

ANALYSIS OF FINANCIAL STATEMENTS

PARTICULARS	2022	2021	2020	2019	2018	2017
Financial Position						
Fixed assets - net	1,785,402	1,868,242	1,719,417	1,514,757	1,589,119	1,591,021
Right to use assets	22,194	21,628	25,882	-	-	-
Intangible assets	15,855	18,133	20,206	1,596	1,329	-
Investments	1,180,955	892,543	1,299,667	1,190,841	399,999	779,176
Lease deposits	4,936	4,770	4,458	4,268	3,953	15,997
	3,009,342	2,805,316	3,069,630	2,711,462	1,994,400	2,386,194
Current assets	5,898,625	5,332,033	3,914,344	3,372,972	3,898,039	3,293,013
Current liabilities	1,563,087	1,183,904	1,025,438	1,001,985	988,323	850,482
Working capital	4,335,538	4,148,129	2,888,906	2,370,987	2,909,716	2,442,531
Less : Long term liabilities	50,625	44,515	48,389	18,735	16,441	11,908
Less: Deferred liabilities	156,652	188,230	120,481	125,618	182,124	216,360
Net Assets	7,137,603	6,720,700	5,789,666	4,938,096	4,705,551	4,600,457
Paid-up-Capital	592,559	592,559	592,559	592,559	592,559	592,559
Reserves	6,545,044	6,128,141	5,197,107	4,345,537	4,112,992	4,007,898
Shareholders' Equity	7,137,603	6,720,700	5,789,666	4,938,096	4,705,551	4,600,457
Profit or Loss						
Sales - net of taxes	5,147,258	5,001,692	4,901,284	4,001,591	3,466,918	2,842,085
Cost of sales	3,497,559	3,118,847	3,004,975	2,416,355	2,173,695	1,753,679
Gross profit	1,649,699	1,882,845	1,896,309	1,585,236	1,293,223	1,088,406
Administrative expenses	349,673	316,901	298,322	239,421	243,741	197,459
Profit after Admin expenses	1,300,026	1,565,944	1,597,987	1,345,815	1,049,482	890,947
Other Income	373,994	590,051	360,071	175,649	133,140	520,700
Other expenses	271,795	156,234	152,124	359,089	291,839	103,392
Finance costs	4,482	3,586	4,322	3,093	4,315	4,129
Profit before tax	1,397,743	1,996,175	1,801,612	1,159,282	886,468	1,304,126
Taxation	448,754	537,730	525,363	387,248	316,109	366,473
Profit after tax	948,989	1,458,445	1,276,249	772,034	570,359	937,653
Investors Information						
Dividend *						
Cash - Value	592,559	533,304	533,304	488,861	474,047	474,047
Cash - %	100%	90.0%	90.0%	82.5%	80%	80%
Profit retained in Business	356,430	925,141	742,945	283,173	96,312	463,606
Retention - %	37.56%	63.43%	58.21%	36.68%	16.89%	49.44%

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Profitability Ratios						
Gross profit to sales - %	32.05%	37.64%	38.69%	39.62%	37.30%	38.30%
EBITDA (Rs '000)	1,632,456	2,201,176	2,002,341	1,377,678	1,099,240	1,514,035
EBITDA margin to sales - %	31.72%	44.01%	40.85%	34.43%	31.71%	53.27%
Profit before tax to sales - %	27.16%	39.91%	36.76%	28.97%	25.57%	45.89%
Profit after tax to sales - %	18.44%	29.16%	26.04%	19.29%	16.45%	32.99%
Operating leverage ratio - %	(410.49%)	193.04%	71.53%	50.80%	(66.81%)	148.38%
Return on equity - before tax - %	19.58%	29.70%	31.12%	23.48%	18.84%	28.35%
Return on equity - after tax - %	13.30%	21.70%	22.04%	15.63%	12.12%	20.38%
Return on capital employed - %	13.20%	21.56%	21.86%	15.58%	12.08%	20.33%
Turnover Ratios						
Return on assets - before tax - %	15.69%	24.53%	25.80%	19.05%	15.05%	22.96%
Return on assets - after tax - %	10.65%	17.92%	18.27%	12.69%	9.68%	16.51%
Fixed assets turnover ratio	2.82:1	2.62:1	2.78:1	2.64:1	2.18:1	1.79:1
Total assets turnover - %	58.00%	61.00%	70.00%	66.00%	59.00%	50.00%
Stock turnover - (In times)	6.28	5.76	6.73	6.40	4.63	3.39
Stock turnover - no. of days	58	64	54	57	79	108
Debtor turnover ratio - no. of days	50	37	41	60	57	52
Creditor turnover ratio - no. of days	31	26	27	22	35	31
Operating cycle	77	75	68	95	101	129
Liquidity Ratios						
Current ratio	3.77:1	4.50:1	3.82:1	3.37:1	3.94:1	3.87:1
Quick ratio	3.28:1	3.87:1	3.11:1	2.83:1	3.37:1	3.08:1
Cash to current liabilities	0.49:1	0.55:1	0.67:1	0.20:1	0.41:1	0.12:1
Cash flow from operations to sales	0.23:1	0.14:1	0.34:1	0.16:1	0.29:1	0.10:1
Cash flow to capital expenditure	8.32:1	2.06:1	3.97:1	5.05:1	5.22:1	3.28:1
Cash flow coverage ratio	0.76:1	0.59:1	1.62:1	0.64:1	1.03:1	0.32:1
Capital Structure Ratios						
Financial leverage ratio	5.03:1	5.74:1	5.85:1	5.31:1	4.97:1	5.26:1
Long term debt to equity	0.01:1	0.01:1	0.01:1	0.00:1	0.00:1	0.00:1
Long term debt to asset	0.01:1	0.01:1	0.01:1	0.00:1	0.00:1	0.00:1
Debt equity ratio	0.01:1	0.01:1	0.01:1	0.00:1	0.00:1	0.00:1
Net assets per share	120.45	113.42	97.71	83.34	79.41	77.64
Interest cover ratio	659:1	828:1	595:1	777:1	444:1	1,092:1
Weighted average cost of debt	9.73%	10.0%	12.8%	8.19%	10.74%	5.61%

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Market Ratios						
No. of shares in issue - No.	59,256	59,256	59,256	59,256	59,256	59,256
Cash dividend per share (Rs)	10.00	9.00	9.00	8.25	8.00	8.00
Earning per share - before tax (Rs)	23.59	33.69	30.40	19.56	14.96	22.01
Earning per share - after tax (Rs)	16.02	24.61	21.54	13.03	9.63	15.82
Break-up value per share (Rs) :						
- Without surplus on revaluation on fixed assets	120.45	113.42	97.71	83.34	79.41	77.64
- With surplus on revaluation on fixed assets						
Price earning ratio - year end price (Rs)	7.24	5.87	6.59	7.12	12.57	9.22
Earning yield - year end price - %	13.81%	17.02%	15.17%	14.04%	7.95%	10.84%
Dividend payout - %	62.44%	36.57%	41.79%	63.32%	83.11%	50.56%
Dividend yield - year end price - %	8.62%	6.23%	6.34%	8.89%	6.61%	5.48%
Dividend cover - times	1.6	2.73	2.39	1.58	1.20	1.98
Employee Productivity Ratios						
Production per employee (tons)	13.51	12.35	12.06	9.84	8.54	7.06
Revenue per employee (Rs in mn)	16.60	14.93	13.50	10.59	9.05	7.27
Staff turnover ratio - %	6.45%	11.94%	5.23%	4.50%	4.96%	7.50%
Non-Financial Ratios / Others						
Plant availability - %	98.53%	99.2%	99.6%	99.53%	99.20%	97.37%
Spare inventory as - % of assets cost	4.55%	4.52%	4.97%	4.75%	4.67%	3.99%
Maintenance cost as - % of operating expenses	1.41%	1.45%	1.64%	1.67%	1.82%	2.39%
Share Performance						
Share price - highest (Rs)	172.00	248.50	151.49	127.00	170.00	176.75
Share price - lowest (Rs)	106.25	122.00	77.25	78.00	115.49	87.10
Share price - average (Rs)	139.13	185.25	113.26	102.50	142.75	131.93
Share price - at year end (Rs)	115.96	144.57	141.95	92.79	121.02	145.95
Market capitalization - year end price - (Rs '000)	6,871,310	8,566,620	8,411,369	5,498,351	7,171,144	8,648,393
Turnover of shares (no. of shares)	7,667,805	8,064,300	2,538,200	2,620,600	3,672,400	10,667,500
Production (Ton)						
Banknote paper	3,575	3,527	3,399	3,214	2,692	2,334
Non-banknote paper	612	611	978	505	581	488
Total	4,187	4,138	4,377	3,719	3,273	2,822
Sales (Ton)						
Banknote paper	3,567	3,534	3,373	3,215	2,712	2,385
Non-banknote paper	609	629	962	511	591	473
Total	4,176	4,163	4,335	3,726	3,303	2,858

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Summary of Cash Flows						
Cash flows from operating activities	1,185,211	695,287	1,660,735	641,961	1,014,309	272,273
Net cash used in investing activities	(584,202)	(283,872)	(656,975)	(380,817)	(317,087)	134,396
Net cash used in financing activities	(494,930)	(443,251)	(524,734)	(461,881)	(396,502)	(449,104)
Cash and cash equivalents at beginning of the year	652,103	683,939	204,913	405,650	104,930	147,365
Cash and cash equivalents at end of the year	758,182	652,103	683,939	204,913	405,650	104,930

All figures are in thousand rupees, unless stated otherwise.

** Subsequent to the year end, Board of Directors' proposed cash dividend of Rs. 592.559 million (i.e. Rs.10.00 /- per share) for approval of the members in Annual General Meeting as referred to in note 38 of the financial statements.

COMMENTS ON RATIO ANALYSIS

Profitability ratios

Sales revenue improved during the year by 3% as compared to last year and other income on financial assets increased by Rs 111 MN during the year, however, gross profit to net sales is lower than previous year due to inflationary impact and devaluation of currency resulting in increased input cost. Moreover, net profit to net sales is lower than previous year primarily due to unrealized loss on investment in mutual funds resulted from subdued performance of Stock Exchange. Return on equity and return on capital employed fell compared to prior years due to lower profits earned during the year.

Turnover ratios

During the year, the recoveries from customers increased by 18% as compared to previous year, evidencing the Company's efforts to recover outstanding receivable. The Debtor turnover days increased from 37 days to 50 days as against last year due to higher sales in last month of the year which has been recovered subsequently. Likewise, during the year, the payments to suppliers increased by 11% as compared to last year, however Creditor turnover days increased insignificantly from 26 days to 31 days as compared to previous year which remains in acceptable limits. Further, fixed assets turnover has slightly improved to 2.82:1 in current year as against 2.62:1 in previous year due to increase in sales and depreciation during the year.

Liquidity ratios

Cash and cash equivalents increased to Rs 758 MN from Rs 652 MN as compared to last year, reflecting strong financial position of the Company. The investments in long term PIBs, capital expenditures and dividend payments resulted in decrease in current ratio, quick ratio and cash to current liabilities.

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Capital structure ratios

Debt Equity, long term debt to equity and long term debt to assets ratio are maintained at 0.01:1 as the leverage position was kept to its minimum. Owing to minimal leverage and strong financial position, the Company reported a healthy interest cover ratio of 659:1 in current year.

Market ratios

Earning per share decreased due to lower profits but dividend per share increased by 11% and breakup value per share and dividend payout ratio also showing upward trends. External environment such as domestic political scenario, Ukraine-Russia war, rising global prices and inflationary pressures caused subdued performance of stock market which adversely affected share price of the Company.

Employee productivity ratios

The Company is committed to ensure fair, healthy, safe, and better working environment to its employees to keep them motivated which resulted in higher per capita revenue and per employee per ton production during the year.

Non-financial ratios

Plant remains available for production for more than 98% during the year which is result of predictive maintenance approach for plant and machinery. Spares inventory remain within 5% of fixed assets cost which shows efficient inventory management by the Company. Further expenses on maintenance of plant & machinery remain at low level,

Operating cash flow ratios

The Company's cash flow to capital expenditure ratio reflects the ability of the company to acquire long term assets through its own resources further Company has strong ability to pay off its loans through cash generated from its operations. The Company's current liability coverage ratio has up trended from 59% to 76% as against previous year, showing Company's good financial health and ability to pay of its current liabilities and dividends immediately.