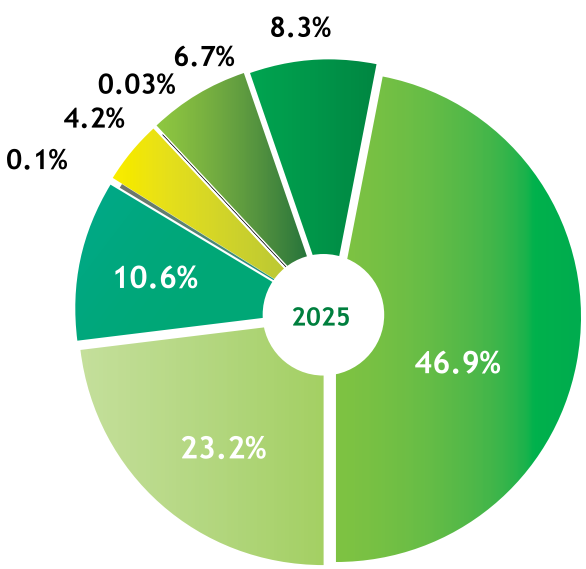
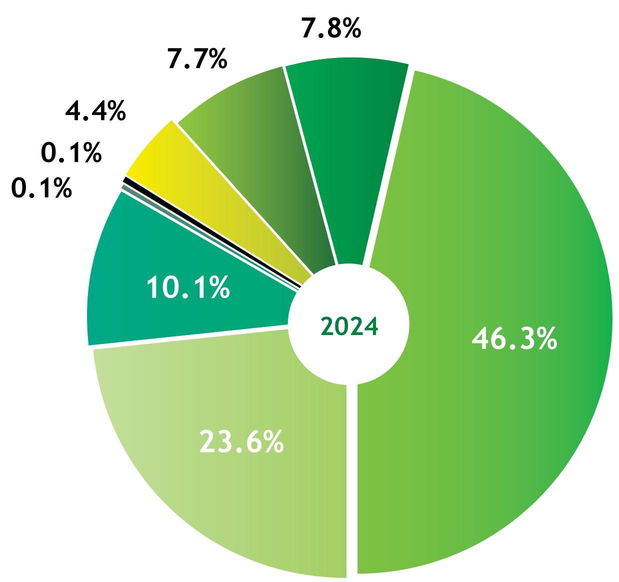
Analysis of Financial Information

STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2025	%	2024	%
	(Rupees in '000)			
VALUE ADDITION				
Net Sales including taxes	**9,287,426**	**91.0%**	8,627,844	89.5%
Other operating income	**915,829**	**9.0%**	1,012,900	10.5%
	10,203,255	**100%**	9,640,744	100%
VALUE DISTRIBUTION				
Materials and services providers	**4,786,688**	**46.9%**	4,462,290	46.3%
Government taxes and duties	**2,364,914**	**23.2%**	2,275,152	23.6%
Employees remuneration, benefits & others	**1,084,479**	**10.6%**	973,641	10.1%
Society welfare	**14,137**	**0.1%**	9,669	0.1%
Operating and other costs	**426,521**	**4.2%**	424,687	4.4%
Finance cost	**2,723**	**0.03%**	5,621	0.1%
Dividends *	**681,443**	**6.7%**	740,699	7.7%
Retained within the business	**842,350**	**8.3%**	747,985	7.8%
	10,203,255	**100%**	9,640,744	100%





* Subsequent to the year end, the Board of Directors' proposed final cash dividend of Rs.533.30 million at the rate of Rs.9.00 per share i.e. 90% for the year ended June 2025. This is in addition to the interim cash already paid of Rs. 148.43 million at the rate of Rs. 2.50 per share i.e. 25% making total of Rs. 681.443 million at the rate of Rs. 11.50 per share i.e. 115% as referred in note 41 of the financial statements.

STATEMENT OF FINANCIAL POSITION
Horizontal Analysis-Last Six Years

	2025	2024	2023	2022	2021	2020
ASSETS						
Non-current assets						
Property, plant and equipment	**9.33%**	6.40%	(3.75%)	(4.43%)	8.66%	13.51%
Right of use assets	**-**	(100.00%)	51.79%	2.62%	(16.44%)	100.00%
Intangible assets	**12.75%**	(13.86%)	(12.20%)	(12.56%)	(10.26%)	1166.04%
Long term investments	**11.14%**	17.98%	145.88%	32.31%	(31.33%)	9.14%
Staff retirement benefits	**(100.00%)**	100.00%	-	-	-	-
Long-term deposits	**-**	(100.00%)	54.94%	3.48%	7.00%	4.45%
Current assets						
Stores, spares and loose tools	**30.60%**	41.83%	(1.48%)	6.77%	1.91%	8.06%
Stock-in-trade	**(2.24%)**	9.95%	42.85%	1.24%	4.69%	45.45%
Trade debts - considered good	**(1.55%)**	(15.67%)	86.92%	3.11%	125.06%	(60.06%)
Advances, deposits, prepayments and other receivables	**(62.18%)**	(31.72%)	33.58%	35.63%	3.59%	(18.76%)
Investments	**25.99%**	8.21%	(40.88%)	12.50%	47.43%	28.34%
Cash and bank balances	**(57.33%)**	18.19%	(46.77%)	16.27%	(4.65%)	233.77%
Total assets	**7.67%**	6.95%	10.65%	9.47%	16.51%	14.78%
LIABILITIES						
Current liabilities						
Trade and other payables	**(6.67%)**	(9.31%)	35.50%	52.63%	9.39%	19.18%
Accrued mark-up on short term finance - secured	**-**	(100.00%)	(92.59%)	272.41%	(91.92%)	209.48%
Short term running finance	**-**	-	-	-	-	(100.00%)
Current portion of long term liabilities	**-**	(100.00%)	(3.10%)	5.31%	4.12%	(0.35%)
Unclaimed dividend	**(26.02%)**	5.59%	9.10%	5.16%	158.11%	(16.87%)
Unpaid dividend	**12.73%**	18.94%	13.61%	13.69%	37.56%	1.01%
Taxation - net	**8.75%**	(26.44%)	202.93%	(36.29%)	(1.28%)	4.94%
Non-current liabilities						
Liabilities against asset subject to finance lease	**-**	(100.00%)	68.68%	(14.90%)	(1.50%)	4.71%
Staff retirement benefits	**100.00%**	(100.00%)	62.11%	35.68%	(12.44%)	-
Deferred taxation - net	**8.89%**	113.03%	(13.35%)	(16.78%)	56.23%	(4.09%)
Total liabilities	**1.18%**	(1.82%)	33.55%	24.97%	18.62%	4.18%
NET ASSETS	**9.50%**	9.72%	4.97%	6.20%	16.08%	17.24%
Issued, subscribed and paid-up capital	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%
General reserve	**12.63%**	4.96%	6.37%	19.96%	10.57%	7.11%
Unappropriated profit	**(0.57%)**	45.68%	(0.21%)	(35.11%)	49.54%	140.21%
SHAREHOLDERS' EQUITY	**9.50%**	9.72%	4.97%	6.20%	16.08%	17.24%
Total liabilities & shareholders' equity	**7.67%**	6.95%	10.65%	9.47%	16.51%	14.78%

STATEMENT OF FINANCIAL POSITION
Vertical Analysis-Last Six Years

	2025	2024	2023	2022	2021	2020
ASSETS						
Non-current assets						
Property, plant and equipment	**17.61%**	17.34%	17.43%	20.04%	22.96%	24.62%
Right of use assets	**-**	-	0.34%	0.25%	0.27%	0.37%
Intangible assets	**0.12%**	0.11%	0.14%	0.18%	0.22%	0.29%
Long term investments	**33.55%**	32.50%	29.46%	13.26%	10.97%	18.61%
Staff retirement benefits	**-**	0.001%	-	-	-	-
Long term deposits	**-**	-	0.08%	0.06%	0.06%	0.06%
Current assets						
Stores, spares and loose tools	**3.45%**	2.84%	2.15%	2.41%	2.47%	2.82%
Stock-in-trade	**7.59%**	8.36%	8.13%	6.30%	6.81%	7.58%
Trade debts - considered good	**11.45%**	12.52%	15.88%	9.40%	9.98%	5.17%
Advances, deposits, prepayments and other receivables	**0.46%**	1.30%	2.04%	1.69%	1.36%	1.53%
Short term investments	**23.98%**	20.50%	20.26%	37.91%	36.89%	29.15%
Cash and bank balances	**1.79%**	4.52%	4.09%	8.51%	8.01%	9.79%
Total assets	**100%**	100%	100%	100%	100%	100%
LIABILITIES						
Current liabilities						
Trade and other payables	**10.86%**	12.53%	14.78%	12.07%	8.66%	9.22%
Accrued mark-up	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.01%
Current portion of lease liabilities	**-**	-	0.08%	0.09%	0.09%	0.10%
Unpaid & unclaimed dividend	**5.46%**	5.23%	4.71%	4.59%	4.42%	3.72%
Taxation - net	**1.53%**	1.52%	2.21%	0.81%	1.38%	1.63%
Non-current liabilities						
Lease liabilities	**-**	-	0.28%	0.18%	0.24%	0.28%
Staff retirement benefits	**0.07%**	-	0.57%	0.39%	0.32%	0.42%
Deferred taxation - net	**2.77%**	2.74%	1.38%	1.76%	2.31%	1.73%
Total liabilities	**20.69%**	22.02%	23.99%	19.87%	17.41%	17.10%
NET ASSETS	**79.31%**	77.98%	76.01%	80.13%	82.59%	82.90%
Issued, subscribed and paid-up capital	**5.22%**	5.62%	6.01%	6.65%	7.28%	8.48%
General & Capital reserves	**61.98%**	59.25%	60.38%	62.81%	57.31%	60.39%
Unappropriated profit	**12.10%**	13.10%	9.62%	10.67%	18.00%	14.02%
SHAREHOLDERS' EQUITY	**79.31%**	77.98%	76.01%	80.13%	82.59%	82.90%
Total liabilities & shareholders' equity	**100%**	100%	100%	100%	100%	100%

STATEMENT OF PROFIT OR LOSS

Horizontal Analysis-Last Six Years

	2025	2024	2023	2022	2021	2020
Sales - net	**7.64%**	26.18%	12.58%	2.91%	2.05%	22.48%
Cost of sales	**7.64%**	23.11%	22.27%	12.10%	3.83%	24.36%
Gross profit	**7.64%**	34.84%	(7.97%)	(12.32%)	(0.78%)	19.62%
Administrative expenses	**6.20%**	19.86%	12.68%	10.80%	5.79%	24.60%
Other income	**(9.58%)**	49.31%	81.39%	(36.62%)	63.87%	104.99%
Other charges	**5.94%**	(24.74%)	(7.27%)	73.97%	2.70%	(57.64%)
Operating profit	**0.79%**	54.66%	10.58%	(29.88%)	10.73%	55.37%
Finance costs	**(44.81%)**	(12.19%)	54.69%	24.99%	(17.03%)	39.73%
Profit before taxation	**0.90%**	54.96%	10.44%	(29.98%)	10.80%	55.41%
Taxation - net	**(1.49%)**	56.77%	28.42%	(16.55%)	2.35%	35.67%
Profit after taxation	**2.36%**	53.89%	1.94%	(34.93%)	14.28%	65.31%

Vertical Analysis-Last Six Years

	2025	2024	2023	2022	2021	2020
Sales	**100.00%**	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of sales	**72.00%**	72.00%	73.80%	67.95%	62.38%	61.31%
Gross profit	**28.00%**	28.00%	26.20%	32.05%	37.62%	38.69%
Administrative expenses	**6.37%**	6.46%	6.80%	6.79%	6.31%	6.09%
Other income	**11.64%**	13.85%	11.71%	7.27%	11.80%	7.35%
Other charges	**2.55%**	2.59%	4.35%	5.28%	3.12%	3.10%
Operating profit	**30.71%**	32.80%	26.76%	27.24%	39.98%	36.85%
Finance costs	**0.04%**	0.08%	0.12%	0.09%	0.07%	0.09%
Profit before taxation	**30.67%**	32.72%	26.64%	27.16%	39.91%	36.76%
Taxation - net	**11.31%**	12.36%	9.95%	8.72%	10.75%	10.72%
Profit after taxation	**19.36%**	20.36%	16.69%	18.44%	29.16%	26.04%

RATIO ANALYSIS

	2025	2024	2023	2022	2021	2020
Financial Position						
Property, plant and equipment	**1,998,938**	1,828,287	1,718,372	1,785,402	1,868,242	1,719,417
Right to use assets	**-**	-	33,689	22,194	21,628	25,882
Intangible assets	**13,520**	11,991	13,920	15,855	18,133	20,206
Investments	**3,807,752**	3,425,945	2,903,729	1,180,955	892,543	1,299,667
Staff retirement benefits	**-**	90	-	-	-	-
Lease deposits	**-**	-	7,648	4,936	4,770	4,458
	5,820,210	5,266,313	4,677,358	3,009,342	2,805,316	3,069,630
Current assets	**5,529,675**	5,275,267	5,178,928	5,898,625	5,332,033	3,914,344
Current liabilities	**2,026,242**	2,032,110	2,145,392	1,563,087	1,183,904	1,025,438
Working capital	**3,503,433**	3,243,157	3,033,536	4,335,538	4,148,129	2,888,906
Less : Long term liabilities	**7,620**	-	83,149	50,625	44,515	48,389
Less: deferred liabilities	**314,875**	289,172	135,743	156,652	188,230	120,481
Net Assets	**9,001,148**	8,220,298	7,492,002	7,137,603	6,720,700	5,789,666
Paid-up-capital	**592,559**	592,559	592,559	592,559	592,559	592,559
Reserves	**8,408,589**	7,627,739	6,899,443	6,545,044	6,128,141	5,197,107
Shareholders' Equity	**9,001,148**	8,220,298	7,492,002	7,137,603	6,720,700	5,789,666
Profit or Loss						
Sales - net of taxes	**7,870,700**	7,311,732	5,794,593	5,147,258	5,001,692	4,901,284
Cost of sales	**5,666,905**	5,264,443	4,276,304	3,497,559	3,118,847	3,004,975
Gross profit	**2,203,795**	2,047,289	1,518,289	1,649,699	1,882,845	1,896,309
Administrative expenses	**501,541**	472,266	394,019	349,673	316,901	298,322
Profit after admin expenses	**1,702,254**	1,575,023	1,124,270	1,300,026	1,565,944	1,597,987
Other income	**915,829**	1,012,900	678,391	373,994	590,051	360,071
Other charges	**200,950**	189,677	252,042	271,795	156,234	152,124
Finance cost	**3,360**	6,088	6,933	4,482	3,586	4,322
Profit before tax	**2,413,773**	2,392,158	1,543,686	1,397,743	1,996,175	1,801,612
Taxation	**889,980**	903,474	576,306	448,754	537,730	525,363
Profit after tax	**1,523,793**	1,488,684	967,380	948,989	1,458,445	1,276,249
Investors Information						
Dividend *						
Cash - Value	**681,443**	740,699	651,815	592,559	533,304	533,304
Cash - %	**115%**	125%	110%	100%	90.0%	90.0%
Profit retained in Business - Value	**842,350**	747,985	315,565	356,430	925,141	742,945
Retention - %	**55.28%**	50.24%	32.62%	37.56%	63.43%	58.21%
Profitability Ratios						
Gross profit to sales %	**28.00%**	28.00%	26.20%	32.05%	37.64%	38.69%
EBITDA before other income (Rs '000)	**1,752,076**	1,605,569	1,082,654	1,258,462	1,611,125	1,642,270
EBITDA (Rs '000)	**2,667,905**	2,618,469	1,761,045	1,632,456	2,201,176	2,002,341
EBITDA margin to sales - %	**33.90%**	35.81%	30.39%	31.72%	44.01%	40.85%
Profit before tax to sales - %	**30.67%**	32.72%	26.64%	27.16%	39.91%	36.76%
Profit after tax to sales - %	**19.36%**	20.36%	16.69%	18.44%	29.16%	26.04%
Operating leverage ratio - %	**3.38%**	55.87%	22.92%	(410.49%)	193.04%	71.53%
Return on equity - before tax - %	**26.82%**	29.10%	20.60%	19.58%	29.70%	31.12%
Return on equity - after tax - %	**16.93%**	18.11%	12.91%	13.30%	21.70%	22.04%

RATIO ANALYSIS

	2025	2024	2023	2022	2021	2020
Return on capital employed - %	**16.91%**	18.11%	12.77%	13.20%	21.56%	21.86%
Return on investment - %	**29.61%**	31.85%	23.25%	22.71%	32.54%	34.30%
Total shareholder return - Rs.	**37.08**	54.00	(11.96)	(18.61)	11.62	58.16
Liquidity Ratios						
Current ratio	**2.73:1**	2.60:1	2.41:1	3.77:1	4.50:1	3.82:1
Quick ratio	**2.11:1**	2.01:1	1.94:1	3.28:1	3.87:1	3.11:1
Cash to current liabilities	**0.57:1**	0.41:1	0.98:1	0.49:1	0.55:1	0.67:1
Cash flow from operations to sales	**0.11:1**	0.10:1	0.02:1	0.23:1	0.14:1	0.34:1
Cash flow to capital expenditure	**2.03:1**	2.12:1	0.75:1	9.03:1	4.88:1	3.97:1
Cash flow coverage ratio	**0.43:1**	0.34:1	0.05:1	0.76:1	0.59:1	1.62:1
Market Ratios						
No. of shares in issue	**59,256**	59,256	59,256	59,256	59,256	59,256
Price to book ratio - times	**1.05**	0.97	0.74	0.96	1.27	1.45
Cash dividend per share (Rs.)	**11.50**	12.50	11.00	10.00	9.00	9.00
Earning per share - before tax (Rs.)	**40.73**	40.37	26.05	23.59	33.69	30.40
Earning per share - after tax (Rs.)	**25.72**	25.12	16.33	16.02	24.61	21.54
Break-up value per share (Rs) : - Without surplus on revaluation on fixed assets - With surplus on revaluation on fixed assets	**151.90**	138.73	126.43	120.45	113.42	97.71
Price earning ratio - Year end price (Rs.)	**6.23**	5.35	5.70	7.24	5.87	6.59
Earning yield - Year end price - %	**16.06%**	18.68%	17.55%	13.81%	17.02%	15.17%
Dividend Payout - %	**45%**	50%	67%	62%	37%	42%
Dividend yield - Year end price - %	**7.18%**	9.29%	11.83%	8.62%	6.23%	6.34%
Dividend cover - times	**2.24**	2.01	1.48	1.60	2.73	2.39
Capital Structure Ratios						
Financial leverage ratio	**4.83:1**	4.54:1	4.17:1	5.03:1	5.74:1	5.85:1
Long term debt to equity	**0.00:1**	0.00:1	0.01:1	0.01:1	0.01:1	0.01:1
Long term debt to asset	**0.00:1**	0.00:1	0.01:1	0.01:1	0.01:1	0.01:1
Debt equity ratio	**0.00:1**	0.00:1	0.01:1	0.01:1	0.01:1	0.01:1
Net assets per share	**151.90**	138.73	126.43	120.45	113.42	97.71
Interest cover ratio	**60,634:1**	987:1	314:1	659:1	828:1	595:1
Weighted average cost of debt	**-**	15.06%	18.84%	9.73%	10.0%	12.8%
Turnover Ratios						
Return on assets - before tax - %	**21.27%**	22.69%	15.66%	15.69%	24.53%	25.80%
Return on assets - after tax - %	**13.43%**	14.12%	9.81%	10.65%	17.92%	18.27%
Fixed assets turnover ratio	**3.91:1**	3.97:1	3.28:1	2.82:1	2.62:1	2.78:1
Total assets turnover - %	**69.00%**	69.00%	59.00%	58.00%	61.00%	70.00%
Stock turnover - (In Times)	**6.51**	6.26	6.28	6.28	5.76	6.73
Number of days in inventory	**56**	58	58	58	64	54
Number of days in receivables	**52**	69	69	50	37	41
Number of days in payables	**44**	43	42	31	26	27
Operating cycle	**63**	84	85	77	75	68

RATIO ANALYSIS

	2025	2024	2023	2022	2021	2020
Employee productivity ratios						
Production per employee (tons)	**13.32**	14.25	13.52	13.51	12.35	12.06
Revenue per employee (avg) - (Rs in mn)	**27.52**	25.39	19.38	16.60	14.93	13.50
Staff turnover ratio (including retirement)	**6.99%**	7.99%	7.02%	6.45%	11.94%	5.23%
Non Financial ratios / Others						
Plant availability - %	**98.96%**	98.96%	98.93%	98.53%	99.20%	99.6%
Spares inventory as % of assets cost	**7.21%**	5.88%	4.41%	4.55%	4.52%	4.97%
Maintenance cost as % of operating expenses	**1.51%**	1.50%	1.39%	1.41%	1.45%	1.64%
Customer satisfaction index	**92%**	89%	73%	54%	62%	87%
Customer retention ratio	**100%**	75%	60%	100%	80%	67%
Share Performance						
Share price - highest (Rs.)	**190.59**	157.45	126.90	172.00	248.50	151.49
Share price - lowest (Rs.)	**124.02**	92.05	81.55	106.25	122.00	77.25
Share price - average (Rs.)	**136.10**	124.75	104.23	139.13	185.25	113.26
Share price - at year end (Rs.)	**160.08**	134.50	93.00	115.96	144.57	141.95
Market capitalization - year end Price - (Rs '000)	**9,485,678**	7,969,913	5,510,795	6,871,310	8,566,620	8,411,369
Turnover of shares	**20,589,196**	5,478,374	1,760,800	7,667,805	8,064,300	2,538,200
Production (Ton)						
Banknote paper	**3,560**	3,220	3,037	3,575	3,527	3,399
Non-Banknote paper	**250**	884	1,006	612	611	978
	3,810	4,104	4,043	4,187	4,138	4,377
Sales (Ton)						
Banknote paper	**3,557**	3,198	3,042	3,567	3,534	3,373
Non-Banknote paper	**257**	873	1,006	609	629	962
	3,814	4,071	4,048	4,176	4,163	4,335
Summary of Cash Flows						
Cash flows from operating activities	**862,383**	698,413	98,978	1,185,211	695,287	1,660,735
Net cash used in investing activities	**120,390**	(1,233,751)	1,793,054	(584,202)	(283,872)	(656,975)
Net cash used in financing activities	**(672,394)**	(717,376)	(554,667)	(494,930)	(443,251)	(524,734)
Cash and cash equivalents at beginning of the year	**842,833**	2,095,547	758,182	652,103	683,939	204,913
Cash and cash equivalents at end of the year	**1,153,212**	842,833	2,095,547	758,182	652,103	683,939

All figures are in thousand rupees, unless stated otherwise.

* Subsequent to the year end, the Board of Directors' proposed final cash dividend of Rs.533.30 million at the rate of Rs.9.00 per share i.e. 90% for the year ended June 2025. This is in addition to the interim cash already paid of Rs. 148.43 million at the rate of Rs. 2.50 per share i.e. 25% making total of Rs. 681.443 million at the rate of Rs. 11.50 per share i.e. 115% as referred in note 41 of the financial statements.

COMMENTS ON RATIO ANALYSIS

PROFITABILITY RATIOS

Sales revenue improved during the year by 8% as compared to last year and gross profit also increased by 8%. Moreover, net profit to net sales remained on the higher side, primarily due to better pricing from the customers and re-profiling of investments from short term to long term.

Return on equity and return on capital employed were also on higher side due higher profit after tax earned during the year.

LIQUIDITY RATIOS

Cash and cash equivalents stood at Rs 1,153 MN reflecting the strong financial position of the Company. The amount includes short term investment in reverse repo transaction of Rs 951 MN. Current ratio and quick ratio are also on higher side as against last year.

TURNOVER RATIOS

Despite increase in sales by 8%, debtors turnover days reduced significantly from last year which evidences the Company's efforts to recover outstanding receivables. Likewise, during the year, the payments to suppliers increased by 11% as compared to last year, however Creditor turnover days remained at same level. Further, fixed assets turnover was slightly lower as compared to the last year.

CAPITAL STRUCTURE RATIOS

Company had no outstanding debt as at year end.

MARKET RATIOS

Company has reported remarkable profit after tax and earning per share of Rs 25.72 as against Rs 25.12 last year. The Company announced Rs 11.50 per share as dividend for the year ended June 30, 2025. Dividend payout ratio remained robust at 45%.

EMPLOYEE PRODUCTIVITY RATIOS

The Company is committed to ensuring fair, healthy, safe, and supportive working environment for its employees to keep them motivated which resulted in higher per capita revenue.

NON FINANCIAL RATIOS

The non-financial ratios depict an improvement in overall operational efficiencies with better production and revenue per employee ratio.

Plant remained available for production for more than 98% during the year which was the result of predictive maintenance approach of operations team.

Spares inventory remained around 8% of fixed assets cost which showing the efficient inventory management by the Company. Further expenses on maintenance of plant & machinery remained at a 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 had no loan outstanding as at year end.

METHODS AND ASSUMPTION IN COMPLING INDICATROS

The Company continuously monitors key performance indicators that effectively reflect its operational and financial results. While compiling these indicators, the Company evaluates its market positioning, competitive landscape, and prevailing

COMMENTS ON RATIO ANALYSIS

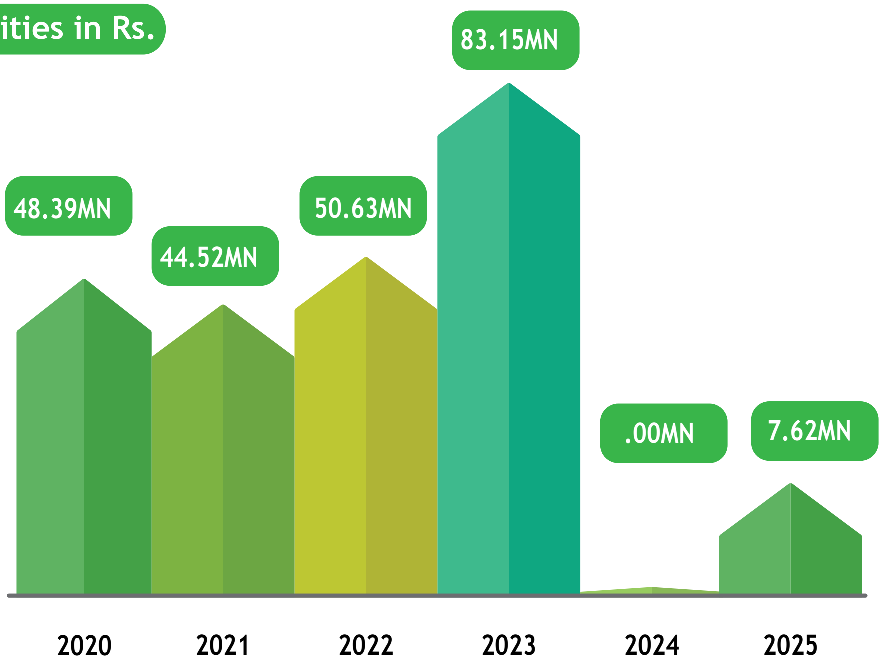
market conditions. Regular analysis is carried out on sales, gross profit, profit after tax, and earnings per share (EPS) to assess overall performance. These indicators serve as primary measures of financial strength and profitability.

The market price of the Company's shares is regarded as an important reflection of market perception. The increase in share price during the period was primarily influenced by economic conditions and government policies. The Company's dividend policy is designed with the objective of enhancing shareholder value. Dividend refers to the portion of profits allocated for distribution to shareholders, either in the form of cash or stock. The decision regarding the mode and quantum of dividend is based on market conditions, share price trends, and applicable laws and regulations.

Additionally, comparing cash flows from operating activities with profit before tax provides insight into the Company's ability to finance short-term capital requirements. The Company consistently reviews its cash flow position with a focus on maintaining a positive balance. The increase in cash flows from operating activities during the year was mainly attributable to stock rationalisation in response to changes in demand patterns and efficient customer collections.

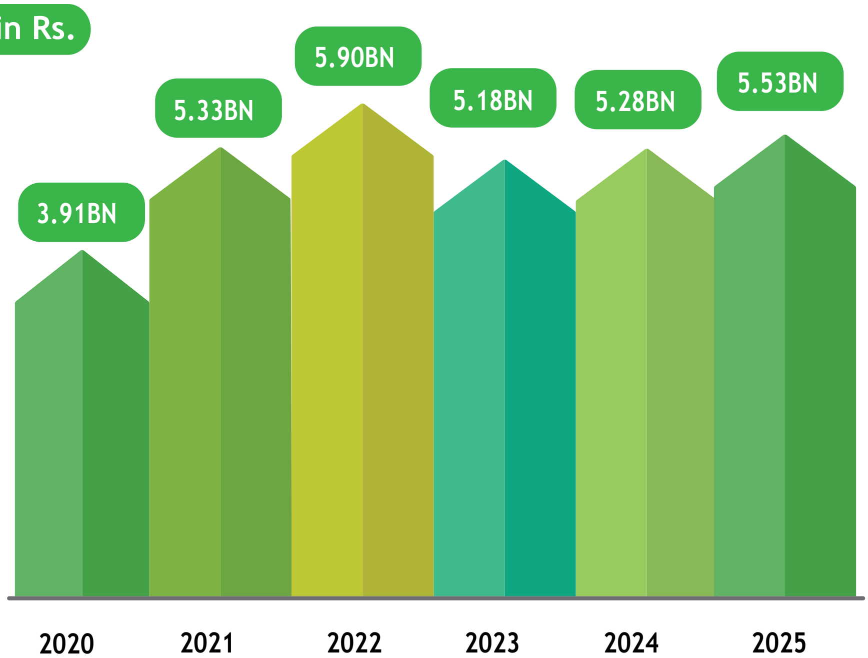
GRAPHICAL PRESENTATION OF ANALYSIS OF FINANCIAL STATEMENTS

Long term liabilities in Rs.



Comment: Long-term liabilities increased during the year ended 2025, due to the recognition of staff retirement benefits, which were previously recorded as an asset. Over a period, company has paid off all of its short term and long term loans.

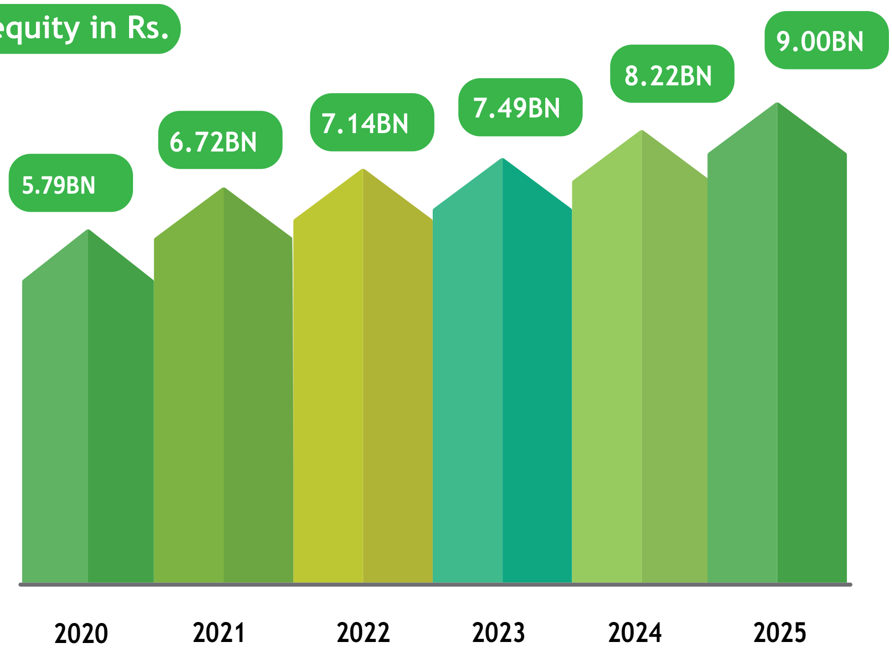
Current assets in Rs.



Comment: Current assets increased by Rs. 0.46 billion, mainly due to the reclassification of certain long-term investments nearing maturity. This increase was partially offset by lower cash balances as Company invested surplus funds in reverse repo for shorter period.

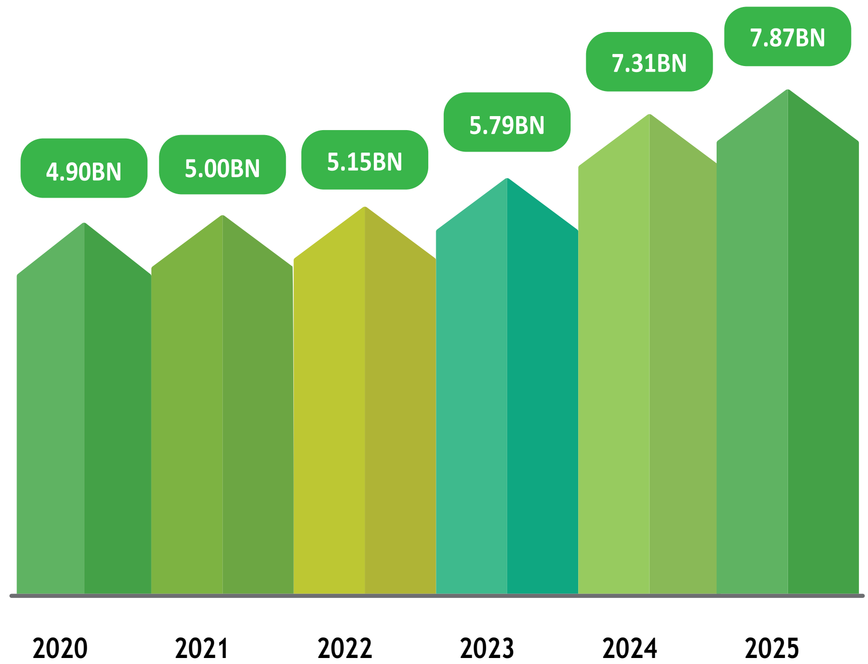
GRAPHICAL PRESENTATION OF ANALYSIS OF FINANCIAL STATEMENTS

Shareholders' equity in Rs.



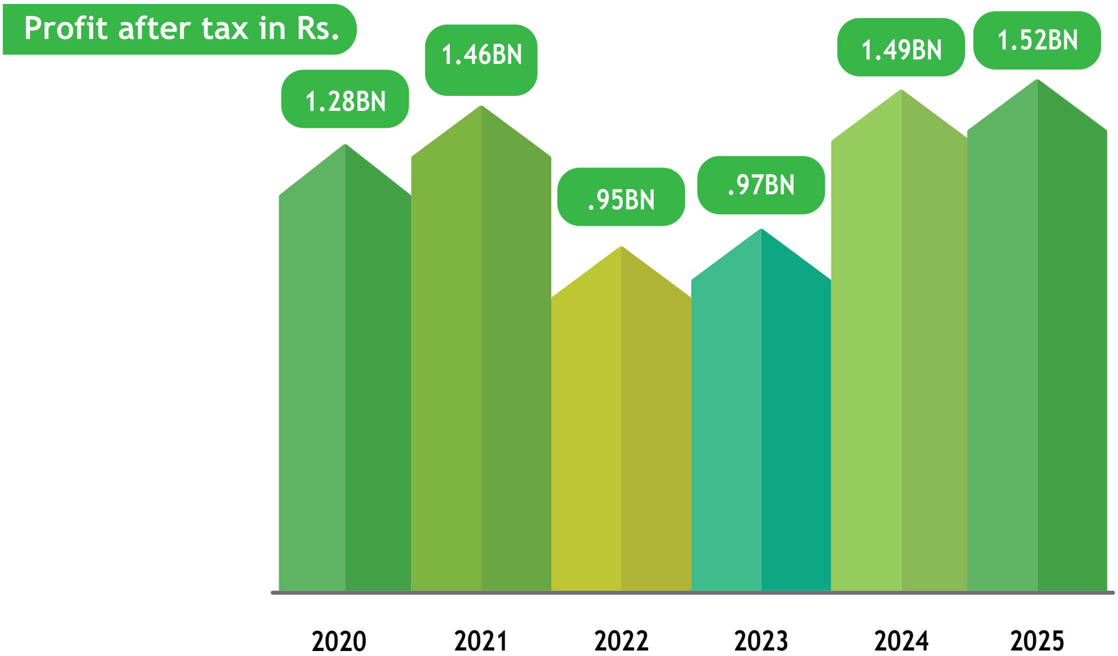
Comment: Shareholders' equity increased by 9% to Rs. 9.00 BN in current year, mainly driven by profit for the year of Rs. 1.52 BN partly offset by net of tax dividend payments of Rs. 0.74 BN during October 2024 and February 2025.

Sales in Rs.

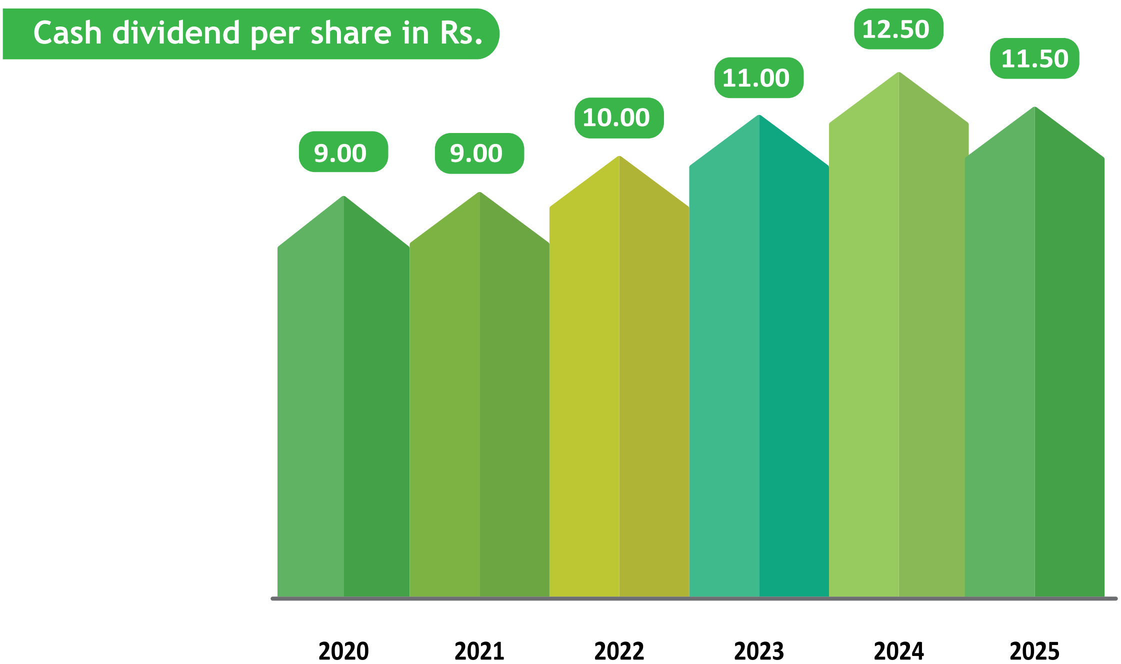


Comment: Sales revenue grew by 8% to Rs. 7.87 BN, driven by volumetric growth in Bank Note Paper and improved pricing.

GRAPHICAL PRESENTATION OF ANALYSIS OF FINANCIAL STATEMENTS



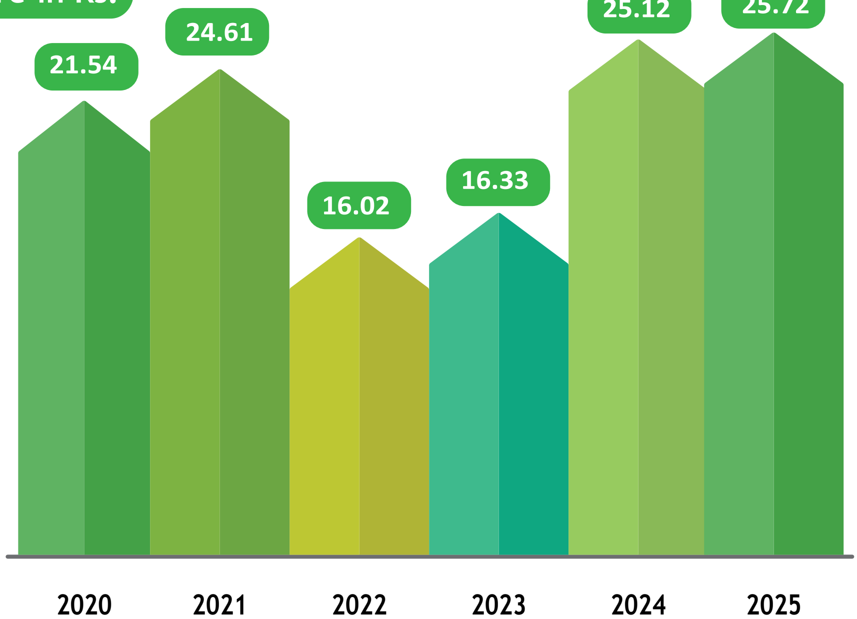
Comment: Profit after taxation is recorded at Rs. 1.52 BN, up 2.4% despite lower investment income, reflecting operational resilience.



Comment: Cash dividend per share increased from Rs. 8.25 in 2019 to Rs. 11.50 in 2025, reflecting a balanced approach between shareholder returns and future growth needs.

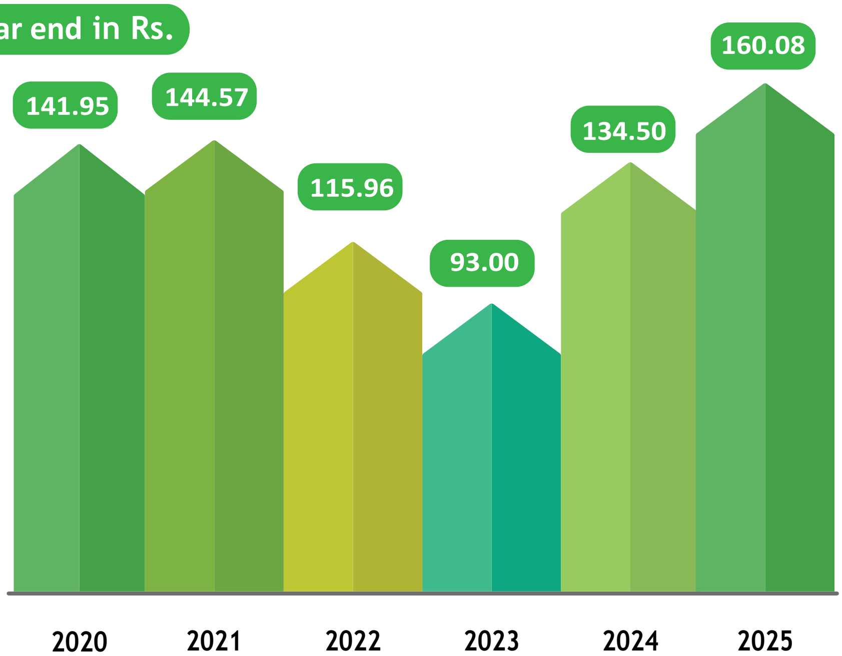
GRAPHICAL PRESENTATION OF ANALYSIS OF FINANCIAL STATEMENTS

Earning per share in Rs.



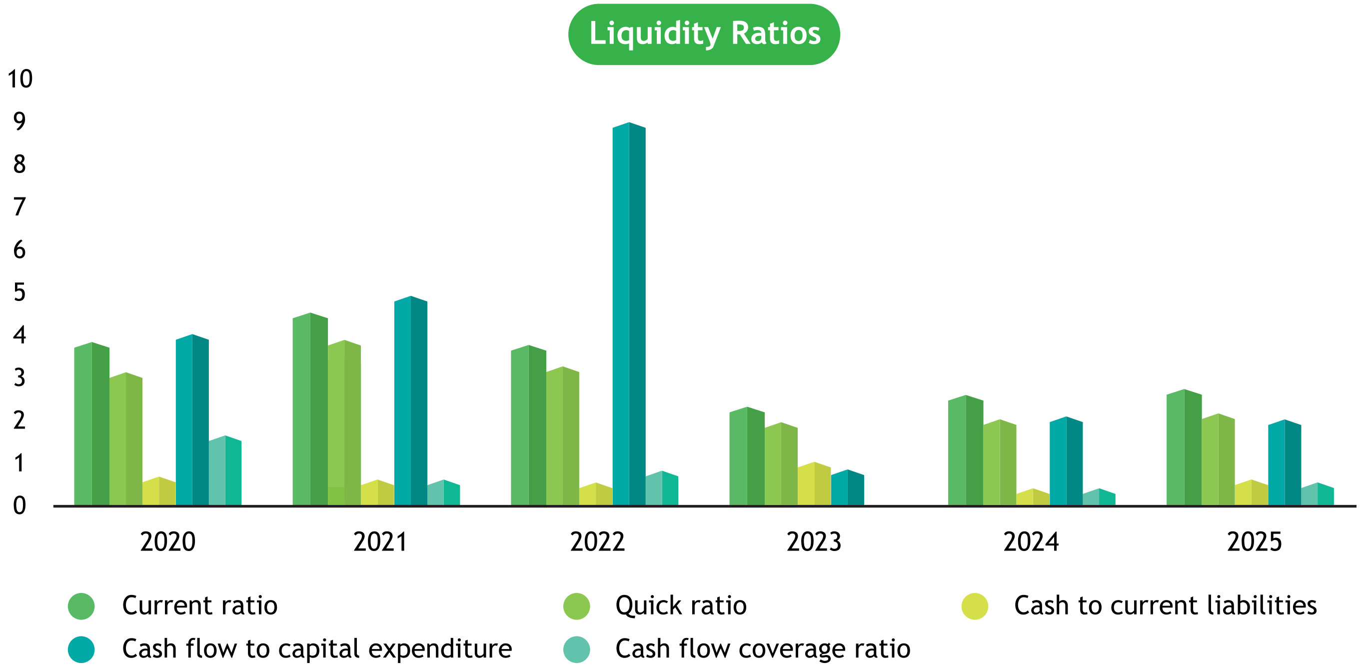
Comment: Earnings per share increased by Rs. 0.65 in 2025, reflecting the Company's ability to maintain profitability in a challenging operating environment.

Share price at year end in Rs.

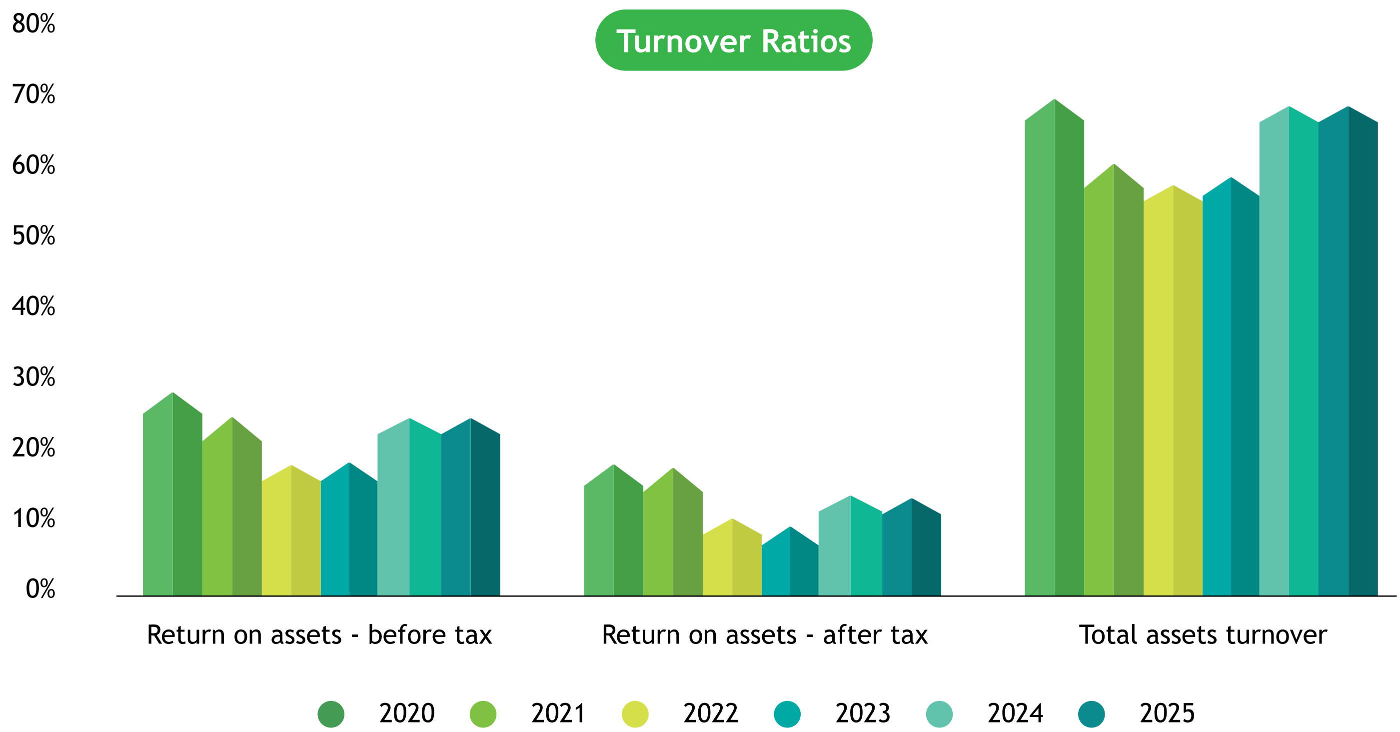


Comment: The Company's share price closed at Rs. 160.08 in 2025, reflecting investor confidence and an upward trend from Rs. 134.50 in the previous year.

GRAPHICAL PRESENTATION OF ANALYSIS OF FINANCIAL STATEMENTS

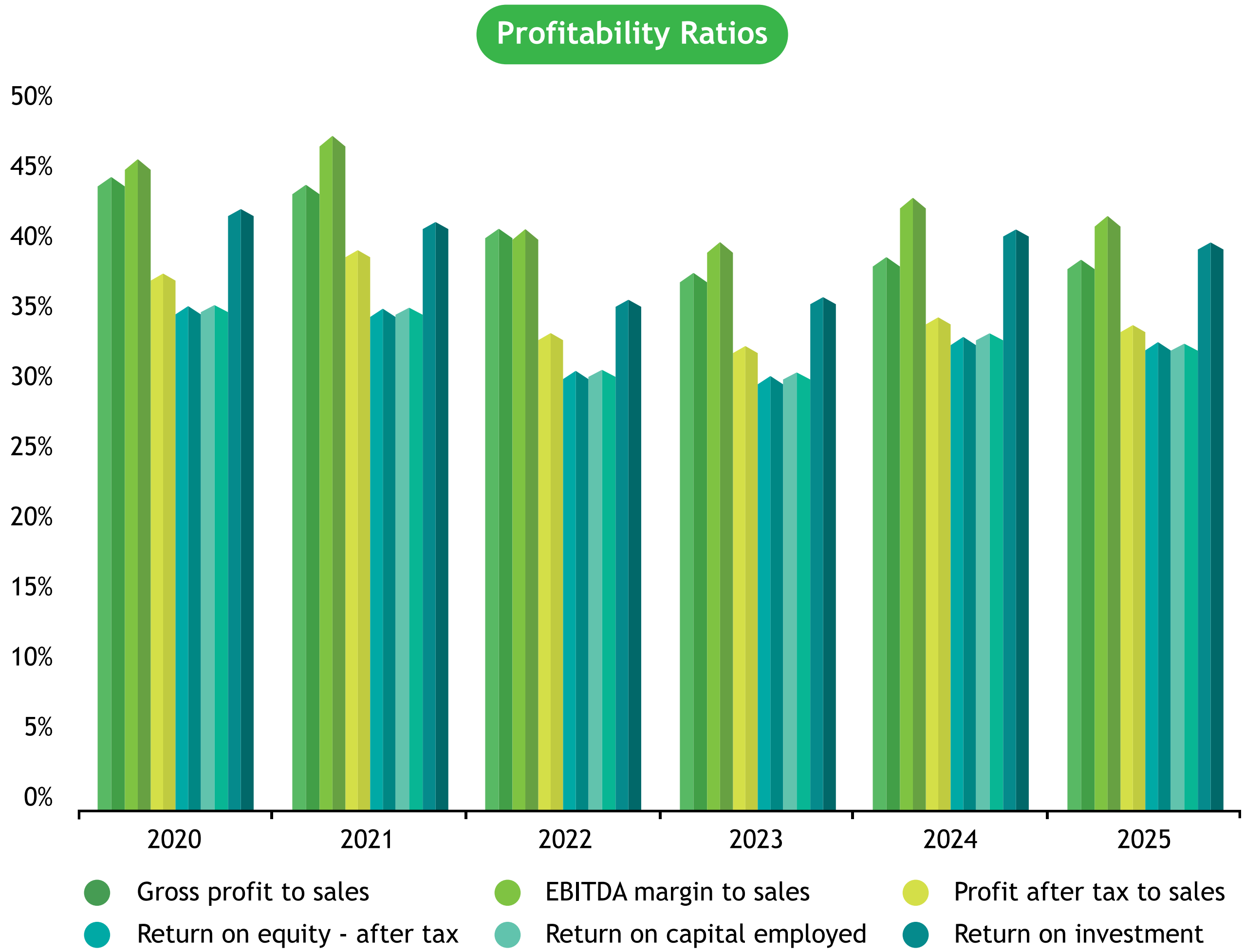


Comment: Favourable liquidity position of the company over a years reflect the company's ability to comfortably meet working capital requirement and short term obligation



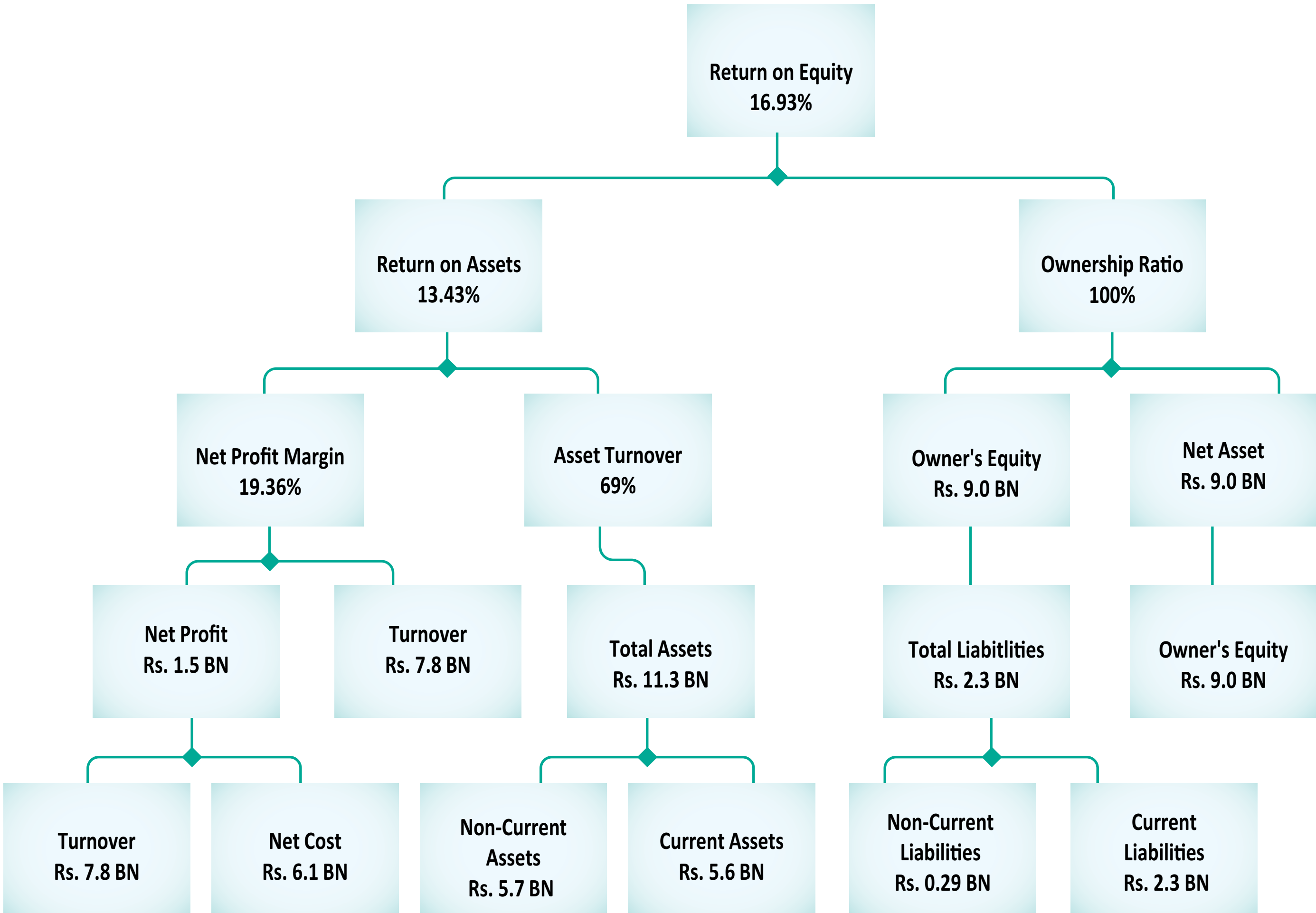
Comment: Positive asset turnover ratio over a years reflect effective utilization of assets to generate revenue by the company.

GRAPHICAL PRESENTATION OF ANALYSIS OF FINANCIAL STATEMENTS



Comment: Healthy profitability margins of a company over a year indicate efficient operations and sustainable earnings.

DUPONT ANALYSIS & CHART WITH COMMENTS



The main highlights of Dupont Analysis

Turnover of the Company improved to Rs. 7.8 BN as compared to Rs. 7.3 BN in previous year, reflecting the growth of 8% whereas Net Profit Margin of the Company is 19% in 2025.

Financial leverage position remained kept at minimum as Company finance all its assets by equity.

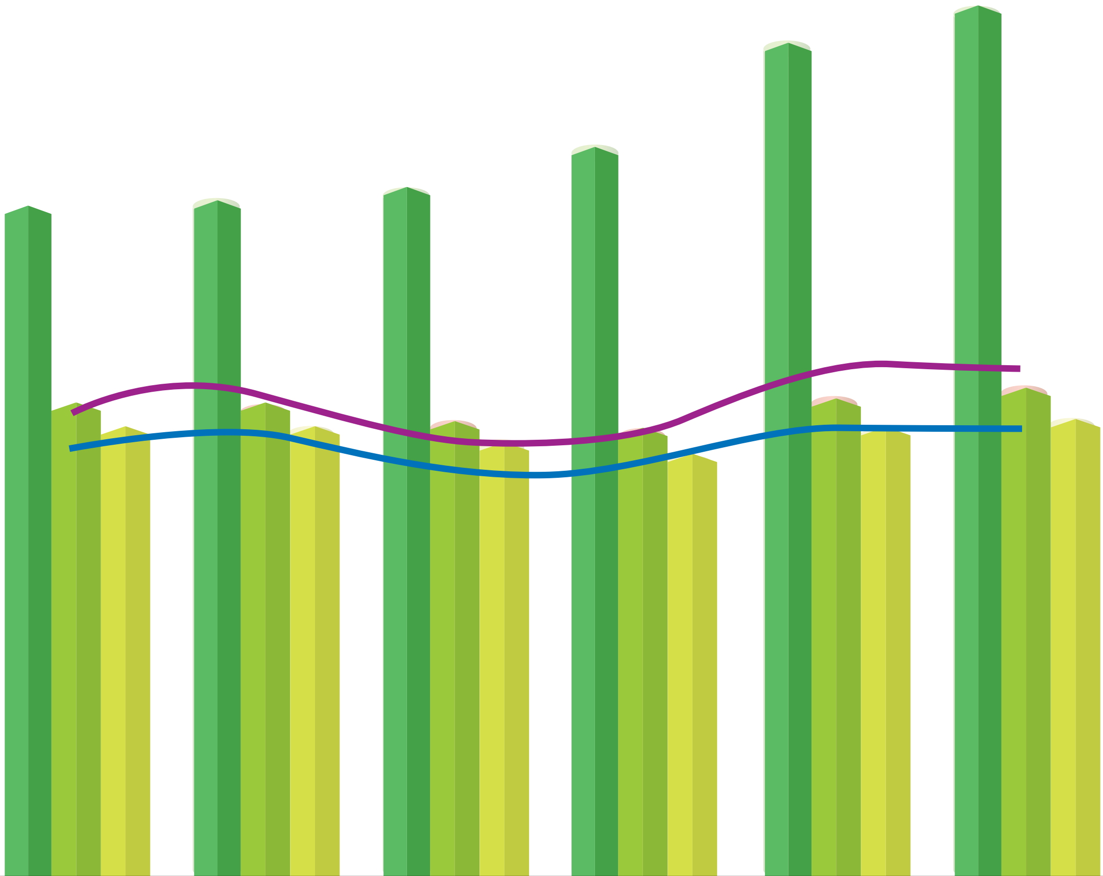
Interest cover ratio remained healthy and stood at 60.6K:1 in 2025 as compared to 987:1 in 2024.

Tax efficiency ratio stood at 36.87% as against 37.77% in previous year.

Equity multiplier has also been maintained at lower levels over the periods which reflects Company finance all its assets through own funds.

GRAPHICAL PRESENTATION OF FINANCIAL STATEMENT

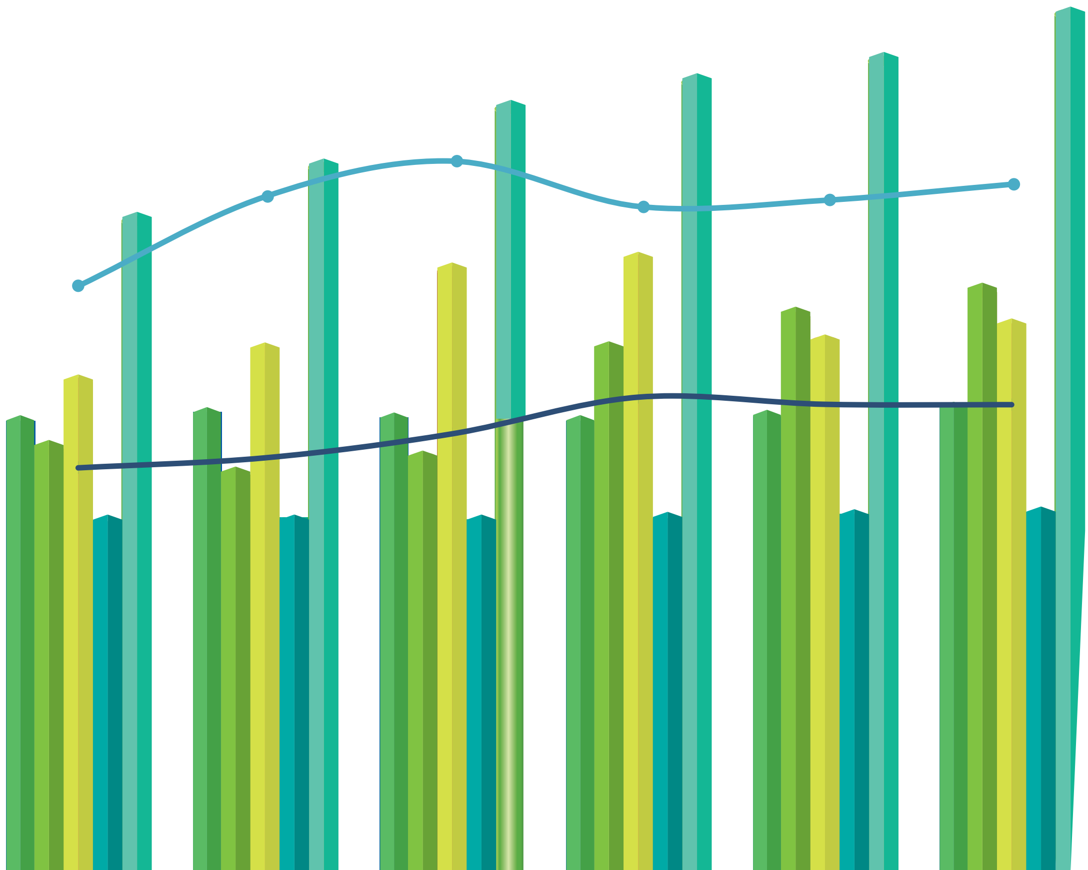
Statement of Profit or loss



Rs in Million	2020	2021	2022	2023	2024	2025
Sales	4,901	5,002	5,147	5,795	7,312	7,871
Gross Profit	1,896	1,883	1,650	1,518	2,047	2,204
Operating Profits	1,598	1,566	1,300	1,124	1,575	1,702
Profit Before Tax	1,802	1,996	1,398	1,544	2,392	2,414
Profit After Tax	1,276	1,458	949	967	1,489	1,524

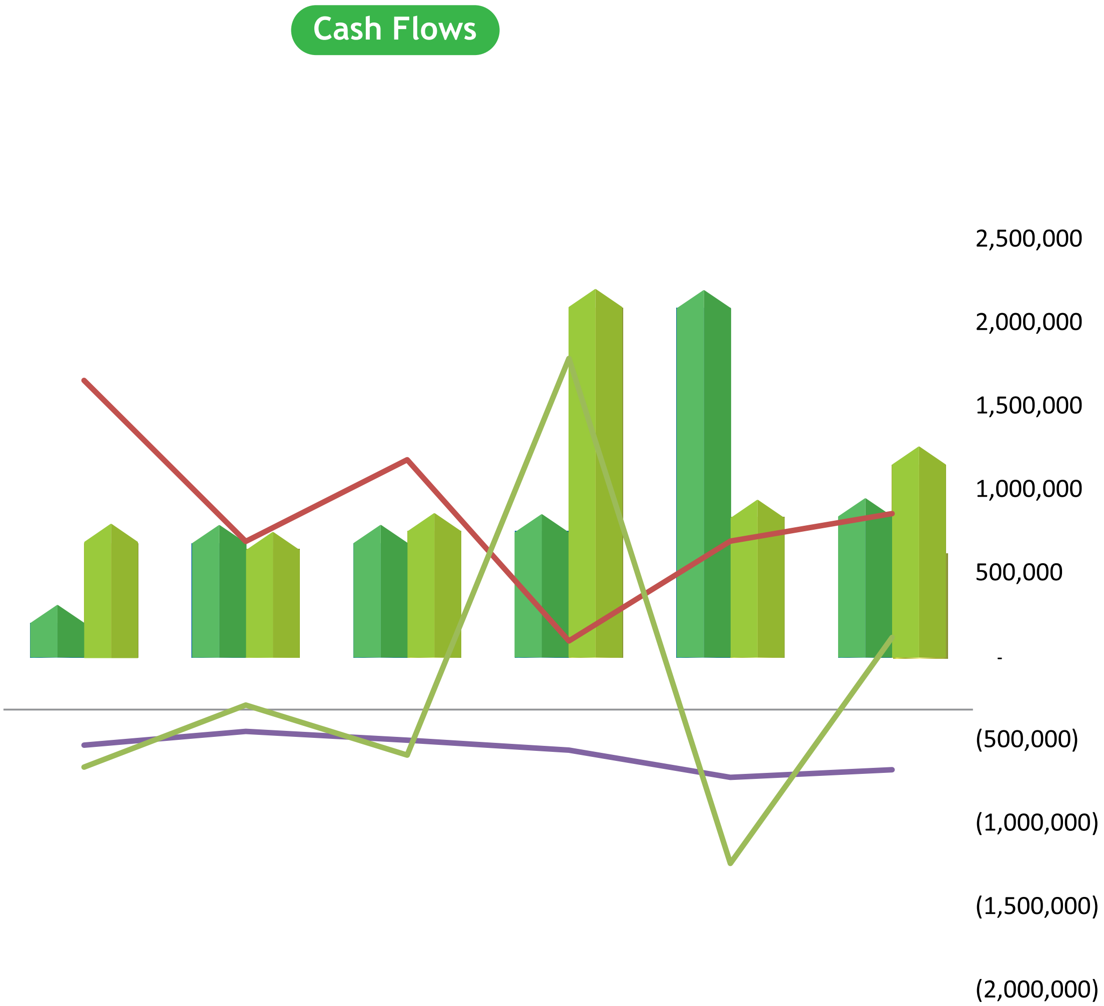
GRAPHICAL PRESENTATION OF FINANCIAL STATEMENT

Statement of Financial Position



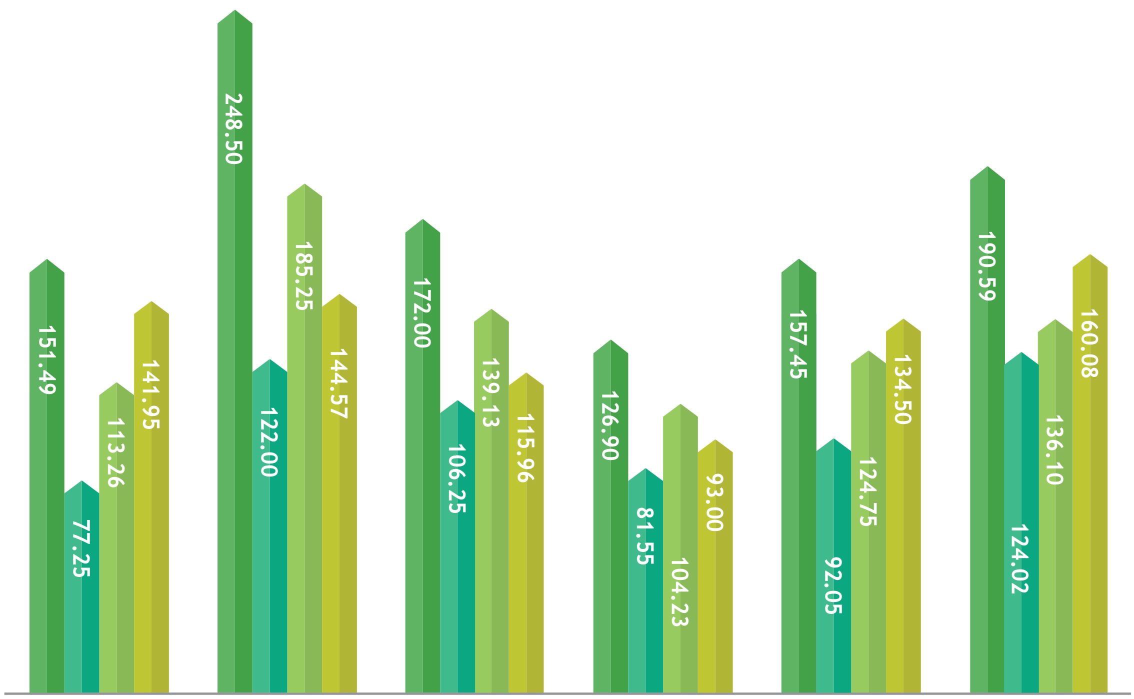
Rs in Million	2020	2021	2022	2023	2024	**2025**
Fixed Assets	1,766	1,908	1,823	1,766	1,840	2,012
Investments	1,300	893	1,181	2,904	3,426	3,808
Working Capital	2,371	2,889	4,148	4,336	3,034	3,243
Long Term Liabilities	169	233	207	219	289	322
Shareholders' Equity	4,938	5,790	6,721	7,138	7,492	8,220
Current Assets	3,914	5,332	5,899	5,179	5,275	5,530
Current Liabilities	1,025	1,184	1,563	2,145	2,032	2,026

GRAPHICAL PRESENTATION OF CASH FLOW



Rupees in '000	2020	2021	2022	2023	2024	2025
Opening Cash & Cash Equiv:	204,913	683,939	683,939	758,182	2,095,547	842,829
Closing Cash & Cash Equiv:	683,939	652,103	758,182	2,095,547	842,829	1,153,177
Investing Activities	(656,975)	(283,872)	(584,202)	1,793,054	(1,233,755)	120,359
Operating Activities	1,660,735	695,287	1,185,211	98,978	698,413	862,383
Financing Activities	(524,734)	(443,251)	(494,930)	(554,667)	(717,376)	(672,394)

GRAPHICAL PRESENTATION OF SHARE PERFORMANCE



Rupees per share	2020	2021	2022	2023	2024	2025
Share Price - Highest (Rs.)	151.49	248.50	172.00	126.90	157.45	190.59
Share Price - Lowest (Rs.)	77.25	122.00	106.25	81.55	92.05	124.02
Share Price - Average (Rs.)	113.26	185.25	139.13	104.23	124.75	136.10
Share Price - At year end (Rs.)	141.95	144.57	115.96	93.00	134.50	160.08

ANALYSIS OF THE FINANCIAL AND NON-FINANCIAL PERFORMANCE

Non-Financial Key performance indicators are other measures used to assess the activities that the Company sees as important to the achievement of its strategic objectives. Non-financial metrics are quantitative measures that relate to employees, customer relationships, quality etc.

The Company is committed to enhancing its capabilities to cater the evolving requirements of the market and customers and therefore initiated the project of upgradation of paper making machine (PM-2) with an estimated investment of Rs 3.4 billion.

The company has achieved its second highest Banknote Paper sales of 3,557 tons in the current financial year, compared to the all-time high of 3,567 tons in 2021-22. Overall SPL recorded a sale of Rs 7.87 billion for the year ended 30 June 2025, 8% growth over last year.

The Company completed the upgradation of effluent treatment plant and RO bores reducing the dependence on conventional water sources. The Company also installed 110 KW Solar system for admin block endorsing renewable energy policies and pursuing green initiatives.

During the year Human Resources (HR) department is focused on building talent for future through a performance measurement system. Key performance indicators played an important role in measuring organizational progress towards attainment of its goals.

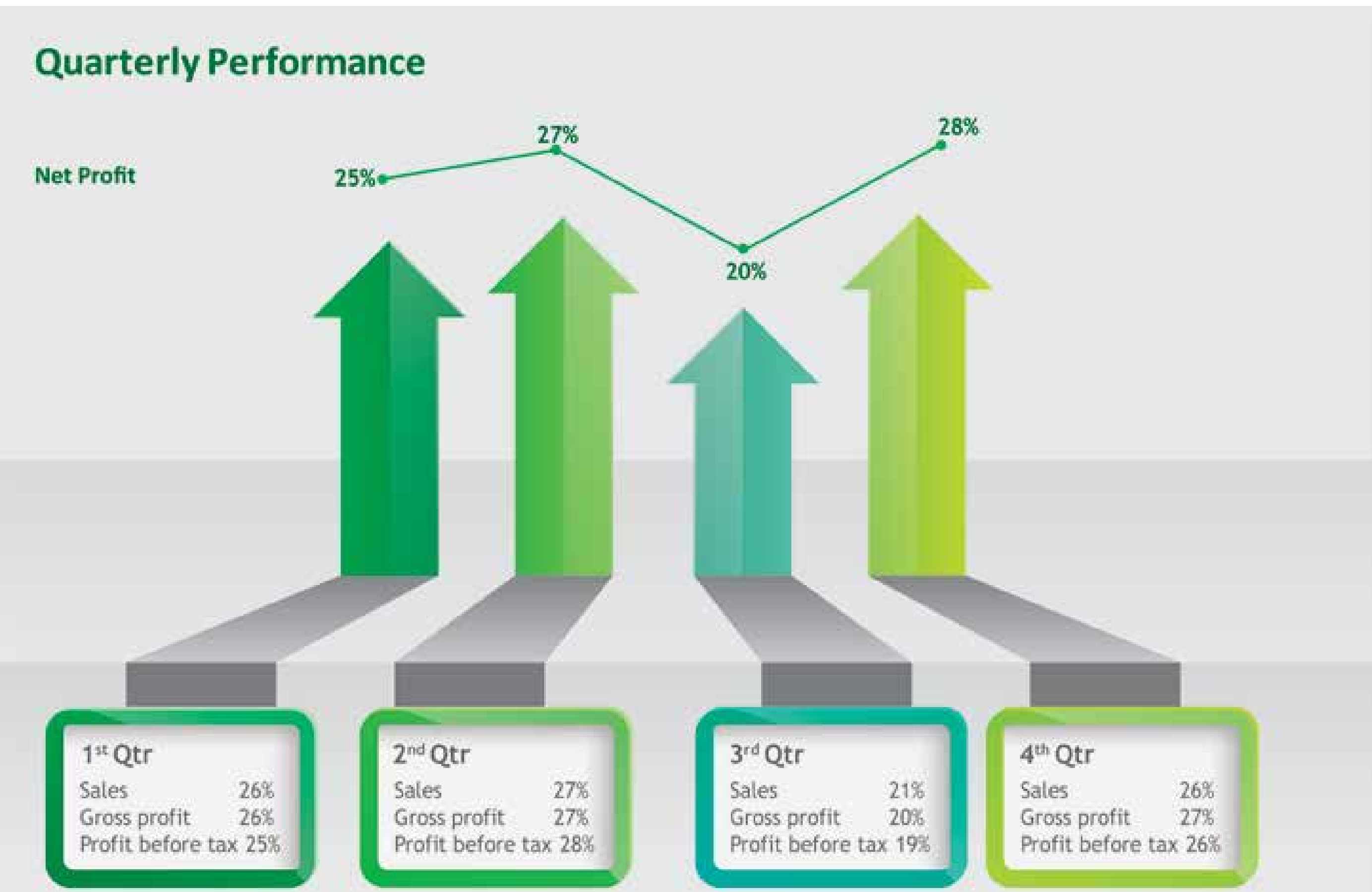
The company maintains a robust customer complaint management system wherein all complaints are systematically recorded, reviewed, and addressed with corrective measures to prevent recurrence. During FY 2024-25, we received three complaints, reflecting a reduction compared to four complaints in FY 2023-24, underscoring our continuous improvements in quality and service.

PERFORMANCE AGAINST TARGET AND BUDGET

During the year, Company achieved net sales of Rs. 7,871 million, an increase of 8% over last year. While all customer orders were satisfactorily delivered, the turnover remained relatively behind the budgeted target. The gross profit margin remained stable at 28% with administrative expenses and other expenses maintained well below budget by 12% and 8%, respectively. Furthermore, other income surpassed the forecast by 6%, reflecting effective resource utilization, and generated income at an effective rate high above the current monetary policy rate. As a result, profit before taxation reached a solid Rs. 2,411 million. The results reflect consistent growth in profitability, supported by operational efficiencies and income diversification. Future prospects remain positive, with management focusing on volume growth, market expansion and diversification, and sustained cost discipline to enhance margins and shareholder returns.

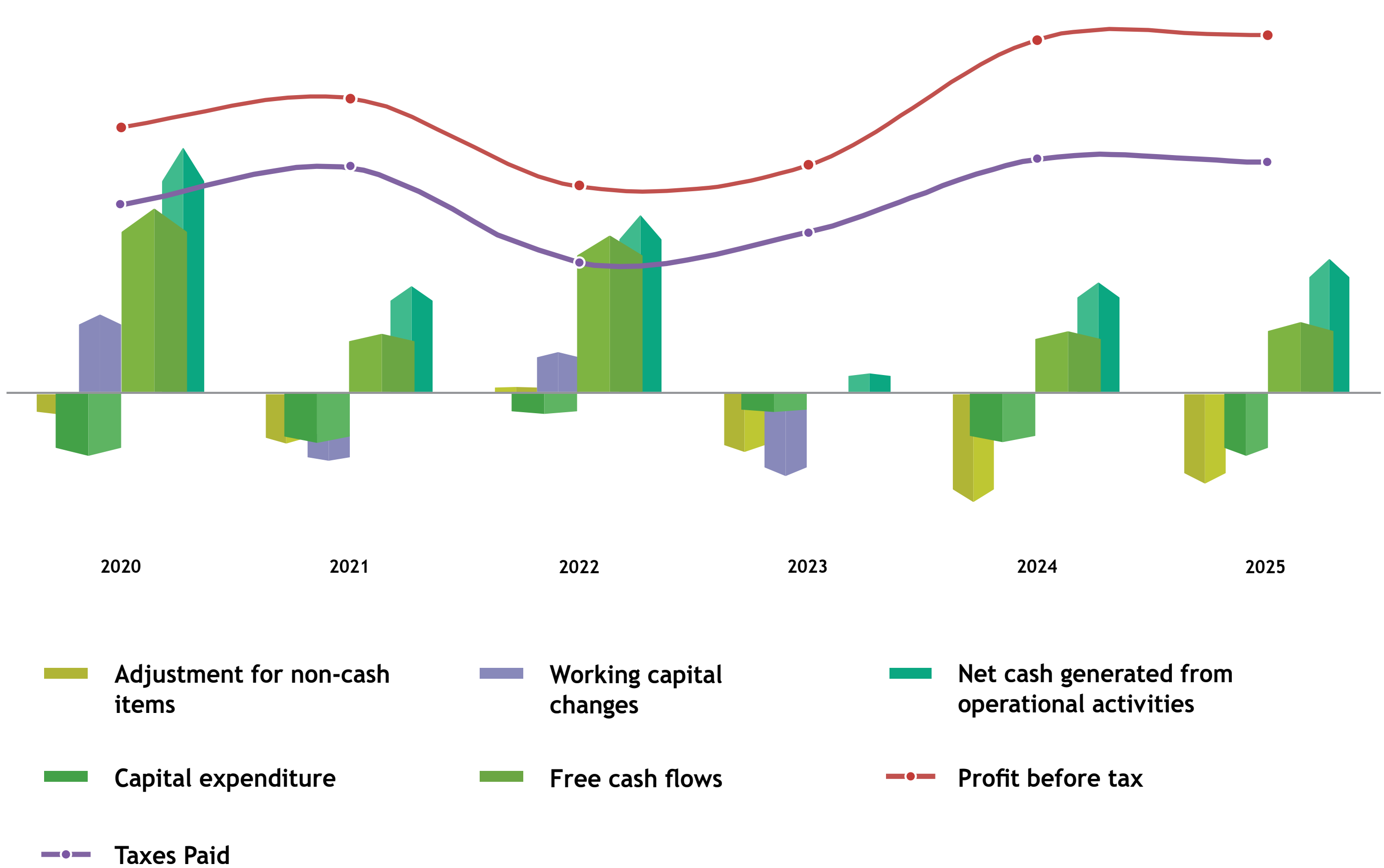
QUARTERLY PERFORMANCE ANALYSIS

	Sep-24	Dec-24	Mar-25	Jun-25	**Total**
			(Rupees in '000)		
Sales - net	2,059,137	2,109,108	1,656,958	2,045,497	**7,870,700**
Cost of sales	(1,482,579)	(1,518,557)	(1,225,220)	(1,440,549)	**(5,666,905)**
Gross profit	576,558	590,551	431,738	604,948	**2,203,795**
Administrative expense	(123,715)	(121,318)	(135,008)	(121,500)	**(501,541)**
Other income	245,484	262,979	201,801	205,565	**915,829**
Other expenses	(50,406)	(50,917)	(36,615)	(63,012)	**(200,950)**
Operating profit	647,921	681,295	461,916	626,001	**2,417,133**
Finance cost	(472)	(679)	(459)	(1,750)	**(3,360)**
Profit before taxation	647,449	680,616	461,457	624,251	**2,413,773**
Taxation	(261,262)	(264,681)	(162,787)	(201,250)	**(889,980)**
Profit after Taxation	386,187	415,935	298,670	423,001	**1,523,793**



SUMMARY OF FREE CASH FLOWS-LAST SIX YEARS

	Rupees in '000					
	2025	2024	2023	2022	2021	2020
Profit before tax	**2,413,773**	2,392,158	1,543,686	1,397,743	1,996,175	1,801,612
Adjustment for non-cash items	**(603,454)**	(724,934)	(399,357)	46,300	(347,287)	(146,582)
Taxes Paid	**(849,737)**	(807,503)	(451,618)	(521,193)	(471,438)	(525,129)
Working capital changes	**(53,961)**	(108,071)	(556,133)	284,542	(453,166)	530,834
Net cash generated from operational activities	**906,621**	751,650	136,578	1,207,392	724,284	1,660,735
Capital expenditure	**(425,660)**	(329,820)	(131,242)	(142,371)	(337,197)	(418,119)
Free cash flows	**480,961**	421,830	5,336	1,065,021	387,087	1,242,616



STATEMENT OF CASH FLOWS-DIRECT METHOD

	2025	2024
	------ (Rupees in '000) ------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	9,307,947	8,376,026
Cash paid to suppliers and employees	7,551,589	6,816,873
Cash generated from operations	1,756,358	1,559,153
Net income tax paid	(849,737)	(807,503)
Staff retirement benefits paid	(40,392)	(55,275)
Finance costs paid	(3,846)	(5,610)
Lease deposits recovered	-	7,648
Net cash generated from operating activities	862,383	698,413
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(425,660)	(329,820)
Purchase of intangible assets	(5,309)	(866)
Proceeds from sale of operating fixed assets	21,965	4,565
Investment made during the year	(2,052,461)	(2,009,912)
Investment matured during the year	1,975,490	288,000
Capital gain realised on government securities	73,388	355,505
Mark-up received	532,977	458,777
Net cash generated/(used) in investing activities	120,390	(1,233,751)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of lease liabilities	-	(4,696)
Dividend paid	(672,394)	(712,680)
Net cash used in financing activities	(672,394)	(717,376)
Net increase/(decrease) in cash and cash equivalents	310,379	(1,252,714)
Cash and cash equivalents at beginning of the year	842,833	2,095,547
Cash and cash equivalents at end of the year	1,153,212	842,833

ECONOMIC VALUE ADDED

	2025	2024
	(Rupees in '000)	
Net Operating Profit after Tax	**1,527,153**	1,494,772
Cost of Capital	**(1,721,144)**	(1,538,512)
Economic Value Added	**(193,991)**	(43,740)
Total Assets	**11,349,885**	10,541,580
Current Liabilities	**(2,026,242)**	(2,032,110)
Invested Capital	**9,323,643**	8,509,470
WACC	**18.46%**	18.08%
Cost of Capital	**1,721,144**	1,538,512

Economic Value Added

SHARE PRICE SENSITIVITY ANALYSIS AND MARKET SHARE

Security Papers Limited's shares are typically regarded as a reliable and secure investment. We recognize that a variety of elements and variables could impact the stock price of the company. The following is a list of the factors which are discussed for the benefits of the users.

Energy Prices

The Government is increasing the rates of gas for Captive power plants. The Company generates its own power through gas-based power plants. The increase in gas prices will directly influence the financial performance and its share price.

Exchange Rate Fluctuation

Some of the critical raw materials are imported, hence any adverse exchange rate fluctuations may

affect the cost of production of paper.

Plant Operations

The Company has state-of-the-art production facility. Any major break down in production facility may cause reduction in production and sales thereby adversely affecting the share price.

Raw Material Prices

The company's performance is directly influenced by fluctuation in raw material prices. There are various raw materials that are locally procured or imported by the company. Major raw material, such as cotton comber, is directly influenced by international cotton prices and local crop output, thereby affecting the financial performance of the Company.

Online Payment Solutions

Company's major product is Bank note paper. Introduction and adoption of online payment solutions by different players may reduce the requirement of fresh bank notes and consequently affect the financial performance of the Company.

Market Share of the Company

The Company is the sole manufacturer of Banknote paper in the country and no other Company is permitted to manufacture the same. Hence, Company enjoys 100% market share in Bank note paper.

SPL Share price History