



# Case on Linc Pen & Plastics Ltd.



<b>BALANCE SHEET</b>	<b>All figures in Rs. Crores</b>	
<b>Assets Side</b>	<b>Year 2000</b>	<b>Year 1999</b>
Cash & Bank Balances	0.67	0.35
Accounts Receivable	5.56	3.62
Loans and Advances	1	0.58
Inventories	6.75	4.03
Current Assets	13.98	8.58
Fixed Assets	5.14	3.63
Other Assets (includes inves	0.12	0.15
<b>Total Assets</b>	<b>19.24</b>	<b>12.36</b>
<b>Liabilities Side</b>	<b>Year 2000</b>	<b>Year 1999</b>
Current Liabilities & Provisor	5.6	2.68
Long-term Liabilities	4.58	1.73
Net Worth	9.07	7.97
No. of Shares of Rs.10	0.60	0.60
<b>Total Liabilities</b>	<b>19.25</b>	<b>12.38</b>
<b>Average Share Price</b>	<b>17.00</b>	<b>25.00</b>

<b>INCOME STATEMENT</b>	<b>Year 2000</b>	<b>Year 1999</b>
<b>Total Sales</b>	<b>28.3</b>	<b>21.85</b>
<b>Other Income</b>	<b>0.36</b>	<b>0.1</b>
<b>Operational Expenditure</b>	<b>25.41</b>	<b>19.85</b>
<b>Gross Profit</b>	<b>3.25</b>	<b>2.01</b>
<b>Interest</b>	<b>0.27</b>	<b>0.16</b>
<b>Depreciation</b>	<b>0.30</b>	<b>0.29</b>
<b>Profit Before Tax</b>	<b>2.68</b>	<b>1.56</b>
<b>Tax</b>	<b>0.74</b>	<b>0.22</b>
<b>Profit After Tax</b>	<b>1.94</b>	<b>1.35</b>
<b>Dividend to Shareholders</b>	<b>0.72</b>	<b>0.72</b>

# Ratio Analysis

- **Short-term Solvency/Liquidity Ratios**
  - **Current Ratio**
  - **Quick Ratio**
- **Long-term Solvency/Liquidity Ratios**
  - **Debt-to-Equity Ratio**
  - **LT Debt-to-Equity Ratio**
  - **Times Interest Earned Ratio**

<b>Financial Ratios</b>	<b>Year 2000</b>	<b>Year 1999</b>
Current Ratio	2.50	3.20
Quick Ratio	1.29	1.70
Debt-to-Equity Ratio	1.12	0.55
L.T.Debt-to-Equity-Ratio	0.50	0.22
Times Interest Earned (con	12.04	12.56

# Ratio Analysis

## ■ Activity Ratios

- Receivables Turnover Ratio
- Average Collectibles Period (a.k.a. Days Receivables)
- Inventory Turnover Ratio
- Inventory Conversion Period
- Operating Cycles = ICP + ACP
- Operating Cycles Per Year
- Average Payable Period (a.k.a. Days Payables)
- Cash Conversion Period
- Sales-to-Assets Ratio (a.k.a. Assets Utilization Ratio)

<b>Financial Ratios</b>	<b>Year 2000</b>	<b>Year 1999</b>
Average Collection Period	71.71	60.47
Inventory Conversion Period	96.96	74.10
No. of Operational Cycles/Y	2.16	2.71
Average Payments Period	Figures are not available	
Inventory Turnover Ratio	3.76	4.93

# Ratio Analysis

## ■ Profitability Ratios

- Return on Assets
- Net Profit Margin
- Gross Profit Margin
- Return on Net Worth
- Return on Capital Employed
- Dividend Payout Ratio

## ■ Market-based Ratios

- Price-to-Earnings Ratio
- Price-to-Book Value Ratio
- Dividend Yield Ratio



<b>Financial Ratios</b>	<b>Year 2000</b>	<b>Year 1999</b>
<b>Sales Turnover Ratio</b>	<b>1.47</b>	<b>1.77</b>
<b>Gross Profit Margin %</b>	<b>11.48</b>	<b>9.20</b>
<b>Net Profit Margin %</b>	<b>6.86</b>	<b>6.18</b>
<b>Return on Assets</b>	<b>10.08</b>	<b>10.92</b>
<b>Return on Equity</b>	<b>21.39</b>	<b>16.94</b>
<b>Return on Capital Employed</b>	<b>16.19</b>	<b>15.57</b>
<b>Earnings Per Share</b>	<b>3.23</b>	<b>2.25</b>
<b>Book Value Per Share</b>	<b>15.12</b>	<b>13.28</b>
<b>Market Capitalization</b>	<b>10.20</b>	<b>15.00</b>
<b>Price-to-Book Value Ratio</b>	<b>1.12</b>	<b>1.88</b>
<b>Price-to-Earnings Ratio</b>	<b>5.26</b>	<b>11.11</b>
<b>Dividend Payout Ratio</b>	<b>37.11</b>	<b>53.33</b>
<b>Dividend Per Share</b>	<b>1.20</b>	<b>1.20</b>
<b>Dividend Yield</b>	<b>7.06</b>	<b>4.80</b>

