

ANALYSIS OF FINANCIAL STATEMENTS

	2023	2022	2021	2020	2019	2018
Financial Position						
Fixed Assets	1,718,372	1,785,402	1,868,242	1,719,417	1,514,757	1,589,119
Right to use assets	33,689	22,194	21,628	25,882	-	-
Intangible assets	13,920	15,855	18,133	20,206	1,596	1,329
Investments	2,903,729	1,180,955	892,543	1,299,667	1,190,841	399,999
Lease deposits	7,648	4,936	4,770	4,458	4,268	3,953
	4,677,358	3,009,342	2,805,316	3,069,630	2,711,462	1,994,400
Current assets	5,178,928	5,898,625	5,332,033	3,914,344	3,372,972	3,897,105
Current liabilities	(2,145,392)	(1,563,087)	(1,183,904)	(1,025,438)	(1,001,985)	(987,389)
Working capital	3,033,536	4,335,538	4,148,129	2,888,906	2,370,987	2,909,716
Long term liabilities	83,149	50,625	44,515	48,389	18,735	16,441
Deferred tax	135,743	156,652	188,230	120,481	125,618	182,124
Net Assets	7,492,002	7,137,603	6,720,700	5,789,666	4,938,096	4,705,551
Paid-up-capital	592,559	592,559	592,559	592,559	592,559	592,559
Reserves	6,899,443	6,545,044	6,128,141	5,197,107	4,345,537	4,112,992
Shareholders' equity	7,492,002	7,137,603	6,720,700	5,789,666	4,938,096	4,705,551
Profit or Loss						
Sales	5,794,593	5,147,258	5,001,692	4,901,284	4,001,591	3,466,918
Cost of sales	4,276,304	3,497,559	3,118,847	3,004,975	2,416,355	2,173,695
Gross profit	1,518,289	1,649,699	1,882,845	1,896,309	1,585,236	1,293,223
Administrative expenses	394,019	349,673	316,901	298,322	239,421	243,741
Profit after admin expenses	1,124,270	1,300,026	1,565,944	1,597,987	1,345,815	1,049,482
Other income	678,391	373,994	590,051	360,071	175,649	133,140
Other charges	252,042	271,795	156,234	152,124	359,089	291,839
Finance cost	6,933	4,482	3,586	4,322	3,093	4,315
Profit before Tax	1,543,686	1,397,743	1,996,175	1,801,612	1,159,282	886,468
Taxation	576,306	448,754	537,730	525,363	387,248	316,109
Profit after tax	967,380	948,989	1,458,445	1,276,249	772,034	570,359

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Investors Information						
Dividend *						
Cash	651,815	592,559	533,304	533,304	488,861	474,047
Cash - %	110%	100%	90.0%	90.0%	82.5%	80%
Profit retained in business - value	315,565	356,430	925,141	742,945	283,173	96,312
Retention - %	32.62%	37.56%	63.43%	58.21%	36.68%	16.89%
Profitability Ratios						
Gross profit to sales %	26.20%	32.05%	37.64%	38.69%	39.62%	37.30%
EBITDA before other income (Rs '000)	1,082,654	1,258,462	1,611,125	1,642,270	1,202,029	966,100
EBITDA (Rs '000)	1,761,045	1,632,456	2,201,176	2,002,341	1,377,678	1,099,240
EBITDA margin to sales %	30.39%	31.72%	44.01%	40.85%	34.43%	31.71%
Profit before tax to sales %	26.64%	27.16%	39.91%	36.76%	28.97%	25.57%
Profit after tax to sales %	16.69%	18.44%	29.16%	26.04%	19.29%	16.45%
Operating leverage ratio %	22.92%	(410.49%)	193.04%	71.53%	50.80%	(66.81%)
Return on equity - before tax %	20.60%	19.58%	29.70%	31.12%	23.48%	18.84%
Return on equity - after tax %	12.91%	13.30%	21.70%	22.04%	15.63%	12.12%
Return on capital employed %	12.77%	13.20%	21.56%	21.86%	15.58%	12.08%
Total shareholder return %	(11.96)	(18.61)	11.62	58.16	(19.98)	(16.93)
Liquidity Ratios						
Current ratio	2.41:1	3.77:1	4.50:1	3.82:1	3.37:1	3.95:1
Quick ratio	2.05:1	3.28:1	3.87:1	3.11:1	2.83:1	3.37:1
Cash to current liabilities	0.98:1	0.49:1	0.55:1	0.67:1	0.20:1	0.41:1
Cash flow from operations to sales	0.02:1	0.23:1	0.14:1	0.34:1	0.16:1	0.29:1
Cash flow to capital expenditure	0.75:1	9.03:1	4.88:1	3.97:1	5.05:1	5.22:1
Cash flow coverage ratio	0.05:1	0.76:1	0.59:1	1.62:1	0.64:1	1.03:1

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Market Ratios						
No. of shares in issue - ('000)	59,256	59,256	59,256	59,256	59,256	59,256
Cash dividend per share (Rs)	11.00	10.00	9.00	9.00	8.25	8.00
Earning per share - before tax (Rs)	26.05	23.59	33.69	30.40	19.56	14.96
Earning per share - after tax (Rs)	16.33	16.02	24.61	21.54	13.03	9.63
Break-up value per share (Rs) :						
- Without surplus on revaluation on fixed assets }	126.43	120.45	113.42	97.71	83.34	79.41
- With surplus on revaluation on fixed assets }						
Price earning ratio - Year end price (Rs)	5.70	7.24	5.87	6.59	7.12	12.57
Earning yield - Year end price %	17.55%	13.81%	17.02%	15.17%	14.04%	7.95%
Dividend Payout %	67%	62%	37%	42%	63%	83%
Dividend yield - Year end price %	11.83%	8.62%	6.23%	6.34%	8.89%	6.61%
Dividend cover - times	1.48	1.60	2.73	2.39	1.58	1.20
Capital Structure Ratios						
Financial leverage ratio	4.17:1	5.03:1	5.74:1	5.85:1	5.31:1	4.97:1
Long term debt to equity	0.01:1	0.01:1	0.01:1	0.01:1	0.00:1	0.00:1
Long term debt to asset	0.01:1	0.01:1	0.01:1	0.01:1	0.00:1	0.00:1
Debt equity ratio	0.01:1	0.01:1	0.01:1	0.01:1	0.00:1	0.00:1
Net assets per share	126.43	120.45	113.42	97.71	83.34	79.41
Interest cover ratio	314:1	659:1	828:1	595:1	777:1	444:1
Weighted average cost of debt	18.84%	9.73%	10.0%	12.8%	8.19%	10.74%

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Turnover Ratios						
Return on assets - before tax - %	15.66%	15.69%	24.53%	25.80%	19.05%	15.05%
Return on assets - after tax - %	9.81%	10.65%	17.92%	18.27%	12.69%	9.68%
Fixed assets turnover ratio	3.28:1	2.82:1	2.62:1	2.78:1	2.64:1	2.18:1
Total assets turnover - %	59.00%	58.00%	61.00%	70.00%	66.00%	59.00%
Stock turnover - (In Times)	7.63	6.28	5.76	6.73	6.40	4.63
Number of days in inventory	48	58	64	54	57	79
Number of days in receivables	69	50	37	41	60	57
Number of days in payables	42	31	26	27	22	35
Operating cycle	75	77	75	68	95	101
Employee productivity ratios						
Production per employee (tons)	13.52	13.51	12.35	12.06	9.84	8.54
Revenue per employee (Rs in mn)	19.38	16.60	14.93	13.50	10.59	9.05
Staff turnover ratio (including retirement)	7.02%	6.45%	11.94%	5.23%	4.50%	4.96%
Non-Financial ratios / Others						
Plant availability - %	98.93%	98.53%	99.20%	99.6%	99.53%	99.20%
Spares inventory as % of assets cost	4.41%	4.55%	4.52%	4.97%	4.75%	4.67%
Maintenance cost as % of operating expenses	1.39%	1.41%	1.45%	1.64%	1.67%	1.82%
Share performance						
Share price - highest (Rs)	126.90	172.00	248.50	151.49	127.00	170.00
Share price - lowest (Rs)	81.55	106.25	122.00	77.25	78.00	115.49
Share price - average (Rs)	104.23	139.13	185.25	113.26	102.50	142.75
Share price - at year end (Rs)	93.00	115.96	144.57	141.95	92.79	121.02
Market capitalization - year end Price - (Rs '000)	5,510,795	6,871,310	8,566,620	8,411,369	5,498,351	7,171,144
Turnover of shares	1,760,800	7,667,805	8,064,300	2,538,200	2,620,600	3,672,400

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Production (Ton)						
Banknote paper	3,037	3,575	3,527	3,399	3,214	2,692
Non-Banknote paper	1,006	612	611	978	505	581
Total	4,043	4,187	4,138	4,377	3,719	3,273

Sales (Ton)						
Banknote paper	3,042	3,567	3,534	3,373	3,215	2,712
Non-Banknote paper	1,006	609	629	962	511	591
Total	4,048	4,176	4,163	4,335	3,726	3,303

Summary of cash flows						
Cash flows from operating activities	98,978	1,185,211	695,287	1,660,735	641,961	1,014,309
Net cash generated/(used in) investing activities	1,793,054	(584,202)	(283,872)	(656,975)	(380,817)	(317,087)
Net cash generated/(used in) financing activities	(554,667)	(494,930)	(443,251)	(524,734)	(461,881)	(396,502)
Cash and cash equivalents at beginning of the year	758,182	652,103	683,939	204,913	405,650	104,930
Cash and cash equivalents at end of the year	2,095,547	758,182	652,103	683,939	204,913	405,650

All figures are in thousand Rupees, unless stated otherwise.

Subsequent to the year end, Board of Directors' proposed cash dividend of Rs 651.82 million (i.e. Rs 11.00 /- per share) for approval of the members in Annual General Meeting as referred to in note 39 of the financial statements.

COMMENTS ON RATIO ANALYSIS

Profitability ratios

Sales revenue improved during the year by 12.6% as compared to last year and earned other income of Rs 678 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. Profit before tax is higher by 10% as against last year but net profit to net sales is lower than previous year primarily due to increase in super tax which directly affected Company's profit after tax.

Return on equity and return on capital employed reduce marginally is compared to prior years due to lower profits earned during the year.

Liquidity ratios

Cash and cash equivalents increased to Rs 2,095 MN from Rs 758 MN as compared to last year, reflecting strong financial position of the Company. The amount includes short term investment of Rs 1,692 MN. The investments in long term PIBs, capital expenditures and dividend payments resulted in decrease in current ratio and quick ratio.

Turnover ratios

The Debtor turnover days increased from 50 days to 69 days as against last year due to higher sales in last month of the year which has been recovered subsequently.

Creditor turnover days increased from 31 days to 42 days as compared to previous year which remains in acceptable limits. Further, fixed assets turnover has improved significantly to 3.28:1 in current year as against 2.82:1 in previous year due to proportionate growth in sales than average total assets during the year.

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 evidencing strong financial position. However, the higher weighted average cost of debt is the result of higher interest rates during the year.

Market ratios

Earning per share has been increased by 2% due to higher profits and dividend per share has also been increased by 10%. 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 market 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

The non-financial ratios are depicting an improvement in overall operational efficiencies. Plant remain 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.