Ul Haq Khan	-	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

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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, 2022.

BUSINESS AND PERFORMANCE REVIEW

The Company produced 976 tons of finished paper during the period under review as against 1090 tons in the corresponding period of preceding year owing to lower demand for Banknote Paper.

Net sales were reported at Rs 1,183 million during the three months period under review as against Rs 1,184 million in the corresponding period of preceding year. The Company achieved sales volume of 961 tons as against 986 tons during the corresponding period of preceding year.

Gross profit decreased to Rs 281 million as against Rs 418 million in the corresponding period of preceding year owing to rising input costs. The profit before and after taxation during the period under review stood at Rs 313 million and Rs 210 million as against Rs 332 million and Rs 228 million respectively during the corresponding period of preceding year. It includes other income of Rs 162 million earned during the period under review as against Rs 67 million in the corresponding period of preceding year.

FUTURE PROSPECTS

The country is facing burgeoning economic challenges, further aggravated by floods and elevated political noise coupled with increase in commodity and utility prices kept exchange rate under pressure. Globally, owing to the Russia-Ukraine war, significant uncertainties prevailed around the outlook for international commodity prices and global financial conditions. As a result, the input cost is on a rising trend. During this period the Company has started delivery of Ballot paper which is a step towards Company's commitment to enhance its product and customer base. 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, 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

IMRAN QURESHI	**JAMAL NASIM**
Chief Executive Officer	Director

Karachi
Dated: October 25, 2022

Condensed Interim Statement of Financial Position

As at 30 September 2022

	Note	30 September 2022 Un-audited	30 June 2022 Audited
ASSETS		------ (Rupees in '000) ------	
Non-current assets			
Property, plant and equipment	5	**1,759,269**	1,785,402
Right-of-use assets	5.3	**23,416**	22,194
Intangible assets		**15,846**	15,855
Long-term investment	6	**2,868,997**	1,180,955
Lease deposits		**5,831**	4,936
		4,673,359	3,009,342
Current assets			
Stores, spares and loose tools		**243,507**	214,612
Stock-in-trade		**893,526**	560,764
Trade debts - considered good		**937,974**	837,489
Loan, advances, deposits, prepayments and other receivables		**55,130**	119,887
Interest accrued		**57,555**	30,457
Short investments	7	**1,774,448**	3,377,234
Cash and bank balances		**570,774**	758,182
		4,532,914	5,898,625
Total assets		**9,206,273**	8,907,967
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
70,000,000 (30 June 2022: 70,000,000) ordinary shares of Rs 10 each		**700,000**	700,000
Issued, subscribed and paid-up capital			
59,255,985 (30 June 2022:59,255,985) ordinary shares of Rs. 10 each		**592,559**	592,559
Revenue reserves			
General reserves		**5,951,267**	5,594,837
Unappropriated profit		**210,949**	950,207
Total shareholders' equity		**6,754,775**	7,137,603
Non-current liabilities			
Lease Liabilities		**16,578**	16,445
Staff retirement benefits		**42,987**	34,180
Deferred taxation - net		**153,473**	156,652
		213,038	207,277
Current liabilities			
Trade and other payables		**1,168,820**	1,074,998
Accrued mark-up		**152**	108
Unclaimed dividend		**4,086**	4,134
Unpaid dividend		**996,907**	404,348
Current portion of lease liabilities		**7,166**	7,753
Taxation - net		**61,329**	71,746
		2,238,460	1,563,087
Total liabilities		**2,451,498**	1,770,364
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		**9,206,273**	8,907,967

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

IMRAN QURESHI	**BABAR AIJAZ**	**JAMAL NASIM**
Chief Executive Officer	**Chief Financial Officer**	**Director**

Security Papers LIMITED

Condensed Interim Statement of Profit or Loss (Un-audited)

For the Quarter ended 30 September 2022

	Note	**30 September 2022**	30 September 2021
		------ (Rupees in '000) ------	
Sales - net		**1,183,436**	1,184,251
Cost of sales		**(902,216)**	(765,813)
Gross profit		**281,220**	418,438
Administrative expenses		**(90,373)**	(81,902)
Other income		**161,715**	66,993
Other expenses	9	**(38,614)**	(71,121)
Finance costs		**(1,327)**	(713)
Profit before taxation		**312,621**	331,695
Taxation			
- Current		**(106,072)**	(125,871)
- Deferred		**3,182**	22,161
		(102,890)	(103,710)
Profit after taxation		**209,731**	227,985
		------ (Rupees) ------	
Earnings per share (basic & diluted)		**3.54**	3.85

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

IMRAN QURESHI	**BABAR AIJAZ**	**JAMAL NASIM**
Chief Executive Officer	**Chief Financial Officer**	**Director**

Condensed Interim Statement of Other Comprehensive Income (Un-audited)

For the Quarter ended 30 September 2022

	30 September 2022	30 September 2021
	------ (Rupees in '000) ------	
Profit after taxation for the period	**209,731**	227,985
Other comprehensive income for the period	**-**	-
Total comprehensive income for the period	**209,731**	227,985

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

IMRAN QURESHI **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 2022

	Note	30 September 2022	30 September 2021
		------ (Rupees in '000) ------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	10	**(87,240)**	734,672
Lease deposits paid		**(895)**	(159)
Taxes paid		**(116,489)**	(127,485)
Finance costs paid		**(1,283)**	(1,033)
Net cash (used in) / generated from operating activities		**(205,907)**	605,995
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(20,752)**	(25,218)
Acquisition of intangible assets		**(669)**	-
Investment made during the period		**(4,182,521)**	(2,025,267)
Investment redeemed during the period		**4,158,969**	1,730,965
Dividend received on mutual Fund		**1,728**	1,113
Mark-up received		**65,658**	87,944
Net cash generated from / (used in) investing activities		**22,413**	(230,464)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities		**(3,866)**	(1,761)
Dividend paid		**(48)**	(64,185)
Net cash used in financing activities		**(3,914)**	(65,946)
Net (decrease) / increase in cash and cash equivalents		**(187,408)**	309,585
Cash and cash equivalents at the beginning of the period		**758,182**	652,103
Cash and cash equivalents at the end of the period	12	**570,774**	961,688

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

IMRAN QURESHI	BABAR AIJAZ	JAMAL NASIM
Chief Executive Officer	Chief Financial Officer	Director

Condensed Interim Statement of Changes in Equity (Un-audited)
For the Quarter ended 30 September 2022

	Note	Issued subscribed and paid-up share capital	Revenue Reserves: General reserves	Revenue Reserves: Unappropriated Profit	Revenue Reserves: Total reserves	Total equity
		Rupees in '000				
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		-	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
Balance as at 30 June 2022		**592,559**	**5,594,837**	**950,207**	**6,545,044**	**7,137,603**
Total comprehensive income for the three months period ended 30 Sep 2022						
Profit for the period		**-**	**-**	**209,731**	**209,731**	**209,731**
Transactions with owners						
Transfer to general reserves	13.1	**-**	**356,430**	**(356,430)**	**-**	**-**
Final cash dividend for the year ended June 30, 2022		**-**	**-**	**(592,559)**	**(592,559)**	**(592,559)**
Balance as at 30 September 2022		**592,559**	**5,951,267**	**210,949**	**6,162,216**	**6,754,775**

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

IMRAN QURESHI	BABAR AIJAZ	JAMAL NASIM
Chief Executive Officer	Chief Financial Officer	Director

Notes to the Condensed Interim Financial Information (Un-audited)
For the Quarter ended 30 September 2022

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.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements of the Company for the three months period ended September 30, 2022 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 or IFAS, 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 June 30, 2022. 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 These condensed interim financial statements are presented in Pakistani 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 The comparative statement of financial position presented in these condensed interim financial statements as at 30 June 2022 has been extracted from the audited financial statements of the Company for the year ended 30 June 2022, whereas the comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three months period ended 30 September 2021 have been extracted from the unaudited condensed interim financial statements for the period then ended.

2.5 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.

3. SIGNIFICANT ACCOUNTING POLICIES

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 2022.

4. USE OF JUDGEMENTS AND ESTIMATES

4.1 The preparation of these condensed interim financial statements 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 Judgements and estimates made by management in the preparation of these condensed interim financial statements 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 2022.

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 2022.

	Note	**30 September 2022 Un-audited**	30 June 2022 Audited
		------ (Rupees in '000) ------	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	**1,714,804**	1,749,553
Capital work-in-progress	5.2	**44,465**	35,849
		1,759,269	1,785,402
5.1. Operating assets			
Opening book value		**1,749,553**	1,712,277
Additions during the period / year	5.1.1	**12,136**	259,112
Disposal during the period / year at book value		**-**	(81)
Depreciation charged during the period / year		**(46,884)**	(221,755)
		1,714,804	1,749,553
5.1.1. Additions during the period / year			
Land and building		**-**	6,800
Plant and machinery		**1,984**	197,334
Spare parts and stand by equipment		**7,114**	13,006
Electric, water and gas installations		**1,288**	27,540
Laboratory equipment		**-**	1,649
Furniture and fixtures		**-**	782
Office and security equipment		**-**	4,667
Computers and accessories		**1,741**	5,812
Motor vehicles - owned		**9**	1,522
		12,136	259,112

	Note	30 September 2022 Un-audited	30 June 2022 Audited
		------ (Rupees in '000) ------	

5.2 Capital work-in-progress

Opening balance		**35,849**	155,965
Addition during the period / year		**8,616**	53,724
Transferred to operating fixed asset		**-**	(173,840)
		44,465	35,849

5.3 Right of Use Assets

Opening balance		**22,194**	21,628
Additions during the period / year		**3,412**	9,398
Disposals		**-**	(940)
Depreciation for the period		**(2,190)**	(7,892)
		23,416	22,194

6. LONG TERM INVESTMENTS

Pakistan Investment Bonds (PIBs)	6.1	**2,868,997**	1,180,955

6.1 These represents investments in Pakistan Investment Bonds (PIBs) carrying floating and fixed profit at the rate ranging from 12.37% to 16.38% (June 2022: 11.54% to 15.45%) with maturities in June 2023, October 2023, September 2024, August 2025, April 2027, May 2028, June 2028, August 2028 and December 2030.The profit payments are made quarterly and semi annually.

7. SHORT TERM INVESTMENTS

At amortized cost			
Treasury bills		**835,364**	2,436,276
Pakistan Investment Bonds - current maturity		**138,613**	138,704
At fair value through profit or loss			
Units of mutual funds	7.1	**800,471**	802,254
		1,774,448	3,377,234

7.1 Investments in units of mutual funds are as follows:

30 September 2022 (Un-audited)	30 June 2022 (Audited)	Name of Investee Company	30 September 2022 (Un-audited)	30 June 2022 (Audited)
------------ (Units) ------------			------ (Rupees in '000) ------	
44,524,829	44,524,829	NBP Islamic Stock Fund	**472,711**	472,226
5,191,107	5,191,107	Meezan Islamic Fund	**290,460**	291,904
5,137,788	4,938,442	NIT Islamic Equity Fund	**37,300**	38,124
			800,471	802,254

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, 2022.

	Note	**30 September 2022 Un-audited**	30 June 2022 Audited
		------ (Rupees in '000) ------	
8.1 Commitments			
Ijarah financing		**4,452**	4,707
Commitments against letters of credit		**128,395**	245,375
Capital expenditure contracted for but not incurred		**79,612**	39,506

9. This includes unrealised loss on investments in mutual funds amounting to Rs. 3.2 million (2021: Rs 40.99 million).

	30 September 2022	30 September 2021
	------ Un-audited ------	
10. CASH (USED IN) / GENERATED FROM OPERATIONS AND FINANCING ACTIVITIES	**------ (Rupees in '000) ------**	
10.1 Cash generated from operations		
Profit before taxation	**312,621**	331,695
Adjustments for:		
Depreciation on property, plant and equipment and ROUA	**49,075**	56,341
Amortisation of intangibles	**677**	652
Finance costs	**1,327**	713
Loss on re-measurement of mutual fund	**3,252**	40,995
Provision against staff retirement benefits	**8,807**	7,915
Amortization of premium / (discount) on PIB	**6**	(1,316)
Dividend Income on mutual fund	**(1,728)**	(1,113)
Mark up on T-bills	**(64,957)**	(29,943)
Mark up on investments	**(66,877)**	(21,950)
Mark up on bank deposits and saving account	**(25,879)**	(11,771)
Mark up on employee loan	**(1)**	(9)
Changes In:		
- Store, spares & loose tools	**(28,895)**	(4,417)
- Stock in trade	**(332,762)**	(15,248)
- Trade debts	**(100,485)**	353,199
- Loans, advances, deposits, prepayments and other receivables	**64,757**	45,663
- Trade and other payables	**93,822**	(17,025)
Cash (used in) / generated from operations	**(87,240)**	734,381

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 September 30, 2022 and the balances outstanding as at September 30, 2022 are as follows:

Name	Nature of relationship	Basic of relationship	Nature of transaction	30 September 2022	30 September 2021
				------ Un-audited ------	
				------ (Rupees in '000) ------	
Pakistan Security Printing Corporation (Pvt) Limited	Associated undertaking	Common directorship	Sales	**753,097**	1,124,509
			Purchases	**848**	2,327
			Shared expenses charged by associate	**13,153**	10,966
			Dividend Payable	**237,217**	213,496
			Trade debts and other payables - net	**620,747**	430,024
Sumer Holdings, A.S.	Other	Director on board of Company	Dividend Payable	**59,254**	53,329
Industrial Development & Renovation Organisation	Other	Director on board of Company	Dividend Payable	**493,344**	437,339
Employees Retirement Funds	Retirement benefit fund	Employees benefit funds	Contribution made	**4,051**	3,814
Key management personnel	Related parties	Executives	Remuneration and benefits	**62,334**	52,920

12. Corresponding figures

Corresponding figures have been re-presented, wherever necessary. The following major reclassification have been made during the year:

Description	Re-classified from	Reclassified to	Sep-2021 Balance (Rs in 000)
Lease rentals	Finance cost	Administrative expenses	291

These reclassifications do not have any material impact on these financial statements, therefore, corresponding figures have not been restated.

13. GENERAL

13.1 The Board of directors in its meeting held on September 29, 2022 approved the transfer of Rs. 356.43 million from unappropriated profits to general reserves (June 2021: Rs. 931.038 million).

13.2 These condensed interim financial statements were authorised by the Board of Directors of the Company on October 25, 2022.

IMRAN QURESHI **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	OR	Share Registrar
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		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 25, 2022

Rizwan Ul Haq Khan
Company Secretary

Security Papers LIMITED

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

REGISTERED OFFICE & SHARES DEPARTMENT
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