Linc Limited
(Formerly known as Linc Pen & Plastics Limited)

Annual Report
2021-22

2.0

A NEW GROWTH STORY BEGINS HERE

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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

2.0

LINC'S NEW GROWTH STORY BEGINS HERE

As India recovers from the pandemic, there are two ways we can address business at hand.

The way things were. The way things ought to be.

At Linc, we have selected the latter option.

To reach places where we have never been.

To provide products around price points consumers have never seen.

To service primary customers with a speed and responsiveness that is unprecedented.

To enhance capacity so that we have more to market within and outside India.

To do all this with a Balance Sheet that is light and liquid.

We believe that the complement of these priorities will empower the creation of a new Linc that enhances stakeholder value more decisively than in the past.

LINC 2.0

6 messages we wish to communicate through this Annual Report

The company is graduating from zonal traction to pan-India appeal

The company is graduating from a conventional product push to consumer pull approach

The company is graduating from a writing instruments company to a stationery-focused brand

The company is graduating to the premium segment, enhancing average realisations and margins

The company is graduating from debt cum accruals being used to grow the business to a point where only accruals are likely to drive the company forward

The company is graduating from feet-on-the-street engagements with distributors to digital interventions

LINC

More than just a prominent company manufacturing and marketing writing instrument brands; a brand that provides innovative and respect-enhancing stationery products instead.

More than a company that seeks to fit into the market through enhanced production; a company focused on redefining the market through differentiated products and price points.

More than a company seek to grow in a conventional way; a brand that is focused on carving out a new way of doing business in a competitive sector.

Vision

To empower people to express themselves better and create a happier world by providing innovative, quality and affordable solutions, conveniently.

Mission

To be country's premier superbrand, recognised globally and to be a compelling proposition for stakeholders / business partners to link with Linc.

Core values

Customer Delight, Integrity, Dedication, Innovation (CIDI). We are proud of our ethical ways and integrity is our soul. We endeavor to create customer delight. We are dedicated to each cause. Creating innovative products and finding innovative solutions is in our core.

Background: Linc was established in 1976 by Mr. Suraj Mal Jalan and is now headed by Mr. Deepak Jalan, Managing Director.

Pedigree: Linc Limited is one of India's most trusted writing instrument brands. Over the years, the Company has grown from an Indian presence to a global footprint. The Company is among the five leading brands in India's writing instruments industry.

Products: Linc possesses one of the most diversified product portfolios in the industry ranging from gel pens, ball pens and fountain pens to markers, mechanical pencils files and folders. The company enjoys an ISO 9001:2008 certification.

Facilities: Linc's state-of-the-art integrated manufacturing facilities are located in Umbergaon (Gujarat), Falta (SEZ) and Serakole (West Bengal).

Presence: Linc is a national brand with an international presence across more than 50 countries, enjoying an extensive network in South East Asia, Middle East, USA, UK, Europe, South America, Africa, Russia and CIS countries.

Footprint: Linc's distribution network comprises 44 channel partners, 2,650+ distributors and a sales force of 336 professionals servicing 2,18,000+ retailers. The Company enjoys a presence across 50 countries.

Status: Linc is among the three leading brands in India for writing instruments with a presence in the affordable writing instrument segment for more than four decades. The company accounts for a near 8% market share in the writing instruments segment (2020).

Partners: Linc also outsources world-class products from marquee international brands.

Uni (Mitsubishi Pencil Co. Ltd.): Global brand from Mitsubishi Pencil Co. Ltd, Japan. Enjoying a presence across all categories of writing instruments like roller pen, gel pen and ball pen.

Deli: Asia's largest stationery giant. Presence across all stationery categories with over 2,000 products.

Listing: The Company was listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) with a market capitalisation of ₹413 crores as on 31st March, 2022.

Certifications: Linc has been accredited with the ISO 9001:2008 certification, validating the Company's compliance with stringent quality management norms.

How we performed across the four quarters of a challenging FY2021-22

Year, 2021-22	Quarter one	Quarter two	Quarter three	Quarter four
Revenues (₹ crores)	55.13	93.95	95.33	110.55
EBIDTA (₹ crores)	1.76	8.05	7.14	7.45
Profit after tax (₹ crores)	(1.22)	3.58	2.79	2.99
Cash profit (₹ crores)	1.47	7.90	7.06	7.25
EBIDTA margin (%)	3.2	8.6	7.5	6.7

OUR PERFORMANCE ACROSS THE YEARS

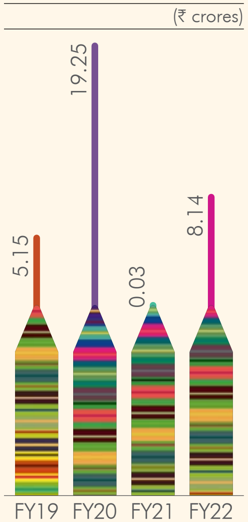
Revenues

Definition
Growth in sales net of taxes.

Why this is measured?
It highlights the acceptance of the Company's products by consumers, translating into revenues.

Performance
Aggregate sales increased by 38.3% to ₹354 crores in FY2021-22.

Value impact
The company's performance was affected by the impact of the pandemic.



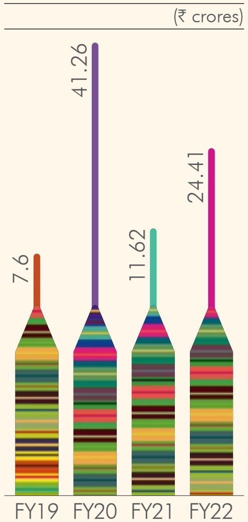
Profit after tax

Definition
Profit earned during the year after deducting all expenses and provisions.

Why this is measured?
It highlights the strength of the business model in enhancing shareholder value.

Performance
The Company reported a sharp increase in profit after tax in FY2021-22 following the waning of the pandemic.

Value impact
The company reported a setback in its PAT on account of fixed costs needing to be absorbed without corresponding revenues.



EBIDTA

Definition
Earnings before the deduction of interest, depreciation, extraordinary items and tax.

Why this is measured?
It showcases the Company's ability to optimise operating costs, an index of its competitiveness.

Performance
The Company's EBIDTA for FY2021-22 was ₹24.41 crores, a 6.8% increase over the previous financial year.

Value impact
Despite a sharp decline in revenues, the company reported a positive EBIDTA, a validation of the robustness of its business model.

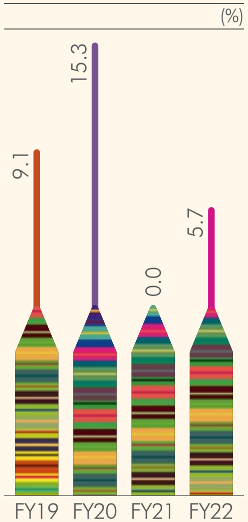
EBIDTA margin

Definition
EBIDTA margin is a profitability index used to measure the effectiveness of a Company's business model.

Why is this measured?
The EBIDTA margin gives an idea of how much a Company earns (before accounting for interest and taxes) on each rupee of sale (expressed as a percentage).

Performance
The Company reported a 230 bps increase in EBIDTA margin in FY2021-22 following an improvement in revenues.

Value impact
The company reported a improved margins, a validation of its competitiveness across market cycles.



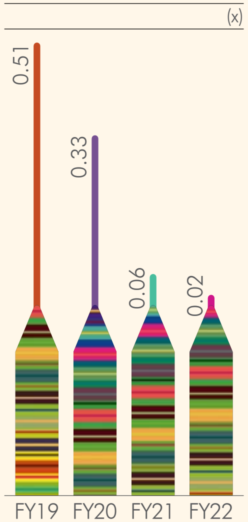
ROCE

Definition
It is a financial ratio that measures a Company's profitability and the efficiency with which its capital is employed in the business.

Why is this measured?
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

Performance
The Company generated a 570 bps increase in ROCE in FY2021-22 followed improved offtake.

Value impact
The company expects to strengthen ROCE through various strategies.



Debt-equity ratio

Definition
This is derived through the ratio of debt to net worth (less revaluation reserves).

Why is this measured?
It is a measure of a Company's financial solvency.

Performance
The Company's gearing improved from 0.06x in FY2020-21 to 0.02x in FY2021-22.

Value impact
The company intends to strengthen its gearing through lower indebtedness and higher net worth across the future.

LINC 2.0

Starting FY2021-22

A new phase in our existence is the result of asking simple questions

Can Linc be net debt-free and cash rich?

Can we grow faster than we have ever done?

Can we deepen Linc's recall as a pan-national brand?

Can Linc be available in every street, lane or bylane?

Can Linc be trusted for systems-driven integrity?

Can Linc reach markets directly, faster and more cost-effectively?

Can Linc never be more than an arm's length from retailers?

Can Linc grow its business in a sustainable manner through accruals?

Can Linc mean more to consumer than just 'writing instruments'?

Can Linc provide international products through its distribution channel?

Can Linc reinvent the way it has conventionally engaged with trade partners?

These then are the initiatives transpiring concurrently

Linc 2.0 is restructuring its distribution network

Linc 2.0 is transforming its Balance Sheet

Linc 2.0 is charting out big hoary audacious goals (BHAG)

Linc 2.0 is reinventing itself as a pan-national brand available anywhere

Linc 2.0 is digitalising to become a phygital company

Linc 2.0 is widening its product portfolio to complement writing instruments

Linc 2.0 is strengthening its fiscal discipline

Linc 2.0 is enhancing its global visibility

Linc 2.0 is deepening it recall as a company that cares for all stakeholders

LINC 2.0

More an attitude than a milestone

A number of people asked, 'What are you doing to grow your topline?'

We said we would rather focus on building cash flows instead.

Most people asked, 'Aren't you focused on becoming the biggest writing instruments player in India?'

We said we would rather be the best instead; everything else would be a profitable by product.

A number of people suggested 'Perhaps you can grow faster if you focused on the volume-driven economical segment...'

We said we would rather enhance our brand with a growing presence in the value-added segments instead.

Industry experts advised large players like us to freeze capex through the pandemic...

We made selective business-strengthening investments instead

A number of people advised writing instrument players like us to wait for the storm to blow over...

We continued to strengthen our business through the pandemic in a proactive way

Industry observers advised writing instrument companies like ours to remain what we were...

We to graduated into a broad based stationery company instead

Most people cited the slowdown and hinted at caution...

What we heard was 'opportunity'

"LINC'S NEW PLATFORM IS EXPECTED TO GENERATE PROFITABLE AND SUSTAINABLE GROWTH ACROSS THE FORESEEABLE FUTURE"

Deepak Jalan, Managing Director, explains the ways in which Linc emerged stronger in FY2021-22

Q: Was the management pleased with the way the company performed during the last financial year?

A: The management was pleased with the way the company performed during the last financial year. Even though the company's principal customer segment – academic institutions – remained closed for most of the last financial year, the company reported a 38.3% growth in its operating revenue; EBIDTA margin up at 6.8% as compared to 4.5% in the previous year. The company moderated its borrowings by ₹513 lakhs to a nominal ₹299 lakhs.

Q: What was the highlight of this performance?

A: The last quarter of FY2021-22 provided a perspective of how the company can perform in a normalised environment. As educational institutions began to open during that quarter, students began to replenish their stationery. As a result, revenues climbed to ₹110 crores, the highest in any quarter of our existence, but on account of all around increase in input cost, we reported an EBIDTA margin of 6.7%. If this is how the company can perform on the revenues front in the first normalised quarter, the runway appears encouraging for the company to accelerate its revenues across the foreseeable future. Starting April 2022, we have been able to pass on some cost pressure to the trade and with relentless focus on improving margins with the help of our Pentonic range, our profitability should improve in the ensuing quarters.

Q: What is the principal thrust of the company's growth strategy?

A: In one word, the answer is 'distribution'. Permit me to provide a background. The products that we market address the economic bulge of India's population. This population segment aspires to a better life. This aspiration is reflected in a commitment to invest in education as a destiny transformer. This commitment is facilitated by stationery, which is where a national brand like Linc – providing quality stationery around a superior price-value proposition – comes in. The objective for Linc then is to be present where consumers are, which is practically all across the country. The result is that the success for our company during the next phase of our existence will be derived from the ability to be available, accessible and affordable for the benefit of the largest consumer segment in India.

Q: What has the company done to widen and deepen its distribution footprint?

A: The company announced a formal Reach and Range Expansion Programme to provide a larger basket of products to a wider consumer cross-section across India – the objective to sell more to more consumers. The company embarked on this programme from FY2020-21, having engaged a respected consultant (Vector Consulting Group). The result is that the company's distribution footprint more than trebled from its FY2019-20 base to more than 2,15,000 touch points, where Linc products can now be purchased.

> THE RESULT IS THAT THE COMPANY'S DISTRIBUTION FOOTPRINT MORE THAN TREBLED FROM A BASE OF FY 20 TO MORE THAN 2,15,000 TOUCH POINTS, WHERE LINC PRODUCTS CAN NOW BE PURCHASED.

Q: How has this significant expansion in a compressed period transformed the company?

A: The transformation has transpired in a fundamental way. In the past, Linc products were largely accessible through stationery stores across the country. The result was that purchases needed to be planned. The bottomline is that the purchase of Linc's products were conscious purchase decisions. There has been a change in the company's approach since. By the virtue of Linc products being available down to neighborhood kirana stores now, accessibility has increased and the decision to purchase has evolved from the planned to the impulsive.

Q: What other distribution-linked initiative transformed the way the company did business?

A: In the past, the sales process was driven by product dumping on wholesalers. The result was that our products were treated as commodity; the only thing that mattered was the overall cost and terms of trade. There has been a complete rethink in our sales approach since. The 'product

WE HAVE BUILT A WIDE DISTRIBUTION PLATFORM AND PIPELINE THAT WILL MAKE IT POSSIBLE FOR US TO SELL LARGER QUANTITIES – MORE OF THE SAME. TO SUPPORT THIS GROWING APPETITE FOR LINC PRODUCTS, THE COMPANY INTENDS TO INCREASE ITS MANUFACTURING CAPACITY.

push' approach has been replaced with the 'consumer pull' strategy. This means that each time a retailer sells all the available Linc products (or is close to), Linc steps in to replenish the inventory with the quantum that has been sold (or more, as the case may be). The result is that Linc is no longer selling products to its distribution partners around a gut feel or the need to meet a month's sales target; it is selling to the extent it needs to replenish. Besides, the company is no longer selling based on an estimate provided by a wholesaler; it is selling on an informed basis in line with sales that have already transpired. The result is a more informed, scientific and predictable eco-system.

Q: How did this informed eco-system deliver during the last financial year?

A: A number of positives emerged that were reflected in the quality of our business. **One**, we realised 8% more per average writing instrument stick during the last year on account of a superior product mix. **Two**, the proportion of our runaway success Pentonic brand in our overall revenue increased from 20% to 25%. **Three**, we achieved 89% of our annual pre-Covid revenues during a year when our largest customer segment was largely closed. **Four**, we increased the proportion of revenues from West and South India in our revenue mix, strengthening our positioning as a national brand. **Five**, we increased revenues during the last quarter without stretching our financials. The quality of our business has transformed in the last year.

Q: How else has it transformed the company?

A: This has transformed the company beyond distribution-centric implications. It has altered the DNA of the company. Fundamentally, it has sent out a message: 'Anything is possible; anything can be done.' It has made Linc nimbler because the evidence is in the numbers. It is transforming us from a product-driven company to a service-driven brand. It is telling trade partners 'Tell us what you want to make a sale and we will adapt.' It is digitalising with speed, replacing manual processes with automated alternatives. It is providing trade partners with the convenience of engaging with us on an app, making interactions faster and fulfilling. The result: a rapidly reinventing Linc is writing a new chapter in its existence.

Q: How did these initiatives build up during the year under review?

A: There was a sharp increase in raw material costs during the year under review. Polymer-based raw material accounted for over 60% of all our raw material purchases. There was a sharp escalation in crude oil prices during the year under review – from US$ 63 per barrel at the start of the year to US$ 105 per barrel at close, which translated into higher polymer costs. A portion of this increase could be covered by passing on to trade partners while the rest needed to be absorbed. The company's focus on enhancing operating efficiencies helped absorb some of the cost increase, strengthening our resilience.

Q: Where does the company go from here?

A: We have built a wide distribution platform and pipeline that will make it possible for us to sell larger quantities – more of the same. To support this growing appetite for Linc products, the company intends to increase its manufacturing capacity. The company intends to double the capacity of its Umbergaon (Gujarat) facility, which should increase the company's total manufacturing capacity by a quarter. The ₹50 crores investment is likely to be financed largely through accruals with the objective to enhance shareholder value.

The second initiative that the company intends to build on comprise its relationships with Uniball and Deli. These relationships represent an asset-light commitment to outsource stationery products from these international brands while the company continues to deepen the manufacturing competitiveness of its writing instruments.

Q: How does the company expect to perform during the current financial year?

A: On a conservative basis, Linc intends to more than quadruple revenues reported during the last quarter of FY 22 through the current financial year. The outsourced proportion of our business is likely to grow, strengthening our overall recall as a company that provides consumers with a single-stop solution. We also believe that the benefits of a wider distribution footprint will enhance revenues. Digitalisation and improved product mix will create a new platform for our company. This new platform is expected to generate profitable and sustainable growth across the foreseeable future.

Q: What is the medium-term outlook of the company?

A: Following capacity expansion and growing customer demand, the company is poised to grow to a topline of over ₹600 crores by FY2024-25 with a CAGR of over 20%, corresponded by an increased Pentonic revenue share of more than 32% and Deli contribution of ~15%, ensuring that nearly half the company's revenues are derived from value-added products.

BUILDING A NEW PLATFORM

GRADUATING BRAND INTO A PLATFORM

The story behind the Pentonic brand goes back a few years when the Indian writing instruments market was stuck in a groove. The general feeling was that the price-sensitive Indian consumer would seek to buy only the cheapest; value-added productisation would fail.

Another school felt that a long-sluggish Indian writing instrument sector was ripe for fresh thinking.

In this attrition, the big question was: should writing instrument companies wait or innovate?

Linc dared to innovate when it launched Pentonic, a minimalistic instrument curated by an international designer: the company seeded the market with a world-class product at Indian prices.

The Pentonic launch dared to extend the industry's frontier: it was accompanied by no transfer film, no packaging, no metal clip, no rubber grip and was black in colour, exactly the opposite of what conventional marketing experts would have prescribed.

By doing away with frills and focusing on minimalism, Linc was addressing the needs of a new market – consumers seeking style over the usual, value over waste and the emotional over the functional.

Sales of the ₹10 pen did not just take off; they wrote a new chapter in India's writing instruments sector. they sent out a message that writing instruments were not just about utility but also design, there was room for some design freshness and that the consumer was willing to pay more for better quality.

Linc moved with speed thereafter. The company extended the successful Pentonic brand; it launched Pentonic BRT for twice the original price (₹20) and consolidated its Pentonic presence in FY 21 and FY22. It plans to launch Pentonic GRT (retractable gel pen) for ₹30 during the current financial year and another pen in the Pentonic range for ₹20.

Pentonic now is no longer a successful standalone product; it is an extended product family. Pentonic is also no longer just perceived as a successful Linc launch; it is being widely seen as a watershed in India's writing instruments sector.

Growing Pentonic revenues

17	20	25
% of revenues generated by Pentonic, FY2019-20	% of revenues generated by Pentonic, FY2020-21	% of projected revenues by Pentonic, FY2021-22

Average Linc realisations per writing instrument

4.32	4.52	4.90
₹, FY2019-20	₹, FY2020-21	₹, FY2021-22

LINC'S POINTED STRATEGY OF DISTRIBUTION IS HELPING WIDEN SALES ACCESS

BUILDING A NEW PLATFORM

'LINC KAHIN BHI MILEGA'

In the past, the Linc brand was promoted across India but its products were available only in stationery stores.

Meanwhile, the consumer's purchase pattern began to change; she began to buy most of her products from a handful of stores, giving rise to the modern trade segment in India.

Then something even more dramatic transpired; the world graduated to ecommerce, enhancing a priority for 'now'.

Linc responded with speed to a rapidly evolving world; instead of the conventional paradigm of consumers seeking stationery stores to buy Linc products, the company went to closer to consumers instead.

Thus commenced the 'kirana-isation' of the company's distribution network, making it possible to be available wherever consumers intended to buy.

This extension had an unexpected upside: it graduated Linc's writing instruments from conscious purchase to an impulsive buy.

The kirana-isation is reflected in the numbers: the company more than doubled its pan-India reach across non-stationery outlets in a single year from 56,000 to 1,16,000.

This widening footprint – projected 5,00,000 retailers in three years – will result in more stores per neighbourhood stocking the company's products, inspiring the observation that 'Linc kahin bhi milega'.

THE HIGHLIGHT OF LINC'S TRANSFORMATION IS DIGITALISATION, ENHANCING SPEED AND FLEXIBILITY

BUILDING A NEW PLATFORM

THE OTHER 'D' WORD AND HOW IT IS TRANSFORMING OUR COMPANY

There are two 'D' words transforming Linc – 'distribution' and 'digitalisation.'

Their combination is transforming Linc faster by extending the company directly deeper on the one hand and accelerating business processes on the other.

During the last couple of years, the company graduated its conventional retailer engagement from the manual to the digital. In the past, Linc's sales representative would visit each retailer and collect indents of additional material they required. This would be a painstaking exercise, limited to about 200 visits by a Linc representative per month.

Until Linc dared to think different.

The company launched an app that could be accessed through the smartphone or laptop. This contactless approach empowers Linc's retailers to engage with the company anytime and from anywhere. The manual engagement has been replaced by the digital system; a retailer's account status is updated in real time; the company and the retailer access the same numbers; the system routes orders and queries to the right points within the company for immediate action.

This app-driven approach has been complemented by Linc's tele-callers who engage periodically with retailers on their fresh orders and indents, doing the work that would earlier be addressed by sales representatives.

Linc's sales representatives have graduated to strategic responsibilities related to addressing retailer problems, strengthening trade partner relationships and enhancing sales throughput.

This phygital approach – app, tele-caller and sales force – represent Linc's new way of engaging with consumers.

This is empowering the company to move faster and deliver larger sales volumes and a larger proportion of value-added writing instruments.

LINC IS SHARPENING ITS PORTFOLIO FUNCTION THROUGH COMPLEMENTARY BRAND ALLIANCES

BUILDING A NEW PLATFORM

ATTRACTING DELI AS AN ALLIANCE PARTNER

For nearly four decades, Linc focused on marketing writing instruments, widening its distribution, enhancing manufacturing capacity, brand basing its products portfolio and strengthening economies of scale.

When the company embarked on building a large distribution pipeline that connected the company directly to a larger number of retailers, it reached the cross-roads of its existence: continue marketing writing instruments through this wide distribution footprint or widen the portfolio to include synergic stationery products.

The company had for more than two decades represented the Uniball brand owned by Mitsubishi of Japan; the company now engaged with Deli, Asia's largest stationery brand. The Deli relationship represented the coming together of conveniences – Deli was able to enter the vast and complex Indian market through an established player; Linc was able to capitalise on years of portfolio creation by Deli.

The marketing alliance helped bring together Asia's largest stationery brand (revenues of US$ 2 billion a year) and India's largest writing instruments brand across arguably the largest distribution network for writing instruments in India.

The alliance will strengthen Linc's business in various ways.

One, the complementary alliance (now marketing Deli's writing instruments in India) will prove value-accretive for both.

Two, the alliance will leverage a rapidly growing Linc distribution coverage, extending to retailers.

Three, the alliance could widen the products complement being provided.

Four, the alliance will extend the Linc brand from a product to a single-stop solution.

Five, the alliance will enhance Linc's respect as a company possessing the maturity to attract marquee global players.

The alliances with Uniball and Deli represent a complementary asset-light approach, which could enhance revenues and profitability.

LINC'S CALCULATED DEBT-LIGHT APPROACH IS EXPECTED TO ENHANCE PROFITABILITY

BUILDING A NEW PLATFORM

CAPITALISING ON A TRANSFORMED BALANCE SHEET

Linc has transformed its Balance Sheet during one of the more challenging phases in its existence across the last two years.

In the last few years, the company had expanded out of debt to address capacity creation and enhanced working capital needs.

The pandemic interrupted the company's capacity expansion programme; it focused on capacity consolidation and debt repayment.

During the last two years, the company generated free cash flows of over ₹67 crores and repaid ₹43 crores of debt, strengthening its debt-equity ratio from 0.33 to near-zero.

Linc has reached a sweet spot in its existence from where it will be possible to grow the business with a strong Balance Sheet and enhance the shareholder value.

0.13
Net Debt/Operating EBIDTA, FY2021-22

1.19
Net Debt/Operating EBIDTA, FY2019-20

HOW WE REPAID OUR ALMOST ENTIRE DEBT DURING LAST TWO YEAR CHALLENGED BY COVID 19 OUTBREAK

Overview

A prominent achievement by Linc during these challenging years was the prepayment of its entire long-term debt and major reduction in working capital debt. This repayment was creditable as it was achieved in years when cash flows were stretched on account of a decline in revenues following the pandemic-induced lockdown.

Total repayment across two years amounted to ₹43 crores, which was funded through free cash flows.

The immediate impact was a decline in the interest outflow from ₹5.46 crores in FY 20 to ₹0.73 crores during the year under review.

The result is that despite a decline in immediate profitability, Linc maintained its long-term credit rating of A/Stable and short-term credit rating of A1.

> "We decided that when the market reality was challenging, we should repay our loans and reduce our cost of staying in business. The result is that our debt-equity ratio turned negligible, which helped retain our credit ratings "
>
> - **N.K.Dujari,** Director - Finance and CFO, Linc Ltd

INSIGHT

THE BIG 'D' OF SUCCESS IN TODAY'S WORLD

Combining 'Range and 'Reach'at Linc

Distribution represents the last frontier for brand-driven companies in India is the second largest populated country adding more than a crore to its population each year, which is more than the entire population of many countries. Besides, consumer preferences change across short distances; retail outlets range from modern trade formats to a single person displaying wares on the kerb side. This makes reach and range critical to success, empowering companies to sell through more trade partners and sell more through each. Linc's reach and range continued to widen during the last financial year, transforming its market engagement, coverage and recall.

Challenges

Being in a business where products were manufactured in two locations but sold through thousands of locations based on enquiries coming out of them, there was a premium related to information collection, processing, deductions and forecasting.

The erstwhile process was manual with challenges related to volume management, making decisions on the basis of inadequate data, making the approach completely human-dependent and responding slowly to a fast-evolving marketplace.

It became increasingly evident that all investments going into manufacture, product development and capital efficiency would eventually be constrained by the inability to sell products with speed or sell the way Linc always did. There was a need to change this erstwhile approach, which became the basis for sales force automation.

Connecting directly with the market

Brand-driven companies are recognising the limitations of selling products to wholesalers who, in turn, market to retailers. Engaging exclusively with wholesalers is treating one's brand-driven product like commodity and creating an over-dependence on wholesalers, which inevitably extends the working capital cycle, stretches the Balance Sheet and trips the company into debt. Linc re-appraised this approach, creating a long-term platform to engage directly with a dynamic market.

Companies need to widen their presence across the country and reach more distributors in addition to marketing more products to each, widening the distribution footprint and a larger share of the distributor's revenues. This distributor-led approach warrants patient long-term commitment, marked by upfront expensing that could moderate earnings.

Linc reported the largest increase in its distribution footprint in the last two years – more than treble – while graduating to multiple product categories. The company strengthened its positioning as a pan-India brand. Its approach was driven by the prospect of a small share increase across each that could generate attractive revenues (as opposed to working with a small number of and seeking to extract a larger share from each) leading to long-term revenue visibility.

Linc's retailers were geo-tagged for their precise locations and recorded in the company's central RDMS server mapped around our SFA system. Linc's sales team has become more scientific and often responded with speed within minutes, whereas conventionally this could have taken a couple of days.

Graduating from just a writing instruments company

The Indian consumer is graduating from price-sensitivity to selectivity; the consumer is willing to graduate from unorganised to trusted brands. The implication is that the Indian consumer is open to buying higher-priced products and more products from the same brand.

In line with these emerging trends, Linc is graduating from writing instruments to stationery products - a single-point solution. This is expected to widen the company's portfolio, enhance cross-sale, widen the company's outsourced asset-light revenues, strengthen procurement economies and generate higher revenues for trade partners.

The kirana-isation of Linc

The one decisive change to have transpired in the last couple of years is the nature of retail outlets through which Linc's stationery products are marketed. Earlier, Linc products were marketed through stationery stores but the extended closure of educational institutions and stationery stores ('non-essential' as per the government) affected offtake.

Linc has adapted through progressive 'kirana-isation', which will make it increasingly possible for the company's products to be available anywhere. The company intends to distribute products through the vast unorganised retailer universe across the country's streets, lanes and bylanes, never far enough from a consumer to deter purchase. This transforming reality promises a transformation in the company's capacity to reach consumers wherever they may be.

A 'phygital' engagement model

In the past, Linc engaged with trade partners through physical means; its representatives accessed wholesalers and retailers wherever they were located. This warranted extensive recruitment and a high people expenditure. During the last couple of years, marked by a premium on physical engagement, Linc responded with speed: it introduced a digital alternative. The company's engagement with trade partners and the last mile now comprises a combination of the physical and digital approaches ('phygital').

Linc launched a retailer app, an industry-first initiative. This app represents a watershed in the company's market engagement. This digital app can be accessed through a smartphone, enhancing functional use. The app has eliminated all systemic drawbacks associated with the conventional physical system - telephonic engagement, waiting in a call queue, recipient not answering the call, inadequate response, executives changing periodically, unexpected line disconnection and inability to communicate across different languages.

The app circumvents these challenges: first, it leverages the smartphone platform that is extensive and functional; it enhances the principal's proximity to an arm's length; it makes all retailers (irrespective of size) equal; it eliminates intermediaries; it makes a retailer sitting in, say, Bhatinda feel as important as a retailer sitting in a larger city like Kolkata; it enhances customer voice and issues resolution; it facilitates quicker service turnaround.

The app will be a potent driver of the company's brand, underlining its speed, sensitivity and engagement quality, the very attributes of the Linc brand.

The complementary role of telecallers

During the last two years, Linc appointed a team of 100 tele-callers who were empowered to do the same thing as its feet on the street, if only quicker and more effectively. Linc's tele-callers engage with retailers, asking them if they need to stock more in addition to deriving an understanding of market trends. By assuming the role that was once the preserve of the field force, these tele-callers have helped initiate a different way of doing things. For one, each tele-caller logs 200 calls to retailers a day as opposed to each field force staff logging a similar number of visits in a month. This redistribution of responsibilities has enhanced the role of the field force members as well: from routine enquiry and the boring logging of orders to trouble shooting, playing the role of a Brand Ambassador and exploring possibilities of enhancing revenues (and hence rewards). This quicker technology-driven approach involves few processes, leaves a trail and is more cost-effective.

The success of the tele-sales function has liberated feet-on-street to address the value-added. The sales executive performance is evaluated periodically by reporting managers. Reports and dashboards (daily, weekly and monthly) are shared to provide branch managers an accurate overview.

A human face of Linc

The redistribution of roles has transformed the role of Linc's trade representatives from 'Why aren't you ordering more from us?' to 'We notice that you have not re-ordered from us in the last two weeks. Can we help you liquidate your unsolds?' When the retailer engagement process was manual, there were transmission and translation gaps and the function was always playing catch-up with market needs. In the digitalised company, a customer suspect is being transformed into a prospect, increasing the prospect-to-order strike rate and creating an informed proposition: 'We notice that your sales dropped marginally in October compared to the previous months …can we send you our new lot of Pentonics to replace the old in your inventory?' There is now stronger feedback from the retail community that Linc is a company that cares.

The result has been a cultural transformation in the way the company engages with retailers: more retailer-centricity committed to service on-time and in-full. In turn, this is helping retailers rotate their Linc stocks faster; this has begun to generate a superior return on space and enhanced and more visible shelf space allocation for Linc products.

Upside of the phygital approach

Linc's phygital approach has generated a critical mass of data, which is being used in sales forecasting. The large pool of data comprises consumer locations and the likeliness of fresh ordering. Finally, we did not just possess data; we possessed centralised data on cloud that could be accessible to all in real-time. The information is not locked in a corner for a select few; it has been liberated for informed decision-making across levels. Data is being converted into informed reports and dashboards, enhancing sales team efficiency. More decisions in Linc 2.0 are being based on the credible evident (as opposed to gut feel); Linc's factful culture has resulted in effective processes and nimbler responsiveness.

The result is that Linc's sales are more informed with forecasts closer to targets, transforming the ability of our supply chain to put products on shelves with speed.

The company intends to scale from around 2.18 lakhs retailers during the current financial year to 5 lakhs retailers in three years.

The phygital avatar of the company as a preferred multi-products partner for more than half a million retailers across the country is expected to enhance shareholder value in a sustainable manner.

Based on observations provided by Sunil Davis, Business Consultant, Vector

INSIGHT

THE OTHER 'D' OF SUCCESS IN TODAY'S WORLD

Digitalisation and Linc

Until a couple of years, Linc was largely a company driven by manual processes supported by an IT framework for record keeping and related support functions.

During the last two years, there has been a structural transformation of Linc from a legacy to a digitalising company.

There was a growing realisation that costs could not be passed on; they would need to be absorbed without affecting the company's profitability or shareholder value. The result was a prudent shift from cost moderation to waste elimination.

The one area that the company prioritised for structured waste reduction was in its demand planning engine. In the past, the company's sales and production executives planned production targets based on an instinct of how the market was likely to perform. While this may have worked in stable markets, the challenge was in applying the science-less approach in volatile consumption markets, marked by a decline in shipping containers, increase in logistics costs and unpredictable demand patterns.

Linc responded with a robust and responsible system (driven by algorithms) that mapped what was being sold in the market and set about manufacturing the corresponding quantity. During the last couple of years, this replenishment-driven approach has generated upsides.

One, there is a larger critical mass of department heads and senior executives invested in systemic discipline, convinced about the power of data-driven growth (analytics).

Two, there are teams working on specific interventions to deliver superior outcomes that contribute to the overall organisational pool.

Three, there is a deeper awareness of human-side and system-side deviations from the mean, resulting in informed troubleshooting.

Four, there is a greater understanding of the linkage between excess or moderated inventory on the company's working capital outlay and profitability.

Five, this exercise has extended to the company's outsourcing partners, most of who belong to the unorganised sector.

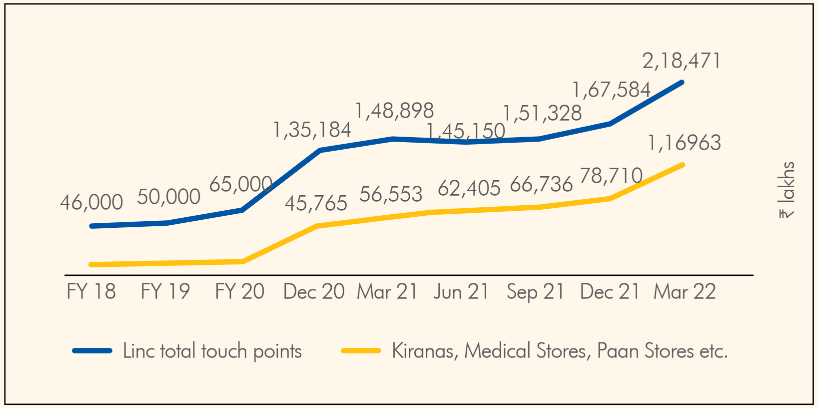
Six, Linc's digitalisation initiative comprises raw material availability (neither too high nor too low), production (making the highest priority product first) and dispatches (the right product in the right quantity to the right place at the right time).

Seven, there has been a decline in the quantum of unwanted inventory, strengthening working capital efficiency.

Going ahead, the digitalisation will comprise standard operating protocols for all functions, deeper respect for data, allocation of professionals with the competencies for specialised roles and a KRA-driven environment.

This digital platform is expected to create a scalable foundation that is expected to liberate employees from the routine to the strategic, enhance sales without a corresponding increase in costs, widen margins and enhance shareholder value.

Growth in our retailer touch points



OUR BRANDS REPORT, FY2021-22

Parameter	FY2018-19	FY2019-20	FY2020-21	FY2021-22
Brand spending (₹ crores)	5.4	12.4	4.1	6.0

Overview

Linc is not just another brand within the country's writing instruments sector.

Linc has played the role of a catalyst in growing and evolving its sector.

By being a game-changer, Linc has influenced the adoption of strategies, standards and benchmarks by industry peers.

The result is that Linc has transformed from just another player into a sectorial influence.

The prominent contributions of Linc to India's writing instruments sector has comprised the following:

- The evolution of India's unorganised writing instruments sector to brand-driven organised
- The graduation from generic brand recognition to celebrity endorsements
- The transformation of a conventional product push (with price discounting) to consumer pull (premium pricing)
- The creation of new price points, widening the market
- The graduation of a local product towards international scale
- The evolution of commoditised categories towards the premium

How Linc brand pioneered across the years

Linc was India's first company to introduce direct fill pens for ₹2 when competing alternatives were available at ₹10 each. The company combined a stainless-steel tip, tungsten carbide balls for uniform writing and German ink

Linc democratised the writing instrument industry with the introduction of quality and durable gel pens around ₹10 in 2001.

Linc introduced the pathbreaking Pentonic for ₹10 in 2019, a contrarian product (with no transfer film, no packaging, no metal clip, no rubber grip and no other colour save black), a new premium trend in the sector.

Our brand stethoscope

Sizable brand building power

29.7

₹ crores., Linc's brand investment in the five years ending FY2021-22

27.2

₹ crores., Linc's brand investment in the five years ending FY2016-17

Our brand revenues – growing in West and South India

Zone	FY18	FY22
North	31%	29%
East	42%	38%
West	14%	17%
South	13%	16%

Linc's product champions

Linc TipTop: Introduced in 2000. Pioneering retractable ball pen. Price: ₹2.50

Linc Hi School Gel: Launched in 2001. First Indian manufactured gel pen. Price: ₹10

Linc Smart OBG: Launched in 2002. First refillable oil-based gel pen. Sales of 60 million writing instruments each year during its prime.

Linc Ocean Gel: Launched in 2003.The highest selling gel pen. Pioneering packaging of three pens for ₹20 (helped price pens beyond ₹5 each, a new industry price point).

Linc Glycer: Introduced in 2005. The highest selling pen in Linc's existence until then. Among the highest selling pens across countries.

Linc Executive Gel: Launched in 2010, is with steady flow Ink Technology helps in smooth - smudge free long writing and has a comfortable textured grip.

Linc Signetta: Introduced in 2012, is stylishly designed ball pen with comfortable grip and elongated writing.

Linc Twinn: Introduced in 2013. First of its kind writing instrument in India. Super smooth ball pen cum lead pencil in the same writing instrument body.

Pentonic: Introduced in 2019. Game changing product. Minimalistic design. Price: ₹10 each. Kickstarted brand extensions. Transformed industry perception

Our brand strengths

Solution: The Linc corporate brand offers a range of branded products marketed under the following brands: Linc, Lincplus, Pentonic, Uni-ball, deli and Markline – a complete stationery solution

Accessibility: The Linc brand is now available across more than 2,18,000 points of sale (31st March, 2022) and this is likely to grow to more than 5,00,000 in three years.

Affordable: The Linc brand is respected for its superior price-value proposition, enhancing affordability across all consumer segments

Availability: The Linc brand has leveraged a phygital approach (apps, tele-callers and field force), ensuring that Linc products are always available when consumers need them

Consumer delight: Linc delights consumers through product or price innovation. The brand has created an expectation that 'If it is Linc, it must be something new.' This recall has enhanced primary customer stickiness. As a result, Linc has become a generic name, graduating customers from 'Pen deejiyega' to 'Linc chaahiye!'

Ethical practices: The Linc brand stands for integrity in engagement across stakeholders – employees, customers, vendors, society and government. This integrity is manifested in fair treatment, complete compliance, ethical dealings and people respect, among others.

Relationships: The Linc brand engages with people for the long-term, based on the ability to leave attractive value on the table for stakeholders. The result is that employees benefit through responsible career building, customers benefit from superior revenues, vendors from multi-year engagement and shareholders from viability across market cycles.

Alliances: The Linc brand enjoys alliances with Uniball and Deli, both multi-national stationery brands that complement Linc's writing instruments portfolio

HOW LINC BRAND HAS GROWN ACROSS THE DECADES

1976
Linc was registered on 9th February

1978
Linc Supreme was launched. India's first plastic ball point pen.

1984
First manufacturing unit set up in Serakole, near Kolkata.

1992
Tied up with Mitsubishi (Japan) to introduce Uniball ball and roller pens

1994
Listed on the Indian Stock Exchange

2003
Commenced exports to Wal-Mart, USA.

2005
Launched Linc Glycer, the highest selling pen in Linc's history

2006
Started Office Linc, India's first branded retail stationery store

2008
Engaged prominent Indian actor Shah Rukh Khan as brand ambassador

2009
Commenced production in Falta SEZ unit

2012
Mitsubishi of Japan picked up a 13% stake in Linc

2013
Launched Linc Twinn, a pioneering pen and pencil combination

2015
Recognised as a Two Star Export House.

2017
Commenced production in Umbergaon, Gujarat

2019
Launched Pentonic Ball Pen @ ₹10

2020
Launched Pentonic BRT @ ₹20

2021
Name of the Company changed to Linc Ltd; registered office was shifted to Salt Lake, Kolkata.

2022
Launch planned for Pentonic GRT@₹30, (a retractable gel pen)

THE PILLARS OF OUR BRAND STRATEGY

- Build mother brands
- Create sub-brands around mother brands
- Focus on innovative products and launches
- Sustained spending on creating and promoting brands
- Robust complement of brands addressing different consumers needs
- Increased promotion through social media
- Draw receivables quicker from trade partners
- Deepen recall of 'If it is Linc, it must be different'

LINC AND SHAREHOLDER VALUE CREATION

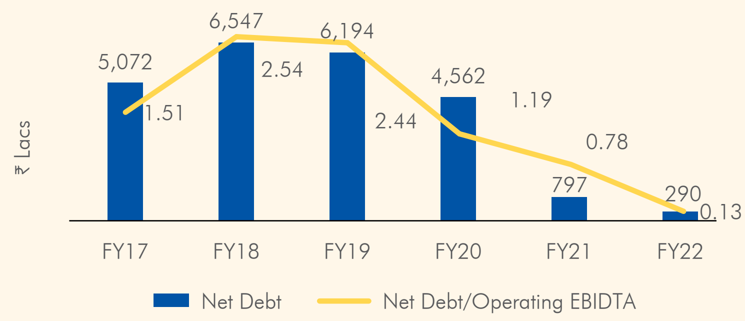
Linc is engaged in business to enhance shareholder value.

The company embarked on a number of initiatives during the last two years to restructure its business around distribution and digitalisation, helping unleash shareholder value.

Our shareholder value creation focus

- Increase free cash flows
- Consistent dividend payout track record of greater than 30% (other than Covid years due to cash conservation)
- Significant decline in net debt, using free cash flows
- Funded capital expenditure largely through the judicious use of debt
- Reduce Net Debt/ Operating EBIDTA (from a peak of 2.54 in FY2017-18 to 0.13 in FY2021-22 and even lower going ahead)
- India has over 10 million non-stationery outlets
- Broken tradition by expanding to neighbourhood grocery stores (kirana, medical stores, paan stores, etc.)
- Crossed the milestone of 1,00,000 non-stationery outlets
- The company targets to reach 5,00,000 touch points in 3 years

Net Debt and Net Debt/Operating EBIDTA



Inroads into stationery products

- Targeting over ₹7,500 lakhs topline by FY25
- Deli could contribute around 15% in the company's total revenue in the next 3-4 years
- Deli's gross profit margin is around 20% and hence could will start contributing significantly to the operating EBIDTA of the company from the current financial year

Enhancing existing capacity

- Linc plans to increase its existing in-house manufacturing capacity from 10 lakhs pen per day to 15 lakhs pen per day
- Revenue potential of the new facility at full capacity could be ~ ₹7,500 lakhs
- Land blocked and advance paid for the new facility.
- Project cost ~₹3,000 lakhs (first phase) to be funded by a prudent quantum of debt
- New plant expected to be commissioned in the last quarter of FY24 and the facility is expected to achieve full capacity utilisation in two years
- New plant in the existing Umbergaon location will rationalise logistics and economic synergies
- Capacity expansion will be modular so that investment phased, to align with growing demand, leading to a better return on investment.

ESG

Environment

- Pentonic's individual plastic wrapper packaging has been consciously substituted with paper box packaging comprising 10/20 pieces.
- This step has saved over 60 MT of plastic waste in FY22, while saving ~ ₹200 lakhs in packaging costs for the company

Social

- Linc believes in workforce diversity, comprising ~700 women employees in its Gujarat factory
- Employs a small specially-abled trained workforce
- Long-standing Friends of Tribal Society partner, providing support for education and welfare activities

Governance

- Consistent focus on good governance
- Believes such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness

e s g

Our strategy to enhance shareholder value

Increased touch points

Engaged the respected Vector Consulting Group to consult on distribution expansion

Extension from stationery stores and large format outlets to kiranas

Addressed a non-stationery outlet universe of 10 million+ non-stationery outlets

Addressed kiranas, medical stores, paan stores etc.

Grow from 2.18 lakhs retail outlets (31st March, 2022) to 5 lakhs outlets in 3 years

Emphasis on higher margin products

Pentonic launched at ₹10 in 2019 (perceived value higher)

Increased share of Pentonic portfolio in the overall revenues to more than 25%

Pentonic generated a gross margin of around 43% (average company margin ~25%)

Ongoing focus to extend Pentonic into more products and create a profitable platform

Widening the stationery portfolio

Linc entered into an exclusive tie-up with Deli for a range of stationery products

Deli is Asia's largest stationery manufacturer

Asset-light business; margins-accretive

Stationery products complementary to Linc's writing instruments

Increased cross-sale possibilities

Deli business likely to add about ₹75 crores to the turnover in three years

Enhance manufacturing capacity

Increased distribution and sales to enhance need for additional capacity

Proposed new manufacturing facility at Umbergaon (Gujarat)

Positioned to rationalise logistics and enhance economic synergies

Doubling capacity in phases to 20 lakhs pens per day

Project cost of ~₹50 crores to be carried out in two phases (first phase operational by Q4 FY24)

Expansion to be largely funded through accruals and a judicious use of debt

ESG

- Moderate the use of plastic packaging with paper alternatives
- Widened gender diversity through the engagement of women on the shopfloor
- Employed specially-abled professionals
- Supported education of the marginalised
- Focused on used pen recycling

Enhance fiscal discipline

- Focus on sustainable growth, profitability and under-borrowed Balance Sheet
- Invest in capital expenditure largely out of accruals
- Objective to generate free cash flows

Achieved outcomes

65 ₹ crores, net debt in FY18	**2.54** Net Debt / Operating EBIDTA, FY18	**0.54** Net Debt / Equity, 31st March, 2018
3 ₹ crores, net debt in FY22	**0.13** Net Debt / Operating EBIDTA, FY22	**0.02** Net Debt / Equity, 31st March, 2022

Projected outcomes

- Revenue growth of 20%-plus CAGR
- Turnover of more than ₹600 crores by FY25
- Pentonic revenue share of more than 32%
- Deli to contribute ~15% of revenues
- Operating EBIDTA margin of more than 12% by FY25
- Projected RoE of more than 18% by FY25

WHY WRITING MAY NEVER GO OUT OF FASHION

Ros Wilson, the founder of Andrell Education's Big Writing model for teaching writing, described the process of handwriting as "creating a mental picture of the world" and said computer processing did not create the same picture in the brain.

Angela Webb, a psychologist and chair of the National Handwriting Association, explained that engagement with the physical environment activated certain areas of the brain and stimulated cognitive development, so picking up a pen has a positive impact not just on literacy but on other disciplines too

Learning to write by hand aided physical coordination, rhythm, stamina and posture.

Writing longhand notes gives you the graphic freedom to easily sketch an infographic, word web, or another non-traditional layout to put your thoughts down and visualise connections. (Source: theguardian)

Writing things down has the power to improve your mental and physical health. Everything from memory to motor skills is enhanced when you put pen to paper.

WHY IS WRITING IMPORTANT FOR CHILDREN

Results from several studies have shown that children and adults learn more and remember better when writing by hand. Another study confirms the same: choosing handwriting over keyboard use yields the best learning and memory.

Learning to write by hand is slower, but it is important for children to go through the tiring phase of learning to write by hand. The intricate hand movements and the shaping of letters are beneficial in several ways.

If you use a keyboard, you use the same movement for each letter. Writing by hand requires control of your fine motor skills and senses. It is important to put the brain in a learning state as often as possible. (Source: sciencedaily research paper)

MILLENNIAL PERSPECTIVE OF WRITING

They might be the tech generation, but millennials appreciate the art of handwriting more than any other age group, according to new research.

Millennials also tend to have a lot more confidence in their handwriting, with 33% reporting they have 'very good' handwriting, compared to just 17% of those 55 or older.

81% of the millennials consider a handwritten note to feel more meaningful than email or text, with millennials, surprisingly, leading the pack.

Nearly nine in ten (87%) millennials value handwritten notes more than alternative means of communication.

Millennials proved to be the most sentimental generation, with 50% saying they "always" keep and save personal handwritten notes, which was over double the amount compared to people aged 55 or older (25%).

LEADERSHIP

MR. DEEPAK JALAN
Managing Director
- Commerce graduate with 36 years of experience
- Responsible for the overall operations with a specialisation in international operations
- Responsible for the Company's strategic direction

MR. ALOKE JALAN
Whole time Director
- Commerce graduate with 31 years of experience in the business
- Looks after the Company's marketing operations with special emphasis on Western and Southern regions

MR. ROHIT DEEPAK JALAN
Whole time Director
- BA Hons. in Management studies from University of Nottingham, UK and PG Diploma in Business Management with specialisation in Marketing
- Heading International Business and Marketing Department of the Company

MR. ANIL KOCHAR
Independent, Non-executive Director
- Post graduate in Commerce and LLB
- Eminent advisor on income tax matters

MS. SUPRIYA NEWAR
Independent, Non-executive director
- Author, writer and communications specialist with over two decades of rich experience
- Believes in the beauty and might of the pen

MR. NARESH PACHISIA
Independent, Non-executive Director
- Founder & MD, SKP Securities Ltd.
- SKP Securities Ltd is Eastern India's leading investment banker, wealth manager and stockbroker with 40 years of capital market experience

MR. N.K.DUJARI
Director - Finance and CFO
- Chartered Accountant with 34th rank (All India) and Company Secretary
- Alumnus of St. Xavier's College, Calcutta, with over 34 years of professional experience in varied fields
- Joined Linc in 2000

MR. SANJAY JHUNJHUNWALLA
Independent, Non-executive Director
- B.Com from Calcutta University with more than 35 years of experience across diverse areas
- Whole Time Director and driving force behind Turtle Limited
- Member of various reputed trade committees and organization
- Specialisation in retail-driven growth

THE PASSION OF LINC

What employees feel about working at the company

"The most remarkable development at Linc is its new office, which is almost ten times larger than the old one with an invigorating ambiance."

Ranjita Chakraborty, Senior Executive, Linc

"One of the most cherished moments in my Linc journey is that I produced seven colour refills in one machine – possibly for the first time in India. This helped moderate waste and lead time."

Amit Kumar, Systems Operation Manager, Linc

"Linc created a Future Leadership Group by appointing six young talents who work as an extension of the management. This has provided young dynamic individuals with attractive growth opportunity."

Sayantan Ghoshal, Assistant Manager, Operations and Marketing, Linc

"With educational institutions closed during the pandemic, Linc's MD Mr Deepak Jalan inspired us with verse from the Bhagavad Gita. At one time, the company moderated salaries; it was difficult, but we kept fighting. Now things are better, sales have rebounded and we have received higher remuneration and incentives."

Bishal Chanda, Assistant Manager (Information technology), Linc

"Linc did not lay off staff during the Covid-19 pandemic; instead, we were provided rotational shifts and work-from-home. The result is that no worker or shopfloor employee suffered from COVID-19."

Avijit Kar, Human Resource (Industry relationship)

MANAGEMENT DISCUSSION AND ANALYSIS

Global writing instruments industry overview

Amidst the COVID-19 pandemic, the global writing instruments sector was valued at US$ 15.9 billion in 2020 and was estimated to reach a market size US$ 20.6 billion by 2027, growing at a CAGR rate of 3.8%. The industry is set to increase by US$ 758.48 million over the time spanning 2021 to 2026.

The ballpoint and gel pens market is estimated to grow at a 5.7% CAGR from US$ 5.8 billion in 2020 to reach US$ 8.5 billion by 2027, while the roller pens segment, currently accounting for 9% share of the global instruments market, is anticipated to rise at a 4.2% CAGR during the time spanning from 2021 to 2027.

Schools and educational institutions all over the world were shut down due to the COVID-19 lockdowns. With these institutions reopening over time, the school stationery supplies market has a growth potential of US$ 15.12 billion from the time spanning 2020 to 2024, the growth momentum of the market is expected to accelerate at a 3% CAGR.

The global writing instruments market is expected to be on a growth momentum with the demand for luxury writing instruments on a rise and corporate gifting in the offices being a growing trend. The global writing instruments market is dominated by USA with a market share of 27%.

The size of the writing instruments market in USA is estimated at US$ 52 billion and China's writing instrument market size is expected to reach US$ 33 billion, growing at a CAGR of 3.6%, over the analysis period between 2020 to 2027; Japan and Canada are among the other significant markets growing at a CAGR rate of 0.2% and 1.3% respectively.

Within Europe, Germany is expected to grow at a CAGR rate of 1.8% while the rest of the European market is expected to reach US$4.5 billion by 2027.

Over the past few years, in spite of digitisation, the print media continues to be dominant for readers which augurs well for the writing instruments and stationery market.

Big numbers

68%
Global growth contributed by the APAC region, 2021

13%
Growth of the global writing instruments industry for 2022

The rising online sales of writing instruments and ease of raw material availability are anticipated to offer growth opportunities for the writing instruments market.

During the COVID-19 crisis, the global stationery products market was estimated at US$ 24 billion in 2021 and forecasted to reach US$ 30 billion during the period 2021 to 2031, growing at a CAGR of 4%. The Asia-Pacific region has the largest contribution to the global stationery industry and is expected to reach US$ 29.2 billion by 2027.

(Source: Globenewswire.com, prnewswire, Technavio, researchandmarkets, factmr.com)

Indian writing instruments industry overview

The Indian writing instruments industry consists of a non-paper based stationery industry comprising pens, pencils, markers and highlighters. Ball pens and gel pens account for the largest share in this market. The Indian stationery market enjoys growth potential as the country has over 25 crores students studying and requiring writing instruments and other stationery materials.

On account of rising preference for products throughout India, the writing instruments industry is demonstrated by an increase in premium product designs. In spite of the enhanced utilisation of computers and smartphones, the public continues to use writing instruments, marked by design advancements in the use of raw materials, ink and metal.

As the COVID-19 pandemic resulted in remote learning and work-from-home situations, there was a decline in demand for writing instruments as studies and work that was earlier being conducted through the use of writing instruments shifted to digital devices. In order to tackle this change in consumers' buying behaviour, writing instrument manufacturers came up with new products and added innovation to their offerings.

The Indian writing instruments market is forecasted to report a growth on account of increased literacy, incomes and aspirations. The writing instrument market size is about ₹10,000 crores expected to grow at over 8% per annum

Writing instruments have experienced a growth in the corporate gifting segment following enhanced design, present ability and price-value proposition. (Source: 6Wresearch, Research and markets)

The stationery industry in India is fragmented into paper and non-paper stationery with the latter comprising the larger share in the market. India is one of the biggest stationery markets in the Asia-Pacific region.

On the basis of distribution channels, the stationery shops are anticipated to acquire a fair portion of market share, with the demand rising on account of wide availability of products like colour pencils, cartoon rubbers and glitter pens that have become the ideal choice for children and are expected to secure growth of the segment.

The reopening of schools is a major growth driver to the school stationery supplies market. The stationery market is expected to increase at a CAGR of 6.2% between 2019 and 2025.

India has over 250 million school-going students, more than any other country. The school stationery segment consists of pencils, sharpeners, erasers, notebooks, pencil cases and sketch pens. This plays an integral part in the education system and is crucial for students of all age groups.

As per a survey by the Ministry of Education, India has a total of 1,043 universities, 42,343 colleges and 11,779 standalone institutions as of 2021. Under the Union Budget 2022-23, the government of India has allocated ₹104,278 crores in the coming fiscal year on education. (Source: Globenewswire.com, IBEF, 6Wresearch, IMARC, Business Insider, NDTV, business-standard, ibef.org)

Growth drivers

Rising population: The population of India stands at 1.40 billion in 2022 and is expected to surpass the Chinese population by 2023. The largest Indian population of ~ 580 million in the age bracket of 5-24 years. This rise in population is anticipated to have a positive effect on the Indian stationery and writing instruments market.

Urbanisation: The country's urban regions are witnessing a population shift from the rural areas. This shift in population will be complemented by an increase in demand for education and, in turn, for stationery and writing instruments.

Demographic dividend: The median age of India is 28.9 years as against 30 years of global average. A younger population will have a higher preference for education, a boost for the writing instruments sector.

Rising literacy: Government initiatives such as Sarva Shiksha Abhiyaan and mid-day meal programmes have been strengthing India's literacy from 65% in 2001 to ~77.70% in 2021. The objective of attaining 100% literacy levels by 2025 could have a positive impact on the writing instruments sector.

Education spending: The budget estimates for 2022-23 show that the Central government could spend ₹104,278 crores in the coming fiscal year on education.

(Sources: Business Today, Statista, NDTV, Hindustan Times, business-standard)

Financial review, FY2021-22 & Outlook

- Revenues for the year increased to ₹355 crores compared to ₹257 crores in the previous fiscal year.
- PAT for the year was ₹8.13 crores compared to ₹0.04 crores in the previous fiscal year.

The Company is expected to generate profitable and sustainable growth in foreseeable future.

Internal control systems and adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

Human resources

Linc believes that its competitive advantage lies within its people. The Company's people bring to the stage a multi-sectoral experience, technological expertise and domain knowledge. The Company's HR culture is rooted in its ability to subvert age-old norms in a bid to enhance competitiveness. The Company always takes decisions in alignment with the professional and personal goals of employees, achieving an ideal work-life balance to enhance pride for association. There were 881 people employed with the Company as on 31st March, 2022.

Key Financial Ratios for the Company

		FY22	FY21
(i)	Operating Profit Margin (%)	3.3	(0.4)
(ii)	Net Profit Margin (%)	2.3	0.0
(iii)	Debtors turnover (days)	36	56
(iv)	Inventory turnover (days)	98	154
(v)	Current Ratio	2.1	1.9
(vi)	Return on Net Worth (%)	5.9	0.0
(vii)	Interest Coverage Ratio	33.3	4.2

1. Change in Operating Profit / Net Profit Margin and Return on Net Worth as compared to the preceding year was due to higher earnings from operations and reduction in finance cost.
2. Change in Debtors and Inventory Turnover as compared to the preceding year was due to increase in Revenue.
3. Change in Interest Coverage Ratio as compared to the preceding year was due to higher earnings from operations and reduction in finance cost.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward–looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

Risk management

Economic risk: An economic slowdown may have a negative impact on the Company's growth.

Mitigation: Linc strives to gain from a rising penetration in the domestic and global markets, expanding its presence in a way that relative weakness in any one or few markets does not pull down the overall performance.

Competition risk: The market share of the Company could face a decline/ restriction in growth because of competing forces.

Mitigation: Linc has been differentiating itself from competitors through design-led products, generating a superior price-value proposition. The Company was amongst one of the three largest players in the country's writing instruments sector in FY2021-22.

Quality risk: An inability to provide quality products could affect the Company's brand.

Mitigation: Linc is one of the most renowned writing instrument brands in India. Its brand name is in correspondence with superior quality and customer receptivity. The Company's commitment of quality was protected through integration, ISO 9001-2008 certification, utilisation of superior polymer quality and compatible design.

Raw material risk: Over 50% of the total raw materials used by the Company are crude oil-based; a rise in the crude oil prices can increase costs.

Mitigation: Linc focused on developing value-added products with a wider buffer for the absorption of increases in cost influenced by crude oil.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 28th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2022.

(₹ in Lakhs)

Financial Highlights		2021 – 22	2020 – 21
Revenue from Operations		35495.67	25666.13
Other Income		287.86	145.64
Profit before depreciation, interest and taxation		2440.67	1162.68
Finance Cost		73.29	274.28
Depreciation		1282.11	1269.36
Profit before Tax		1085.27	(380.96)
Provision for Taxation	- Current	311.00	-
	- Income Tax for earlier years	0.60	(235.01)
	- Deferred	(39.64)	(149.87)
Profit after Tax		813.31	3.92
Total Other comprehensive Income		1.43	(7.56)
Total Comprehensive Income of the Year		814.74	(3.64)
Statement of Retained Earnings			
Balance at the beginning of the year		1258.48	1485.20
Add: Total Comprehensive Income of the Year		814.74	(3.64)
Less: Dividend (incl. Income Tax thereon) of the previous year paid during the year		-	223.08
Transfer to General Reserve		550.00	-
Balance at the end of the year		1523.22	1258.48

Dividend

Your Directors recommend a Dividend of ₹1.80 per equity share (previous year Board did not recommend any dividend) for the year ended 31st March, 2022. The Dividend Distribution Policy is available on www.lincpen.com (weblink - https://s3.amazonaws.com/lincpen/documents/145/original/Dividend-Distribution-Policy.pdf)

Change of Name of the Company

During the year, the Board of Directors in their meeting held on 28th June 2020 have approved the change of name of the Company from Linc Pen & Plastics Ltd. to "LINC LIMITED". The members of the Company have approved the change of Company's name vide special resolution passed in the annual general Meeting held on 15th September, 2021. Consequently, the Company obtained new Certificate of Incorporation pursuant to change of name dated 25th October, 2021 from the Registrar of Companies, Kolkata.

Financial Performance

During the year under review, the Company's Revenue from Operations increased by 38.3% to ₹35496 Lakhs as compared to ₹25666 Lakhs during the preceding year. The Profit after Tax during the year was ₹813 Lakhs as compared to ₹4 Lakhs in the previous year.

The year-end debtors were 35 days of sales for the year as compared to 51 days in the previous year. The inventory holding as at year end was for 66 days of sales as compared to 89 days as at the end of previous year.

The Company has discontinued manufacturing operations at its unit in Falta SEZ, West Bengal and had shifted most of the critical Machineries and Equipment to the other two manufacturing units of the Company and balance assets will also be transferred shortly.

A full analysis and discussion on the performance of the Company as well business outlook is included in this Annual Report under the heading 'Management Discussion and Analysis' as Annexure to this Report as well as other sections of the Annual Report.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:-

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance

The Company had complied with the requirements of Corporate Governance in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report each on Corporate Governance (Annexure-B, along with Auditors' Certificate on its due compliance) and Management Discussion and Analysis is attached to this report.

Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1, SS-2 and SS-3, relating to 'Meetings of the Board of Directors', 'General Meetings' and "Dividend", respectively, have been duly followed by the Company.

Listing

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

Directors and Key Managerial Personnel

In accordance with the Articles of Association of the Company, Shri Rohit Deepak Jalan, Whole Time Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Re-appointment of Shri Deepak Jalan, Shri Aloke Jalan and Shri Rohit Deepak Jalan as Managing Director, Whole Time Director and Director- Sales & Marketing respectively, with revised remuneration for a period of 3 years with effect from 1st October, 2022, was approved by Nomination and Remuneration Committee and the Board of Directors of the Company at the meeting held on 30th May, 2022 subject to approval of members of the Company at the ensuing Annual General Meeting.

Brief resumes of Shri Deepak Jalan, Shri Aloke Jalan and Shri Rohit Deepak Jalan, nature of their expertise in functional areas and the name of the companies in which they hold the Directorship and the Chairmanship/ Membership of the Committees of the Board, as stipulated under SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Companies Act, 2013 and applicable Secretarial Standards are given as Annexure to the notice convening the Annual General Meeting.

Shri Sanjay Jhunjhunwalla was appointed as an Additional Director (Independent Category) of the Company by the Board of Directors on 12th November, 2021, on recommendation of Nomination and Remuneration Committee.

Shri N. K. Dujari was appointed as an Additional Director (Executive Category) of the Company by the Board of Directors on 14th February, 2022, on recommendation of Nomination and Remuneration Committee.

Shri Sanjay Jhunjhunwalla and Shri N. K. Dujari are regularised vide special resolution passed on 14th April, 2022 through postal ballot.

The following persons continued as Key Managerial Personnel of the Company in compliance with the provisions of section 203 of the Companies Act, 2013:

Shri Deepak Jalan - Managing Director

Shri Aloke Jalan - Whole Time Director

Shri Rohit Deepak Jalan - Whole Time Director

Shri N. K. Dujari – Director - Finance & CFO

Shri Dipankar De – Company Secretary

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

A statement pursuant to section 134 of the Companies Act, 2013, giving details of measures taken towards conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Accounts) Rules, 2014 is annexed as Annexure - C.

Particulars of Employees and related disclosures

Disclosure as required Section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed as Annexure – D.

Policy on Directors' Appointment and Remuneration

Policy on Directors' Appointment is to follow the criteria as laid down under the Companies Act, 2013 and the Listing Regulations, 2015 and good corporate practices. Emphasis is given to persons from diverse fields or professions.

Policy on Remuneration - Guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is –

- Remuneration to unionised workmen is based on the periodical settlement with the workmen union.
- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen (non Unionised) is industry driven in which it is operating taking into account the performance leverage and factors such as to attract and retain quality talent.

For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars and guidelines issued by Central Government and other authorities from time to time.

Declaration by Independent Directors

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the compliance of the conditions of the independence stipulated in the aforesaid section.

Related Party Transactions

All related party transactions that were entered into during the year under report were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company during the year. Thus, provisions of section 134(3) (h) and 188(1) of the Companies Act, 2013 are not applicable and therefore, Form No. AOC-2 has not been attached.

Related Party Transactions Policy is available on www.lincpen.com (weblink -https://s3.amazonaws.com/lincpen/documents/148/original/Policy-on-Related-Party-Transaction.pdf.)

Risk Management

The Company has a structured risk management policy. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The potential risks are inventorised and integrated with the management process such that they receive the necessary consideration during decision making. It is dealt with in greater details in the management discussion and analysis section.

Credit Rating

The Company's credit ratings ascribed by CRISIL are - Long Term – CRISIL A/Stable; and Short Term – CRISIL A1.

Annual Evaluation by Board

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

Whistle Blower Mechanism

Your Company has put in place Whistle Blower Mechanism. The detailed mechanism is given in Corporate Governance Report forming part of this report.

Annual Return

The Annual Return of the Company as on March 31, 2022 is available on the Company's website and can be accessed at www.lincpen.com

Meeting of the Board of Directors

Six (6) meeting of the Board of Directors, including a meeting of independent Directors, without the attendance of the Non-Independent Directors and members of management, were held during the year. The details of the same are provided in the Corporate Governance Report.

Auditors

M/s Singhi & Co. (FRN: 302049E), Chartered Accountants were appointed as the Statutory Auditors of the Company in 23rd Annual General Meetings held on 1st September, 2017 for a period of 5 consecutive years commencing from the conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company. Accordingly, the existing Statutory Auditors are due for retirement at the ensuring Annual General Meeting.

Subject to the approval of the members of the Company, the Audit Committee and the Board of Directors during their respective meetings held on 30th May, 2022 have considered and recommended the re-appointment of M/s Singhi & Co. (Firm Registration Number: 302049E), Chartered Accountants as the Statutory Auditors of the Company, to hold office from the conclusion of the 28th Annual General Meeting until the conclusion of the 33rd Annual General Meeting of the Company to be held in year 2027.

M/s Singhi & Co. (Firm Registration Number: 302049E) have given their consent for the proposed appointment as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting of the members of the Company. They have further confirmed that the said appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies act, 2013 and that they are not disqualified for appointment.

The Report given by the Auditors on the financial statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Secretarial Audit

The Company had appointed M/s D. C. Sahoo & Co., Practising Company Secretaries as the Secretarial Auditor of the Company for the financial year 2021-22. The report of the Secretarial Auditor is annexed as Annexure – E.

Internal Finance Control

The Company has put in place adequate system of internal finance controls, commensurate with its size and nature of its operations. During the year no material weakness in its operating effectiveness was observed.

Corporate Social Responsibility

With the enactment of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs, the Company has undertaken activities as per the CSR Policy and the details are contained in the Annual Report on CSR activities given in Annexure - F forming part of this report.

The amount required to be spent on CSR activities during the year under review in accordance with the provisions of Section 135 of the Companies Act, 2013 is ₹20.35 Lakhs and the company has spent ₹20.80 Lakhs during the current financial year.

Further as a responsible corporate citizen, the Company had been involved in CSR activities since its inception. Some of these activities will not fall under 2% CSR spend as per Schedule VII read with Section 135 of the Companies Act, 2013. But the Company decided to continue with them, since those activities are integral to the business of the Company.

Prevention of Sexual Harassment at workplace

The Company has in place a Policy against Sexual Harassment of Women at Workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complain Committee (ICC) has been setup to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

Number of complaints received by the Committee during the financial year: N I L

General

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.
- Details relating to deposits covered under Chapter V of the Act.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

Acknowledgement

Your Directors express their appreciation to all the employees for their valuable contribution. Your directors also wish to express their gratitude for the continued co-operation, support and assistance provided by all the valued Channel Partners, Distributors,Suppliers, Bankers, Shareholders, the Central and State Governments.

For and on behalf of the Board

Place: Kolkata
Dated: 30th May, 2022

Deepak Jalan
Managing Director
DIN: 00758600

Aloke Jalan
Whole Time Director
DIN: 00758762

Annexure - B

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance. A good corporate governance consists of a combination of business practices which result in enhancement of the value of the Company to shareholders and simultaneously enable the Company to fulfill its obligations to other stakeholders such as customers, employees and financiers, and to the society in general. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company makes its best endeavours to uphold and nurture these core values in all aspects of its operations.

2. BOARD OF DIRECTORS:

COMPOSITION AND CATEGORY

The present strength of the Board of Directors is eight, whose composition is given below:

- 3 Promoter, Executive Directors
- 1 Executive Director
- 4 Independent, Non-Executive Directors including one Woman Director

The composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which he/she is a member/Chairperson are as under:

Name of the Director	DIN	Category	No. of Other Directorship$	No. of Membership/ Chairmanship of other Board Committee +
Shri Deepak Jalan	00758600	Promoter, Executive	1	Nil
Shri Aloke Jalan	00758762	Promoter, Executive	Nil	Nil
Shri Rohit Deepak Jalan	06883731	Promoter, Executive	Nil	Nil
Shri N. K. Dujari#	03160828	Executive	Nil	Nil
Shri Naresh Pachisia	00233768	Independent, Non- Executive	4	4 (as Member)
Shri Anil Kochar	00943161	Independent, Non- Executive	2	1 (as Chairman)
Ms. Supriya Newar	07144076	Independent, Non- Executive	Nil	Nil
Shri Sanjay Jhunjhunwalla#	00233225	Independent, Non- Executive	Nil	Nil

*Excludes membership of the managing committee of various chambers/bodies and directorship in private limited Companies, foreign companies, companies under Section 8 of the Companies Act, 2013 and alternate directorship.

+ Only covers membership / chairmanship of Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies have been considered.

$Excludes Linc Limited.

#Shri Sanjay Jhunjhunwalla, and Shri N. K. Dujari, were appointed w.e.f. 12th November, 2021 and 14th February, 2022 respectively.

There is no permanent Chairman of the Board. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole time director in any listed company, such director is not serving as Independent Director in more than three listed companies. None of the Directors is a member of more than ten Committees or Chairman of more than five Committees across all Companies.

Details of Directorship in Listed Companies as on 31st March, 2022

Name of the Director	Name of Listed Company	Category
Shri Deepak Jalan	Linc Limited	Promoter, Executive
Shri Aloke Jalan	Linc Limited	Promoter, Executive
Shri Rohit Deepak Jalan	Linc Limited	Promoter, Executive
Shri Naresh Pachisia	Linc Limited Gillanders Arbuthnot & Co. Limited SKP Securities Limited Century Plyboards (India) Ltd.	Independent, Non- Executive Independent, Non- Executive Executive Independent, Non- Executive
Shri Anil Kochar	Linc Limited Mysore Petro Chemicals Ltd.	Independent, Non- Executive Independent, Non- Executive
Ms. Supriya Newar	Linc Limited	Independent, Non- Executive
Shri Sanjay Jhunjhunwalla#	Linc Limited	Independent, Non- Executive
Shri N. K. Dujari#	Linc Limited	Executive

Shri Sanjay Jhunjhunwalla, and Shri N. K. Dujari, were appointed w.e.f. 12th November, 2021 and 14th February, 2022 respectively.

Skill/expertise/competence of the Board of Directors:

Executive Directors:	
Shri Deepak Jalan	a commerce graduate with 36 years of experience in the business with a specialisation in international operations, is Managing Director.
Shri Aloke Jalan	a commerce graduate with 31 years of experience in the business
Shri Rohit Deepak Jalan	BA Hons. in Management studies from University of Nottingham, UK and completed his PG diploma in Business Management with specialisation in Marketing. He is heading the International Business of the Company.
Shri N. K. Dujari	a Fellow Member of Institute of Chartered Accountants of India (ICAI) and Institute of Company Secretaries of India (ICSI). He has more than 34 years of professional experience.

Independent, Non-Executive Directors	
Shri Naresh Pachisia	have 40 years of rich experience in Wealth Management and Capital Market.
Shri Anil Kochar	a postgraduate in commerce and LLB, is an eminent advisor on income tax matters.
Ms. Supriya Newar	Master's degree in International Relations, keenly involved with the world of Brand and Communications for the last two decades.
Shri Sanjay Jhunjhunwalla	is a commerce graduate and having more than 35 years of rich experience in diverse fields.

The Company has a familiarization programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the same has been posted on the website at www.lincpen.com.

The Board has devised proper system to ensure compliance with the provisions of all applicable laws and periodically reviewed the compliance reports of all laws applicable to the Company and necessary steps were taken to ensure the compliance in law and spirit.

Performance Evaluation and Criteria

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the performance evaluation of its own performance and that of its Committees as well as evaluation of performance of the Directors individually.

Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations, corporate governance practices and stakeholders' interests. A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as level of engagement and contribution, independence of judgement, meeting risk management & competition challenges, compliance & due diligence, financial control, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of Non-Independent Directors were carried out by the Independent Directors. The Nomination & Remuneration Committee also carried out evaluation of every director's performance. The Directors expressed their satisfaction with the evaluation process.

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING

During the financial year ended March 31, 2022, six Board Meetings were held on 8th May, 2021, 28th June, 2021, 12th August, 2021, 12th November, 2021, 14th February, 2022 and 30th March, 2022. The meeting held on 30th March, 2022 was for the Independent Directors, without the attendance of the Non-Independent Directors and members of management. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Name of the Directors	No. of Board meetings attended	Attendance at last AGM held on 15.09.2021
Shri Naresh Pachisia	6	Present
Shri Deepak Jalan	5	Present
Shri Aloke Jalan	5	Present
Shri Rohit Deepak Jalan	5	Present
Shri N. K. Dujari	1	Present as CFO & CS
Shri Anil Kochar	6	Present
Ms. Supriya Newar	6	Present
Shri Sanjay Jhunjhunwalla	1	Not Applicable

3. CODE OF CONDUCT :

The Code of Conduct and ethics as adopted by the Board of Directors of the Company is applicable to its Directors and Senior Executives. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct. A declaration to this effect signed by the Managing Director is attached and forms part of the Annual Report of the Company. The Code of Conduct of the Company has been posted on the website at www.lincpen.com for general viewing.

4. AUDIT COMMITTEE :

The Audit Committee presently comprises of Three Directors, two of whom are Independent and Non-Executive. All these Directors possess knowledge of corporate finance, accounts and law. During the financial year ended 31st March, 2022, five Audit Committee Meetings were held on 8th May, 2021, 28th June, 2021, 12th August, 2021, 12th November, 2021 and 14th February, 2022. The attendance of the Members were as under-

Members	No. of Meetings Attended
Shri Anil Kochar, Chairman	5
Shri Naresh Pachisia	5
Shri Deepak Jalan	5

The role, powers, duties and terms of reference of the Audit Committee cover the matter specified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The Company Secretary acts as the Secretary to the Committee. The Statutory Auditor and the Internal Auditor of the Company is permanent invitee at the meetings of the Committee.

5. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of Shri Naresh Pachisia, Chairman, Shri Anil Kochar and Ms. Supriya Newar, all of whom are

Independent and Non-Executive Directors. The Company Secretary acts as the Secretary to the Committee. During the year, the Nomination and Remuneration Committee met on 12th November, 2021 and 14th February, 2022. The attendance of the Members were as under-

Members	No. of Meetings Attended
Shri Naresh Pachisia, Chairman	2
Shri Anil Kochar	2
Ms. Supriya Newar	2

The role, power and term of reference of the Nomination and Remuneration Committee covers the area as contemplated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The role include formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Remuneration Policy: Non-executive directors are remunerated by way of sitting fees and are also entitled to a commission (to divided among them in such proportion as the Board may determine from time to time) not exceeding 1% of the net profits only. The Company pays remuneration by way of Salary, Perquisites, Allowances and Commission to Managing Director and Whole Time Director, as approved by the members and as permitted under Schedule V to the Companies Act, 2013. The Details of Remuneration paid to Directors are as under:

Name of the Director	Relation with other Directors	Salary	Benefits	Sitting Fees ₹	Commission ₹	Total ₹	Service contract/ Notice period/ Severance fees
Shri Deepak Jalan	Brother of Whole Time Director	77,00,000	9,24,000	-	-	86,24,000	Terms of office valid upto 30.09.2022. No notice period & severance fee.
Shri Aloke Jalan	Brother of Managing Director	61,70,000	7,40,400	-	-	69, 10,400	-do-
Shri Rohit Deepak Jalan	Son of Managing Director	31,10,000	3,73,200	-	-	34,83,200	-do-
Shri N. K. Dujari#	None	17,54,813	1,36,650	-	-	18,91,463*	Terms of office valid upto 13.02.2025. No notice period & severance fee.
Shri Naresh Pachisia	None	-	-	4,15,000	3,00,000	7,15,000	Appointed for a period of 5 years w.e.f. 29.08.19
Shri Anil Kochar	None	-	-	4,15,000	3,00,000	7,15,000	-do-
Ms. Supriya Newar	None	-	-	2.90,000	3,00,000	5.90,000	Appointed for a period of 5 years w.e.f. 03.09.20.
Shri Sanjay jhunJhunwalla#	None	-	-	1,00,000	1.25,000	2,25,000	Appointed for a period of 5 years w.e.f. 12.11.21.

Shri Sanjay Jhunjhunwalla, and Shri N. K. Dujari, were appointed w.e.f. 12th November, 2021 and 14th February, 2022 respectively.

* Total payment during the year including as CFO upto 13.02.2022.

6. SHAREHOLDERS' COMMITTEE :

i) Share Transfer Committee:

The Share Transfer Committee comprises of Shri Deepak Jalan and Shri Naresh Pachisia. The Committee deal with various matters relating to share transmission, issue of duplicate share certificates, approving the split and consolidation requests and other matters relating to transfer and registration of shares. During the financial year ended 31st March, 2022, 1 (one) Share Transfer Committee Meetings were held. Number of Shares pending for transfers as on 31st March, 2022 were Nil.

ii) Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises of Shri Anil Kochar, Chairman, Shri Deepak Jalan and Shri Aloke Jalan. The Committee is to oversee the redressal of the Shareholders' and Investors' grievances in relation to transfer of shares, non-receipt of Annual Report, non-receipt of dividend etc. The total number of complaints received and replied, to the satisfaction of the shareholders during the year were NIL. There were no outstanding complaints as on 31st March, 2022. During the year, the Stakeholders' Relationship Committee met on 14th February, 2022. The attendance of the Members were as under-

Members	No. of Meetings Attended
Shri Anil Kochar, Chairman	1
Shri Deepak Jalan	1
Shri Aloke Jalan	1

iii) Compliance Officer:

The Board has designated Shri Dipankar De, Company Secretary as the compliance officer w.e.f 1st December, 2021 in place of Shri N. K. Dujari, Director-Finance.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

The Corporate Social Responsibility Committee comprises of Shri Deepak Jalan as the Chairman, Shri Aloke Jalan and Ms. Supriya Newar. The Company Secretary acts as the Secretary to the Committee.

The terms of reference of this Committee is to comply with the requirement of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 which includes formulating and recommending to the Board, a Corporate Social Responsibility(CSR) Policy indicating the activities to be undertaken by the Company as per Schedule VII to the Companies Act, 2013; recommending the amount of expenditure to be incurred and monitoring the CSR policy of the Company.

8. WHISTLE BLOWER POLICY :

With the rapid expansion of business in terms of volume, value and geography, various risk associated with the business have also increased considerably. One such risk identified is the risk of fraud and misconduct. The Audit Committee is committed to ensure risk/fraud free work environment and to this end the Committee has laid down a policy providing a platform to all the employee, vendors and customers to report any suspected or confirmed incident of fraud / risk / misconduct. The policy has been posted on the website at www.lincpen.com. (weblink https://s3.amazonaws.com/lincpen/documents/147/original/Vigil-Mechanism-Policy.pdf)

9. GENERAL BODY MEETING :

Location and time, where last three Annual General Meetings were held is given below :

Financial Year	Date	Location of the Meeting	Time
2018 – 2019	26.08.19	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	3.30 p.m.
2019 – 2020	25.09.20	Through Video Conferencing ("VC") or other Audio Visual Means ("OAVM")	11.00 a.m.
2020 – 2021	15.09.21	Through Video Conferencing ("VC") or other Audio Visual Means ("OAVM")	11.00 a.m.

Five special resolutions were passed at the Annual General Meeting held on 26.08.2019 and one special resolution was passed at each Annual General Meeting held on 25.09.2020 and 15.09.2021 respectively. During the financial year, the special resolutions for appointment of Shri Sanjay Jhunjhunwalla as Non-Executive, Independent Director and for appointment of Shri N. K. Dujari as Director / Director – Finance were proposed to be passed through postal ballot vide postal ballot notice dated 14.02.2022 were deemed to be passed on 14.04.2022 (being the last date for remote e-Voting) with requisite majority. No special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 5th September, 2022.

10. DISCLOSURES :

i) Details of related party transactions during the year have been set out under Note No. 37 of Notes on Accounts of the Annual Accounts. However, the Company does not have any materially significant related party transactions, which may have potential conflict with the interests of the Company at large. The transactions with related parties are at prices which are reasonable having regard to the prevailing market prices for such goods / services. The policy on dealing with related party transactions has been uploaded on the Company's website: www.lincpen.com .

ii) NSE and BSE have refunded of fine of ₹1,84,000/- each, which was imposed under Regulation 19 of the Listing Regulations during the financial year ended 31st March, 2019. Further, NSE and BSE have refunded of fine of ₹10,000/- which was imposed under Regulation 44 of the Listing Regulations during the financial year ended 31st March, 2020. Apart from this, there were no other instances of non-compliance by the Company nor have any penalties or strictures been imposed on the company by the Stock Exchange(s) or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

iii) The Company has established Vigil Mechanism to provide for the safeguards against victimisation of Directors and employees who follow such mechanism. The policy on the same has been uploaded on the Company's website: www.lincpen.com. As per policy, no person has been denied access to the Chairperson of the Audit Committee.

iv) The Company is regularly complying with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Board Composition, Code of conduct, Audit Committee, quarterly and annual disclosures etc.

v) The Non – executive Directors does not hold any shares of the Company as on 31st March, 2022.

vi) None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director by SEBI / Ministry of Corporate Affairs / Statutory Authorities, which has also been confirmed by M/s D. C. Sahoo & Co., Practicing Company Secretaries.

vii) Confirmation by the Board with respect to the Independent Directors is provided in the 'Directors' Report', forming part of the Annual Report.

viii) The particulars of directors seeking reappointment are given in the explanatory statement to the notice of Annual General Meeting.

ix) The Company had no subsidiary as on 31st March, 2022.

x) The Company has laid down risk assessment and minimisation procedures and the same is periodically reviewed by the Board. Further, the Company has adequate internal control systems to identify the risk at appropriate time and to ensure that the executive management controls the risk in a properly defined framework.

xi) The total fees paid by the Company to M/s Singhi & Co., Statutory Auditors of the Company, and all other entities forming part of the same network, aggregate ₹11.57 Lakhs.

xii) Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, number of complaints received by the Committee during the financial year: NIL

11. MEANS OF COMMUNICATION:

Timely disclosure of relevant and reliable information on corporate financial performance is at the core of good governance. The Company informs to the Stock Exchanges in a prompt manner, all price sensitive information as well as all such other matters which in its opinion, are material and relevant for the shareholders.

Financial Results: Quarterly, half-yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after they are considered by the Board and are published in prominent English and Bengali newspapers usually in Business Standard and Sukhabar. These results are also made available on the website of the Company www.lincpen.com.

Press Release on Results: Press release on results are sent to Stock Exchanges and are displayed on its website.

Presentations to institutional investors/ analysts: Time to time the Company interacts with institutional investors and financial analysts on the Company's financial performance. Information of such interaction are uploaded on the Company's website as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in presentation made to institutional investors and financial analysts.

Company Website: The Company's website (www.lincpen.com) contains a separate dedicated section 'Investors Relation' where information for the shareholders is available.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, etc are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, etc are also filed electronically on the Listing Centre.

Designated Email ID: The Company has designated the following Email- ID for investor servicing: investors@lincpen.com

12. GENERAL SHAREHOLDER INFORMATION :

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

i)	Annual General Meeting	:	
	- Date and Time	:	5th September, 2022 at 11.00 a.m.
	- Venue	:	AGM will be held through Video Conference or other Audio Visual Means.
ii)	Financial Calendar		
	Financial Year	:	1st April to 31st March
	Results		1st Qtr – 2nd week of August, 2022
			2nd Qtr – 2nd week of November, 2022
			3rd Qtr – 1st week of February, 2023
			4th Qtr – end May, 2023
iii)	Book closure date	:	30.08.2022 to 05.09.2022 on account of AGM.
iv)	Dividend payment date	:	After 5th September, 2022
v)	Listing of Equity Shares on Stock Exchanges at	:	i) The Calcutta Stock Exchange Ltd 7, Lyons Range, Kolkata – 700 001
			ii) B S E Limited, P J Towers, Dalal Street, Fort, Mumbai – 400 001
			iii) National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
vi)	Listing Fees		Listing fee for the year 2021 – 2022 has been paid to the above Stock Exchanges.
vii)	Stock Code		Bombay Stock Exchange - 531241 Calcutta Stock Exchange – 10022035 National Stock Exchange- LINC Demat ISIN No. – INE 802B01019

viii) Market Price Data – High /Low during each month of the year ended 31st March, 2022, at the Bombay Stock Exchange and National Stock Exchange.

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2021	155.50	138.00	22,664	154.00	140.70	70,658
May, 2021	192.80	142.50	33,358	171.55	148.05	1,41,849
June, 2021	240.00	161.55	1,40,157	239.00	161.70	10,44,855
July, 2021	218.95	185.60	66,103	218.70	186.00	1,81,435
August, 2021	226.75	180.00	50,442	227.00	178.95	2,24,048
September, 2021	234.40	192.05	68,460	234.70	193.10	3,52,224
October, 2021	266.90	219.00	85,032	266.75	220.85	4,51,594
November, 2021	265.00	217.75	41,779	265.90	215.90	4,03,231
December, 2021	258.75	210.05	68,636	261.00	214.00	3,81,037
January, 2022	301.60	226.40	1,93,919	300.20	227.55	11,73,568
February, 2022	338.60	253.00	54,946	339.45	255.00	7,56,522
March, 2022	302.80	267.30	8,323	304.95	263.60	1,94,447

ix) Share Price performance in 2021-22 in comparison to broad based indices – BSE Sensex and NSE Nifty

% Change in Linc's Share Price: 92.47%	% Change in BSE Sensex: 18.30%
% Change in Linc's Share Price: 85.40%	% Change in NSE Nifty: 18.88%

x) Share Transfer System: In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form except where the claim is lodged for transmission or transposition of shares and Demat are confirmed within a maximum period of 14 days by:

Registrar and Share Transfer Agent
M/s. Maheswari Datamatics Pvt. Ltd
23, R. N. Mukherjee Road, 5th Floor,
Kolkata – 700 001
Phone – 2243 5029/2248 2248,
Fax – 2248 4787, e-mail - info@mdpl.in ;
mdpldc@yahoo.com

xi) Distribution of Shareholding:

Distribution of Shareholding by Ownership:

	Holding Pattern	No. of Shares	Shareholding %
1	Promoters & Associates	87,30,124	58.70
2	IEPF	32,313	0.22
3	NRI, FIIs, etc.	20,40,378	13.72
4	Private Corporate Bodies	9,18,839	6.18
5	Indian Public	31,50,637	21.18
	Total	**1,48,72,291**	**100.00**

Distribution of Shareholding by Size:

Range of Shares	Shareholders		Shares	
	Number	%	Nos.	%
1 to 500	5,685	91.15%	3,77,053	2.54%
501 to 1000	215	3.45%	1,79,800	1.21%
1001 to 5000	232	3.72%	5,13,866	3.46%
5001 to 10000	34	0.55%	2,32,998	1.57%
10001 & above	71	1.14%	1,35,68,574	91.23%
Total	**6,237**	**100.00**	**1,48,72,291**	**100.00**

xii) Dematerialisation of Shares:

Holding	No. of Holder	%	No. of Shares	%
Physical	305	4.89	1,15,005	0.86
Demat	5,932	95.11	1,47,57,286	99.14
Total	**6,237**	**100.00**	**1,48,72,291**	**100.00**

xiii) Outstanding GDR/ADR or any convertible Instruments : Not Applicable

xiv) The manufacturing facilities of the Company are located at:

a. Linc Estate, Usthi Road, Serakole, 24 Paragans (South), West Bengal; and

b. OHM Industrial Infrastructure Park, Plot No.: 7/8/11/12, Umbergaon, Gujarat

xv)	Address for Correspondence	:	For Share Transfer and related queries - M/s. Maheswari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001 Phone – 2243 5029/2248 2248, Fax – 2248 4787 e-mail – info@mdpl.in; mdpldc@yahoo.com For General Assistance Mr. Dipankar De, Company Secretary Linc Limited Aurora Water Front, 18th Floor GN 34/1, Sector-V, Salt Lake, Kolkata – 700 027 Phone – 6826 2100 e-mail – investors@lincpen.com
xv)	Credit Rating	:	During the year, the Company has sustained its long term bank facility credit rating of CRISIL A/Stable and short term bank facility credit rating of CRISIL A1which has been reaffirmed by CRISIL Limited.

Declaration

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors and Senior Management Personnel have affirmed compliance with the Companies Code of Conduct during the financial year ended 31st March, 2022.

Place: Kolkata
Date: 30th May, 2022

Deepak Jalan
Managing Director
DIN: 00758600

CEO / CFO CERTIFICATION

The Board of Directors
Linc Limited (formerly Linc Pen & Plastics Limited)
Kolkata

Re: Financial Statements for the financial year 2021 –22 - Certification by MD and CFO

We, Deepak Jalan, Managing Director and N. K. Dujari, Director – Finance & Chief Financial Officer of Linc Limited, on the review of financial statements and cash flow statement for the year ended 31st March, 2022 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2022 which are fraudulent illegal or violative of Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining the financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors & the Audit Committee: -
   (i) there have been no significant changes in internal control over financial reporting during the period.
   (ii) there have been no significant changes in accounting policies during the period.
   (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

	N. K. Dujari	**Deepak Jalan**
	Director - Finance & CFO	Managing Director
Place: Kolkata	DIN: 03160828	DIN: 00758600
Date: 30th May, 2022		

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Linc Limited
(Formerly Linc Pen & Plastics Limited)

1. We have examined the compliance of conditions of Corporate Governance by Linc Limited (formerly Linc Pen & Plastics Limited) ("the Company"), for the year ended on 31st March, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Singhi & Co.
Chartered Accountants
(Firm's Registration No. 302049E)

(Aditya Singhi)
Partner
Membership No. 305161
UDIN:22305161AJWCUB4507

Place: Kolkata
Date: May 30, 2022

Annexure – C

A. CONSERVATION OF ENERGY

a) The following energy conservation measures are taken on continuing basis :-

1. Scheduled preventive maintenance of machines and equipment for better efficiency.
2. Systematic Study or power consummation of certain machines.
3. Improvement of electrical power load factor.
4. Optimise the use of energy through improved operational method.

b) Additional investments and proposals being implemented for reduction of consumption of energy.

The Company is however, carrying on continuous education and awareness programs for its employees for energy conservation. But no major specific investment proposals are envisaged.

c) Impact of measures undertaken under (a) and (b) above for reduction of energy consumption and its consequent impact on cost of production.

The Company is not a major user of energy. However, the measures taken by the company will result in saving of energy.

B. TECHNOLOGY ABSORPTION

The Company has no separate R & D section. The Company is however, developing new products and upgrading existing products and also their packaging to meet the changing market taste / profile.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports; initiatives taken to increase exports:- Development of Innovative packaging and products for export markets along with improvement in quality, cost and lead time. Special emphasis on marketing Company's product in Africa and Central Asia.

b) Total Foreign Exchange used and earned:- The foreign exchange used and earned during the year by the Company are as under: -

Foreign Exchange Used – ₹6,242.13 Lakhs

Foreign Exchange Earned – ₹7,290.19 Lakhs

For and on behalf of the Board

	Deepak Jalan	**Aloke Jalan**
Place: Kolkata	*Managing Director*	*Whole Time Director*
Dated: 30th May, 2022	DIN: 00758600	DIN: 00758762

Annexure - D

Information pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Under Rule 5(1)

Name of the Director/ KMP and Designation	Designation	Ratio of remuneration of each Director/ to median remuneration of employees	% increase in Remuneration over Last Year
Shri Deepak Jalan	Managing Director	43.9:1	40.07
Shri Aloke Jalan	Whole Time Director	35.2:1	38.73
Shri Rohit Deepak Jalan	Whole Time Director	17.7:1	32.48
Shri Naresh Pachisia	Independent, Non-Executive	2.1:1	68.70
Shri Anil Kochar	Independent, Non-Executive	2.1:1	68.70
Shri Sanjay Jhunjhunwalla#	Independent, Non-Executive	0.5:1	NA
Ms. Supriya Newar	Independent, Non-Executive	1.5:1	93.33
Shri N. K. Dujari#	Director-Finance & CEO	9.6:1	39.66
Dipankar De*	Company Secretary	1.2:1	NA

Shri Sanjay Jhunjhunwalla and N. K. Dujari were appointed w.e.f. 12th November, 2021 and 14th February 2022 respectively

* Shri Dipankar De, Company Secretary was appointed w.e.f. 1st December, 2021

1. The number of permanent employees as on 31st March, 2022 was 881
2. Compared to the previous year 2020-21, the figures for the current year 2021-22 reflects that:
   i) Median remuneration of all employees have decreased by 33.9%
   ii) Remuneration of Key Managerial Personnel has decreased by 39.8%
3. The remuneration of the Directors, Key Manegerial Personnel and other employees is in accordance with the Remuneration Policy of the Company.

B. Under Rule 5(2)

Name	Designation	Remuneration subject to tax (₹)	Qualification	Age / Experience	Date of Commencement of Employment	Details of last Employment
Shri Deepak Jalan	Managing Director	8,624,000	B.Com	60 / 36	01.04.1995	-
Shri Aloke Jalan	Whole Time Director	6,910,400	B.Com	53 / 31	01.05.2004	-
Shri Rohit Deepak Jalan	Whole Time Director	3,483,200	P G D in Business Economics (Mktg)	33 / 10	01.09.2012	-
Shri N. K. Dujari	Director - Finance & CFO	1,891,463	B.Com(H), FCA, FCS	55 / 35	01.12.2000	Globsyn Webel Ltd.
Shri Prashant Pravin Vithalani	Zonal Business Manager-West	1,865,197	MBA (Mktg)	39 / 16	07.06.2021	Intergrow Brand Pvt. Ltd
Shri G. N. Choudhury	Dy. Manager-Operation	1,782,373	ITI, DPMMT (CIPET),	43 / 25	01.08.2001	K S B Plastomec
Shri Arun Sharma	Zonal Business Manager-North	1,749,230	M.A.	47 / 25	02.02.2018	Shyamdhani Industries Ltd.
Shri Shailesh Didwania	Sr. Manager-Operation	1,684,883	B.Com PGDM (Operations)	52 / 29	01.12.2006	-
Shri Deepak Ramgaria	Sr. Manager-Mfg. Operation (Exp.)	1,646,353	B.Com (H) PGDM (Materials)	51 / 22	06.01.2010	-
Shri Punit Sanwarmal Sanganeria	National Head - Alternate Channel	1,542,602	MBA (Mktg)	48 / 27	03.02.2021	Uphaar Enterprises

Notes:

1. The nature of employment of Managing Director and Whole Time Director is contractual and other terms and conditions are as per Company's rules.
2. Remuneration includes Company's contribution to provident fund, monetary value of perquisites calculated as per Income Tax Act / Rules, Commission and does not include provisions for leave encashment , premium for gratuity and group insurance.

For and on behalf of the Board

	Deepak Jalan	**Aloke Jalan**
Place: Kolkata	*Managing Director*	*Whole Time Director*
Dated: 30th May, 2022	DIN: 00758600	DIN: 00758762

Annexure - E

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
LINC LIMITED (formerly Linc Pen & Plastics Limited)
CIN: L36991WB1994PLC065583
Registered Off: Aurora Water Front, 18th Floor,
GN 34/1, Sector-V, Salt Lake, Kolkata- 700091

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. LINC LIMITED (formerly Linc Pen & Plastics Limited)** (hereinafter called the Company) for the financial year ended **31st March, 2022**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the **M/s LINC LIMITED's (formerly Linc Pen & Plastics Limited)** books, papers, minute books, forms and returns filed, registers and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other registers and records maintained by **M/s. LINC LIMITED (formerly Linc Pen & Plastics Limited)** ("the Company") for the financial year ended on **31st March, 2022** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 .

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018,

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and sweat Equity) Regulations, 2021 (not applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021, (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);

(vi) The management has identified and confirmed the following laws as specifically applicable to the Company:

(i) The Legal Metrology Act, 2009 and Rules made there under;

(ii) Water (Prevention & Control of Pollution) Act, 1974;

(iii) The Air (Prevention & Control of Pollution) Act, 1981;

(iv) The Hazardous Wastes (Management and Handling) Rules,1989 in compliance to the Environment (protection) Act, 1986;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Ltd. read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out on majority basis, with dissenting member's views (if any) are captured and recorded in the minutes of the meetings of the Board of Directors or Committees of the Board as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not entered into or taken any major decisions which have influential financial impact on the entire affairs of the Company, however, the Company has changed its name and has changed its Registered office within the same postal and local limit.

For D. C. Sahoo & Co.
Company Secretaries

D. C. Sahoo
Proprietor
M. No.: ACS No: 14008
C P No.: 5508
UDIN: A014008D000441402

Place: Kolkata
Date: 30.05. 2022

Note: This report is to be read with the letter of even date issued by the Secretarial Auditor(s) and forms an integral part of this report.

To,
The Members,
LINC LIMITED (formerly Linc Pen & Plastics Limited)
CIN: L36991WB1994PLC065583
Registered Off: Aurora Water Front, 18th Floor,
GN 34/1, Sector-V, Salt Lake, Kolkata- 700091

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurances about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of Laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For D. C. Sahoo & Co.
Company Secretaries

D. C. Sahoo
Proprietor
M. No.: ACS No: 14008
C P No.: 5508
UDIN: A014008D000441402

Place: Kolkata
Date: 30.05. 2022

Annexure - F

ANNUAL REPORT ON CSR ACTIVITIES

1 Brief outline on CSR Policy of the Company.

The Company has adopted a CSR Policy in compliance with the Companies Act, 2013, which is placed on the website of the Company - www. lincpen.com. The Company directly contributed in the field of Education, Eradicating Hunger, Nationally Recognised Sports, etc.

2 Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Deepak Jalan	M D	1	1
2	Aloke Jalan	WTD	1	1
3	Supriya Newar	Independent Director	1	1

3 Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : www.lincpen.com

4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). : Not Applicable.

5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be setoff for the financial year, if any (₹ in Lakhs)
Not Applicable			

6	Average net profit of the company as per section 135(5).	1,017 Lakhs
7	(a) Two percent of average net profit of the company as per section 135(5)	20.35 Lakhs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
	(c) Amount required to be set off for the financial year,	-
	(d) Total CSR obligation for the financial year (7a+7b-7c).	20.35 Lakhs

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
20.80	Not Applicable				

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementa tion - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number.
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project.	Item from the list of activities in schedule VII to theAct.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/ No).	Mode of Implementation -Through Implementing Agency	
				State	District			Name	CSR Registration number.
1	Food for All	Eradicating Hunger	Yes	West Bengal	Kolkata	6.00	No	Annbandhu Foundation	CSR00022294
2	Health Care	Promoting Health Care	Yes	West Bengal	Kolkata	5.00	No	Nipha Charitable Trust	CSR00002634
3	Anando Gari	Education	Yes	West Bengal	Kolkata	3.60	No	Ek Tara	CSR00004075

Sl. No.	Name of the Project.	Item from the list of activities in schedule VII to theAct.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/ No).	Mode of Implementation -Through Implementing Agency	
				State	District			Name	CSR Registration number.
4	Ekal Vidyalaya	Education	Yes	West Bengal	Kolkata	2.20	No	Friends of Tribal Society	CSR00001898
5	Annamrita Cares	Eradicating Hunger	No	West Bengal	Kolkata	2.00	No	Annamrita Foundation	CSR00001973
6	Education	Education	Yes	West Bengal	Kolkata	1.00	No	Shree Satsangh Sadan	CSR00020051
7	Sundar's Vishalayam School	Education	No	Chennai	Padianallur	1.00	No	God's Gift Foundation	CSR00023310

(d) Amount spent in Administrative Overheads — Not Applicable

(e) Amount spent on Impact Assessment, if applicable — Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) — 20.80 Lakhs

(g) Excess amount for set off, if any — NIL

Sl. No.	Particular	Amount (₹ in Lakhs)
i	Two percent of average net profit of the company as per section 135(5)	20.35
ii	Total amount spent for the Financial Year	20.80
iii	Excess amount spent for the financial year [(ii)-(i)]	0.45
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6 (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (₹ in Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
1	2020-21	Not Applicable					
2	2019-20	Not Applicable					
3	2018-19	Not Applicable					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakhs)	Amount spent on the project in the reporting Financial Year (₹ in Lakhs)	Cumulative amount spent at the end of reporting Financial Year. (₹ in Lakhs)	Status of the project - Completed /Ongoing
Not Applicable								

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

For and on behalf of the Board

Deepak Jalan
Managing Director
DIN: 00758600

Aloke Jalan
Whole Time Director
DIN: 00758762

Place: Kolkata
Dated: 30th May, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of

Linc Limited (Formerly known as Linc Pen & Plastics Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Linc Limited (Formerly known as Linc Pen & Plastics Limited) "the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue from sale of goods (as described in Note 25 to the financial statements)	
The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and discounts (variable consideration). During F.Y. 2021-22, the Company's Statement of Profit and Loss included Sales of INR 35,136.37 lakhs The terms of sales arrangements, including the timing of transfer of control, the nature of discount and rebates arrangements and delivery specifications, create complexity and judgment in determining sales revenues. The risk is, therefore, that revenue is not recognised in accordance with Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the financial statements.	Our audit procedures included the following: ➢ Considered the appropriateness of Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'; ➢ Assessed the design and tested the operating effectiveness of internal controls related to sales and related rebates and discounts; ➢ Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the sales agreements; ➢ Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents; and, ➢ Assessed the relevant disclosures made within the financial statements.
Valuation of Inventories (as described in Note 10 to the financial statements)	
The company held inventories amounting to ₹6,460.64 lakhs as at the Balance Sheet date, which represent 32.04 % of total assets. As described in the accounting policies in note 1.4.g to the financial statements, inventories are carried at the lower of cost and net realizable value. Inventories valuation is a significant audit risk as inventories may be held for long periods of time before being sold making it vulnerable to obsolescence. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realizable value below cost based upon future plans for sale of inventory.	Our audit procedures included the following: ➢ Obtained a detailed understanding and evaluated the design and implementation of controls that the company has established in relation to inventory valuation. ➢ Comparing the net realizable value to the cost price of inventories to check for completeness of the associated provision. ➢ Recomputing provisions recorded to verify that they are in line with the Company policy.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1"a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31,2022.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 48 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 48 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(i) (a) No dividend has been paid during the year by the Company.

(b) As stated in note 16(f) to the financial statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Actto the extent it applies to declaration of dividend.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

(Aditya Singhi)
Partner
Membership No. 305161
UDIN: 22305161AJWDCD4875

Place: Kolkata
Date: May 30, 2022

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF LINC LIMITED (FORMERLY KNOWN AS LINC PEN & PLASTICS LIMITED) AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 2 to the financial statements included in property, plant and equipment are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed.

(b) As disclosed in note 20 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/ statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

Quarter ending	Value per books of account (₹ In lakhs)	Value per quarterly return/ statement (₹ In lakhs)	Difference (₹ In lakhs)	Reason for discrepancies
Inventory and Debtors				As explained by the management, the quarterly statements submitted with banks were prepared on provisional basis and filed before the completion of all financial statement closure which led to these differences.
June 30,2021	9,964.67	9,708.34	256.33	
September 30,2021	8,568.51	8,500.21	68.30	
December 31,2021	10,060.10	9,526.90	533.20	
March 31,2022	9,874.12	10,356.21	(482.09)	

(iii) During the year, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to (f) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The provisions regarding maintenance of the cost records under section 148(1) of the Companies Act, 2013 are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of Statue	Nature of dues	Amount in ₹ Lakhs	Period to which amount relates	Forum where dispute is pending
West Bengal Entry Tax Act	Entry Tax	490.14	2012-13 to 2017-18	High Court
Customs Act,1962	Custom duty	363.79	2012-13 to 2014-15	Appellate Tribunal, Kolkata

(viii) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and as per the books and records examined by us, in our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) (a) to (c) of the order are not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) & (b) of the order is not applicable to the Company.

(b) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.

(c) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xxa) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36 to the financial statements.

(xxb) There are no ongoing projects as specified in sub section (6) of section 135 of Companies Act,2013 and hence reporting under this clause is not applicable to the Company.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

(Aditya Singhi)
Partner
Membership No. 305161
UDIN: 22305161AJWDCD4875

Place: Kolkata
Date: May 30, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF LINC LIMITED (FORMERLY KNOWN AS LINC PEN & PLASTICS LIMITED)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Linc Limited (Formerly known as Linc Pen & Plastics Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

(Aditya Singhi)
Partner
Membership No. 305161
UDIN: 22305161AJWDCD4875
Place: Kolkata
Date: May 30, 2022

BALANCE SHEET

as at 31st March, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
1. Non-Current Assets			
a) Property, plant and equipment	2	8,052.70	6,681.58
b) Capital Work - in - progress	3	23.98	322.07
c) Right-of-Use Assets	4	35.61	94.44
d) Intangible Assets	5	3.46	7.55
e) Intangible Assets Under Development	6	98.80	-
f) Financial Assets - Other Financial Assets	7	121.09	124.34
g) Income Tax Assets (Net)	8	121.90	152.81
h) Other Non - Current Assets	9	306.18	1,310.09
Total Non-Current Assets		**8,763.72**	**8,692.88**
2. Current Assets			
a) Inventories	10	6,460.64	6,261.28
b) Financial Assets			
i) Trade Receivables	11	3,413.48	3,589.33
ii) Cash & Cash Equivalents	12	9.17	14.38
iii) Bank Balances other than (ii) above	13	10.45	12.74
iv) Others	14	11.92	1.96
c) Other Current Assets	15	1,492.30	1,473.21
Total Current Assets		**11,397.96**	**11,352.90**
TOTAL ASSETS		**20,161.68**	**20,045.78**
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	16	1,487.23	1,487.23
b) Other Equity	17	12,798.20	11,983.46
Total Equity		**14,285.43**	**13,470.69**
Liabilities			
1. Non-Current Liabilities			
a) Financial Liabilities			
i) Lease Liabilities	44	12.99	40.46
b) Provisions	18	193.16	240.79
c) Deferred Tax Liabilities (Net)	19	352.95	392.11
Total Non-Current Liabilities		**559.10**	**673.36**
2. Current Liabilities			
a) Financial Liabilities			
i) Borrowings	20	299.03	811.87
ii) Lease Liabilities	44	33.98	69.05
iii) Trade Payables	21		
Total outstanding dues of micro enterprises and small enterprises		274.18	289.67
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,749.76	3,558.65
iv) Others	22	394.87	539.35
b) Other Current Liabilities	23	560.80	623.64
c) Provisions	24	4.53	9.50
Total Current Liabilities		**5,317.15**	**5,901.73**
Total Liabilities		**5,876.25**	**6,575.09**
TOTAL EQUITY AND LIABILITIES		**20,161.68**	**20,045.78**
Significant Accounting Policies and Key Estimates and Judgements	1		

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date attached.

For Singhi & Co.
Chartered Accountants
F.R No. 302049E

Aditya Singhi
Partner
Membership No. 305161

Place of Signature:Kolkata
Dated: 30th May, 2022

For and on behalf of the Board

Deepak Jalan
Managing Director
DIN:00758600

Aloke Jalan
Whole Time Director
DIN:00758762

N. K. Dujari
Director (Finance) & CFO
DIN:03160828

Dipankar De
Company Secretary
ACS 32112

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2022

(₹ in Lakhs)

	Particulars	Note No.	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Income				
I.	Revenue from operations	25	35,495.67	25,666.13
II.	Other income	26	287.86	145.64
III.	**Total revenue (I + II)**		**35,783.53**	**25,811.77**
IV.	**Expenses**			
	Cost of materials consumed	27	12,041.88	7,715.62
	Purchases of Stock-in-Trade	28	11,796.08	7,825.04
	Change in inventories of Finished goods, Work-in-Progress and Stock-in-Trade	29	(89.69)	1,731.71
	Employee benefits expense	30	3,924.77	2,777.38
	Finance costs	31	73.29	274.28
	Depreciation and amortization expense	2A	1,282.11	1,269.36
	Other expenses	32	5,669.82	4,599.34
	Total expenses		**34,698.26**	**26,192.73**
V.	**Profit/(Loss) before exceptional items and tax (III - IV)**		1,085.27	(380.96)
VI.	Exceptional items		-	-
VII.	**Profit/(Loss) before tax (V - VI)**		1,085.27	(380.96)
VIII.	**Tax expense:**	39		
	Current tax		311.00	-
	Income tax for earlier years		0.60	(235.01)
	Deferred tax		(39.64)	(149.87)
	Total Tax expenses:		**271.96**	**(384.88)**
IX.	**Profit /(Loss) for the year (VII-VIII)**		**813.31**	**3.92**
	Other Comprehensive Income for the year			
	Items that will not be subsequently reclassified to profit or loss			
	Re-Measurement gains/(losses) on defined benefit plans		1.91	(10.10)
	Income Tax Effect		(0.48)	2.54
	Total Other Comprehensive Income of the year		**1.43**	**(7.56)**
	Total Comprehensive Income of the year		**814.74**	**(3.64)**
X.	Earnings per equity share - Basic and diluted (₹)	43	5.47	0.03
	(Face value ₹10/- per equity share)			
Significant Accounting Policies and Key Estimates and Judgements		1		

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date attached.

For Singhi & Co.
Chartered Accountants
F.R No. 302049E

Aditya Singhi
Partner
Membership No. 305161

Place of Signature:Kolkata
Dated: 30th May, 2022

For and on behalf of the Board

Deepak Jalan
Managing Director
DIN:00758600

Aloke Jalan
Whole Time Director
DIN:00758762

N. K. Dujari
Director (Finance) & CFO
DIN:03160828

Dipankar De
Company Secretary
ACS 32112

CASH FLOW STATEMENT

for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
A. Cash flow from operating activities:				
Net profit/(Loss) before tax as per Statement of Profit and Loss		1,085.27		(380.96)
Adjustments for:				
Depreciation and amortization expense	1,282.11		1,269.36	
(Profit)/ Loss on sale of Property, Plant and Equipment	25.47		2.91	
Interest Income	(2.95)		(2.06)	
Unrealised loss/(gain) on foreign exchange fluctuation (Net)	(69.26)		(23.67)	
Liability no longer required, written back	(41.75)		-	
Provision for expected credit loss	61.32		27.80	
Finance cost	73.29	1,328.23	274.28	1,548.62
Operating profit before working capital changes		**2,413.50**		**1,167.66**
(Increase) / Decrease in Trade Receivables	141.63		741.53	
(Increase) / Decrease in Inventories	(199.36)		2,051.86	
(Increase) / Decrease in Other Non Current Assets	(2.63)		0.16	
(Increase) / Decrease in Other Financial Assets	(6.74)		(16.33)	
(Increase) / Decrease in Other Current Assets	(19.40)		820.21	
Increase / (Decrease) in Long Term Provisions	(49.54)		14.08	
Increase / (Decrease) in Trade Payables	260.41		(317.41)	
Increase / (Decrease) in Other Current Liabilities	(62.84)		40.29	
Increase / (Decrease) in Other Financial Liabilities	(145.55)		94.03	
Increase / (Decrease) in Other Non-Current Liabilities	-		(55.08)	
Increase / (Decrease) in Short Term Provisions	(4.97)	(88.99)	(0.29)	3,373.05
Cash generated from operations		2,324.51		4,540.71
Less:Direct taxes paid/ (Refund)		280.26		(182.34)
Net Cash Generated From Operating Activities		**2,044.25**		**4,723.05**
B. Cash flow from investing activities:				
Addition to Property, Plant and Equipment (Including Intangibles)	(1,424.11)		(412.63)	
Sale of Property, Plant and Equipment	14.85		8.40	
Interest Received	2.23	(1,407.03)	2.06	(402.17)
Net Cash Used in Investing Activities		**(1,407.03)**		**(402.17)**
C. Cash flow from financing activities:				
Proceeds /(Repayment) of Long term borrowings (Net)	-		(2,223.02)	
Proceeds /(Repayment) of Short term borrowings (Net)	(513.72)		(1,542.95)	
Repayment of Lease Liabilities	(62.54)		(56.19)	
Interest Paid	(63.12)		(272.33)	
Other borrowing cost	(3.05)		(1.95)	
Dividend Paid	-	(642.43)	(223.08)	(4,319.52)
Net Cash Used in Financing Activities		**(642.43)**		**(4,319.52)**

CASH FLOW STATEMENT

for the year ended 31st March, 2022

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
Net increase in cash and cash equivalents (A+B+C)		(5.21)		1.36
Cash and cash equivalents - Opening balance		14.38		13.02
Total Cash and cash equivalents - Opening balance		14.38		13.02
		9.17		14.38
Cash and cash equivalents - Closing balance		9.17		14.38

Notes:

1) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 on 'Statement of Cash Flow'.

2) Figures in bracket represent cash outflow from respective actvities.

3) Additions to Property, Plant and Equipment includes movement of Capital Work-in-Progress and Capital advances during the year.

4) Cash and cash equivalent at the end of the year consist of:

Particulars	As at 31st March, 2022	As at 31st March, 2021
a) Cash in hand	9.06	14.16
b) Balances with Scheduled Banks in Current Accounts	0.11	0.22
	9.17	14.38

5) Cash and cash equivalent do not include any amount which is not available to the company for its use.

6) Change in Liability arising from financing activities

Particulars	As at 1st April, 2021	Cash Flow	Foreign Exchange Movement	As at 31st March, 2022
Short Term Borrowings (Note 20)	811.87	(513.72)	0.88	299.03

This is the Cash Flow Statements referred to in our report of even date.

For Singhi & Co.
Chartered Accountants
F.R No. 302049E

Aditya Singhi
Partner
Membership No. 305161

Place of Signature:Kolkata
Dated: 30th May, 2022

For and on behalf of the Board

Deepak Jalan
Managing Director
DIN:00758600

Aloke Jalan
Whole Time Director
DIN:00758762

N. K. Dujari
Director (Finance) & CFO
DIN:03160828

Dipankar De
Company Secretary
ACS 32112

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2022

A. Equity Share Capital

(₹ in Lakhs)

	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balances at the beginning of the year	1,48,72,291	1,487.23	1,48,72,291	1,487.23
Allotment of equity shares during the year	-	-	-	-
Balance at the end of the year	1,48,72,291	1,487.23	1,48,72,291	1,487.23

B. Reserves and Surplus

(₹ in Lakhs)

Particulars	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Total
Balance As on 1st April, 2020	2,096.94	9,256.59	(628.55)	1,485.20	12,210.18
Profit for the year				3.92	3.92
Other Comprehensive Income for the year, net of tax:					
Remeasurement gain/(loss) on Defined Benefit Plans				(7.56)	(7.56)
Total Comprehensive Income for the year				(3.64)	(3.64)
Payment of Dividend				(223.08)	(223.08)
Balance As at 31st March, 2021	**2,096.94**	**9,256.59**	**(628.55)**	**1,258.48**	**11,983.46**
Balance As on 1st April, 2021	2,096.94	9,256.59	(628.55)	1,258.48	11,983.46
Profit for the year				813.31	813.31
Other Comprehensive Income for the year, net of tax:					
Remeasurement gain/(loss) on Defined Benefit Plans				1.43	1.43
Total Comprehensive Income for the year				814.74	814.74
Transfer to General Reserves from Retained Earnings		550.00		(550.00)	-
Balance As at 31st March, 2022	**2,096.94**	**9,806.59**	**(628.55)**	**1,523.22**	**12,798.20**

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date attached.

For Singhi & Co.
Chartered Accountants
F.R No. 302049E

Aditya Singhi
Partner
Membership No. 305161

Place of Signature:Kolkata
Dated: 30th May, 2022

For and on behalf of the Board

Deepak Jalan
Managing Director
DIN:00758600

Aloke Jalan
Whole Time Director
DIN:00758762

N. K. Dujari
Director (Finance) & CFO
DIN:03160828

Dipankar De
Company Secretary
ACS 32112

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No. 1. Significant Accounting Policies and Key Estimates and Judgements

1.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The Company has consistently applied the accounting policies to all periods presented in these Standalone financial statements except in case of new accounting standard or amendment to accounting standard.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 30th May 2022.

Details of the Company's accounting policies are included in Note 1.4

1.2 Functional and Presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

1.3 Basis of Measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

Items		Measurement basis
(i)	Certain financial assets and financial liabilities	Fair value
(ii)	Employee's defined benefit plan	As per actuarial valuation
(iv)	Assets held for sale	Lower of its carrying amount and fair value costs to sale

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

1.4 Summary of Significant Accounting Policies

a. Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in Company's normal operating cycle

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in Company's normal operating cycle
- held primarily for the purpose of trading
- due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. **Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Interest Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Insurance Claims

Insurance and other claims are accounted for on the basis claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

c. **Taxes**

Tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current tax & deferred tax.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (MAT Credit Entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

d. **Property, Plant and Equipment**

Property, Plant and Equipment is stated at cost/deemed cost, net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an asset includes the purchase cost of materials , including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use.

Interest and other financial charges on loans borrowed specifically for acquisition of capital assets are capitalized till the start of commercial production. Administrative, general overheads and other indirect expenditure incurred during the project period which are not related to the project nor are incidental thereto, are charged to Statement of Profit and Loss.

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Depreciation is provided under the straight line method at the rates determined based on useful lives of the respective assets and residual values which is in line with those indicated in Schedule II of The Companies Act, 2013. The estimated useful life of the Property Plant and Equipment is given below:-

Factory Building -	30
Non-factory Building -	60
Plant & Equipment-	8-15
Electrical Installation-	10
Furniture & Fixtures -	10
Office Equipment -	5
Vehicle-	8-10
Computers-	3

The cost and related accumulated depreciation are eliminated from the Financial Statements upon derecognition of the asset and the resultant gains or losses are recognized in the Statement of Profit & Loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year end.

e. **Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any. The Company has intangible assets with finite useful lives.

Intangible assets (Computer Software and Trade mark) are amortised on a Straight Line Basis over a period of five years and three years respectively.

f. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. **Inventories**

i) Inventories (Other than Scrap) are valued at lower of cost and net realisable value, after providing for obsolescence, if any. Cost of inventory comprises of purchase price, cost of conversion and other cost incurred in bringing the Inventories to their respective present location and condition. Additionally, in case of Finished goods and work in progress a proportion of manufacturing overheads based on the normal operating capacity is also added. The cost of

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Inventories is computed on weighted average basis except for Raw Materials and Components which is computed on Moving Weighted average basis.

ii) Scrap are valued at Net Realisable Value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h. **Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or class of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

i. **Employee Benefits**

i) **Short-term employee benefits**

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

ii) **Defined Benefit plans**

The Company operates a defined benefit gratuity plan in India, comprising of Gratuity fund with Life Insurance Corporation of India. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 – Employee Benefits. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in the Statement of Profit & Loss.

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The Company's liability is actuarially determined using the Projected Unit Credit method at the end of the year in accordance with the provision of Ind AS 19 - Employee Benefits. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in Statement of Profit & Loss.

J. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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Short-term lease and lease of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k. Foreign Currency Translation

i) Functional and presentation currency

The items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the function currency").

The financial statements are presented in Indian Rupee (INR), which is the Company's functional as well as presentation currency.

ii) Transactions and balances

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rate prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the balance sheet date are translated at the functional currency spot rate of exchange prevailing at the balance sheet date. Any income or expense arising on account of foreign exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction.

l. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Initial Recognition and Measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

ii) Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

iii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

n. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

o. Dividend to Equity Holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

p. Earning Per Share

Earning per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation(legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are disclosed when the Company has a possible obligation or a present obligation and it is probable that an outflow of resources embodying economic benefits will not be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

1.5 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a) Defined Benefit Plans

The cost of the employment benefits such as gratuity, leave and provident fund obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b) Estimated useful life of Property, plant and equipment

PPE represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual value of the asset are determined by the management when the asset is acquired and reviewed periodically including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives, such as change in technology.

c) Claims, Provisions and Contingent Liabilities:

The Group has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

d) **Significant judgments when applying Ind AS 115 -** Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

1.6 Recent accounting pronouncement

On 23rd March, 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to the existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April, 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing / trail phase, clarification added that revenue generated out of the same shall not be recognised in the profit or loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 41 Agriculture – This aligns the fair value measurement therein with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary / associate / JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary / associate / JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability.

  The company will evaluate the effect to the above on the financial statements and the impact is expected to be no material

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No. 2 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	1st April, 2021	Additions / adjustments	Deductions	31st March, 2022	1st April, 2021	For the year	Deductions	31st March, 2022	31st March, 2022	31st March, 2021
Freehold Land	134.31	32.74	-	**167.05**	-	-	-	-	**167.05**	134.31
Buildings	1,943.39	1,396.99	-	**3,340.38**	230.57	79.93	-	**310.50**	**3,029.88**	1,712.82
Plant and Equipment	3,939.35	77.98	3.72	**4,013.61**	2,043.60	447.44	2.05	**2,488.99**	**1,524.62**	1,895.74
Furniture and Fixtures	342.80	543.66	26.17	**860.29**	188.22	40.67	19.00	**209.89**	**650.40**	154.57
Vehicles	312.10	106.18	21.81	**396.47**	142.19	34.04	5.96	**170.27**	**226.20**	169.91
Office Equipment	90.16	40.29	2.90	**127.55**	62.31	12.44	2.34	**72.41**	**55.14**	27.86
Other Equipment	4,823.65	324.43	20.17	**5,127.91**	2,364.11	570.47	7.19	**2,927.39**	**2,200.52**	2,459.54
Electrical Installation & Equipment	211.47	51.72	0.97	**262.22**	100.07	20.49	0.63	**119.93**	**142.29**	111.40
Computers & Data Processing Units	43.17	53.84	2.29	**94.72**	27.75	10.90	0.53	**38.12**	**56.60**	15.43
TOTAL	**11,840.40**	**2,627.83**	**78.03**	**14,390.20**	**5,158.82**	**1,216.38**	**37.70**	**6,337.50**	**8,052.70**	**6,681.58**

Property, Plant and Equipment

(₹ in Lakhs)

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	1st April, 2020	Additions / adjustments	Deductions	31st March, 2021	1st April, 2020	For the year	Deductions	31st March, 2021	31st March, 2021	31st March, 2020
Freehold Land	134.31	-	-	**134.31**	-	-	-	-	**134.31**	134.31
Buildings	1,943.39	-	-	**1,943.39**	167.46	63.12	-	**230.57**	**1,712.81**	1,775.94
Plant and Equipment	3,878.68	60.67	-	**3,939.35**	1,564.32	479.29	-	**2,043.60**	**1,895.74**	2,314.36
Furniture and Fixtures	342.48	0.34	-	**342.80**	156.59	31.63	-	**188.22**	**154.58**	185.88
Vehicles	298.29	20.24	6.44	**312.10**	112.83	30.51	1.14	**142.19**	**169.90**	185.47
Office Equipment	83.61	6.54	-	**90.16**	51.56	10.74	-	**62.31**	**27.86**	32.05
Other Equipment	4,443.60	380.05	-	**4,823.65**	1,803.12	560.99	-	**2,364.11**	**2,459.54**	2,640.48
Electrical Installation & Equipment	211.79	0.34	0.66	**211.47**	80.10	19.99	0.03	**100.07**	**111.40**	131.69
Computers & Data Processing Units	38.10	6.37	1.30	**43.17**	22.74	5.01	-	**27.75**	**15.43**	15.36
TOTAL	**11,374.25**	**474.55**	**8.40**	**11,840.40**	**3,958.72**	**1,201.29**	**1.17**	**5,158.82**	**6,681.58**	**7,415.53**

Notes: i) Property, Plant and Equipment given as security for borrowings (Refer Note No 20)

ii) Title deeds of immovable property are held in the name of the Company.

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as at and for the year ended 31st March, 2022

Note No.: 2A Depreciation & Amortisation Expense

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Depreciation on Property, plant & equipment	1,216.38	1,201.29
Depreciation on Intangible Assets	6.90	7.66
Depreciation of Right of use assets	58.83	60.42
	1,282.11	1,269.36

Note No. - 3 Capital Work-in-Progress aging schedule:

F Y 2021-22 (₹ in Lakhs)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 year	
Projects in progress	23.98	-	-	-	23.98
Projects temporarily suspended	-	-	-	-	-

F Y 2020-21 (₹ in Lakhs)

Particulars	Amount of CWIP for a period of				Total
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 year	
Projects in progress	14.10	17.30	285.89	4.78	322.07
Projects temporarily suspended	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
as at and for the year ended 31st March, 2022

Note No. 4 Right of use - assets

(₹ in Lakhs)

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	1st April, 2021	Additions / adjustments	Deductions	31st March, 2022	1st April, 2021	For the year	Deductions	31st March, 2022	31st March, 2022	31st March, 2021
Right of use - assets (Buildings)	215.68	-	-	215.68	121.24	58.83	-	180.07	35.61	94.44
TOTAL	215.68	-	-	215.68	121.24	58.83	-	180.07	35.61	94.44

Particulars	GROSS CARRYING VALUE				ACCUMULATED DEPRECIATION				NET CARRYING VALUE	
	1st April, 2020	Additions / adjustments	Deductions	31st March, 2021	1st April, 2020	For the year	Deductions	31st March, 2021	31st March, 2021	31st March, 2020
Right of use - assets (Buildings)	215.68	-	-	215.68	60.82	60.42	-	121.24	94.44	154.86
TOTAL	215.68	-	-	215.68	60.82	60.42	-	121.24	94.44	154.86

Note No. 5 Intangible Assets

(₹ in Lakhs)

Particulars	GROSS CARRYING VALUE				AMORTISATION				NET CARRYING VALUE	
	1st April, 2021	Additions / adjustments	Deductions	31st March, 2022	1st April, 2021	For the year	Deductions	31st March, 2022	31st March, 2022	31st March, 2021
Computer Software	6.14	2.81	-	8.95	4.55	1.17	-	5.72	3.23	1.59
Trade Mark	19.83	-	-	19.83	13.87	5.73	-	19.60	0.23	5.96
TOTAL	25.97	2.81	-	28.78	18.42	6.90	-	25.32	3.46	7.55

(₹ in Lakhs)

Particulars	GROSS CARRYING VALUE				AMORTISATION				NET CARRYING VALUE	
	1st April, 2020	Additions / adjustments	Deductions	31st March, 2021	1st April, 2020	For the year	Deductions	31st March, 2021	31st March, 2021	31st March, 2020
Computer Software	6.14	-	-	6.14	3.41	1.13	-	4.55	1.59	2.73
Trade Mark	19.83	-	-	19.83	7.34	6.53	-	13.87	5.96	12.49
TOTAL	25.97	-	-	25.97	10.75	7.66	-	18.42	7.55	15.22

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No. 6 Intangible assets under development aging schedule:

F Y 2021-22 (₹ in Lakhs)

Particulars	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 year	
Projects in progress	98.80	-	-	-	98.80
Projects temporarily suspended	-	-	-	-	-

F Y 2020-21 (₹ in Lakhs)

Particulars	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 year	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note No.: 7 Financial Assets- Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(Unsecured, considered good)		
-Security Deposits	120.62	123.56
(Unsecured, considered good)		
-Fixed deposits with statutory authorities	0.46	0.32
(Non current portion with original maturity period of more than 12 months)		
Interest accrued but not due on fixed deposits	0.01	0.46
	0.47	0.78
	121.09	124.34

Note No.: 8 Income Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
- Advance income tax	2,664.85		2,651.77	
Less: Provision for taxation	2,542.96		2,498.96	
		121.90		152.81

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 9 Other Non Current Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(Unsecured, considered good)		
Capital advances	303.11	1,309.65
Other advances		
- Prepaid expenses	3.07	0.44
	306.18	1,310.09

Note No.: 10 Inventories*

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
(At lower of cost and net realisable value)				
Raw materials		3105.95		2,996.28
Work-in-progress		67.99		18.40
Finished goods	968.08		1,121.14	
Add: Goods in transit	54.12	1022.20	36.76	1,157.90
Stock-in-trade		2264.50		2,088.70
* Includes materials lying with other parties		6,460.64		6,261.28

Inventories are hypothecated/pledged against borrowings (refer note 20)

Note No.: 11 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Receivables considered Goods - Secured	-	-
Trade Receivables considered Goods - Unsecured	3,502.60	3,617.13
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-
	3,502.60	3,617.13
Less: Allowance for expected credit loss (Refer Note below)	89.12	27.80
	3,413.48	3,589.33

Trade Receivables are hypothecated against borrowings (refer note 20)

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 11 Trade Receivables (Contd.)

Trade Receivables ageing Schedule:

F Y 2021-22 (₹ in Lakhs)

Particulars	Unbilled Due	Not Due	Outstanding for following periods from due dates of payment					Total
			Less than 6 months	6months - 1 year	1 – 2 years	2 – 3 years	More than 3 year	
i. Undisputed Trade Receivables considered Goods - Unsecured	-	736.46	2,229.77	135.09	153.24	64.61	183.44	3,502.60
ii. Undisputed Trade Receivables Credit impaired	-	-	-	-	-	-	-	-
iii. Disputed Trade Receivables considered good-Unsecured	-	-	-	-	-	-	-	-
iv.Disputed Trade Receivables Credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss								89.12
								3,413.48

F Y 2020-21 (₹ in Lakhs)

Particulars	Unbilled Due	Not Due	Outstanding for following periods from due dates of payment					Total
			Less than 6 months	6months - 1 year	1 – 2 years	2 – 3 years	More than 3 year	
i. Undisputed Trade Receivables considered Goods - Unsecured	-	784.14	1,855.97	244.75	509.22	178.56	44.48	3,617.13
ii. Undisputed Trade Receivables Credit impaired	-	-	-	-	-	-	-	-
iii. Disputed Trade Receivables considered good-Unsecured	-	-	-	-	-	-	-	-
iv.Disputed Trade Receivables Credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for expected credit loss								27.80
								3,589.33

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 11 Trade Receivables (Contd.)

Movement in Expected credit loss allowances (₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	27.80	-
Add: Allowance during the year	61.32	27.80
Closing Balance	89.12	27.80

Note No.: 12 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with banks		
In current accounts	0.11	0.22
Cash on hand	9.06	14.16
	9.17	14.38

Note No.: 13 Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Earmarked balances		
- Unpaid dividend accounts	10.45	12.74
	10.45	12.74

Note No.: 14 Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Security deposits	11.92	1.96
	11.92	1.96

Note No.: 15 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(Unsecured, considered good)		
- Advances to suppliers and others	269.73	218.73
- Prepaid expenses	34.94	27.48
- Taxes and duties refundable	-	5.14
- Export Benefit Receivable	175.94	271.89
- Balance with government authorities	1,011.69	949.97
	1,492.30	1,473.21

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 16 Share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of ₹10/- each	1,55,00,000	1,550.00	1,55,00,000	1,550.00
Issued, subscribed and fully paid up				
Equity shares of ₹10/- each	1,48,72,291	1,487.23	1,48,72,291	1,487.23
		1,487.23		1,487.23

a. **Reconciliation of number and amount of equity shares outstanding:**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,48,72,291	1,487.23	1,48,72,291	1,487.23
Add: Shares Issued	-	-	-	-
At the end of the year	**1,48,72,291**	**1,487.23**	**1,48,72,291**	**1,487.23**

b. **Terms & rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The holders of Equity Shares are entitled to receive dividends as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. **Shareholders holding more than 5% shares in the Company :**

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Mrs. Shobha Jalan	10,16,106	6.83	10,16,106	6.83
M/s. Mitsubishi Pencil Co. Ltd.	20,00,000	13.45	20,00,000	13.45
Mrs. Sarita Jalan	11,80,190	7.94	11,80,190	7.94
Mr. Suraj Mal Jalan	8,91,926	6.00	8,91,926	6.00

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 16 Share capital (Contd.)

d. **Share held by promoters at the end of the of March 2022**

Promoters Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of Holding	% of change during the year
Deepak Jalan	3,27,455	-	3,27,455	2.20	-
Deepak Jalan (HUF)	5,27,928	-	5,27,928	3.55	-
Prakash Jalan	100	-	100	0.00	-
Aloke Jalan	7,38,416	-	7,38,416	4.97	-
Aloke Jalan (HUF)	20,800	-	20,800	0.14	-
Suraj Mal Jalan	8,91,926	-	8,91,926	6.00	-
Suraj Mal Jalan (HUF)	1,66,020	-	1,66,020	1.12	-
Shobha Jalan	10,16,106	-	10,16,106	6.83	-
Bimla Devi Jalan	5,70,976	-	5,70,976	3.84	-
Rohit Deepak Jalan	4,06,450	-	4,06,450	2.73	-
Rohit Deepak Jalan (HUF)	7,00,000	-	7,00,000	4.71	-
Aakash Aloke Jalan	6,57,300	-	6,57,300	4.42	-
Utkarsh Aloke Jalan	6,45,900	-	6,45,900	4.34	-
Devanshi Jalan	3,84,057	-	3,84,057	2.58	-
Sarita Jalan	11,80,190	-	11,80,190	7.94	-
Ekta Jalan	4,32,500	10,000	4,42,500	2.98	0.07
Divya Jalan	12,000	-	12,000	0.08	-
Raghav Jalan	2,50,000	(2,08,000)	42,000	0.28	(1.40)

Share held by promoters at the end of the of March 2021

Promoters Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of Holding	% of change during the year
Deepak Jalan	3,27,455	-	3,27,455	2.20	-
Deepak Jalan (HUF)	5,27,928	-	5,27,928	3.55	-
Prakash Jalan	100	-	100	0.00	-
Aloke Jalan	7,68,416	(30,000)	7,38,416	4.97	0.20
Aloke Jalan (HUF)	20,800	-	20,800	0.14	-
Suraj Mal Jalan	16,39,731	(7,47,805)	8,91,926	6.00	(5.03)
Suraj Mal Jalan (HUF)	1,66,020	-	1,66,020	1.12	-
Shobha Jalan	20,16,106	(10,00,000)	10,16,106	6.83	(6.73)
Bimla Devi Jalan	5,21,143	49,833	5,70,976	3.84	0.34
Rohit Deepak Jalan	9,81,450	(5,75,000)	4,06,450	2.73	(3.87)
Rohit Deepak Jalan (HUF)	-	7,00,000	7,00,000	4.71	4.71
Aakash Aloke Jalan	32,300	6,25,000	6,57,300	4.42	4.20
Utkarsh Aloke Jalan	20,900	6,25,000	6,45,900	4.34	4.20

Note No.: 16 Share capital (Contd.)

Promoters Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of Holding	% of change during the year
Devanshi Jalan	3,84,057	-	3,84,057	2.58	-
Sarita Jalan	11,80,190	-	11,80,190	7.94	-
Ekta Jalan	3,07,500	1,25,000	4,32,500	2.91	0.84
Divya Jalan	12,000	-	12,000	0.08	-
Raghav Jalan	-	2,50,000	2,50,000	1.68	1.68

e. **Aggregate number of share issued for consideration other than cash:**

During the previous year 2019-20, 16,74,806 shares were issued pursuant to scheme of arrangement.

f. After the Reporting date, the Board of Directors has proposed a dividend of ₹1.80/- per equity share (31st March ,2021 - Nil). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and if approved it will lead to cash outflow amounting to ₹267.70 Lakhs.

Note No.: 17 Other Equity

(₹ in Lakhs)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
Securities premium account				
Balance as per last account		2,096.94		2,096.94
General Reserve				
Balance as per last account	9,256.59		9,256.59	
Add: Transfer from Retained Earnings	550.00	9,806.59	-	9,256.59
Capital Reserve				
- Balance as per last record		(628.55)		(628.55)
Retained Earnings				
Balance as per last statement	1,258.48		1,485.20	
Add: Net profit for the year	813.31		3.92	
Add: Other Comprehensive Income for the Year	1.43		(7.56)	
Less: Dividend	-		223.08	
Less: Transfer to General Reserve	550.00		-	
Closing balance		1,523.22		1,258.48
		12,798.20		11,983.46

NOTES TO THE FINANCIAL STATEMENTS
as at and for the year ended 31st March, 2022

Note No.: 17 Other Equity (Contd.)

Description of nature and purpose of each reserve :-

a. **Securities Premium**

Securities Premium represents the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

b. **General Reserve**

General Reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other Comprehensive income.

c. **Capital Reserve**

Capital Reserve represents arisen on business combination on earlier years.

d. **Retained Earning**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors. This includes remeasurement of defined benefit plans arising due to acturial valuation of gratuity, that will not be routed through Statement of profit and loss subsequently.

Note No.: 18 Provisions- Non Current

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Leave Encashment	56.86	112.37
Gratuity	136.30	128.42
	193.16	**240.79**

Note No.: 19 Deferred tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liabilities :		
Depreciation	425.13	481.30
Less : Deferred tax asset :		
Expenses allowable for tax purpose when paid	49.75	89.19
Others	22.43	-
Deferred tax liabilities (Net)	**352.95**	**392.11**

- Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.
- For Movement in Deferred Tax (Assets) /Liabilities: (Refer Note no. 40)

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 20 Short-term borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loan Repayable On Demand		
- From banks (Secured)	299.03	811.87
	299.03	**811.87**

- Loan from Banks are secured by first charge on current assets and second charge on moveable fixed assets of the Company and also guaranteed by Managing Director and Whole Time Director. Loan including PCFC repayable on demand carries interest@ 2.53% to 9.00 % (31st March, 2021 2.20% to 9.65%)

- The Company is filing monthly statement for inventories and debtors with Banks (IDBI Bank, Yes Bank, HDFC Bank and CITI Bank) for working capital facilities . The below is summary of reconciliation of quarterly statement filed with the banks and books of accounts:

Quarter ended on	Amount as per books of account (₹ in Lakhs)	Amount as reported in the quarterly return / statement (₹ in Lakhs)	Amount of difference (₹ in Lakhs)
31st March, 2022	9,874.12	10,356.21	(482.09)
31st December, 2021	10,060.10	9,526.90	533.20
30th September, 2021	8,568.51	8,500.21	68.30
30th June, 2021	9,964.67	9,708.34	256.33
31st March, 2021	9,850.61	9,992.98	(142.37)
31st December, 2020	9,638.21	9,437.15	201.06
30th September, 2020	10,719.30	10,866.90	(147.60)
30th June, 2020	12,170.84	12,593.47	(422.63)

The Quarterly statement submitted with Banks were prepared and filed before the completion of all financial statement closure which led to the above differences between the books of accounts and quarterly statement submitted with Banks based on provisional books of account.

Note No.: 21 Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer note no. 35)	274.18	289.67
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,749.76	3,558.65
	4,023.94	**3,848.32**

Trade Payables are non - interest bearing and are normally settled in 0 to 45 days.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 21 Trade payables (Contd.)

Trade Payable ageing Schedule:-

F Y 2021-22 (₹ in Lakhs)

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due dates of payment: Less than 1 year	1 – 2 years	2 – 3 years	More than 3 year	Total
i. MSME	-	274.18					**274.18**
ii. Others	-	3,323.90	421.09	2.06	0.47	2.24	**3,749.76**
iii. Disputed dues - MSME	-	-	-	-	-	-	-
iv. Disputed dues - Others	-	-	-	-	-	-	-

F Y 2020-21 (₹ in Lakhs)

Particulars	Unbilled dues	Not Due	Outstanding for following periods from due dates of payment: Less than 1 year	1 – 2 years	2 – 3 years	More than 3 year	Total
i. MSME	-	289.67	-	-			**289.67**
ii. Others	-	3,495.45	47.29	14.58	0.59	0.75	**3,558.65**
iii. Disputed dues - MSME	-	-	-	-	-	-	-
iv. Disputed dues - Others	-	-	-	-	-	-	-

Note No.: 22 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unpaid dividends *	10.45	12.74
Trade deposits	209.18	223.27
Unpaid salaries and other payroll dues	175.24	303.34
	394.87	**539.35**

* There are no amount due and outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund

Note No.: 23 Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance from customers	143.97	238.77
Advance against sale of Fixed Assets	-	0.25
Statutory liabilities	416.83	384.62
	560.80	**623.64**

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 24 Provisions-Current

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits -leave encashment	4.53	9.50
	4.53	9.50

Note No.: 25 Revenue From operations

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022		Year Ended 31st March, 2021	
Sale of goods				
Pens	29,625.83		20,802.73	
Refills	1,162.61		878.35	
Others	4,778.41		3,875.19	
	35,566.85		25,556.27	
Less: Discounts,Rebates, Incentives etc.	430.48		198.88	
		35,136.37		25,357.39
Other operating revenues				
- Scrap sales	39.59		33.91	
- Export Incentive	319.71		274.83	
		359.30		308.74
Revenue from operations		35,495.67		25,666.13

Ind AS 115 Disclosure -

Revenue from Operations

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Sale of Products	35,136.37	25,357.39
Other Operating Revenues	359.30	308.74
	35,495.67	25,666.13

A Nature of goods and services

The Company is primarily engaged in the manufacturing of Writing instruments and stationeries and generates revenue from the sale of Pen and Refill and the same is only the reportable segment of the Company.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 25 Revenue From operations (Contd.)

B Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition.

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
i) Primary Geographical Markets (sales)		
Within India	28,007.28	20,697.55
Outside India	7,559.57	4,858.72
Total	35,566.85	25,556.27
ii) Major Products		
Pen	29,625.83	20,802.73
Refill	1,162.61	878.35
Others	4,778.41	3,875.18
Total	35,566.85	25,556.27
iii) Timing of Revenue		
At a point in time	35,566.85	25,556.27
Over time	-	-
Total	35,566.85	25,556.27
iv) Contract Duration		
Long Term	-	-
Short Term	35,566.85	25,556.27
Total	35,566.85	25,556.27

C. Other Information

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
a. Transaction price allocated to the remaining performance obligations	Nil	Nil
b. The amount of revenue recognised in the current year that was included in the opening contract liability balance	Nil	Nil
c. The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil
d. Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil	Nil
e. Significant payment terms		
Financing Component	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 25 Revenue From operations (Contd.)

D. Contract Balances

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
i) Contract Assets	Nil	Nil
ii) Contract Liabilities	143.97	238.77
iii) Trade Receivables	3,413.48	3,589.33

Note No.: 26 Other incomes

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Interest income		
- Fixed deposits with banks	1.16	0.03
- Income tax refund	-	16.12
- Others	1.79	2.04
Other non operating income		
Miscellaneous Income	1.17	8.85
Liabilities no longer required, written back	41.75	-
- Gain on exchange fluctuation (net)	241.99	118.60
	287.86	145.64

Note No.: 27 Cost of materials consumed

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Plastic powder	3,849.73	2,601.13
Ink	1,299.42	717.33
Tips	1,608.35	1,005.31
Others	5,284.38	3,391.85
	12,041.88	7,715.62

Note No.: 28 Purchase of stock in trade

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Pens	9,667.04	6,106.83
Refills	167.37	119.77
Others	1,961.67	1,598.45
	11,796.08	7,825.04

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 29 Change in inventories of Finished goods, Work-in-Progress and Stock-in-Trade

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022		Year Ended 31st March, 2021	
Finished goods				
Opening stock	1,157.90		1,867.86	
Less: Closing stock	1,022.20	135.70	1,157.90	709.96
Work-in-Progress				
Opening stock	18.40		133.01	
Less: Closing stock	67.99	(49.59)	18.40	114.61
Stock-in-Trade				
Opening stock	2,088.70		2,995.84	
Less: Closing stock	2,264.50	(175.80)	2,088.70	907.14
		(89.69)		1,731.71

Note No.: 30 Employee benefits expense

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022		Year Ended 31st March, 2021	
Salaries,wages and Bonus		3,654.92		2,554.78
Contribution to provident and other funds		213.64		176.55
Staff welfare expenses		56.21		46.05
		3,924.77		2,777.38

Note No.: 31 Finance costs

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022		Year Ended 31st March, 2021	
Interest				
- On borrowings	47.30		243.63	
- On others	15.82		15.84	
- On Lease liabilities	7.12	70.24	12.86	272.33
Other borrowing costs		3.05		1.95
		73.29		274.28

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 32 Other expenses

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2022		Year Ended 31st March, 2021	
Consumption of stores and spares		26.98		30.61
Power and fuel		372.69		285.35
Processing charges		1,066.89		1,291.12
Rent		185.51		159.03
Repairs and Maintenance				
Building		6.26		5.36
Machinery		11.51		9.59
Others		47.95		43.69
Insurance		88.90		96.07
Rates and taxes		16.43		7.17
Payment to auditor				
- For statutory audit	6.50		6.50	
- For other services (limited review, certification etc.)	5.07	11.57	7.00	13.50
Directors sitting fees & Commission		22.45		7.77
Travelling & conveyance		445.30		291.10
Postage,telegram & telephone		48.39		35.66
Freight & transportation		781.25		418.44
Advertisement expenses		601.75		413.77
Commission on Sales		95.47		49.85
Other selling expenses		769.58		743.82
Loss on sale of Property Plant & Equipment		25.47		2.91
Corporate social responsibility expense (Note No. 36)		20.80		31.30
Provision for Expected Credit Loss		61.32		27.80
Miscellaneous expenses		963.35		635.43
		5,669.82		4,599.34

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 33 Gratuity and Other Post Employment Benefit Plans

a) **Defined Contribution Plan :**

Employee benefits in the form of Provident Fund and Employee State Insurance Scheme are considered as defined contribution plan and the contributions are made in accordance with the relevant statute and are recognized as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognized as expense for the year is as under:

(₹ in Lakhs)

Defined Contribution Plan	2021-22	2020-21
Employers' Contribution to Provident Fund	151.86	118.84
Employers' Contribution to Employee State Insurance Scheme	31.22	27.33
Total	183.08	146.17

b) **Defined Benefit Plan:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plans.

(₹ in Lakhs)

		2021-22	2020-21
		Gratuity (Funded)	Gratuity (Funded)
I.	**Expenses Recognised in the Statement of Profit & Loss**		
1	Current Service Cost	42.95	42.35
2	Past Service Cost	-	-
3	Interest Cost	7.36	6.02
4	Settlement Cost	-	-
5	Re-measurement -Due to Financial Assumptions	-	-
6	Re-measurement - Due to Experience Adjustments	-	-
	Components of defined benefit cost recognised in P/L	**50.31**	**48.37**
7	Re-measurement - Due to Financial Assumptions	(14.75)	-
8	Re-measurement - Due to Experience Adjustments	12.84	10.65

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 33 Gratuity and Other Post Employment Benefit Plans (Contd.)

(₹ in Lakhs)

		2021-22	2020-21
		Gratuity (Funded)	Gratuity (Funded)
9	Expected Return on Plan Asset	-	(0.55)
	Components of defined benefit cost recognised in OCI	**(1.91)**	**10.10**
Total Expense		**48.40**	**58.47**
II.	**Change in Obligation during the year**		
1	Present Value of Defined Benefit Obligation at the Beginning of the year	**428.83**	**368.82**
2	Interest Cost	28.61	24.49
3	Current Service Cost	42.95	42.35
4	Settlement Cost	-	-
5	Acquisition Cost/(Credit)	-	-
6	Plan Amendments Cost/(Credit)	-	-
7	Benefits Paid	(16.23)	(17.48)
8	Re-measurement - Due to Financial Assumptions	(14.75)	-
9	Re-measurement - Due to Experience Adjustments	12.84	10.65
10	Present Value of Defined Benefit Obligation at the End of the year	**482.25**	**428.83**
III.	**Change in the Fair Value of Plan Assets during the year**		
1	Plan Assets at the Beginning of the year	**300.41**	**261.97**
2	Interest Income	21.24	18.47
3	Contribution by Employer	40.53	36.89
4	Re-measurement - Return on Assets (Excluding Interest Income)	-	0.55
5	Benefits Paid	(16.23)	(17.48)
6	Plan Assets at the end of the year	**345.95**	**300.41**

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 33 Gratuity and Other Post Employment Benefit Plans (Contd.)

(₹ in Lakhs)

		2021-22	2020-21
		Gratuity (Funded)	Gratuity (Funded)
IV.	**Net Asset/(Liability) recognised in the Balance Sheet**		
1	Present value of Defined Benefit Obligation	(482.25)	(428.83)
2	Fair Value of Plan Assets	345.95	300.41
3	Funded Status (Surplus/(deficit)	(136.30)	(128.42)
4	Net Asset/(Liability) recognized in Balance Sheet	(136.30)	(128.42)
V.	**Actuarial Assumptions**		
1	Discount Rate (per annum)	7.10%	6.80%
2	Expected rate of return on Plan Assets	6.80%	6.80%
3	Salary Increase	5.50%	5.50%
4	Retirement/Superannuation Age	58	58
5	Mortality Rate	Indian Assured Lives Mortality (2006 - 08)	Indian Assured Lives Mortality (2006 - 08)

VI. Basis used to determine the Expected Rate of Return on Plan Assets:

The basis used to determine overall expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

VII. Basis of estimates of rate of escalation in salary

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by LIC.

VIII. Major category of plan assets as a % of the total plan assets as at the year end for Gratuity :

	2021-22	2020-21
Others (including assets under Schemes of Insurance)	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 33 Gratuity and Other Post Employment Benefit Plans (Contd.)

IX. A quantitative sensitivity analysis for significant assumption is as shown below:

	31st March, 2022		31st March, 2021	
Assumptions	Discount Rate		Discount Rate	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Impact on Gratuity	(44.50)	52	(42.15)	49.55

	31st March, 2022		31st March, 2021	
Assumptions	Future Salary Increase		Future Salary Increase	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Impact on Gratuity	50.31	(43.71)	47.93	(41.50)

Sensitivities due to mortality and withdrawals rate are not material and hence impact of changes is not calculated.

Sensitivity analysis above have been determine based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

X. Risk Exposure

i) Interest Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

ii) Salary Inflation Risk : Higher than expected increase in salary will increase the defined benefit obligation.

iii) Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long service empolyee.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 33 Gratuity and Other Post Employment Benefit Plans (Contd.)

XI. Maturity Profile of Expected Benefit Payments: (₹ in Lakhs)

		As at 31st March, 2022	As at 31st March, 2021
1	Year 1	38.99	37.51
2	Year 2	16.43	12.00
3	Year 3	17.54	14.91
4	Year 4	50.21	17.82
5	Year 5	31.65	37.10
6	Next 5 Years	318.97	278.40

XII. Other Disclosures

1 The Gratuity and Provident Fund Expenses have been recognized under "Contribution to provident and other funds" under Note no. 30.

2 Expected employers' contribution for next year is not available and therefore, not disclosed.

Note No.: 34 Commitments and Contingencies

(₹ in Lakhs)

		As at 31st March, 2022	As at 31st March, 2021
a)	Capital and Other Commitments:		
i)	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	569.23	1,549.89
ii)	Advance paid against above	303.11	1,309.65

(₹ in Lakhs)

		As at 31st March, 2022	As at 31st March, 2021
b)	Contingent Liabilities:		
i)	Demand/Claims by various Government Authoroties and others not acknowledged as debts:		
	Vat/ Sales Tax	-	71.83
	Custom Duty	363.79	363.79
	Entry Tax	172.00	172.00

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 34 Commitments and Contingencies (Contd.)

The amounts shown in (b) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

(ii) There has been a Supreme Court Judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to Provident Fund under the Employees Provident Fund and Miscellances Provision Act, 1952. There are interpretative aspects related to the judgement, including the effective date of application. The company will continue to assess any further developments in this matter for the implication on financial statements, if any.

Note No.: 35 Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

(₹ in Lakhs)

Sl. No.	Description	2021-22	2020-21
i)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	274.18	289.67
ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	Nil	Nil
iii)	The amount of interest paid in terms of section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	Nil	Nil
iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	Nil	Nil
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	Nil	Nil

*Shown as line item "Total outstanding dues of Micro and Small Enterprises" under Note No. 21

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 36 Expenditure on Corporate Social Responsibilities (CSR) Activities

(₹ in Lakhs)

		2021-22	2020-21
1	Amount required to be spent by the Company during the year.	20.35	31.21
2	Amount of expenditure incurred on:		
	(i) Construction/acquisition of any asse	-	-
	(ii) On purposes other than (i) above	20.80	31.30
3	Shortfall at the end of the year	-	-
4	Total of previous years shortfall	-	-
5	Reason for shortfall	NA	NA

6 Nature of CSR activities

(₹ in Lakhs)

Sl. No.	Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR Activities	2021-22	2020-21
a)	Clause (i)	Eradicating poverty, Hunger and malnutrition, Promoting healthcare including Preventive healthcare	13.00	-
b)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects socially and economically backward groups	7.80	31.30
c)	Clause (vii)	Promoting rural sports & nationally recognised sports	-	-
			20.80	31.30

7	Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :	-	-

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 37 Related Party Disclosure:

I) Names and description of relationship of related parties:

Related Party	Relationship
Key Managerial Personnel (KMP)	
Mr. Deepak Jalan	Managing Director (MD)
Mr. Rohit Deepak Jalan	Whole Time Director (WTD)
Mr. Aloke Jalan	Whole Time Director (WTD)
Mr. Naresh Pachisia	Independent / Non-Executive Director
Mr. Anil Kochar	Independent / Non-Executive Director
Ms. Supriya Newar	Independent / Non-Executive Director
Mr. Sanjay Agarwal	Independent / Non-Executive Director (Resigned w.e.f. 28.06.2021)
Mr. Sanjay Jhunjhunwala	Independent / Non-Executive Director (w.e.f. 12.11.2021)
Mr. N.K.Dujari	Director (Finance) & CFO
Mr. Dipankar De	Company Secretary (W.e.f. 01.12.2021)

Enterprises in which KMP and their relatives have control/ substantial interest :

Linc Retail Ltd.	Substantial interest of the relative of MD and WTD
Relatives of KMP :	
Deepak Jalan (HUF)	Mr. Deepak Jalan is Karta of HUF
Mr. S.M. Jalan	Father of Mr. Deepak Jalan
Mrs. Divya Jalan	Daughter of Mr. Deepak Jalan
Mr. Rohit Deepak Jalan	Son of Mr. Deepak Jalan
Mrs. Ekta Jalan	Wife of Mr. Rohit Deepak Jalan
Aloke Jalan (HUF)	Mr. Aloke Jalan is Karta of HUF
Mrs. Shobha Jalan	Wife of Mr. Aloke Jalan
Mr. Aakash Aloke Jalan	Son of Mr. Aloke Jalan
Mr. Utkarsh Aloke Jalan	Son of Mr. Aloke Jalan
Mr. S.M. Jalan	Father of Mr. Aloke Jalan

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 37 Related Party Disclosure: (Contd.)

II) Details of transactions with Related Parties: (₹ in Lakhs)

Description	Year Ended	Key Managerial Personnel (KMP)	Enterprises in which KMP and their relatives have substantial interest	Relatives of KMP (R)	Total
Purchase of Goods					
Linc Retail Ltd.	F Y 2021-22	-	2.37	-	2.37
	F Y 2020-21	(-)	(3.90)	(-)	(3.90)
Sale of Goods					
Linc Retail Ltd.	F Y 2021-22	-	72.38	-	72.38
	F Y 2020-21	(-)	(44.54)	(-)	(44.54)
Receiving of Services (Remuneration)					
Mr. Deepak Jalan	F Y 2021-22	86.24	-	-	86.24
	F Y 2020-21	(61.57)	(-)	(-)	(61.57)
Mr. Aloke Jalan	F Y 2021-22	69.10	-	-	69.10
	F Y 2020-21	(49.81)	(-)	(-)	(49.81)
Mr. Rohit Deepak Jalan	F Y 2021-22	34.83	-	-	34.83
	F Y 2020-21	(26.29)	(-)	(-)	(26.29)
Mr. N. K. Dujari	F Y 2021-22	18.91	-	-	18.91
	F Y 2020-21	(13.54)	(-)	(-)	(13.54)
Mr. Dipankar De	F Y 2021-22	2.31	-	-	2.31
	F Y 2020-21	(-)	(-)	(-)	-

Director's sitting fees / commission

	Year ended	Director's sitting fees	Director's commission	Amount owed to related parties
Mr. Naresh Pachisia	F Y 2021-22	4.15	3.00	3.00
	F Y 2020-21	(2.46)	-	-
Mr. Anil Kochar	F Y 2021-22	4.15	3.00	3.00
	F Y 2020-21	(2.46)	-	-
Ms. Supriya Newar	F Y 2021-22	2.90	3.00	3.00
	F Y 2020-21	(1.50)	-	-
Mr. Sanjay Jhunjhunwala	F Y 2021-22	1.00	1.25	1.25
	F Y 2020-21	(-)	-	-
Mr. Sanjay Agarwal	F Y 2021-22	-	-	-
	F Y 2020-21	(1.35)	-	-

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 37 Related Party Disclosure: (Contd.)

(₹ in Lakhs)

Description	Year ended	Key Managerial Personnel (KMP)	Enterprises in which KMP and their relatives have substantial interest	Relatives of KMP (R)	Total
Receiving of Services (Remunaration)					
Mrs. Ekta Jalan	F Y 2021-22	-	-	13.33	13.33
	F Y 2020-21	(-)	(-)	(11.20)	(11.20)
Mrs. Divya Jalan	F Y 2021-22	-	-	13.81	13.81
	F Y 2020-21	(-)	(-)	(10.08)	(10.08)
Mr. Aakash Aloke Jalan	F Y 2021-22	-	-	3.85	3.85
	F Y 2020-21	(-)	(-)	(2.88)	(2.88)
Mr. Utkarsh Aloke Jalan	F Y 2021-22	-	-	3.74	3.74
	F Y 2020-21	(-)	(-)	(2.73)	(2.73)
Receiving of Services (Rent)					
Mrs. Shobha Jalan	F Y 2021-22	-	-	10.41	10.41
	F Y 2020-21	(-)	(-)	(9.80)	(9.80)
Mr. Aakash Aloke Jalan	F Y 2021-22	-	-	9.84	9.84
	F Y 2020-21	(-)	(-)	(9.37)	(9.37)
Mr. Utkarsh Aloke Jalan	F Y 2021-22	-	-	10.78	10.78
	F Y 2020-21	(-)	(-)	(10.27)	(10.27)
Aloke Jalan (HUF)	F Y 2021-22	-	-	10.78	10.78
	F Y 2020-21	(-)	(-)	(10.27)	(10.27)
Dividend Paid to Shareholders					
Mr. Deepak Jalan	F Y 2021-22	-	-	-	-
	F Y 2020-21	(4.54)	(-)	(-)	(4.54)
Deepak Jalan (HUF)	F Y 2021-22	-	-	-	-
	F Y 2020-21	(-)	(-)	(7.33)	(7.33)
Mr. Aloke Jalan	F Y 2021-22	-	-	-	-
	F Y 2020-21	(10.25)	(-)	(-)	(10.25)
Aloke Jalan (HUF)	F Y 2021-22	-	-	-	-
	F Y 2020-21	(-)	(-)	(0.29)	(0.29)
Mrs. Sarita Jalan	F Y 2021-22	-	-	-	-
Mrs. Sarita Jalan	F Y 2020-21	(-)	(-)	(16.38)	(16.38)
Mr. S. M. Jalan	F Y 2021-22	-	-	-	-
	F Y 2020-21	(-)	(-)	(22.75)	(22.75)
S. M. Jalan (HUF)	F Y 2021-22	-	-	-	-
	F Y 2020-21	(-)	(-)	(2.30)	(2.30)
Mrs. Shobha Jalan	F Y 2021-22	-	-	-	-
	F Y 2020-21	(-)	(-)	(27.97)	(27.97)
Others	F Y 2021-22	-	-	-	-
	F Y 2020-21	(-)	(-)	(31.77)	(31.77)

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 37 Related Party Disclosure: (Contd.)

(₹ in Lakhs)

Description	Year ended	Key Managerial Personnel (KMP)	Enterprises in which KMP and their relatives have substantial interest	Relatives of KMP (R)	Total
Balance Outstanding					
a) Accounts Receivable					
Linc Retail Ltd.	F Y 2021-22	-	156.45	-	156.45
	F Y 2020-21	(-)	(163.21)	(-)	(163.21)
b) Amount outstanding against Guarantees given for Loans taken by the Company					
Mr. Deepak Jalan	F Y 2021-22	299.03	-	-	299.03
	F Y 2020-21	(811.87)	(-)	(-)	(811.87)
Mr. Aloke Jalan	F Y 2021-22	299.03	-	-	299.03
	F Y 2020-21	(811.87)	(-)	(-)	(811.87)

III) No amount has been written back / written off during the year in respect of due to / from related parties.

IV) The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

V) The transactions with related parties have been entered at an amount, which are not materially different from that on normal commercial terms.

Note No.: 38 Fair Value Measurement of Financial Assets & Liabilities

(₹ in Lakhs)

	CARRYING AMOUNT	
	As at 31st March, 2022	As at 31st March, 2021
Non Current Financial Assets	121.09	124.34
Current Financial Assets		
i) Trade Receivables	3,413.48	3,589.33
ii) Cash & Cash Equivalents	9.17	14.38
iii) Other Bank Balances	10.45	12.74
iv) Others	11.92	1.96
Total Financial Assets	**3,566.11**	**3,742.75**
Non-Current Financial Liabilities		
Borrowings	-	-
Current Financial Liabilities		
i) Borrowings	299.03	811.87
ii) Trade Payables	4,023.94	3,848.32
iii) Other current financial liabilities	394.87	539.35
Total Financial Liabilities	**4,717.84**	**5,199.54**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 39 Income Tax

(₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Current income tax	311.00	-
Deferred Tax:		
Relating to organisation and reversal of temparory differences	(39.64)	(149.87)
Income Tax of Earlier Year	0.60	(235.01)
Income tax expense reported in the statement of profit or loss	**271.96**	**(384.88)**
OCI Section		
Deferred Tax related to items recognised in OCI during the year		
Net loss/ (gain) on remeasurement of defined benefit plans	(0.48)	2.54
Income tax charged to OCI	**(0.48)**	**2.54**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2022 and 31st March, 2021:

(₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Accounting profit before income tax	1,085.27	(380.96)
At India's statutory income tax rate of 25.17% (31st March, 2021: 25.17%)	273.14	(95.88)
Tax effect of Non deductible expenses	5.24	7.88
Permanent difference	0.14	0.14
Income Tax for earlier years	0.60	(235.01)
Others	(7.15)	(62.00)
Income tax expense reported in the statement of profit and loss	**271.96**	**(384.88)**

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 40 Movement in Deferred Tax (Assets) / Liabilities

(₹ in Lakhs)

	As at 31st March, 2021	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2022
Deferred tax liabilities				
Property, plant and equipments including intangible assets	481.30	(56.17)	-	425.13
	481.30	**(56.17)**	**-**	**425.13**
Deferred tax assets				
Business Loss	26.20	(26.20)		-
Provisions for expected credit loss	-	22.43	-	22.43
Provisions - employee benefits and Security Deposit	62.99	(12.76)	(0.48)	49.75
	89.19	**(16.53)**	**(0.48)**	**72.18**
	89.19	**(16.53)**	**(0.48)**	**72.18**
Net deferred tax liabilities / (assets)	**392.11**	**(39.64)**	**0.48**	**352.95**

(₹ in Lakhs)

	As at 31st March, 2020	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2021
Deferred tax liabilities				
Property, plant and equipments including intangible assets	601.49	(120.19)	-	481.30
	601.49	**(120.19)**	**-**	**481.30**
Deferred tax assets				
Busniness Loss	-	26.20	-	26.20
Provisions - employee benefits and Security Deposit	56.98	3.47	2.54	62.99
	56.98	**29.67**	**2.54**	**89.19**
	56.98	**29.67**	**2.54**	**89.19**
Net deferred tax liabilities / (assets)	**544.51**	**(149.87)**	**(2.54)**	**392.11**

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 41 Financial Risk Management Objectives and Policies

The Company's financial liabilities comprise long term borrowings, short term borrowings, capital creditors, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents and deposits.

The Company is exposed to market risk and credit risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate risk governance framework for the Company. The audit committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, etc.

a. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

Unhedged Foreign Currency Exposure

The Company's exposure to foreign currency in USD at the end of the reporting period expressed in INR is as follows :

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Financial Assets		
Trade Receivables	2,175.70	1,547.55
Financial Liabilities		
Trade Payables	966.63	496.87
Net Exposure	**1,209.06**	**1,050.69**

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 41 Financial Risk Management Objectives and Policies (Contd.)

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of assets and liabilities.

(₹ in Lakhs)

Change in foreign Currency Rates	Effect on profit before tax		Effect on Equity, net of tax	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
+5%	60.45	52.53	45.24	39.31
-5%	(60.45)	(52.53)	(45.24)	(39.31)

b. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lakhs)

	Increase/ decrease in basis points	Effect on profit before tax	Effect on Equity, net of tax
31st March, 2022	+50	(2.78)	(2.08)
	-50	2.78	2.08
31st March, 2021	+50	(13.40)	(10.03)
	-50	13.40	10.03

(ii) Credit Risks

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. Based on historical trend, industry practice and the business environment in which the company operates, an impairment analysis is performed at each reporting date for trade receivables. Based on above, the company

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 41 Financial Risk Management Objectives and Policies (Contd.)

has made provision for doubtful debts of ₹61.32 Lakhs for the current financial year (Previous Year ₹27.80 Lakhs).

Other Financial Assets

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

(iii) Liquidity Risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

(₹ in Lakhs)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	3-5 Years	> 5 years	Total
Year ended 31st March, 2022						
Borrowings	299.03	-	-	-	-	299.03
Other financial liabilities	394.87	-	-	-	-	394.87
Trade payables	4,023.94	-	-	-	-	4,023.94
	4,717.84	-	-	-	-	4,717.84
Year ended 31st March, 2021						
Borrowings	811.87	-	-	-	-	811.87
Other financial liabilities	539.35	-	-	-	-	539.35
Trade payables	3,848.32	-	-	-	-	3,848.32
	5,199.54	-	-	-	-	5,199.54

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.:42 Segment reporting

There is only one primary business segment i.e. "Writing Instrument and Stationary" and hence no separate segment information is disclosed in this financial.

Geographical segments

The Company primarily operates in India and therefore analysis of geographical segment is demonstrated into Indian and overseas operation as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	India	Overseas	Total	India	Overseas	Total
Revenue from operations	27,936.10	7,559.57	35,495.67	20,807.41	4,858.72	25,666.13
Carrying Amount						
Segment assets	17,985.99	2,175.70	20,161.68	18,498.23	1,547.55	20,045.78
Segment Liabilities	4,909.61	966.63	5,876.25	6,078.22	496.87	6,575.09
Additions						
Tangible assets	2,627.83	-	2,627.83	474.55	-	474.55
Intangibles Assets	2.81	-	2.81	-	-	-

Note:

i) No Single customer contributed 10% or more of the total revenue of the company for the year ended 31st March 2022 and 31st March 2021.

ii) The company had common Property, Plant & Equipment for producing goods for India & Overseas market. Hence, no separate figure for Property, Plant & Equipment/ additions to Property, Plant & Equipment/depreciation & amortization on Property, Plant & Equipment has been furnished.

Note No.: 43 Earnings Per Share:

Particulars	2021-22	2020-21
The numerator and denominator used to calculate Basic/ Diluted Earnings Per Share		
a) Amount used as the numerator Profit after tax (₹ in Lakhs)	813.31	3.92
b) Basic / Diluted weighted average number of Equity Shares used as the denominator (Nos. in Lakhs)	148.73	148.73
c) Nominal value of Equity Shares (₹)	10	10
d) Basic / Diluted Earnings Per Share (a/b) (₹)	5.47	0.03

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 44 Lease

As Lessee

The Company has lease contracts for various items of buildings (including godowns) used in its operations. The Company's obligations under its lease are secured by lessor's title to the leased assets.

The Company also has certain leases of godowns with lease term of twelve months or less with low value. The Company applies the 'short-term lease' and ' lease of low-value assets' recognition exemptions for these leases.

The carrying amount of right-of-use assets (Buildings) are disclosed in the Balance sheet.

The carrying amount of lease liabilities and its movement during the year are as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	109.51	165.71
Recognised on account of adoption of Ind AS 116 as at 1st April, 2019	-	-
Additions during the year	-	-
Payment of lease liabilities for the year	(62.54)	(56.19)
Balance at the end of the year	**46.97**	**109.51**
Non-current	12.99	40.46
Current	33.98	69.05
	46.97	109.51

The maturity analysis of lease liabilities on an undiscounted basis are as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than one year	38.36	71.83
One to two years	7.09	38.36
Two to five years	-	7.09
More than five years	-	-
Total	45.45	117.28

Lease liabilities is being measured by discounting the lease payments using the incremental borrowing rate i.e. 9% p.a.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 44 Lease (Contd.)

The followings are the amounts recognised during the year in profit or loss:

(₹ in Lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on lease liabilities (Note 31)	7.12	12.86
Depreciation on right-of-use assets (Note 2A)	58.83	60.42
Expenses relating to short-term and low-value leases (Note 32)	185.51	159.03
Total	251.46	232.31

There is no significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when due.

Note No.: 45 Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021	Change (%)
Current Ratio	Current Assets	Current Liabilities	**2.14**	1.92	11.46%
Debt-Equity Ratio	Total Debts	Shareholder's Equity	**0.02**	0.06	(66.67%)
			[Explained in Note (a) below]		
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses / (income) + Interest	Debt service = Interest & Lease Payments + Principal Repayments	**16.30**	4.78	241.00%
			[Explained in Note (b) below]		
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	**0.06**	0.00	20692.19%
			[Explained in Note (c) below]		
Inventory Turnover Ratio	Total Sales	Average Inventory	**5.52**	3.72	48.39%
			[Explained in Note (d) below]		
Trade Receivable Turnover Ratio	Total Sales	Average Trade Receivable	**10.05**	6.39	57.28%
			[Explained in Note (e) below]		
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payable	**6.08**	3.87	57.11%
			[Explained in Note (f) below]		

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 45 Ratio Analysis and its elements (Contd.)

Ratio	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021	Change (%)
Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets - Current Liabilities	5.78	4.66	24.03%
Net Profit Ratio	Net Profits after taxes	Net Sales = Total Sales - Sales Return	0.02	0.00	12854.92%
			[Explained in Note (g) below]		
Return on Capital Employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.08	(0.01)	-900.00%
			[Explained in Note (h) below]		

Return on Investment: Not Applicable

Notes:

(a) Change in Debt Equity Ratio as compared to the preceding year is due to decrease in short term borrowings.

(b) Change in Debt Service Coverage Ratio as compared to the preceding year is due to due to higher earnings from operations and reduction in finance cost.

(c) Change in Return on Equity Ratio as compared to the preceding year is due to higher earnings from operations.

(d) Change in Inventory Turnover Ratio as compared to the preceding year is due to higher revenue.

(e) Change in Trade Receivable Turnover Ratio as compared to the preceding year is due to increase in sale of goods.

(f) Change in Trade Payable Turnover Ratio as compared to the preceding year is due to higher cash generation resulting in early payments of trade payable.

(g) Change in Net Profit Ratio as compared to the preceding year is due to higher earnings from operations.

(h) Change in Return on Capital Employed as compared to the preceding year is due to higher earnings from operations and reduction in debts.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.:46 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to:

(a) to maximise shareholders value and provide benefits to other stakeholders, and

(b) maintain an optimal capital structure to reduce the cost of capital.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is disclosed in Note 45.

Particulars	31st March, 2022	31st March, 2021
Debt Equity Ratio	0.02	0.06

Note No.:47

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were also impacted due to COVID-19. The Company has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets comprising property, plant and equipment, Intangible assets,Trade Receivables, Inventory, other current and non-current assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls at the balance sheet date, and has concluded that there are no material impact or adjustments required in the financial statements and does not anticipate any challenge in the Company's ability to continue as a going concern. The impact of the pandemic may be different from that estimated as at the date of approval of these results and the management continues to closely monitor any material changes to future economic conditions.

Note No.: 48 Other Statutory disclosures:

(i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES TO THE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2022

Note No.: 48 Other Statutory disclosures: (Contd.)

(ii) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(iii) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iv) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

(v) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.

(vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended 31 March, 2022.

Note No.:49

The previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date attached.

For Singhi & Co.
Chartered Accountants
F.R No. 302049E

Aditya Singhi
Partner
Membership No. 305161

Place of Signature:Kolkata
Dated: 30th May, 2022

For and on behalf of the Board

Deepak Jalan
Managing Director
DIN:00758600

Aloke Jalan
Whole Time Director
DIN:00758762

N. K. Dujari
Director (Finance) & CFO
DIN:03160828

Dipankar De
Company Secretary
ACS 32112

10 Year Financial Highlights

(₹ in Crs)

Year	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Source of Funds										
Share Capital	14.87	14.87	14.87	14.79	14.79	14.79	14.79	14.79	14.79	14.79
Reserves & Surplus	127.98	119.83	122.1	105.78	105.98	103.50	86.34	73.35	63.84	55.79
Networth	**142.85**	**134.71**	**136.97**	**120.57**	**120.77**	**118.29**	**101.13**	**88.14**	**78.63**	**70.58**
Borrowings	2.99	8.12	45.75	62.05	65.58	50.80	30.94	17.78	32.72	30.30
Defd Tax Liab	3.53	3.92	5.45	7.19	5.93	3.96	2.76	1.85	2.19	2.02
Funds Employed	**149.37**	**146.75**	**188.17**	**189.81**	**192.28**	**173.05**	**134.83**	**107.77**	**113.54**	**102.90**
Operating Results										
Domestic Revenue	279.36	208.07	321.48	278.46	252.18	245.85	247.12	231.13	223.02	228.24
Exports	75.60	48.59	78.48	88.48	79.71	104.64	97.02	87.17	91.08	77.02
Total Revenue	**354.96**	**256.66**	**399.96**	**366.94**	**331.89**	**350.49**	**344.14**	**318.30**	**314.10**	**305.26**
E B I D T A	**24.40**	**11.62**	**41.26**	**27.82**	**26.93**	**34.05**	**32.13**	**25.55**	**22.15**	**13.99**
Finance Cost	0.73	2.74	5.46	6.29	4.85	2.17	1.53	1.48	2.37	2.48
Depreciation	12.82	12.69	12.54	10.46	9.60	7.93	5.96	5.86	5.05	4.47
Profit before tax	10.85	(3.81)	23.26	11.07	12.48	23.95	24.64	18.21	14.73	7.04
Profit after tax (P A T)	**8.13**	**0.03**	**19.25**	**5.15**	**7.84**	**17.26**	**18.32**	**14.32**	**11.51**	**5.41**
E B I D T A Margin (%)	6.9%	4.5%	10.3%	7.6%	8.1%	9.7%	9.3%	8.0%	7.1%	4.6%
P A T / Total Sales (%)	2.0%	0.0%	5.0%	1.4%	2.4%	4.9%	5.3%	4.5%	3.7%	1.8%
EPS	**5.47**	**0.03**	**12.94**	**3.46**	**5.30**	**11.68**	**12.39**	**9.69**	**7.78**	**3.91**
Dividend %	**18%**	**-**	**15%**	**15%**	**15%**	**30%**	**30%**	**25%**	**20%**	**15%**
Dividend Payout %	33%	-	49%	49%	34%	31%	29%	31%	30%	45%
Networth per Share (₹)	96.07	90.58	91.93	81.47	81.68	80.00	68.39	59.61	53.18	47.73
Deb Equity Ratio	0.02	0.06	0.33	0.51	0.54	0.43	0.31	0.20	0.42	0.43
Current Ratio	2.14	1.92	1.85	1.68	1.57	1.81	1.78	1.94	1.59	1.58
Return on Capital Employed %	7.8%	(0.7)%	15.3%	9.1%	9.0%	15.1%	19.4%	18.3%	15.1%	9.3%
Return on Equity %	5.7%	0.0%	14.1%	4.3%	6.5%	14.6%	18.1%	16.3%	14.6%	7.7%
Average Realisation/pen (₹)	4.90	4.52	4.32	3.96	3.65	3.90	3.90	3.86	3.78	3.17
Market Cap	413	223	198	286	611	431	279	216	83	55

CORPORATE INFORMATION

BOARD OF DIRECTORS	Category
Mr. Anil Kochar	Independent, Non-executive
Mr. Sanjay Jhunjhunwala	Independent, Non-executive
Ms. Supriya Newar	Independent, Non-executive
Mr. Naresh Pachisia	Independent, Non-executive
Mr. Rohit Deepak Jalan	Whole Time Director
Mr. Aloke Jalan	Whole Time Director
Mr. Deepak Jalan	Managing Director
Mr. N. K. Dujari	Director Finance & CFO

COMPANY SECRETARY
Mr. Dipankar De

REGISTERED OFFICE
Aurora Water Front, 18th Floor
GN 34/1,Sector-V, Kolkata - 700 091
Phone: (033) 6826 2100,
CIN: L36991WB1994PLC065583
e-mail: investors@lincpen.com
website: www.lincpen.com

WORKS

- Linc Estate, Usthi Road,
  Serakole, 24 Pgns. (S),
  Pin - 743 513, West Bengal
  Phone: 09051280300
  Fax: (033) 2420 4441

- OHM Inudstrial Infrastructure Park
  Plot no.7/8/11/12, Umbergaon
  Dist:Valsad, Gujarat - 396170

AUDITORS
Singhi & Co.
Chartered Accountants
161, Sarat Bose Road,
Kolkata 700 026

BRANCH OFFICES

MUMBAI - 403-404 Tanishka Bldg.
Off Western Express Highway
Kandivali (East), Mumbai - 400 101
Phone: (022) 6692 4155
Fax: (022) 6694 2963
e-mail: lincmumbai@lincpen.com

PATNA - C/O, Shanker Logistics Pvt. Ltd.
Mehdigunj, Ward no. 61, Holding no.
34/22, Jhauganj, Patna - 800 008, Bihar

RANCHI - Rahul Complex
North Market Road, Upper Bazar
Ranchi - 834 001, Jharkand.

REGISTRAR & SHARE TRANSFER AGENT
Maheswari Datamatics Pvt Ltd
23, R. N. Mukherjee Road, 5th Floor
Kolkata - 700001

BANKERS
HDFC Bank Ltd.
Citi Bank Ltd.
IDBI Bank Ltd.
Yes Bank Ltd.