



Security Papers

CBS: Corporate Briefing Session

24th February, 2022

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ORGANIZATIONAL OVERVIEW

Company Profile

- Security Papers Limited is a national strategic industrial organization engaged in the business of manufacturing security paper for Banknotes and Other Security Paper products.
- Due to its strategic nature of operations, the Company has been classified as Category 1A (KPID) Key Point Installation by the Government of Pakistan.
- The geographical presence of the Company is in Karachi, Pakistan, while its customers are located in Karachi, Lahore, Gujranwala, Faisalabad, Islamabad, Peshawar and other major cities of the country.

Vision Statement

To be a nationally and internationally recognized and accepted Security Paper producing Organization, 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.

Historical Milestones

1965

- Incorporated as Private Limited Company.

1967

- Listed on the Karachi Stock Exchange (now Pakistan Stock Exchange - PSX)

1969

- Started commercial production

2004

- New Paper Machine commissioned and inaugurated by Prime Minister of Pakistan.

2006

- Reverse Osmosis (RO) Plant installed and commissioned

Historical Milestones

2009

- Captive Power Plant installed

2011

- Modification and Upgradation of Rewinder and Sheeter Machines

2012

- New Mould Cover manufacturing facility installed

2014

- Automated Cotton (Comber) Dry Cleaning Plant installed

2015

- A new Thread Unwinding System installed

Historical Milestones

2016

- Paper for National Passport developed and produced

2018

- Production capacity enhanced from 2500 tons to 3500 tons per annum through expansion of Pulp making Plant and enhancing operational speed of paper machine

2019

- Capacity enhancement of Paper Machine completed by utilizing in house resources for rehabilitation of “Short Former”. (From 3,500 tons to 4,500 tons per annum)

2020

- Commissioning of Waste Water Recycling Plant in August '20

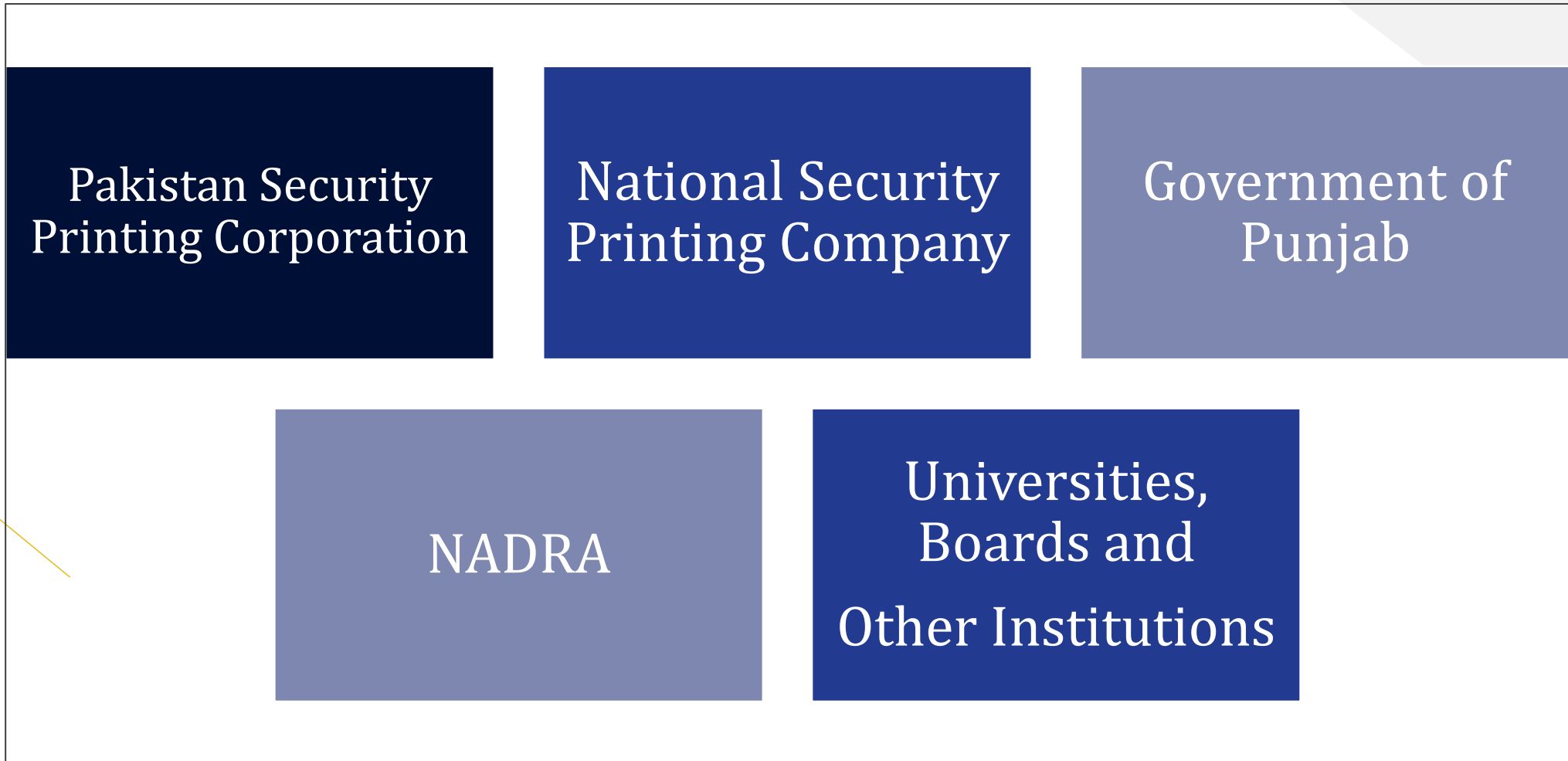
2021

- Upgrade Fire Alarm System, new Fire Hydrant, and Sprinkler System

Our Products

Banknote Paper	Prize Bond Paper	Non Judicial Stamp Paper
E – Stamp Paper (Govt. of Punjab)	Educational Certificates and Degree Paper	Parchment Paper
Passport Paper	CBS – 1 (Cheque Paper)	NADRA CRC Paper

Our Customers



Our Business Model

Inputs



Financial Capital



Human Capital



Manufactured Capital



Natural Capital



Intellectual Capital



Social & Relationship Capital

Output



Processing of Inputs



Understanding Customers' Needs

Strong Relationship with Stakeholders



Efficient Procurement

Key Processes

Value Distribution



Return to Shareholders



Duties & Taxes to Government



Payment to Suppliers



Community Investments



Salaries & Wages to Employees

Top Companies Award:

- Awarded Top 25 Companies Award of PSX for the years 2000 to 2007 and 2009 to 2016 & 2018-2019.

Corporate Excellence Award:

- Awarded 36th Corporate Excellence Award of the Management Association of Pakistan (MAP);
- Holds 24th to 29th Awards (6 times in a row) as well as 31st to 35th (5 times in a row).

Best Corporate Report Award:

- Received Best Corporate Report Award of ICAP for 2019 and 2020
- Holds BCR – ICAP awards for 2003 and 2006 to 2012.

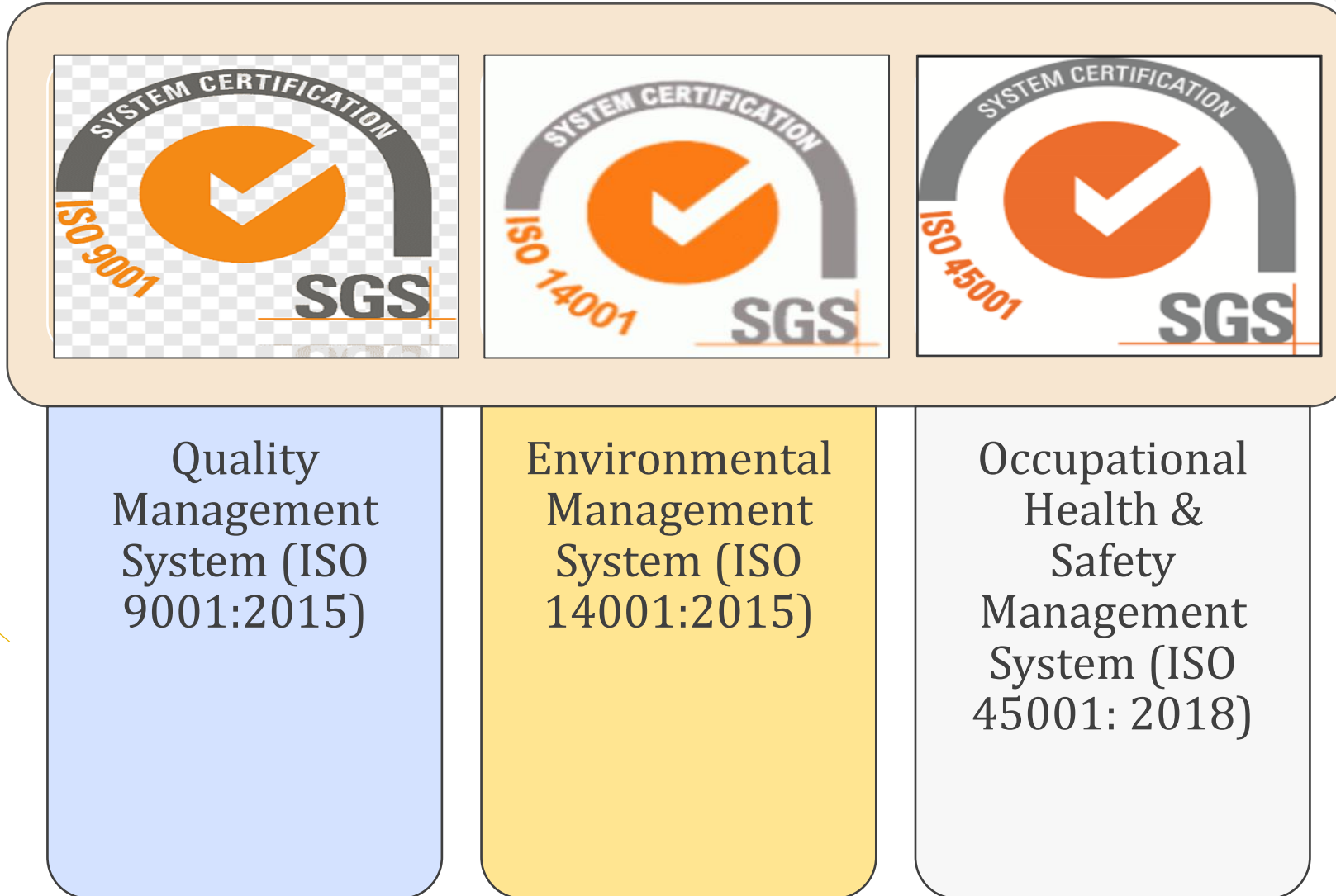
Best Sustainability Report Award (jointly by ICAP and ICMAP):

- Received Best Sustainability Report Award for 2020

Environmental Excellence Award:

- Received the 18th Annual Environmental Excellence Award 2021
- Also awarded 11th, 15th, 16th and 17th Annual Environmental Excellence Award in 2014, 2018, 2019, 2020 respectively.

ISO Certifications





CORPORATE GOVERNANCE

Board of Directors

NON-EXECUTIVE DIRECTORS

CHAIRMAN

Mr. Mohammad Aftab Manzoor		Nominee
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DIRECTORS

Mr. Muhammad Sualeh Ahmad Faruqi	Independent	Elected
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Mr. Jamal Nasim		Elected
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Dr. Abolghassem Jamshidi		Nominee
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Ms. Figen Caliskan		Nominee
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Mrs. Uzma Aijaz	Independent	Elected
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Hafiz Muhammad Yousaf		Nominee
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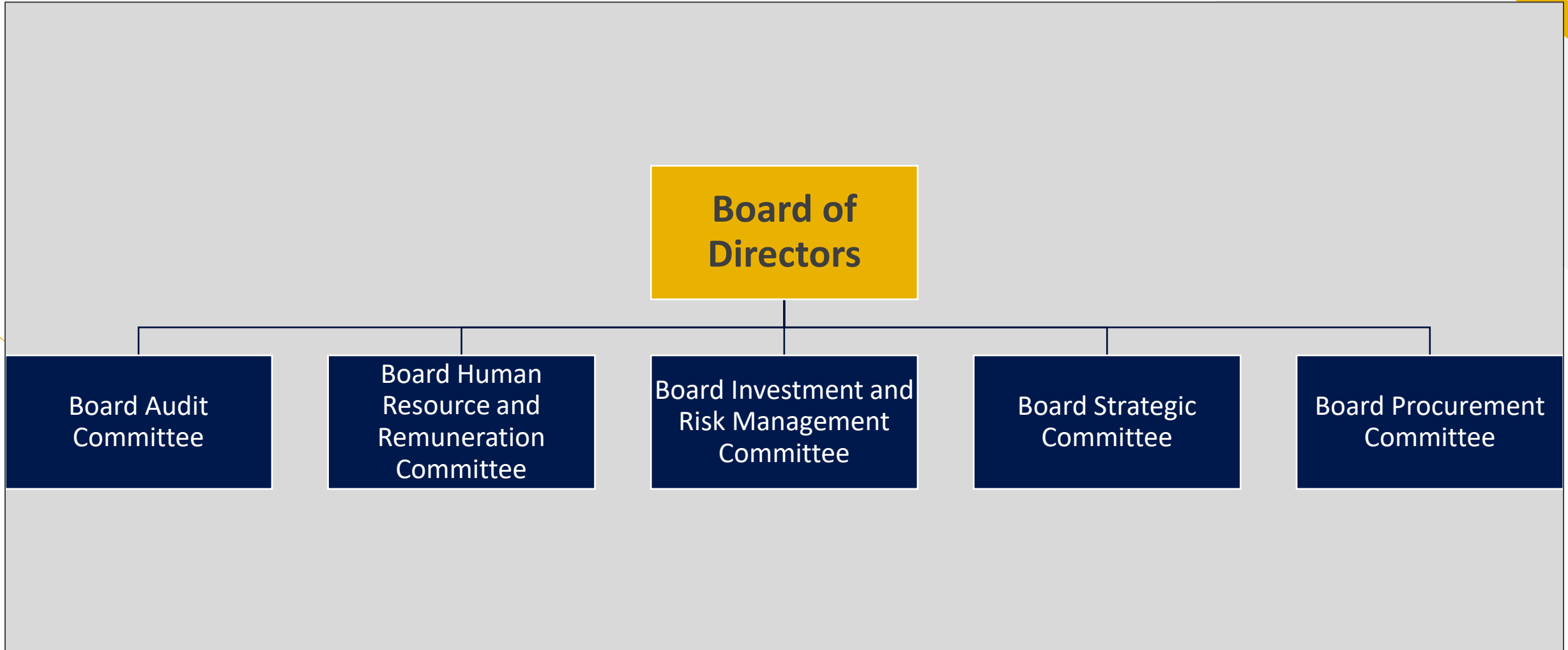
Mr. Shafqaat Ahmed		Nominee
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Mr. Munir Ahmed	Independent	Elected
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EXECUTIVE DIRECTOR - CHIEF EXECUTIVE OFFICER

Dr. Mohammad Ashraf Butt		Nominee
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Board Committees



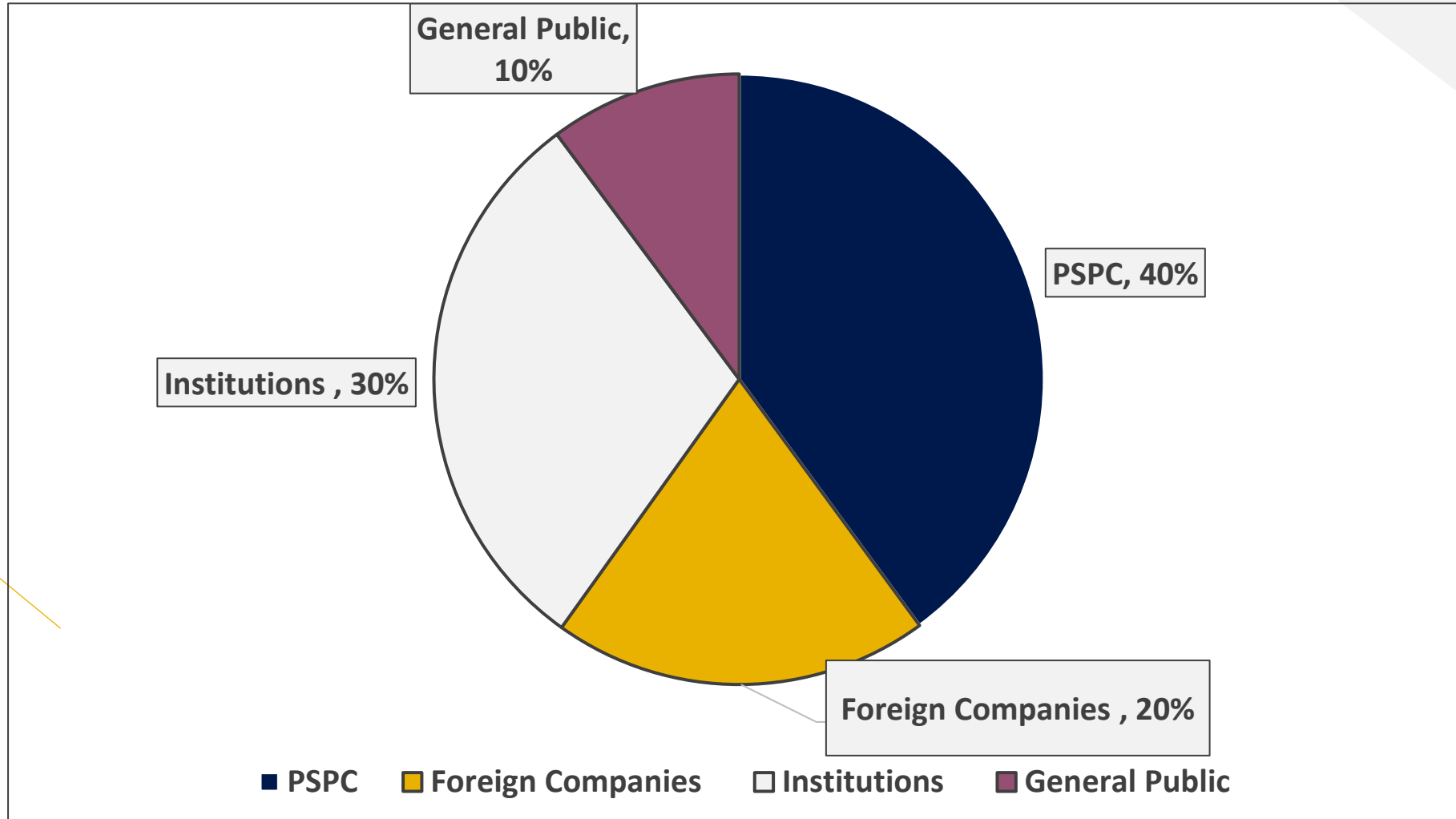
Management Committees

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
	Prevention of 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

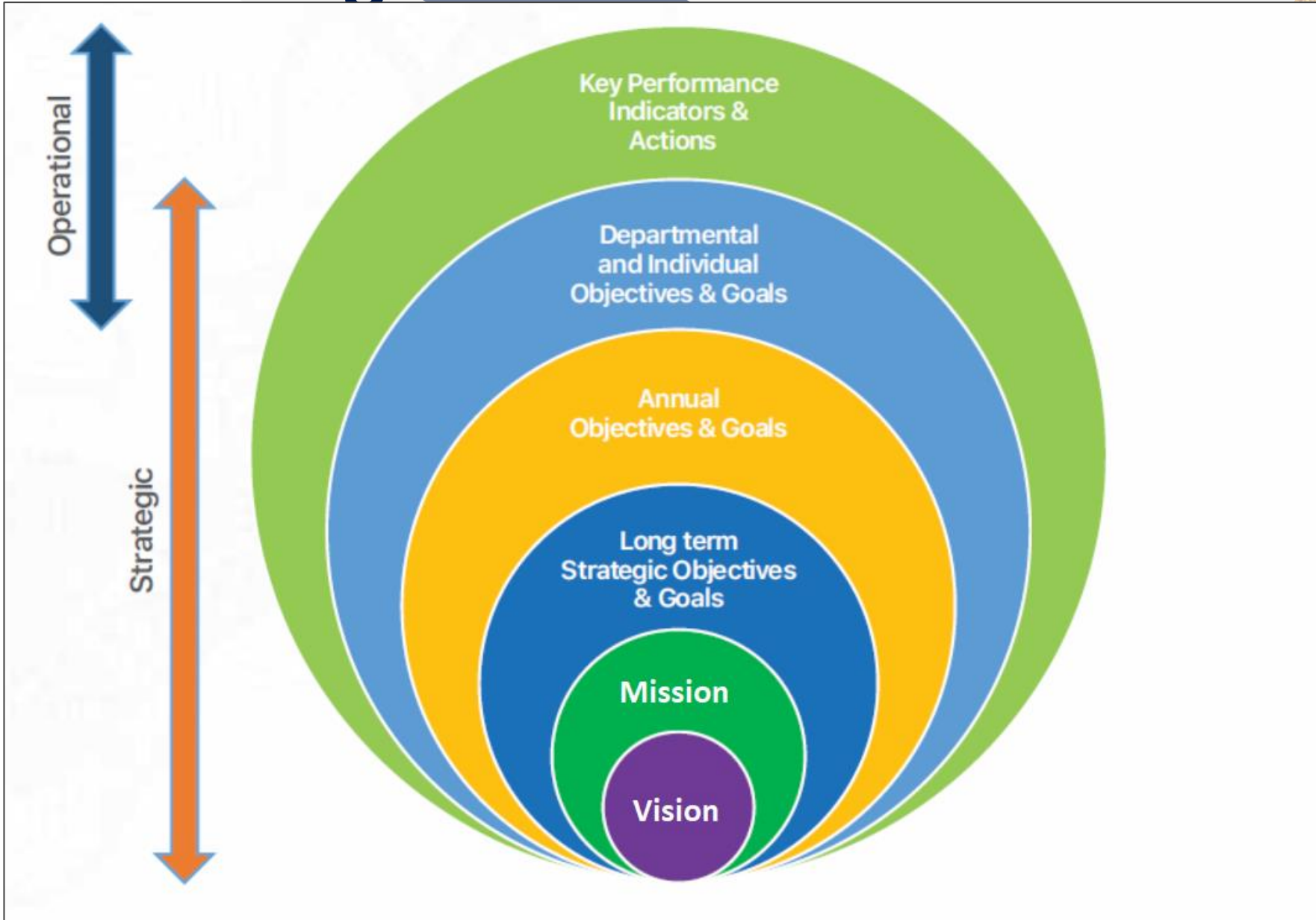
Shareholding Pattern (as at 30th June 2020)





STRATEGIC PLANNING

Strategic Planning Process



Strategic Goals



Customers' satisfaction



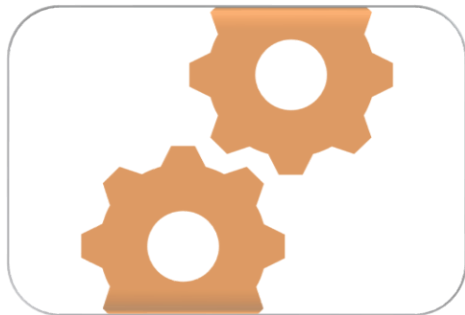
Employees' empowerment



Enterprise Risk Management and Business Continuity Planning



Continuous improvement (KAIZEN)



Operational Efficiency



Maximum Return on Investment



Corporate Social Responsibility

Strategic Objectives

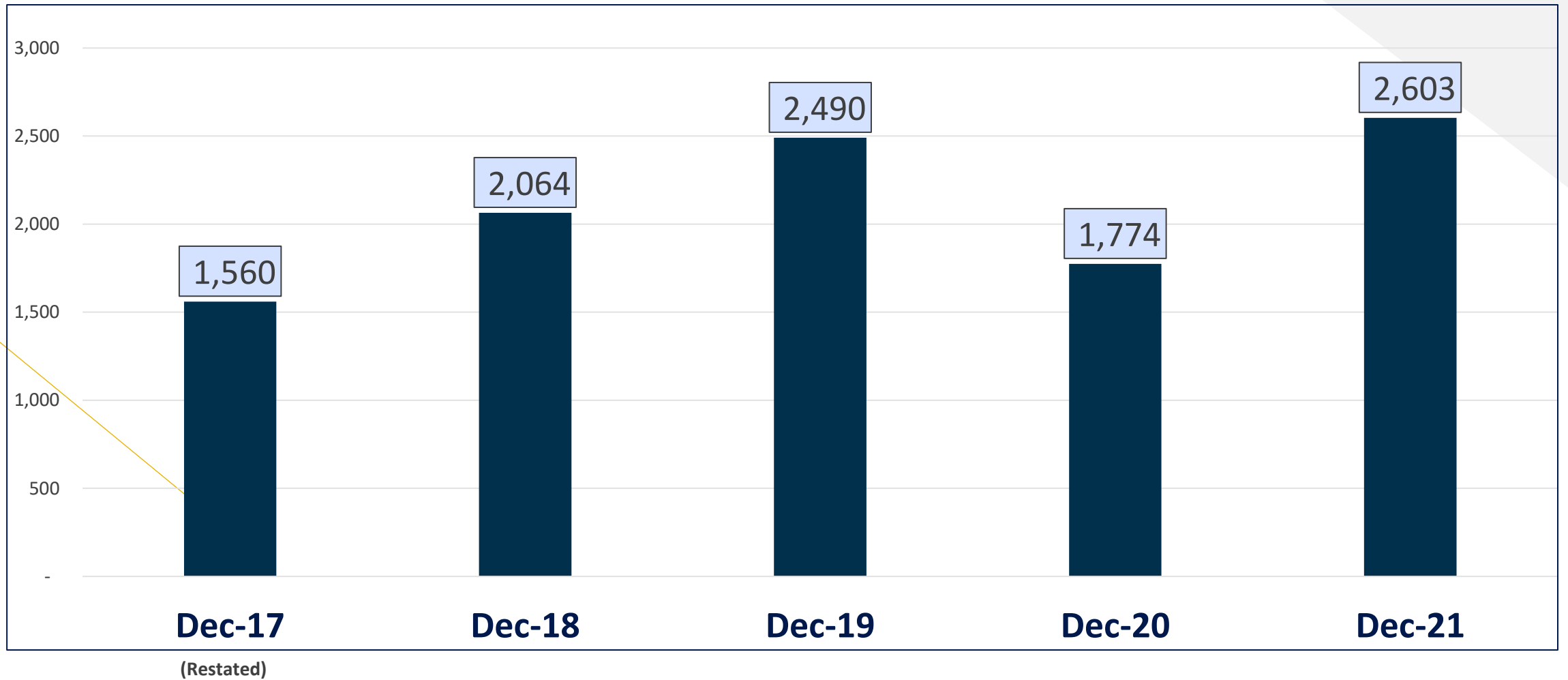
Objectives	Short – Term	High return on investment
		Perform beyond expectation of shareholder
		Customer satisfaction;
Objectives	Medium – Term	Efficiency Improvement
		Cost reduction
		Quality Improvement
Objectives	Long – Term	Plant upgradation
		Increase customer base
		Product Diversification



FINANCIAL HIGHLIGHTS

FOR THE PERIOD ENDED
DECEMBER 31, 2021

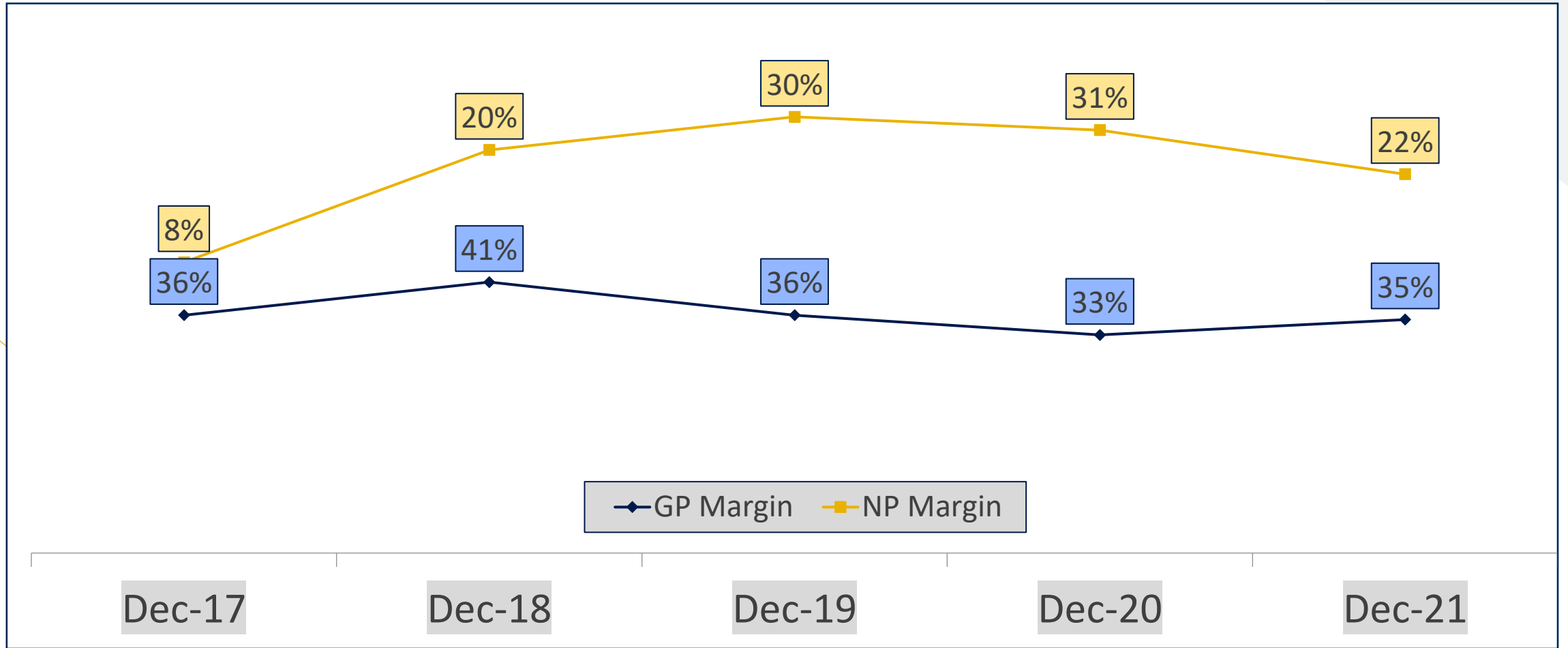
Revenue-PKR (Million, Jul-Dec)



SPL's Financial Performance (2017 – 2021)

PARTICULARS	JULY - DECEMBER				
	2021	2020	2019	2018	2017 (Restated)
PAPER SOLD – TONS	2,157	1,551	2,295	1,923	1,540
SALES – RS '000	2,602,573	1,773,513	2,489,744	2,063,927	1,559,960
GROSS PROFIT – RS '000	905,957	586,615	901,028	855,157	553,875
PROFIT AFTER TAXATION – RS '000	564,153	555,761	740,810	414,946	130,864
EARNING PER SHARE – RS	9.52	9.38	12.50	7.00	2.21

Profitability



(Restated)

Ratio Analysis (2017 – 2021)

PARTICULARS	JULY - DECEMBER				
	2021	2020	2019	2018	2017 (Restated)
PROFITABILITY RATIOS					
GROSS PROFIT TO SALES %	35%	33%	36%	41%	36%
NET PROFIT TO SALES %	22%	31%	30%	20%	8%
RETURN ON EQUITY %	8%	10%	14%	9%	3%
ASSET MANAGEMENT					
TOTAL ASSETS TURNOVER %	32%	25%	39%	36%	26%
INVENTORY TURN OVER RATIO-DAYS	66	106	44	58	91
DEBTORS TURNOVER RATIO-DAYS	41	27	47	48	63
CREDITOR TURNOVER RATIO –DAYS	22	41	15	18	30

Ratio Analysis (2017 – 2021)

PARTICULARS	JULY - DECEMBER				
	2021	2020	2019	2018	2017 (Restated)
LIQUIDITY RATIOS					
CURRENT RATIO	4.25:1	3.92:1	3.53:1	3.58:1	3.95:1
QUICK RATIO	3.50:1	2.97:1	2.93:1	2.99:1	3.32:1
DEBT MANAGEMENT					
DEBT EQUITY RATIO	0.00:1	0.00:1	0.00:1	0.00:1	0.00:1
MARKET RATIO					
EARNING PER SHARE – RS	9.52	9.38	12.50	7.00	2.21
PRICE EARNING RATIO - RS	6.30	9.44	4.58	6.35	27.64



SUSTAINABILITY & CSR

Sustainability and Corporate Social Responsibility (CSR)

Sustainable Development Goals (SDGs) have been identified as a roadmap for our business to integrate them into our strategy. While SPL supports all seventeen SDGs, it prioritizes its actions where it can achieve the greatest impact:

- We organize health awareness and safety sessions for our employees (SDG-3).
- The Company provides scholarship assistance to its employees for their children's education (SDG-4).
- SPL contributes towards SDGs by Customer Satisfaction, Mitigating Risks, Operational Efficiencies, Implementing Kaizen & 5S methodology.

The Company is committed to supporting and investing in the communities in which it operates through a variety of Corporate Social Responsibility initiatives.

Sustainability and CSR

CSR Activities

Allocated Rs. 12.6 MN Budget FY 2021-22

- Earthquake Victims (7th Oct 2021, Harnai, Balochistan)
- DOW University of Health Sciences – OJHA campus
- SIUT
- Burns Center
- DHQ Hospital - Skardu
- The Indus Hospital
- RLCC-Rana Liaquat Craftsmen’s Colony
- The Citizen’s Foundation (TCF)
- HASWA-Healthcare and Social Welfare Association (Artificial Limb Centre)
- Karwan-e-Hayat
- SOS Children’s Villages

Health

Education and Vocational Training



PROJECTS

Projects Completed

Waste Water Recycling plant

Energy Conservation Project

New Chiller Installed

Development of New RO Bore

Gas Generator 1.4 MW

Fire Alarm Up-Gradation, New Fire Hydrant & Fire Sprinkler System

Pilot Project on Renewable Energy

New Refiners

Diesel Generator 100KW

Projects under progress

Construction of Comber Store

Up-gradation of Rewinder machines

Installation of Solar Panels on Admin. Block



FUTURE OUTLOOK

Future Outlook

- We expect demand for Banknote Paper (BNP) and Other Security Paper (OSP) to continue to grow as long term outlook for Security Papers remains positive
- The Company remains focused on innovations, a strong performance culture within the Organization, improved productivity and enhanced shareholder's value
- New technologies are continuously evolving in the Security Paper industry and the Company is committed to adopt any new technology that can improve the Company's performance
- Despite negative effects of COVID 19 pandemic, the Company was able to meet demand for BNP and OSP by optimizing production, operational efficiencies and reinforcing cost control measures.



THANK YOU

For further queries, please reach out to our Company Secretary:



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