



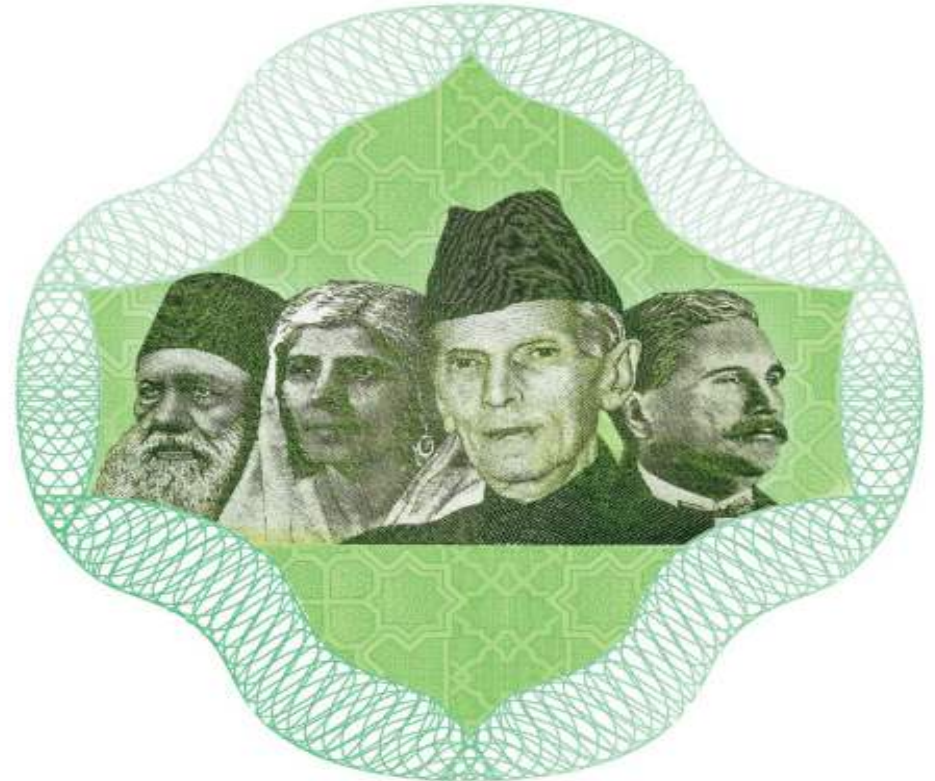
# SECURITY PAPERS LIMITED

Corporate Briefing  
Session

31 May 2024



*Security Papers*  
LIMITED



58 Years of Reliability and Quality

Annual Report 2023



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# Contents & Format of Presentation

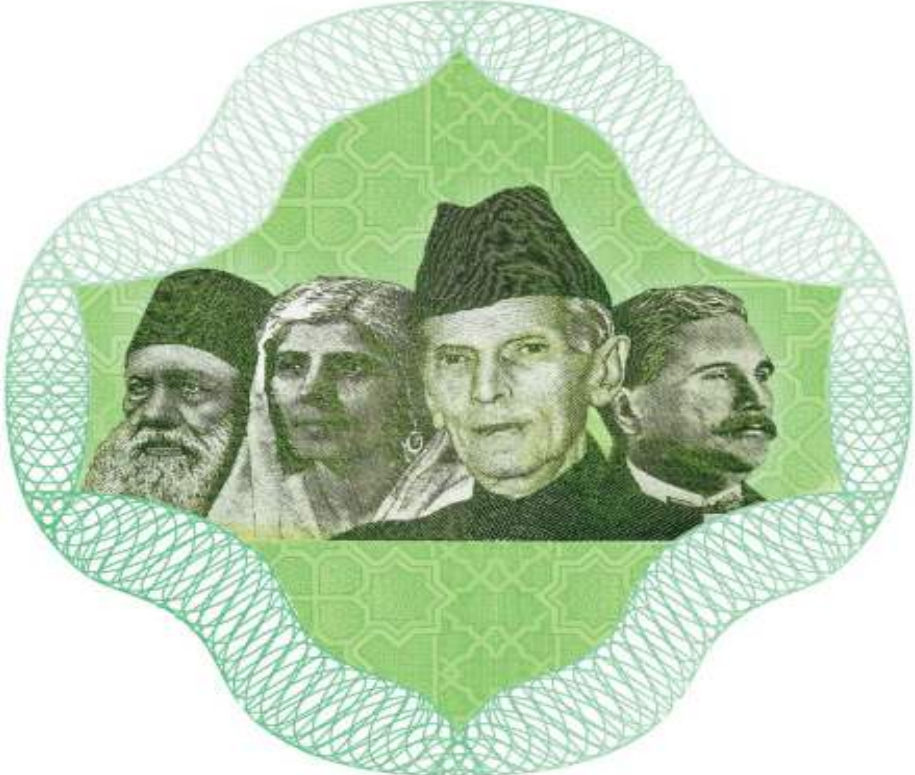




# Profile of the Company



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## Profile of the Company

- Security Papers Limited is an strategic Company engaged in the business of manufacturing security paper for Banknotes and Other Security Paper products.
- The Company head office and manufacturing facility is situated in Karachi, Pakistan.
- The geographical presence of its customers are Karachi, Lahore, Gujranwala, Faisalabad, Islamabad, Peshawar and other major cities of the country.





# Organizational Overview



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## VISION STATEMENT

To be nationally and internationally recognised and accepted security paper producing organisation, providing highest quality paper to our customers both in Pakistan and abroad

## MISSION STATEMENT

Our Mission is to exceed the expectation of our Customers in producing, with security and efficiency, highest quality paper products, employing international best practices and applying an integrated approach to Product Research & Development, Manufacturing Technology, Operations Management, Counterfeit deterrence, Materials Procurement, Human Resource Management, Financial Management and information systems.

## CORE VALUES

- Striving for continuous improvement and innovation with commitment and responsibility.
- Treating shareholders/stakeholders with respect, courtesy and competence.
- Practicing highest personal and professional integrity.
- Maintaining teamwork, trust and support, with open and candid communication.
- Ensuring cost consciousness in all decisions and operations.



# History of Major Events

Incorporation  
as a Private  
Limited  
Company



Signing of  
Contract for  
supply of Paper  
Machine-1 with  
Mills Paugh, UK



Conversion  
into Public  
Company  
listing in the  
PSX  
(Erstwhile  
KSE)



Commenceme  
nt of  
Commercial  
Production  
from PM-1



Signing of  
Contract for  
supply of Paper  
Machine-2 with  
Voith Paper,  
Germany



Commissioning  
of PM-2





# History of Major Events

Formal inauguration of PM-2 by the Prime Minister of Pakistan



Installation of Reverse Osmosis Plant



Commissioning of Co-Generation Power Plant



Modification & Upgradation of Plant



Installation of Mould Cover manufacturing facility





# History of Major Events

Commissioning of Dry Cleaning Plant



Commissioning of Thread Unwind system



Production of Passport Paper



Installation of Beater Breaker Assemblies and stainless chest



PM-2 capacity enhancement through in-house development





# History of Major Events

Highest ever production



Water recycling plant, Upgradation of Sheeter Machine and 3<sup>rd</sup> Co Gen plant



Development of special watermark paper for Ballot printing



Production & delivery of Ballot paper & Commemorative Bank note paper of Rs 75



2<sup>nd</sup> Waste water plant, RO Plant, Capacity enhancement project





Banknote Paper

Prize Bond Paper

Non Judicial  
Stamp Paper

Ballot Paper



## PRODUCT PORTFOLIO



Passport Paper

Parchment Paper

Educational &  
Degree Paper

Cheque Paper



## Customers Portfolio

Pakistan Security  
Printing  
Corporation  
(Pvt) Limited.

Karachi,  
Pakistan.

National Security  
Printing  
Company (Pvt)  
Limited.

Karachi,  
Pakistan.

Election  
Commission of  
Pakistan

Islamabad,  
Pakistan.

Educational  
Boards and  
Universities

All over Pakistan.





# Corporate Awards History

## TOP COMPANIES AWARD

Security Papers Limited (SPL) was conferred the "Top 25 Companies Award of Pakistan Stock Exchange" for the year 2021. It secured the 6th position on the basis of the highest score achieved. The Company has the distinction of receiving this prestigious award for the years 2000 to 2007 and 2009 to 2016 and 2018 to 2021.



## CORPORATE EXCELLENCE AWARD - MAP

Security Papers Limited (SPL) won the 37th Corporate Excellence Award of the Management Association of Pakistan (MAP). The Company holds 24th to 29th Awards (six times in a row), as well as 31st to 37th (seven times in a row). The Award recognizes the best managed companies in Pakistan that follow guidelines and principles of the latest management techniques.



## BEST SUSTAINABILITY REPORT AWARD

SPL was ranked 4th position in the Best Sustainability Report Award 2021 that was conferred by the joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP). The Company has also received this prestigious award for the year 2020.



## BEST CORPORATE REPORT AWARD

SPL secured 2nd position in the Best Corporate Report Award for the year 2021 by country's two leading professional accounting organizations the Institute of Cost and Management Accountants of Pakistan (ICMAP) and the Institute of Chartered Accountants of Pakistan (ICAP). The Company's Annual Report of 2003 and 2006 to 2012 and 2020 also won the Best Corporate Report Award. The comprehensive selection criteria required inclusion of detailed information in the Annual Report on the subject of Corporate Objectives, Directors' Report Disclosure, Shareholder Information, Report Presentation and Corporate Governance.



## CORPORATE GOVERNANCE RATING

JCR-VIS Credit Rating Company Limited reaffirmed the Corporate Governance Rating of the Company at CGR-9, denoting 'high level of corporate governance' for the year 2013-14. The rating was measured on a scale ranging from CGR-1 (lowest) to CGR-10 (highest). Corporate Governance ratings are based on evaluation of key governance areas of the rated organization, which include Regulatory Compliance, Board Oversight, Management Profile, Self-regulation, Financial Transparency and Relationship with Stakeholders.



## ISO CERTIFICATIONS

CERTIFICATION OF INTEGRATED MANAGEMENT SYSTEM (IMS)  
 Quality Management System: - ISO 9001:2015 (03 April 2021 until 03 April 2024)  
 Environmental Management System: - ISO 14001:2015 (26 April 2021 until 26 April 2024)  
 Occupational Health and Safety Management System: - ISO 45001:2018 (31 March 2020 until 15 February 2023) Certification issued by SGS United Kingdom Limited



## ENVIRONMENT EXCELLENCE AWARD

The National Forum for Environment & Health - NFEH conferred the 18th Annual Environment Excellence Award in 2021 to Security Papers Limited. The award was given in recognition of the Company's vision and its effective implementation of Environment Management System and policies and after thorough assessment of its submitted documents and testimonials by the distinguished NFEH Panel of Jury. A unanimous decision of the distinguished Panel of Jury. The Company also received the 11th, 15th and 16th, and 17th Annual Environment Excellence Awards in 2014, 2018, 2019 and 2020 respectively



## COMMITMENT TO ENVIRONMENTAL REPORTING

The Company has achieved another milestone by winning ACCA-WWF Environmental Reporting Award 2013. This demonstrates our commitment to environmental preservation and its effective management. The Company received commendation for Commitment to Environmental Reporting in 2010 from ACCA-WWF\* Pakistan.

\* Association of Chartered Certified Accountants - World Wildlife Fund.




## FIRE AND SAFETY AWARD

The Company also won the Fire and Safety Award 2011, 2012 and 2013 for three consecutive years. The Award was jointly organized by the Fire Protection Association of Pakistan (FPAP) and the National Forum for Environment & Health (NFEH).





# Governance

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# Board of Directors

## NON-EXECUTIVE DIRECTORS

### CHAIRMAN

Mr. Mohammad Aftab Manzoor

### DIRECTORS

Mr. Jamal Nasim

Mr. Hamid Bazargan

Ms. Figen Caliskan

Hafiz Mohammad Yousaf

Mr. Shafqaat Ahmed

Mr. Arshad Mehmood Bhatti

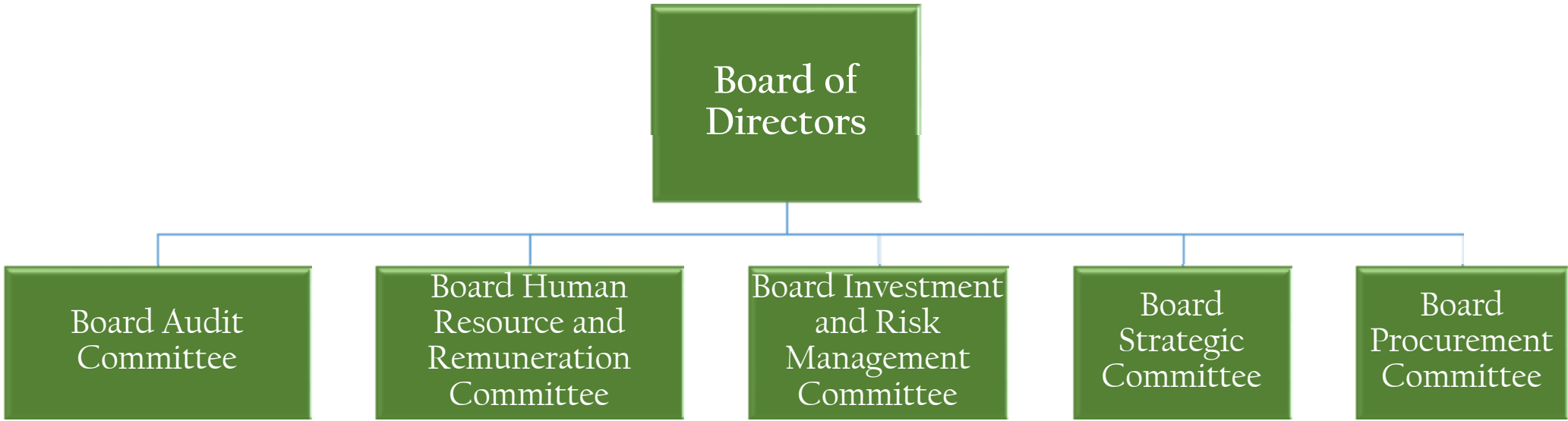
Mr. Munir Ahmed

### EXECUTIVE DIRECTOR - CHIEF EXECUTIVE OFFICER

Mr. Imran Qureshi



# Board Committees





## Management Committees

Executive  
Committee

Corporate Social  
Responsibility  
(CSR)  
Committee

IT Steering  
Committee

Enterprise Risk  
Management  
Committee

Business  
Continuity Plan  
Committee

Health & Safety  
Committee

Worker's  
Welfare Fund  
Committee

Worker's Profit  
Participation  
Fund (WPPF)  
Committee

Sexual  
Harassment  
Committee

Whistle Blowing  
Committee





## Board's Approved Policies

Corporate  
Social  
Responsibility  
Policy

Sexual  
Harassment  
Policy

Investment  
Policy  
Guidelines

Risk  
Management  
Policy

Insider Trading  
Policy

Directors'  
Remuneration  
Policy

Whistle  
Blowing Policy

Related Party  
Transactions  
Policy

Communication  
& Disclosure  
Policy

Environmental  
Policy

Occupational  
Health & Safety  
Policy

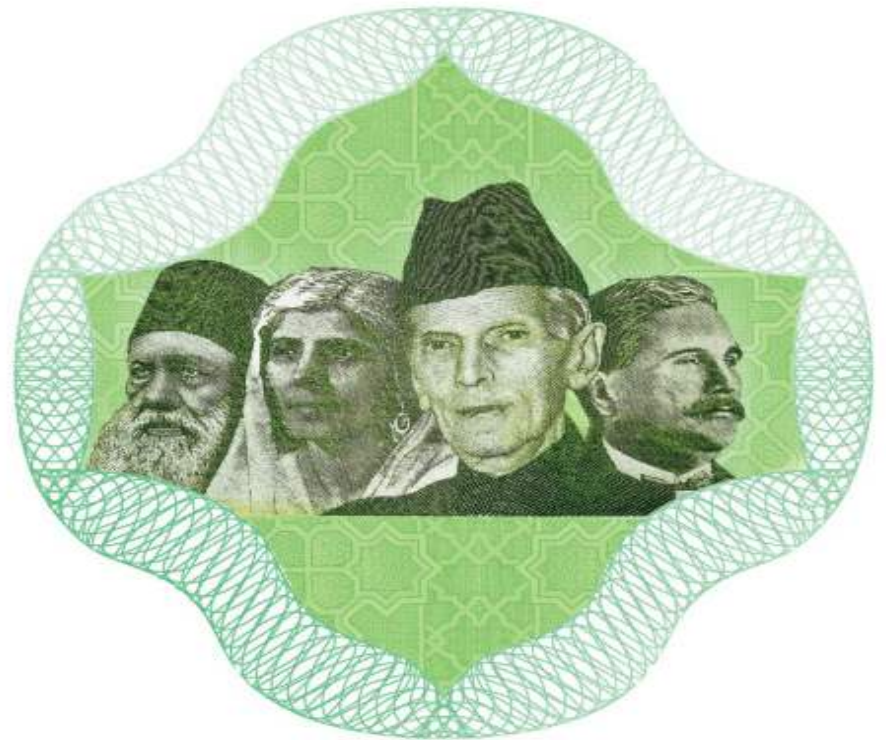
Quality Policy



# Strategic & Operational Development



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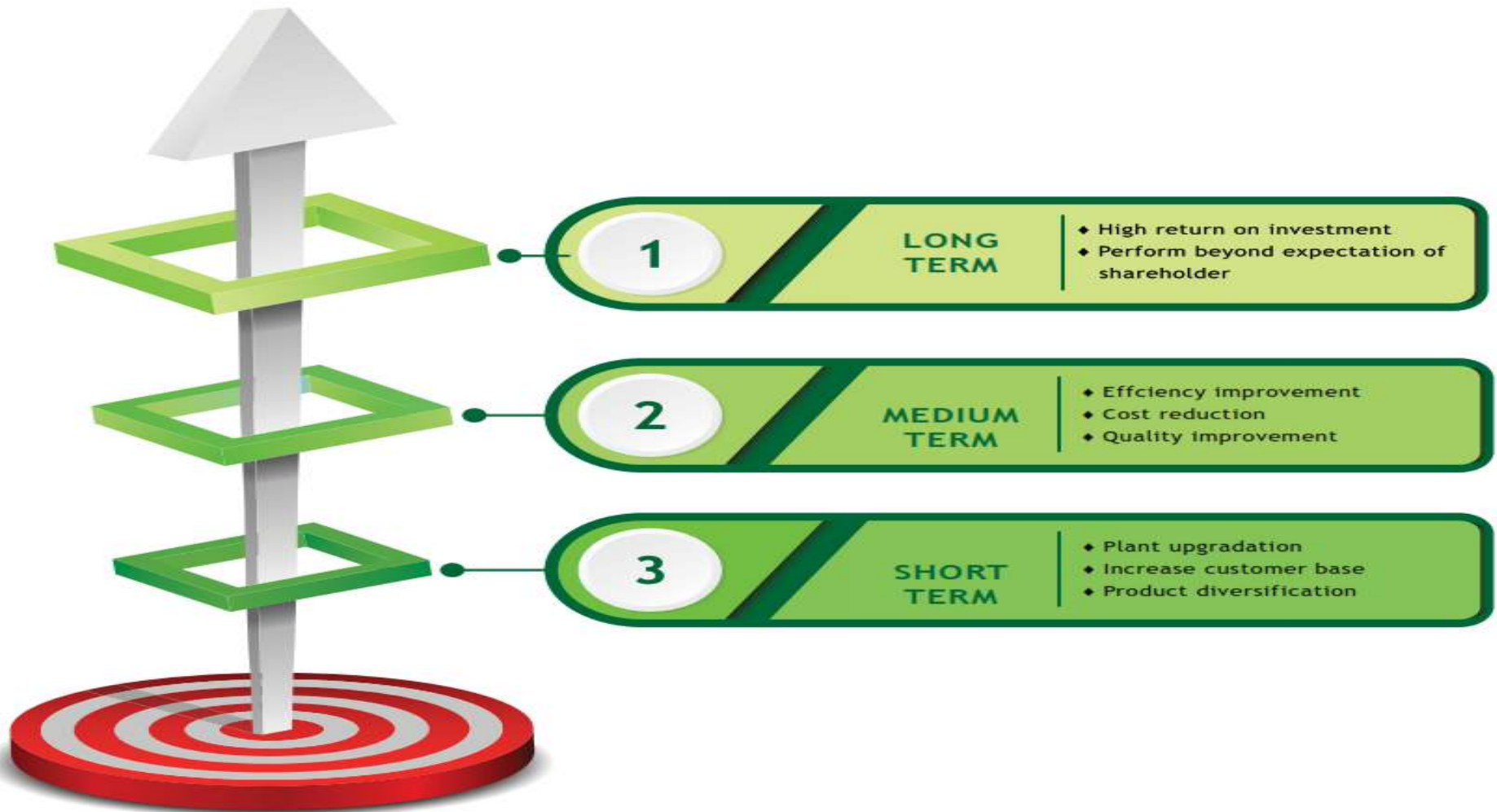


# Strategic Planning Process





# Strategic Goals





# Strategic Goals



**Customers' satisfaction**



**Employees' empowerment**



**Enterprise Risk Management and Business Continuity Planning**



**Continuous improvement (KAIZEN)**



**Operational Efficiency**



**Maximum Return on Investment**




**Corporate Social Responsibility**





# Sustainability & CSR

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# Sustainability

## Sustainability

### People

Social variable dealing with community, education, equity, social resources, health, well-being, and quality of life

### Equitable

### Profit

Economic variables dealing with the bottom line & cash flow

### Viable

### Planet

Environmental variables relating to natural resources, water & air quality, energy conservation & land use



# Sustainability

## Sustainability Council

### Health, Safety Environment and Quality (HSEQ) Initiatives

- Good Manufacturing Practices
- Inspection Rounds
- Customer Satisfaction Measurement
- Environmental Feedback Survey
- Tool Box Talks
- Health Screening
- Tree Plantation
- Carbon Footprint Measurement

### Efficient Resource Utilization

- Energy / Water Conservation
- Effluent Treatment Plant
- R.O. Plant
- Capacity Enhancement Projects
- BMR Project
- Kaizen Projects
- 5S implementation

### Employee Engagement & Empowerment

- Performance Management System (PMS)
- Town Hall Meetings
- Succession Planning
- Trainings
- Awareness Sessions
- Reward Recognition Programs
- Talent Management
- Cross-functional Management Committees

Environment Excellence Award- 2023





## LOST TIME INJURY ACCIDENTS

Factors	2023 - 24 (Jul May)		2022 - 23	
	No of Incidents	% by Gender Category	No of Incidents	% by Gender Category
Incident affecting female workforce	0	0	0	0
Incident affecting male workforce	0	0	0	0
Incident affecting property / equipment	0	0	0	0
Total	0	0	0	0



## Value of investment in sustainability projects

Projects	2023 - 24 (PKR in MN)
<b><u>Projects Completed During The Year</u></b>	
Upgradation of Mahlo Scanner	9 MN
Cargo Lift	15 MN
Upgradation of AVR (Co-Gen Power Plant)	7 MN
Upgradation of PM-2 DCS Drive	10 MN
<b><u>Projects Initiate During The Year</u></b>	
Waste Water Recycling Plant	139 MN
Solar Power Projects	13 MN
New RO Plant with additional Bores	45 MN
Dual Fired Burner	36 MN
Upgradation of CNC Milling machine	3 MN



# Sustainability Performance Highlights

2022 - 23

Material Issue	Boundary (within / Outside)
Enhanced efficiencies	<p><b>Water Consumption:</b> Reduced by 3.65% per ton of paper made.</p> <p><b>Power Generation:</b></p> <ul style="list-style-type: none"> <li>• Solar energy project of 40KW has been completed with the investment of Rs 4.4 million.</li> <li>• Investments in Co-Gen power plant (AVR), to reduce waste and increase efficiencies of machines.</li> </ul>
Water Saved	<ul style="list-style-type: none"> <li>• 18.46 million gallons.</li> <li>• Recycling of water enhanced by 0.15%.</li> </ul>
Recycling / Reprocess	Recycled paper decreased up to 46.89 tons.
Awards	<ul style="list-style-type: none"> <li>• 20<sup>th</sup> annual environment excellence award (AEEA-2023) by NFEH 2023.</li> <li>• 17<sup>th</sup> OSHW award 2023 by Employers Federation of Pakistan</li> </ul>
Human Capacity enhancements	Total 2,918 manhours in sustainability related training.





## Corporate Social Responsibilities (CSR)

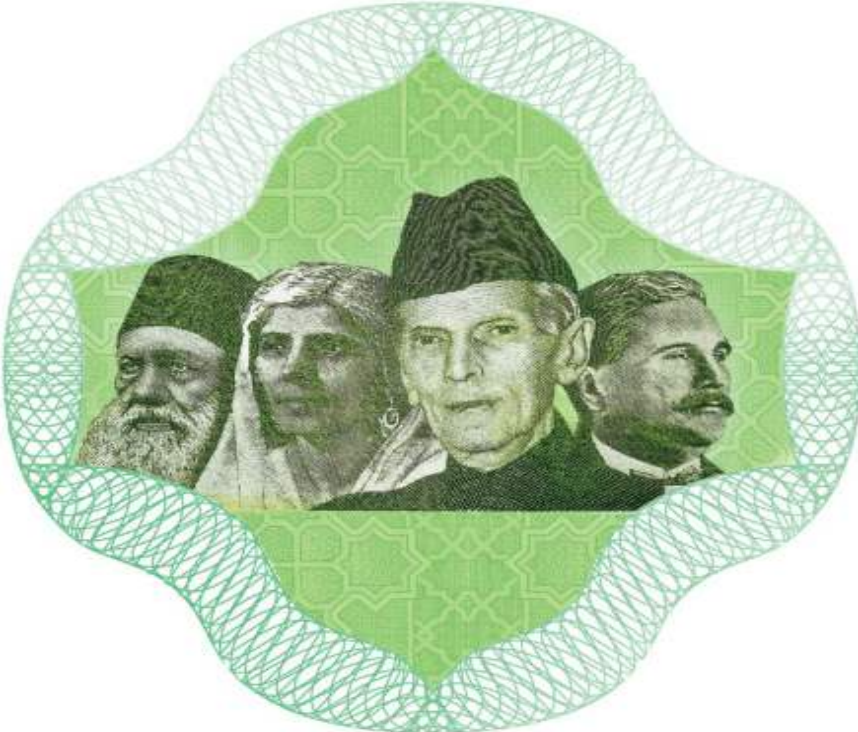
Name of Institution	2023 – 24 (PKR)	Name of Institution	2022 – 23 (PKR)
SOS Children Village	2.42 MN	Prime Minister Relief Fund 2022	5.0 MN
The Citizens' Foundation	2.16 MN	The Indus Hospitals	3.87 MN
The Indus Hospitals	5.00 MN	Socio Economic Development – Baluchistan	1.212 MN
		SOS Children Village & Others	0.34 MN
<b>TOTAL</b>	<b>9.58 MN</b>	<b>TOTAL</b>	<b>10.54 MN</b>



# Financial Information



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## Nine Months Period Ended March 31, 2024

Particulars	Actual		Variance	
	Jul – Mar 2023-24	Jul – Mar 2022-23		
Sales	5,297	3,616	1,681	46%
Cost of Sales	(3,814)	(2,988)	826	28%
Gross Profit	1,483	628	855	136%
Administrative expenses	(359)	(266)	93	35%
Other income	768	477	291	61%
Other expenses & finance cost	(136)	(177)	(41)	(23%)
Profit before taxation	1,756	662	1,094	165%
Taxation	(673)	(231)	(442)	191%
Profit after taxation	1,083	431	652	151%
<i>Earning per share - Rs</i>	<i>18.28</i>	<i>7.27</i>	<i>11.01</i>	<i>151%</i>



## Nine Months Period Ended March 31, 2024

PARTICULARS	Jul – Mar 2023-24	Jul – Mar 2022-23
<u>PROFITABILITY RATIOS</u>		
GROSS PROFIT TO SALES – %	28%	17.36%
NET PROFIT TO SALES – %	20.43%	11.92%
RETURN ON CAPITAL EMPLOYED – %	13.77%	6.12%



## Nine Months Period Ended March 31, 2024

PARTICULARS	Jul – Mar 2023-24	Jul – Mar 2022-23
<b><u>LIQUIDITY RATIOS</u></b>		
CURRENT RATIO	2.84:1	2.97:1
QUICK RATIO	2.12:1	2.32:1
<b><u>DEBT MANAGEMENT</u></b>		
DEBT EQUITY RATIO	0.01:1	0.01:1
<b><u>MARKET RATIO</u></b>		
EARNING PER SHARE – (Rs)	18.26	7.27
PRICE EARNING RATIO – (Rs)	6.91	12.60
SHARE PRICE AT PERIOD END (Rs)	126.19	91.66



## Nine Months Period Ended March 31, 2024

PARTICULARS	Jul – Mar 2023-24	Jul – Mar 2022-23
<u>ASSET MANAGEMENT</u>		
TOTAL ASSETS TURNOVER – %	52.76%	39.02%
INVENTORY TURN OVER RATIO – Days	69	60
DEBTORS TURNOVER RATIO – Days	72	65
CREDITOR TURNOVER RATIO – Days	37	34





# Q & A