



**Quarterly Report
September 30**

2017



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QUARTERLY REPORT



COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman

Muhammad Haroon Rasheed - Non-executive

Directors

Sheikh Mohammad Aijaz Akhtar - Non-executive

Dr. Abolghassem Jamshidi - Non-executive

Mr. Memet Ozyavuz - Non-executive

Mr. Jamal Nasim - Non-executive

Mr. Muhammad Ayub - Non-executive

Mr. Naveed Kamran Baloch - Non-executive

Mr. Rauf Ahmad - Non-executive

Mr. Naveed Ehtesham - Non-executive

Chief Executive Officer

Mr. Ali Hussain - Executive

BOARD AUDIT COMMITTEE

Mr. Muhammad Ayub - Chairman

Sheikh Mohammad Aijaz Akhtar - Member

Dr. Abolghassem Jamshidi - Member

Mr. Rauf Ahmad - Member

Mr. Naveed Ehtesham - Member

Mr. Babar Aijaz - Secretary

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Jamal Nasim - Chairman

Mr. Muhammad Haroon Rasheed - Member

Mr. Ali Hussain - Member

Mr. Naveed Kamran Baloch - Member

Qazi Syed Imran Azam - Secretary

CHIEF FINANCIAL OFFICER &

COMPANY SECRETARY

- Mr. Rizwan Ul Haq Khan

BANKERS

National Bank of Pakistan

MCB Bank Limited (Formerly NIB Bank Limited)

Habib Metropolitan Bank Limited

Bank Alfalah Limited

Bank Al Habib Limited

Meezan Bank Limited

AUDITORS

EY Ford Rhodes

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

MILLS

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,

Karachi.

Tel: (+9221) 34380101-5

Fax: (+9221) 34380106

E-mail: info.shares@famco.com.pk

WEB SITE

<http://security-papers.com>



DIRECTORS' REPORT

The Directors are pleased to present the un-audited Financial Information for the quarter ended 30 September 2017.

BUSINESS AND PERFORMANCE REVIEW

The Company produced 733 tons of finished paper during the quarter under review as compared to 658 tons in the corresponding period of previous year. Net sales reported to be Rs 742 million during the quarter under review as compared to Rs 655 million in the corresponding period of preceding year. The Company achieved sales volume of 740 tons as against 671 tons during the corresponding period of preceding year.

Gross profit reported to be Rs 264 million as against Rs 244 million in the corresponding period of preceding year showing an increase of Rs 20 million primarily due to higher sales volume.

The profit before and after taxation during the period under review reported to be Rs 219 million and Rs 154 million respectively including other income of Rs 37 million as against Rs 215 million and Rs 152 million respectively including other income of Rs 41 million during the corresponding period of preceding year.

FORWARD LOOKING INFORMATION

Going forward there are considerable macro economic, political and social challenges, we continue to focus on innovations, increased customer focus and a strong performance culture within the organization to optimize the return and improve productivity during the later period of the current financial year.

Your directors are hopeful that with continued and concerted efforts, the Company would achieve the desired results during the current financial year.

For and on behalf of the Board

MUHAMMAD HAROON RASHEED
Chairman

Karachi, 20 October 2017



Condensed Interim Balance Sheet
As at 30 September 2017

		30 September 2017	30 June 2017
		Un-audited	Audited
ASSETS			
	Note	----- (Rupees in '000) -----	
Non-current assets			
Property, plant and equipment	5	1,600,583	1,591,021
Long-term investment	6	780,754	779,176
Long-term deposits		15,846	15,997
		<u>2,397,183</u>	<u>2,386,194</u>
Current assets			
Stores, spares and loose tools		130,354	138,633
Stock-in-trade		500,887	548,554
Trade debts - considered good		744,769	631,879
Advances, deposits, prepayments and other receivables		80,140	63,757
Accrued mark-up		24,722	47,648
Investments	7	1,363,873	1,832,612
Cash and bank balances		65,515	29,930
		<u>2,910,260</u>	<u>3,293,013</u>
Total assets		<u>5,307,443</u>	<u>5,679,207</u>
LIABILITIES			
Current liabilities			
Trade and other payables		796,920	690,876
Accrued mark-up		125	82
Current maturity of long term loan	8	605	1,212
Current portion of liabilities against subject to finance lease		4,995	5,538
Taxation - net		149,004	152,774
		<u>951,649</u>	<u>850,482</u>
Non-current liabilities			
Liabilities against assets subject to finance lease		10,748	11,908
Deferred taxation - net		183,713	216,360
		<u>194,461</u>	<u>228,268</u>
Total liabilities		<u>1,146,110</u>	<u>1,078,750</u>
Contingencies and commitments	9		
NET ASSETS		<u>4,161,333</u>	<u>4,600,457</u>
EQUITY			
Share Capital and reserves			
Authorised share capital 70,000,000 (30 June 2017: 70,000,000) ordinary shares of Rs 10 each		700,000	700,000
Issued, subscribed and paid-up capital		592,559	592,559
General Reserves		3,673,519	3,209,919
Unappropriated profit		161,142	944,451
Re-measurement of investments classified as 'available for sale'		(265,887)	(146,472)
		<u>4,161,333</u>	<u>4,600,457</u>

The annexed notes 1 to 12 form an integral part of this condensed financial information.

MR. ALI HUSSAIN
Chief Executive Officer

MR. MUHAMMAD AYUB
Director



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Condensed Interim Profit and Loss Account (Un-audited)
For the Quarter ended 30 September 2017

	30 September 2017	30 September 2016	
	----- (Rupees in '000) -----		
Sales - net	741,724	655,300	
Cost of sales	<u>(477,723)</u>	<u>(411,215)</u>	
Gross profit	264,001	244,085	
Administrative expenses	<u>(57,797)</u>	<u>(51,194)</u>	
	206,204	192,891	
Other income	<u>37,258</u>	<u>41,367</u>	
	243,462	234,258	
Other charges	<u>(21,896)</u>	<u>(17,284)</u>	
	221,566	216,974	
Finance costs	<u>(2,255)</u>	<u>(1,505)</u>	
Profit before taxation	219,311	215,469	
Taxation			
- Current	<table border="1"><tr><td>(72,873)</td></tr></table>	(72,873)	(76,601)
(72,873)			
- Deferred	<table border="1"><tr><td>7,901</td></tr></table>	7,901	12,982
7,901			
	<u>(64,972)</u>	<u>(63,619)</u>	
Profit after taxation	154,339	151,850	
	----- (Rupees) -----		
Earnings per share - basic & diluted	2.60	2.56	

The annexed notes 1 to 12 form an integral part of this condensed financial information.

MR. ALI HUSSAIN
Chief Executive Officer

MR. MUHAMMAD AYUB
Director



**Condensed Interim Statement of
Comprehensive Income (Un-audited)**
For the Quarter ended 30 September 2017

	30 September 2017	30 September 2016
	----- (Rupees in '000) -----	
Profit after tax for the period	154,339	151,850
Other comprehensive income for the period:		
<i>Other Comprehensive income to be reclassified to profit and loss account in subsequent periods</i>		
Unrealised (diminuation)/appreciation during the period on remeasurement of investment classified as 'available for sale'	(145,669)	52,895
Transferred to profit & loss account on redemption / disposal of investments classified as 'available for sale'	1,506	(4,797)
Less: Impact of tax	24,748	-
Net comprehensive (loss) / income to be reclassified to profit & loss in subsequent periods	(119,415)	48,098
Total comprehensive income for the period	34,924	<u>199,948</u>

The annexed notes 1 to 12 form an integral part of this condensed financial information.

MR. ALI HUSSAIN
Chief Executive Officer

MR. MUHAMMAD AYUB
Director



Condensed Interim Cash Flow Statement (Un-audited)
For the Quarter ended 30 September 2017

	30 September 2017	30 September 2016
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	10 180,714	9,014
Long-term deposits	151	-
Taxes paid	(76,643)	(45,590)
Finance costs paid	(2,212)	(1,608)
Net cash generated from operating activities	102,010	(38,184)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(58,521)	(4,391)
Proceeds from sale of property, plant and equipment	816	-
Redemption of Sukuk term finance certificates	857	-
Dividend received from mutual Fund	3,189	-
Capital (loss) / gain on mutual fund - net	(1,506)	4,797
Mark-up received	56,170	90,023
Investment redeemed during the period - net	247,429	394,444
Net cash generated from investing activities	248,434	484,873
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment against lease obligations	(1,703)	(1,157)
Re-payment of long-term loan	(606)	(18,045)
Dividend paid	(387,550)	(365,856)
Net cash used in financing activities	(389,859)	(385,058)
Net (decrease) / increase in cash and cash equivalents	(39,415)	61,631
Cash and cash equivalents at the beginning of the period	104,930	147,365
Cash and cash equivalents at the end of the period	65,515	208,996

The annexed notes 1 to 12 form an integral part of this condensed financial information.

MR. ALI HUSSAIN
Chief Executive Officer

MR. MUHAMMAD AYUB
Director



Condensed Interim Statement of Changes in Equity (Un-audited)
For the Quarter ended 30 September 2017

	Issued, subscribed and paid-up share capital	General reserves	Unappro- priated profit	Re-measurement of investments classified as available for sale	Total equity
----- Rupees in '000 -----					
Balance as at 30 June 2016	592,559	3,023,489	631,815	1,626	4,249,489
Total comprehensive income for the three months period ended 30 September 2016					
Profit for the period	-	-	151,850	-	151,850
Other comprehensive income	-	-	-	48,098	48,098
Transactions with owners					
Final Cash dividend for the year ended June 30, 2016	-	-	(444,420)	-	(444,420)
Transfer to general reserves	-	186,430	(186,430)	-	-
Balance as at 30 September 2016	<u>592,559</u>	<u>3,209,919</u>	<u>152,815</u>	<u>49,724</u>	<u>4,005,017</u>
Balance as at 30 June 2017	592,559	3,209,919	944,451	(146,472)	4,600,457
Total comprehensive income for the three months period ended 30 September 2017					
Profit for the period	-	-	154,339	-	154,339
Other comprehensive loss	-	-	-	(119,415)	(119,415)
Transactions with owners					
Final cash dividend for the year ended June 30, 2017	-	-	(474,048)	-	(474,048)
Transfer to general reserves	-	463,600	(463,600)	-	-
Balance as at 30 September 2017	<u>592,559</u>	<u>3,673,519</u>	<u>161,142</u>	<u>(265,887)</u>	<u>4,161,333</u>

The annexed notes 1 to 12 form an integral part of this condensed financial information.

MR. ALI HUSSAIN
Chief Executive Officer

MR. MUHAMMAD AYUB
Director



Notes to the Condensed Interim Financial Information (Un-audited)
For the Quarter ended 30 September 2017

1. THE COMPANY & 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 is Jinnah Avenue, Malir Halt, Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange.

The principal activity of the company is manufacturing of specialised paper for banknote and non-bank note security documents.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

Companies Act 2017 (the Act) had been promulgated in May 2017, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 23 dated 4 October 2017 communicated Commission's decision that companies whose annual and interim financial year closes on or before 31 December 2017 shall continue to prepare their financial statement in accordance with the provisions of the repealed Companies Ordinance, 1984.

Accordingly, these condensed interim financial information of the Company for the three months ended 30 September 2017 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and directives issued under the Companies Ordinance 1984. In case where requirements differ, the provisions of the repealed Companies Ordinance 1984 shall prevail.

2.2 Functional & Presentation Currency

These condensed financial information are presented in Pakistan Rupees, which is the Company's functional and presentation currency and all financial information presented has been rounded off to the nearest thousand.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial information are consistent with those followed in the preparation of the company's annual financial statements for the year ended June 30, 2017.



4. ACCOUNTING ESTIMATES AND FINANCIAL RISK MANAGEMENT

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

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the financial statements as at and for the year ended June 30, 2017. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

		30 September 2017 (Un-audited)	30 June 2017 (Audited)
	Note	----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	1,502,567	1,541,913
Capital work-in-progress	5.2	98,016	49,108
		1,600,583	1,591,021
5.1. Operating assets			
Opening book value		1,541,913	1,704,667
Additions during the period / year	5.1.1	12,114	43,027
Disposal during the period / year at book value		(281)	-
Depreciation charged during the period / year		(51,179)	(205,781)
		1,502,567	1,541,913
5.1.1. Additions during the period / year			
Land and building		-	3,440
Plant and machinery		1,744	7,636
Spare parts and stand by equipments		-	1,232
Electric, water and gas installations		7,658	23,830
Laboratory Equipment		93	964
Furniture & Fixtures		32	959
Office & Security Equipment		-	1,704
Computers and accessories		-	204
Motor Vehicles - Owned		87	66
Motor Vehicles - Leased		2,500	2,992
		12,114	43,027



	30 September 2017 (Un-audited)	30 June 2017 (Audited)
Note	----- (Rupees in '000) -----	
5.2. Capital work-in-progress		
Opening balance	49,108	5,453
Addition during the period / year	51,408	57,808
Transferred to operating fixed asset	(2,500)	(14,153)
	98,016	49,108
6. LONG-TERM INVESTMENT		
Held to maturity		
Pakistan Investment Bond - 5 years	6.1 <u>780,754</u>	<u>779,176</u>
6.1 These represent investments in Pakistan Investment Bonds (PIB's) carrying profit at a rate of 11.25% to 11.5% (effective yield of 11.97% to 12.05%) per annum with maturity in July 2018. The profit payments are made semi annually.		
7. INVESTMENTS		
Held to maturity		
Term Deposit receipts - shariah compliant	-	325,000
Available for sale		
<i>Term finance certificates</i>		
B.R.R. Guardian Modaraba		
1078 (June 30 2017: 1,249) units of Rs 5,000 each	7.1 4,041	4,683
Units of Mutual Funds	1,359,832	1,502,929
	1,363,873	1,832,612
7.1 Diminishing Musharaka based term finance certificates originally had a term of 6 years and carried profit at the rate of six months KIBOR plus 1.3% payable semi annually with maturity on 26 May 2014. The borrower had defaulted on certain payments and entered into a restructuring agreement with the trustee on 15 April 2011. As per the revised terms, the principal amount was redeemable in varying monthly installments commenced from 07 August 2011 and ending on 07 December 2016 with regular profit pricing at the rate 01 month KIBOR and certain deferred profit (pertaining before restructuring) payable on monthly basis. The borrower has again defaulted on certain payments and entered into second restructuring agreement with the trustee on 30 June 2016. Revised terms include;		
-	The principal amount will be redeemed in varying monthly installments commencing from 07 July 2016 and ending on 07 April 2019.	
-	Markup at the rate of 01 month KIBOR plus 1.5% payable on monthly basis.	



	30 September 2017 (Un-audited)	30 June 2017 (Audited)
	----- (Rupees in '000) -----	
8. LONG TERM LOAN - secured		
Opening Balance	1,212	41,249
Repayments during the period	<u>(606)</u>	<u>(40,037)</u>
	606	1,212
Current maturity- shown under current liabilities	<u>(606)</u>	<u>(1,212)</u>
	<u>-</u>	<u>-</u>

The Company has acquired facility amounting to Rs 34.70 million (2017: Rs 34.70 million) from Bank Al Habib Limited for purchase & installation of plant and machinery for balancing, modernisation and replacement of existing machinery. The entire financing is to be availed by 31 December 2017 (June 2017: 31 December 2017) and carries mark-up at three months Karachi Inter Bank Offer Rate (KIBOR).

These facilities are secured by Pakistan Investment Bond of the Company having face value of Rs 785 million. The facility availed is re-payable in 5 years in 20 equal quarterly installments starting from the date of disbursement. The Company has an option to prepay the loan without incurring any penalty.

9. 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, 2017.

	30 September 2017 (Un-audited)	30 June 2017 (Audited)
	----- (Rupees in '000) -----	
9.1 Contingencies		
Income tax	10,221	10,221
Claim against the Company not acknowledged as debt	2,379	2,379
Sales Tax on Services	<u>4,163</u>	<u>4,163</u>
	<u>16,763</u>	<u>16,763</u>
9.2 Commitments		
Capital expenditure contracted for but not incurred	10,089	23,556
Commitments against letters of credit	<u>12,192</u>	<u>54,057</u>
	<u>22,281</u>	<u>77,613</u>



	30 September 2017 (Un-audited)	30 September 2016 (Un-Audited)
	----- (Rupees in '000) -----	
10. CASH GENERATED FROM OPERATIONS		
Profit before taxation	219,311	215,469
Adjustments for:		
Depreciation	51,179	52,352
Gain on disposal of fixed asset	(540)	-
Capital loss/(gain) on redemption of mutual fund	1,506	(4,797)
Reversal of Impairment on BRR Guardian Modarba	(214)	(54)
Dividend income on mutual funds	(3,189)	-
Amortisation of discount on PIB	(1,578)	(2,328)
Mark up on Investments	(30,492)	(29,463)
Mark up on bank deposits and saving account	(2,607)	(4,440)
Mark up on security deposits	(141)	(141)
Mark up on employee Loan	(4)	-
Finance costs	2,255	1,505
Working capital changes	(54,772)	(219,089)
	(38,597)	(206,455)
Cash flows generated from operations	180,714	9,014

11 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies, directors, key management personnel and retirement benefit funds. Transaction with related parties essentially entail sale and purchase of goods and /or services from the aforementioned 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 2017 and the balances outstanding as at 30 September 2017 as follows:



	30 September 2017 (Un-audited) ----- (Rupees in '000) -----	30 September 2016 (Un-audited) ----- (Rupees in '000) -----
Associates:		
-Sale of goods to Pakistan Security Printing Corporation (Private) Limited - net	<u>698,393</u>	<u>652,972</u>
-Receivable from Pakistan Security Printing Corporation (Private) Limited - net	<u>719,454</u>	<u>587,184</u>
Others:		
-Paid to State Life Insurance Corp: (Life Insurance)	<u>78</u>	<u>917</u>
-Payable to State Life Insurance Corp: (Life Insurance)	<u>309</u>	<u>-</u>
Key management personnel:		
-Salaries and other employee benefits	<u>28,835</u>	<u>38,997</u>

12. DATE OF AUTHORISATION

This condensed financial information were authorised by the Board of Directors of the Company on 20 October 2017.

MR. ALI HUSSAIN
Chief Executive Officer

MR. MUHAMMAD AYUB
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 2017 effective July 1, 2017, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

1. Rate of tax deduction for filer of income tax return 15%
2. Rate of tax deduction for non-filers of income tax return 20%

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, shareholders whose names are not entered into the Active Tax-payers 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 @ 20% instead of 15%

(ii) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' 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 before closure of share transfer books to determine the entitlement(s), if any; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

- (iii) As per FBR Circulars C. No. 1 (29) WHT/2006 dated 30.06.2010 and C. No. 1 (43) DG (WHT)/2008-Vol.II-66417-R dated 12th 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/clarification/information, the investors may contact the Company Secretary of the Company and/or Manager of Share Registrar.
- (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, 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.

SECP has advised in their Circular No. 18 of 2017 dated August 01, 2017 to all listed companies to ensure that with effect from **November 01, 2017** cash dividends shall be paid through electronic mode only. Therefore, shareholders are requested to provide the details of their bank mandate 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 dividend / Shares

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/unpaid amount of dividend and deliver the unclaimed shares certificates with the Commission for credit to the Federal Government in compliance with Section 244 of the Companies Act, 2017.

5. Change of Address (If any)

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

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

Registered Office

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

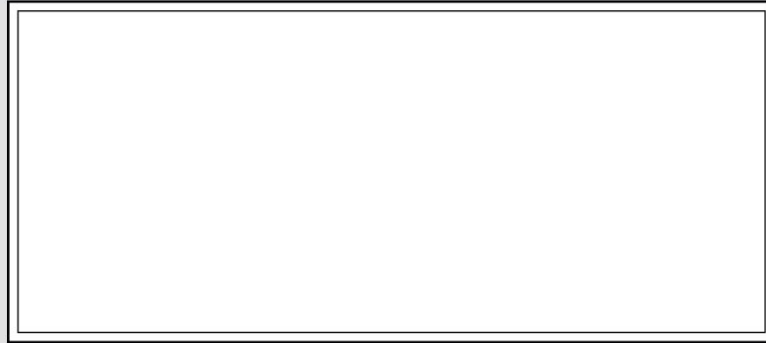
OR Share Registrar

FAMCO Associates (Pvt.) Limited
8-F, 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
info.shares@famco.com.pk
Website: www.famco.com.pk

Karachi
20 October 2017

Rizwan Ul Haq Khan
Chief Financial Officer &
Company Secretary

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REGISTERED OFFICE & SHARES DEPARTMENT:

Jinnah Avenue, Malir Halt, Karachi-75100.

Ph: (+9221) 99248285 Fax: (+9221) 99248286

Factory: Jinnah Avenue, Malir Halt, Karachi-75100

Ph: (+9221) 99248536-37 Fax: (+9221) 99248616

Designed by: *makim*
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