



LINC
Zindagi Ke Liye

www.lincpen.com

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LINC
Zindagi Ke Liye

Linc Pen & Plastics Limited
Annual Report 2010-11

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Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainties and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw material cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

Linc Pen associates with four IPL teams



Logo on Cheater



Logo on Left Arm



Logo on King of Kings



Logo on Associate Partner



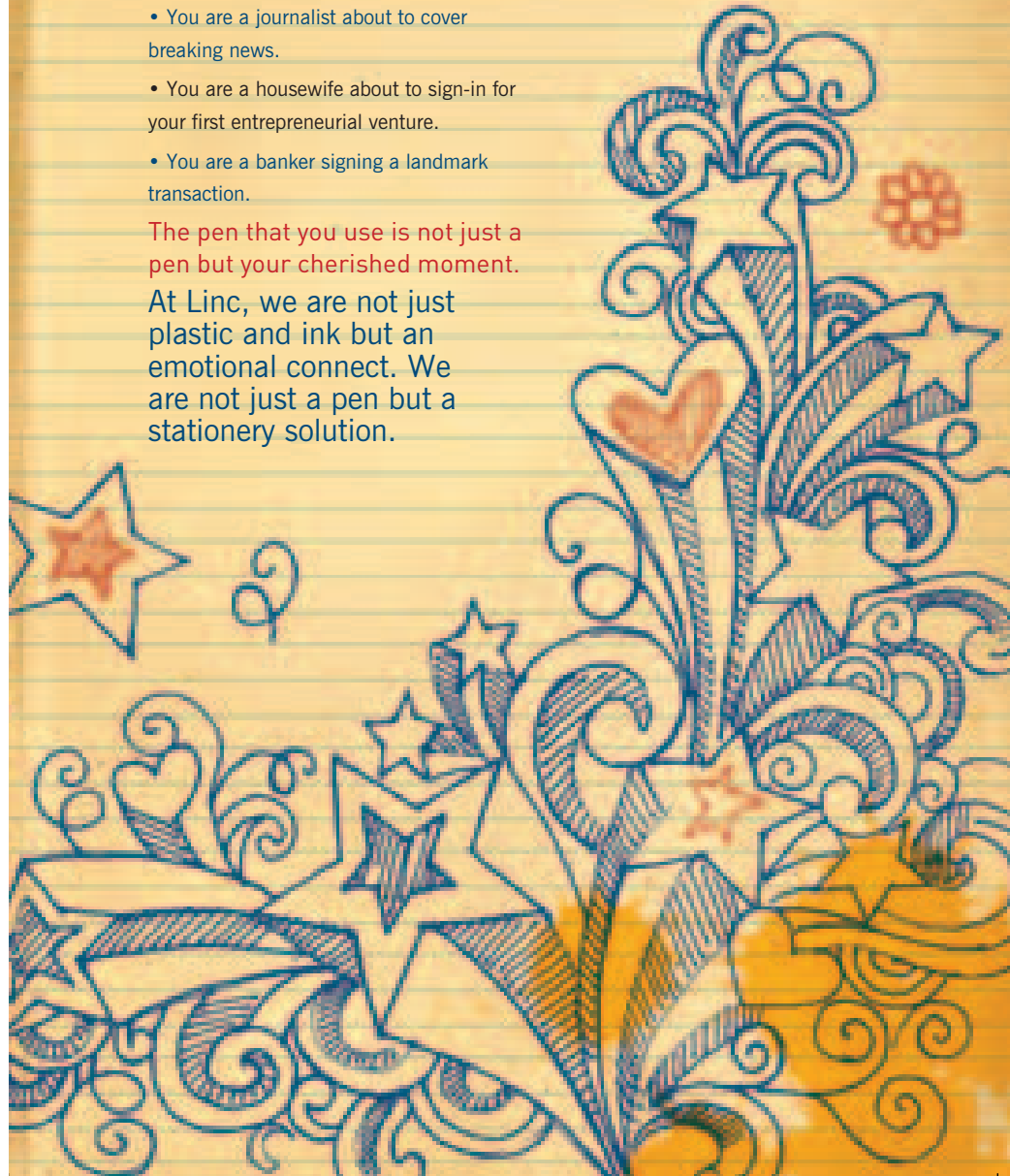
Different Teams... One Linc...

LINC
Challenging the Top

- You are an executive about to sign a historic deal.
- You are a student about to write the most important exam of your career.
- You are a journalist about to cover breaking news.
- You are a housewife about to sign-in for your first entrepreneurial venture.
- You are a banker signing a landmark transaction.

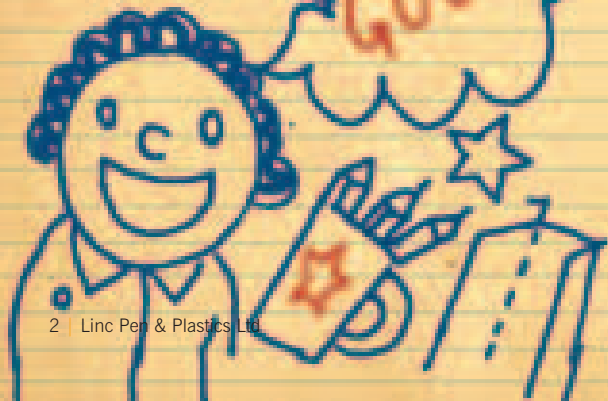
The pen that you use is not just a pen but your cherished moment.

At Linc, we are not just plastic and ink but an emotional connect. We are not just a pen but a stationery solution.





IS AMONG INDIA'S LARGEST
WRITING INSTRUMENT
AND STATIONERY BRAND
OFFERING A RANGE OF
OVER 100 PRODUCTS



Vision

To establish Linc as a global brand, known for its values, assertiveness and acumen to adapt to an ever-changing environment

Mission

To deliver innovative, user-friendly and superior quality products at best value to customers, keeping in mind the prosperity of the Company and its stakeholders

Values

- We recognise that we are in business primarily to satisfy customers
- Our performance must ultimately reflect in increasing shareholder value
- We treat employees and stakeholders with utmost respect and dignity
- We observe and adhere to the highest standards of ethical corporate behaviour
- We work as a team to continuously serve customers and enhance stakeholder value

Parentage

Incorporated in 1994 by Mr. S. M. Jalan, the Company went public and was listed on the stock exchanges in 1995

Positioning

Linc is India's leading manufacturer, marketer and exporter of writing instruments and stationery products

Presence

- Headquartered in Kolkata with manufacturing facilities in Falta SEZ and Serakole (West Bengal)

- Over five offices located across India
- Products available through 11 direct retail outlets (Office Linc and Just Linc)
- Vibrant all-India distribution network of 48 exclusive channel partners, 3,050 distributors and 213 sales representatives
- Presence in over 30 countries

Products

Portfolio comprising over 100 products ranging from mass to premium pens, refills, pencils, erasers and other stationery merchandise

Pride

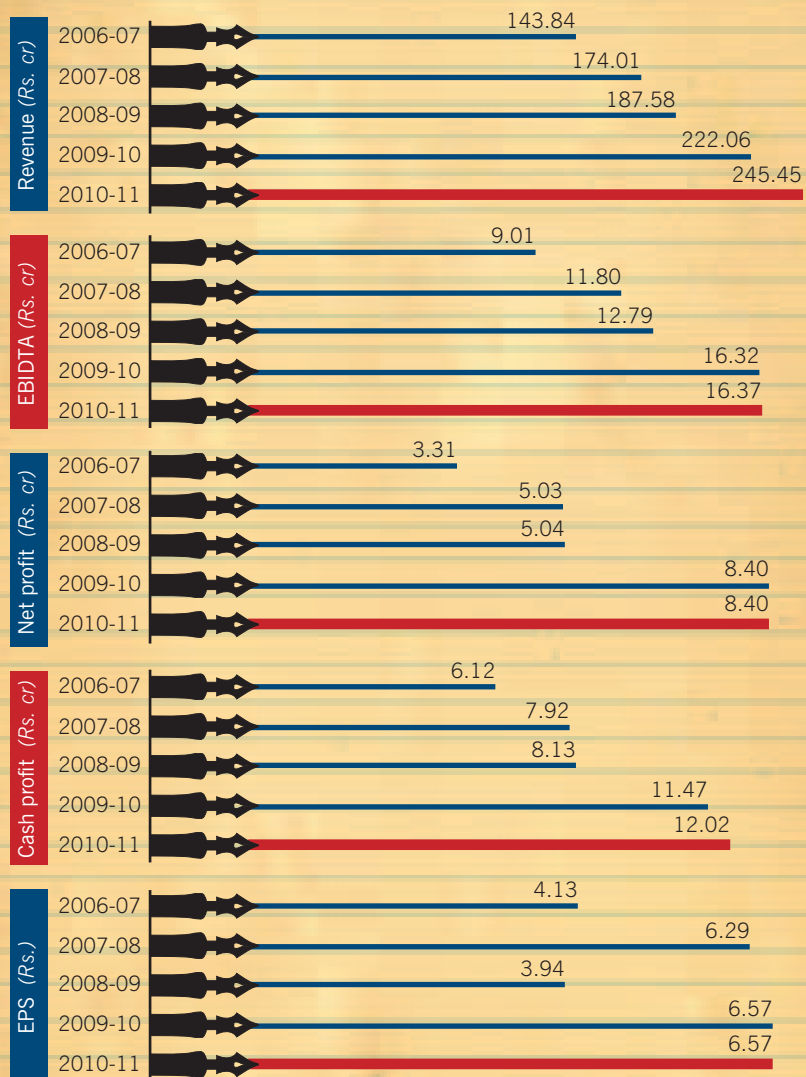
Linc markets the products of Mitsubishi Pencil Co. Ltd, Japan, under the Uni-ball brand, and C. Joseph Lamy GmbH, Germany, under the Lamy brand in India

- Manufacturing units are ISO 9001:2008-certified

Listing

Market capitalisation of Rs. 94.55 cr as on 31 March 2011; stock listed on the Bombay and Calcutta Stock Exchanges

DIFFERENTIATED POSITIONING, DISTINGUISHED RESULTS



KEY HIGHLIGHTS, 2010-11

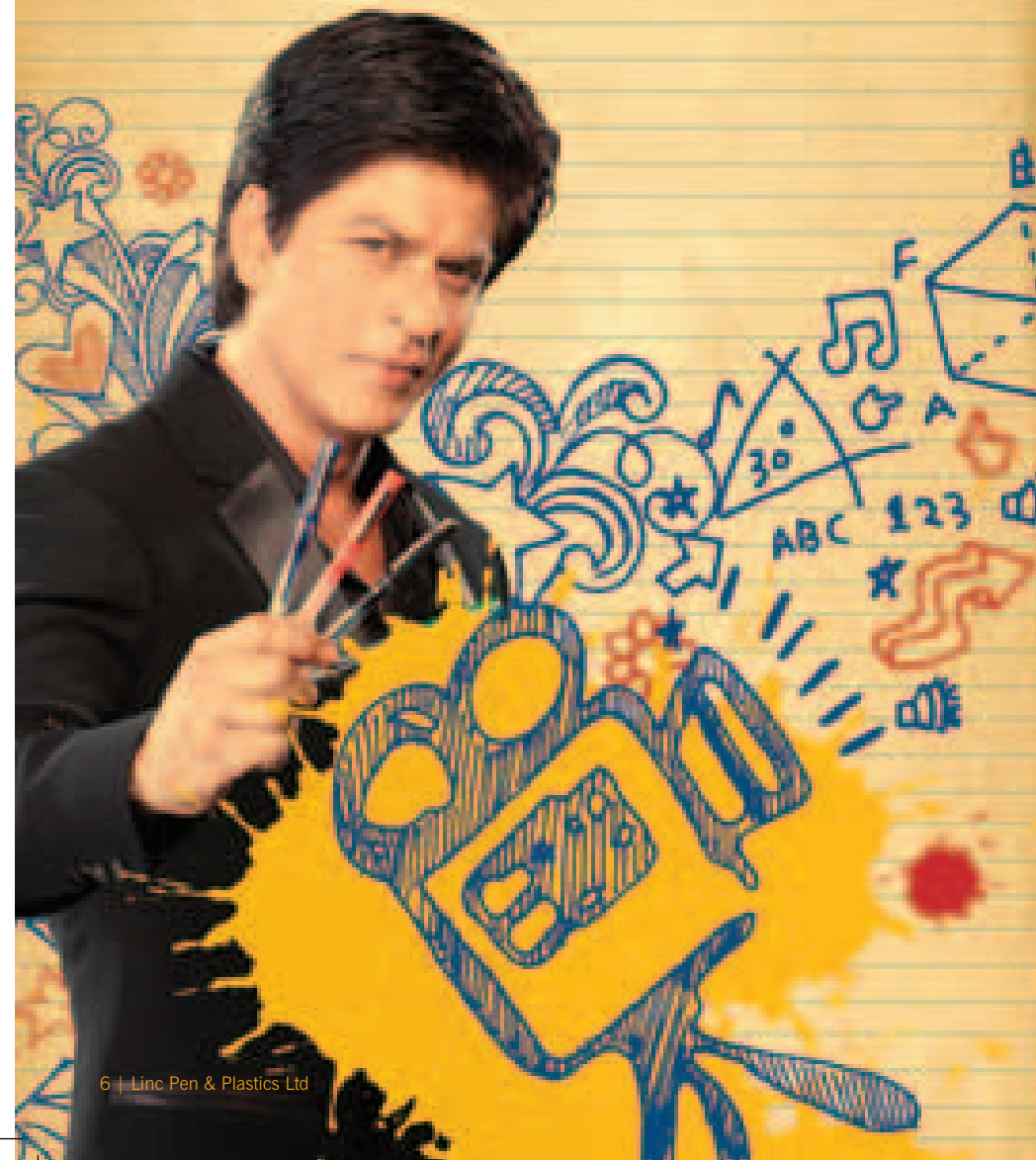
Marketing

- Reinforced its position amongst top 3 stationery company.
- Achieved a domestic organised market share of 10%
- Expanded its footprint to 10 more countries

Financials

- Gross sales increased 11.9% to Rs. 24,850.07 lacs
- EBIDTA and net margin stood at 6.6% and 3.4% respectively
- Gross block grew 31.2% to Rs. 4,939.18 lacs
- Debt-equity ratio stood at 0.92 (against 0.55 in 2009-10)

NOT JUST A PEN
LINC IS A RECOGNISED
INTERNATIONAL
BRAND



LINC STAYED AHEAD OF THE COMPETITION CURVE BY MOVING AWAY FROM COMMODITY-CENTRIC MARKETING TO BRAND-LED POSITIONING THROUGH THE FOLLOWING INITIATIVES:

- Grew its presence in over 30 countries and registered its brand in 46 countries.
- Emerged as the largest selling brand in Myanmar, Yemen, Bangladesh and Sri Lanka.
- Inked sponsorship deals with three teams for the Indian Premier League 2011 – Kolkata Knight Riders, Deccan Chargers and Kings XI Punjab
- Extended its association with superstar Sharukh Khan as brand ambassador
- Enlisted Katrina Kaif to promote Uni-ball products in India
- Invested Rs. 22.70 cr in advertising and branding over three years

Result: Sales and net profit grew at 11.6% and 20.5% CAGR respectively over the past five years leading to 2010-11.

NOT JUST A PEN. **LINC**
PROVIDES A COMPREHENSIVE
STATIONERY

PORTFOLIO



LINC LEVERAGED ITS TWO-DECADE EXPERIENCE IN THE WRITING INSTRUMENT BUSINESS TO DIVERSIFY INTO VALUE-ADDED STATIONERY PRODUCTS.

- Exclusive marketing tie-up with Mitsubishi Pencil Company Ltd., Japan for Uni-ball brand priced between Rs. 30-Rs. 225
- Associated with C. Joseph Lamy, Germany for marketing its premium Lamy brand in India with prices starting from Rs. 550
- Focused on premium stationery products

Result: Non-writing instrument products contributed 16% (7% five years ago) to 2010-11 revenues.

“THE COMPANY INTENDS TO INCREASE EXPORTS UNDER ITS OWN BRAND AS A REVENUE AND PROFIT



DRIVER”

Deepak Jalan, *Managing Director*, Linc Pen & Plastics Ltd, reviews the Company's performance in 2010-11.

Q: Were you happy with the performance during the year under review?

A: I would have to say no, as the Company grew its topline by 12% only. The domestic business grew 13% and exports grew 6%. The Company targeted a higher growth but could not achieve this due to various challenges it faced in 2010-11.

Q: What were some of the improvements reported by the Company in 2010-11?

A: During the earlier years, the Company focused on increasing exports to OEMs. Even as these exports represented a vindication of product quality, they were not made in the Linc

brand. The Company sustained this activity as it felt that this would be the best way to grow its international presence – this would generate volumes that could be covered with economies of scale. Gradually, as the Company enhanced its business confidence, it began to export larger quantities under its own brand, emphasising the strength of its brand on the one hand and reinforcing margins on the other. That the Company reported Rs. 55.50 cr of exports in 2010-11 from a spread of over 30 countries, accounting for 22.3 per cent of turnover, is an index of its global presence and competitiveness. The Company expects a higher contribution from exports this year, especially from regions like the Middle

East, where export performance was temporarily affected by turmoil during the year under review.

Q: What industry challenges did the Company face during 2010-11?

A: There are a number of realities that made business competitive during the year under review.

One, sustained competition resulted in price declines despite an increase in raw material costs.

Two, writing instrument brands possessed a life of few years earlier whereas now most successful pen brands (60 per cent of products) have a shelf life of no more than six months,

making it imperative to accelerate investment in product development.

Three, raw material prices increased following an increase in crude prices whereas realisations declined especially in the lower priced segment, making it imperative to churn the product mix and move to value-added products.

Q: How did the Company respond to these challenges?

A: The Company responded to these challenges through the following initiatives:

- Through the launch of seven new products,
- Through an extension of the appointment of Shahrukh Khan as the

Company's brand ambassador;

- Through the appointment of Katrina Kaif as brand ambassador for the Uni-ball brand from February 2011
- Through the prudent selection of the IPL event to enhance brand visibility; the Company was associated with teams like Deccan Chargers, Kolkata Knight Riders and Kings XI Punjab, resulting in prominent visibility of the Company's logo in the electronic and print media for over a month.
- Through the timely investment of over Rs 10 cr for enhancement/automation of production capacity.

Q: How does the Company intend to strengthen its competitive position?

A: The Company chalked out a comprehensive agenda to strengthen its

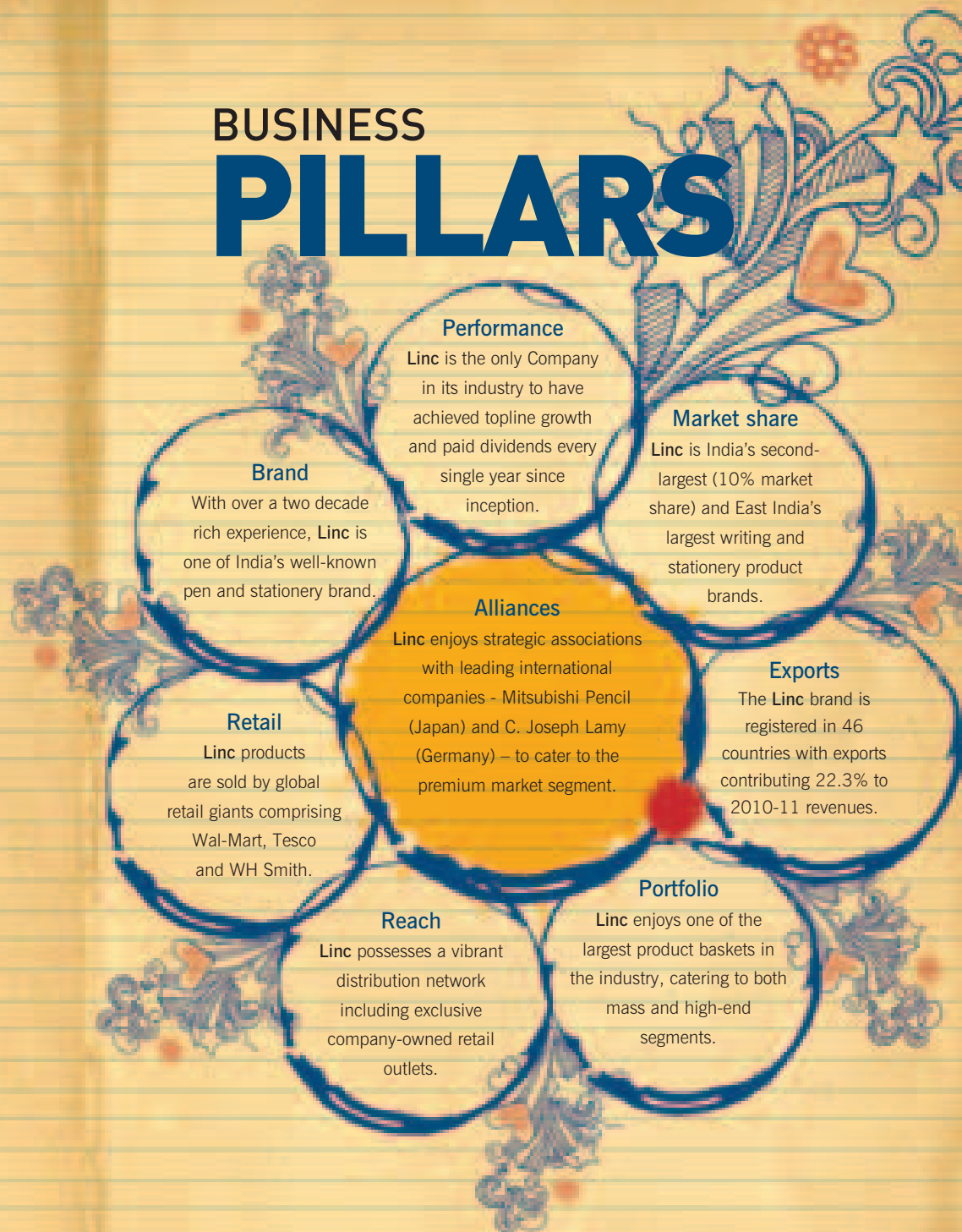
competitive position through the following initiatives:

- It intends to enhance its presence in South and West zone of the country.
- It intends to launch around eight products in 2011-12
- It is focused on increasing export margins through a stronger product mix and rising exports under proprietary brand

Writing instruments are subject to excise (1%-5% with CENVAT) with effect from 1st March, 2011. We see this as a positive development, as it will create discipline in the industry.

Besides, growing literacy rates in our country will catalyse the demand for writing instruments.

BUSINESS PILLARS



MANAGEMENT DISCUSSION AND ANALYSIS

Industry overview

The global writing instrument market is estimated at USD 38 bn, of which the pen market accounts for a major portion of USD 30 bn. Though the Indian writing instrument market is comparatively small, in terms of quality the country ranks among the best in the world. However, India's annual exports are a low Rs. 2 bn, while China exports Rs. 50 bn worth of pens every year.

Annual global pen demand is estimated at 1,600 – 2,400 mn units. The Indian market comprises around 15 large, 100 mid- and 900 small-scale manufacturing units, which have a combined daily production capacity of over 10 mn pieces. India's writing instrument industry is largely unorganised with small regional players. The organised industry is estimated at over Rs. 2,000 cr while Linc's market share stands at 10%.

Indian stationery market

Stationery encompasses a wide material range comprising paper and office supplies, writing instruments, greeting cards, glue and pencil cases, among others. There are over 50 brands in India's organised and unorganised sectors. With economic liberalisation, many premium international brands entered India either independently or in collaboration with Indian manufacturers and distributors. These include Reynolds, Parker, Cross, Mont Blanc, Cartier, Pierre Cardin and other designer pens from Episode, Frazer & Haws, Christian Dior and Waterman.

Over the years, the market share flowed from the unbranded to the branded sector. The market is segmented according to the following target audience:

- Students (many of whom depend only on pencils and ball point pens)

- Frequent users (in offices across commercial and public establishments)
- Occasional users (housewives and literate manual workers)

While India's literacy rate is a high 74%, all literates occasionally use ball or fountain pens. While pen demand among the employed is relatively stagnant, demand among students is experiencing a healthy growth as this segment is more brand-conscious.

Category	% user share
Students	55-60
Commercial	20-25
Multi-level	15-20

The writing instrument market is dominated by ball point pens accounting for 70% of India's total pen demand, followed by gel pens at 20% and fountain pens at 4%. Fountain pen domination (once the only writing instrument preferred by the rich and

poor) has now almost disappeared and is confined to only luxury brands. An even more remarkable transition is evident in the present generation, using different inks, colours and tips. Nearly 85% of users use blue, black and red ink.

One of the major components of the writing instrument industry is the pricing of pens and stationery products.

- About 80% of India's pen industry revenue comes from pens with a price range of up to Rs. 15
- A small percentage of pens are priced in the range of Rs. 100-300
- The super-premium segment where prices extend beyond Rs. 100,000 or more contributes a small portion
- While the market for lower price range pens (up to Rs. 15) is growing at 7-8% annually, the mid-range pen market is growing faster at 8-10%

Indian stationery market

	Mass	High-value	Premium
Price range	Below Rs. 20	Rs. 20-400	Above Rs. 400
Market players	Cello, Linc and Reynolds, among others	Uni-ball, Pilot and Parker, among others	Parker, Mt. Blanc, Cross, Lamy and Sheaffer, among others

Pen no longer a writing instrument

According to a AC Nielsen survey, sunglasses (41%) are the most sought-after accessory in India, followed by belts (35%) and stationery (20%).



Growth enablers

Growing literacy: The key enabler for the writing instrument and stationery market is increasing literacy rates (see later section).

Increasing income: India's per capita income grew 17.9% to Rs. 54,835 in 2010-11 from Rs. 46,492 in 2009-10, leading to higher literacy and growing stationery demand.

Per capita income growth (Rs.)

2006-07	2007-08	2008-09	2009-10	2010-11
29,382	35,430	40,605	46,492	54,835

Population growth: India's population rose to 1.21 bn over the past decade, an increase of 181 mn, (2011 census). India's population is equivalent to United States, Indonesia, Brazil, Pakistan, Bangladesh and Japan, accounting for 17.5% of the world's total population (compared with China's 19.4%).

Increasing working population: India has one of the world's youngest populations. It is expected that the working population will increase 20% by 2020, leading to higher per capita income.

Academic demand: School and college academic seasons catalyse stationery product demand.

Corporate gifting: A new segment of expensive pens was created as an item of prestige, resulting in India's corporate gift segment growing at 15% annually.

Outlook

Despite a burgeoning popularity of electronic gadgets (particularly computers), stationery product demand is not facing a threat, owing to growing demand emanating from students.

The global stationery product market is expected to touch USD 155.4 bn by 2015, driven by technological advancement, increasing literacy rates and rising population. The Indian stationery industry is poised to grow 20% annually over the next three years. With the Indian government laying an emphasis on education, more schools are being built, driving stationery product demand. With India being an outsourcing hub for numerous multinationals, the office stationery market is growing rapidly.

Literacy in India

India's effective literacy rate recorded a 9.2% rise from 64.83% to 74.04%

(provisional data of 2011 census).

Interestingly, literacy improved sharply among females when compared with males. While the effective male literacy rate rose from 75.26% to 82.14%, it increased from 53.67% to 65.46% for females.

Government initiatives

Sarva Shiksha Abhiyan (SSA): SSA is a comprehensive plan to provide free education to children between the 6-14 year age group. It was launched in 2001 with an initial outlay of Rs. 7,000 cr.

SSA objectives

- To ensure that all secondary schools are equipped with physical infrastructure, staff and supplies according to prescribed standards, through financial support in case of government/local body/government-aided schools and through appropriate regulatory mechanisms for others
- To improve access to secondary

schooling for all youngsters according to norms (secondary schools within 5 km and higher secondary school within 7-10 km), providing safe transport arrangements/residential facilities

- To ensure that no child is deprived of secondary education due to gender, socio-economic status, disability and other barriers

Rashtriya Madhyamik Shiksha Abhiyan

(RMSA): RMSA is a Government of India initiative to achieve the universalisation of secondary education (USE) and was implemented during the Eleventh Plan at a total outlay of Rs. 20,120 cr, aimed at expanding and improving secondary education standards (classes VIII to X). RMSA also expects to spread secondary education to every corner of the country by ensuring the establishment of a secondary school (up to class X) within a radius of 5 km in every neighbourhood.

Literacy growth (%)

Census Year	Population	Male	Female
1951	18.33	27.16	8.86
1961	28.30	40.40	15.35
1971	34.45	45.96	21.97
1981	43.57	56.38	29.76
1991	52.21	64.13	39.29
2001	64.84	75.26	53.67
2011	74.04	82.14	65.46

Source: Census 2011 review



Business driver

OPERATIONS

Budget, 2011-12

- Over Rs. 520 bn was allocated for education (24% increase over 2010-11)
- Increased allocation for school education to Rs. 389.57 bn in 2011-12 from Rs. 310.36 bn in 2010-11
- Increased SSA allocation from Rs. 150 bn to Rs. 210 bn
- Implementation of revised centrally-sponsored 'vocationalisation of secondary education' from 2011-12 to

- improve youth employability
- Allocation of Rs. 103.80 bn for school mid-day meals
- Allocation of Rs. 52.54 bn for the University Grants Commission, Rs. 56.60 bn for technical education and Rs. 9.43 bn for National Mission in Education
- Introduction of scholarships for underprivileged students belonging to scheduled castes and tribes, studying in standard IX and X

Interesting facts

A typical pencil can draw a line 35 miles long or write about 45,000 words; most ball point pens draw a line 4,000 – 7,500 feet long

Have you ever seen a left-handed pencil? Left-handed pencils do exist but have nothing to do with the way it writes but about the way text is printed on it

Comedian, actor and educator Bill Cosby is a famous pen enthusiast and has lent his talent to promote the New York City Fountain Pen Hospital

“Efficiency is doing *better* than what is already being done.”
– Peter Drucker

IN A BUSINESS WHERE A NUMBER OF PRODUCTS ARE MANUFACTURED AND WHERE RAW MATERIAL AND PROCESSES NEED TO BE MANAGED EFFECTIVELY, IT IS IMPERATIVE TO INVEST IN CUTTING-EDGE TECHNOLOGY, ENSURING SPEED, QUALITY AND EFFICIENCY.

The Company invested extensively in equipment, processes and practices with manufacturing units equipped with state-of-the-art assets, leading to operational efficiency and timely delivery through the following initiatives:

- Ensured scheduled plant

maintenance to minimise unexpected equipment breakdown

- Replaced old equipment with latest technology
- Introduced auto assembly, injection moulding, refill-making and pad printing machines
- Automated processes through hydraulic and PLC-based machines, leading to productivity enhancement and lower energy costs.
- Initiated the critical path method to estimate completion time for each activity for onward scheduling



Business driver

RAW MATERIAL MANAGEMENT

IN A BUSINESS WHERE RAW MATERIAL PRICES ARE VOLATILE, IT IS IMPERATIVE THAT THE BEST INPUT QUALITY BE CONSISTENTLY MAINTAINED, PROCURED, STORED AND USED.

Linc is a quality-driven manufacturer. The Company uses plastic granules, ball and gel pen tips, ink, springs and stamping foil as raw material. The Company imports quality ink and tips. The Company is also focused on quality packaging material.

Plastic granules

Plastic granules are used for making pen shells. Linc uses five varieties of plastic granules:

Polypropylene (PP): The major polyolefin used in Linc is polypropylene, a hard, tough and mouldable polymer. This material is used mostly in the barrels of use-and-throw models. A random copolymer PP is also used in the barrel of Ocean Gel Pen on account of its transparency.

High density polyethylene (HDPE): HDPE is used in caps, plugs and adapters of ball pens where flexibility and strength are needed.

Polystyrene (PS): Polystyrene is a versatile plastic that is rigid or foamed. General-purpose polystyrene is clear, hard and brittle with a relatively low melting point suitable for injection moulding applications. This material is used for making transparent barrels of ball pens.

Styrene acrylonitrile copolymer (SAN): This material is used for making transparent barrels of expensive pens on account of its strength and clarity.

Polyacetal: This novel material is used on account of its toughness and compressive strength in the pen mechanism.

Acrylonitrile butadiene styrene (ABS): This terpolymer is used on account of its toughness and lower density among engineering plastics. Linc uses this material for making clips, plugs and knobs, an excellent choice on account of its electroplating applications.

Thermoplastic elastomer: This material combines the properties of elastomers and thermoplastics. Elastomers are rubbers that can stretch easily; thermoplastics can be moulded with heat and used in the grips of many models to enhance writing comfort.

Polycarbonate: This is the toughest of all transparent plastic materials, used in transparent caps, where the locking mechanism is durable despite repeated cap opening and closing.

Masterbatches: These granular colour concentrates are mixed with a high flow polymer vehicle, normally LDPE or EVA, useful in making coloured plastic parts.

Tips

The Company's import dependence for this product declined as India emerged as a quality tips manufacturer. Indian tips proved popular abroad and whenever exports rose, the paucity in the Indian market tended to strengthen prices.

Brass tips: These tips are cheap, easy to produce and suitable for ordinary writing quality among economically priced pens. Normally, the tip is made of brass with a 0.8 and 1mm stainless steel ball.

Brass nickel plated: These tips have been produced for more than two decades, with a brass wire and coated with nickel for a better look. These tips are widely accepted as they provide writing consistency. These tips are used in normal ball pens (including retractable pens) with a 0.7 to 1.20 mm ball diameter.

Nickel silver: For better writing quality, a new wire NS was developed in the last decade, more expensive than brass wire. This tip lasts longer and the writing quality is better. Normally, these types are made with 0.5 and 0.6 mm balls for fine writing but 0.7 to 1.0 mm balls are also used. The NS wire and TC balls are of a high quality and imported from

Switzerland, Germany and the US.

Stainless steel tips: These tips, made of stainless steel wire with TC ball, are the most expensive of all tips.

Gel tips: Gel tips are used with gel ink, which is basically water-based and developed in the mid Eighties. Gel pens were accepted across the world and replaced fountain pens. These tips were developed with SS/NS wire and a special TC ball and ceramic, which makes them look like a ball pen and yet write like high quality fountain pens. These are made with 0.28 mm to 1 mm special balls.

Ink

The choice of the ink supplier is critical to pen quality. Different ink varieties are imported to feed a wide product array. Linc uses the following ink types in ball pens and gel pens:

High viscosity ink: This thick ink is most common, the kind found in most stick pens.

Liquid ink: This is held in a reservoir within the pen's barrel. It normally occupies most of the length and width of the barrel, giving greater ink capacity and longer write-out length. This type of ink flows smoothly, providing a constant colour density.

Oil-based ink: This innovative ink is low in viscosity, provides friction-free and vivid ink delivery. It is water-resistant, quick drying and smear-proof.

Gel ink: This is thinner than oil-based ink with a smooth flow and dense colour. It allows brighter and more vivid colours to be produced.

Business driver

QUALITY

“Quality is not an act,
it is a *habit*.”
– Aristotle

IN THE WRITING INSTRUMENT BUSINESS, QUALITY IS CRITICAL FOR CUSTOMER RETENTION.

Linc is reputed for consistent quality, reflected in the prestigious ISO 9001:2008 certification.

Quality initiatives

- Ensured finished product quality through thorough checks at all stages
- Tested raw material for quality consistency
- Provided technical quality guidance to vendors

- Conducted comprehensive online quality checks
- Focused on routine two-round quality checks (by the operator and supervisor)
- Maintained thorough assembly line and refill checks
- Incorporated batch testing for tips and ink
- Minimised rejection
- Imparted regular quality training and conducted quarterly internal audits

Business driver

MARKETING AND DISTRIBUTION

“The aim of marketing is to know and *understand* the customer so well, that the product or service fits him and sells itself.”
– Peter Drucker

IN THE STATIONERY PRODUCT BUSINESS, A STRONG DISTRIBUTION NETWORK IS CRITICAL TO ENSURE PRODUCT AVAILABILITY JUST WHERE AND WHEN THE CUSTOMER WANTS IT.

Linc boasts of a vibrant pan-India

distribution network through 48 stockists. It also exports ball pens, gel pens, refills and allied stationery to over 30 countries and enjoys a sizeable presence in Asia & Middle East. It also supplies to global retail chains such as Wal-Mart, WH Smith and Tesco (as private labels).

6.4%
Increase in
export revenue

13.6%
Growth in
domestic sales

10
New countries
ventured into

7
New products
launched

91:9
Export revenue
split between
LINC brand and
OEM (67:33 in
2009-10)

17.7%
Increase in
distributors

Exports

- Exports grew 6.4% from Rs. 52.18 cr in 2009-10 to Rs. 55.50 cr in 2010-11 despite several adversities:
 - Political instability across the Middle Eastern countries affected the offtake
 - Sudden imposition of excise duty on writing instruments from March 2011 impacted exports in the last month of the financial year, owing to time-consuming documentation

- Expanded presence in 10 new countries.
- Export revenue split between Linc brand and OEM changed from 67:33 in 2009-10 to 91:9 in 2010-11.

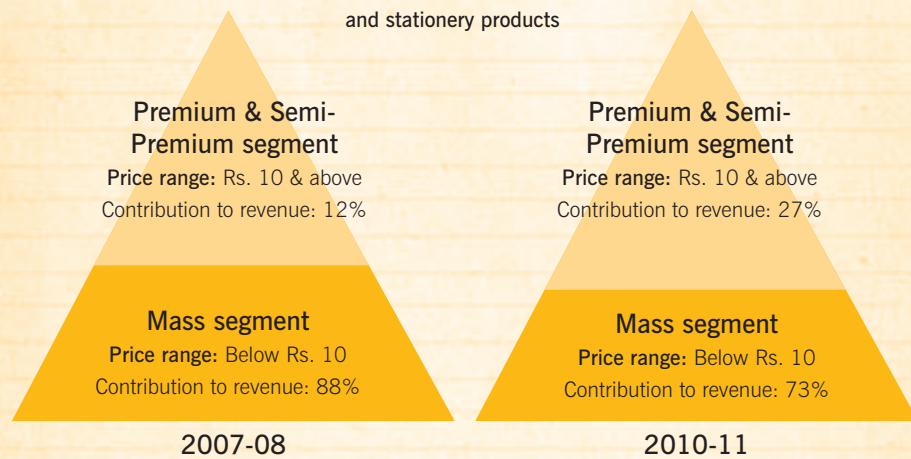
Road ahead

Focus on expanding into Africa and Central Asia owing to their huge potential.

- Thwarted competition from use-and-throw pen segments
- Focused on creating brand visibility through Just Linc and Office Linc stores
- Invested Rs. 8.48 cr in advertising as against Rs. 7.21 cr in 2009-10

- Augmented network sales by encouraging and incentivising dealers
- Enrolled a larger number of distributors into Club Linc for an entitlement to various performance-based benefits and incentives

Writing instruments and stationery products



Domestic market

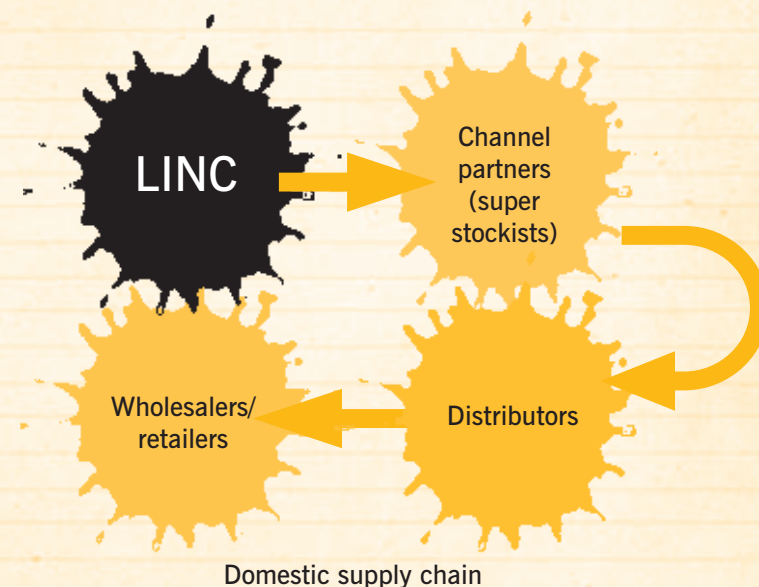
- Increased sales from Rs. 222.06 cr in 2009-10 to Rs. 248.45 cr in 2010-11; India remained the largest market for Linc products

- Enhanced domestic sales proportion to overall sales from 76.5% in 2009-10 to 77.7% in 2010-11
- Introduced seven new products during 2010-11

Road ahead

- Focus on premium and allied stationery products; in the premium segment (pens priced at above Rs. 10), efforts are being made to increase the share of total revenue to 25-30% from the existing 15-18%.

- Expected launch of seven products by the second quarter of 2011-12, of which four are priced at Rs. 10 and above.
- Expect stronger brand association for Uni-ball product range with endorsement by Katrina Kaif.





Business driver

HUMAN RESOURCE

“An organisation's ability to learn and rapidly translate that learning into action is the ultimate competitive advantage.”

– Jack Welch

WITH OVER 700 EMPLOYEES AND WORKERS, THE PRIME OBJECTIVE OF THE HR TEAM IS EMPLOYEE DEVELOPMENT. THE COMPANY'S INTELLECTUAL CAPITAL IS REFLECTED IN ABOUT 25% OF EMPLOYEES REMAINING WITH IT FOR OVER FIVE YEARS.

The Company signed a memorandum of settlement with worker unions for five years starting from April 1, 2011, ensuring smooth plant working.

Recruitment: Depending on the organisational need, it recruits through consultants, job portals, campus recruitments and print advertisements.

Training and development: Proper induction training is conducted for new recruits. Additionally, round-the-year

need-based individual training is also imparted to enrich skills.

Performance appraisal: It has a well-structured appraisal system to reward deserving employees with promotion and increments.

Incentives: Apart from conventional benefits, it provides employees with personal accident coverage, wedding gifts and special birthday and anniversary leaves. It also encourages literacy by providing an education allowance for up to two children to workmen and support staff. During the year, it also introduced compassionate leave in case of death of an immediate family member and finalised Group Medclaim policy with Rs. 1 lac cover for each employee.

SOCIETAL RESPONSIBILITY

“We have always held to the hope, the belief, the conviction that there is a better life, a better world, beyond the horizon.”

– Franklin Roosevelt

Go green initiative

LINC REITERATED ITS ENVIRONMENT PROTECTION COMMITMENT THROUGH ITS 'REFILL MORE' CSR INITIATIVE.

- 'Refill more' is a novel project to educate consumers about the adverse effects of plastic on the environment thereby promoting the use of refills as it minimises plastic use
- The 'Refill more' campaign aims at reaching out to school and college students.
- The campaign will be introduced in schools during Linc's annual Spellinc competition; as part of this initiative, drop boxes will be set up in schools where students can drop empty refills and pens for recycling
- Free refills will be distributed across schools and colleges to encourage this initiative

Spellinc

- An annual inter-school spelling competition organised by Linc for over 13 years, this programme gained popularity among students; this competition tests English vocabulary skills of school children from standard VIII-X.
- The competition witnessed participation of over 4.5 lac students across six cities.
- The Company compiled a list of 1,000 commonly mis-spelt words under 'spell right', a guidebook for students to improve their vocabulary.
- Apart from Kolkata, Spellinc was hosted in Delhi, Mumbai, Chennai, Bengaluru, Kanpur and Lucknow.

Why refill more?

Though a top industry player, Linc sells only 30 refills against 100 pens, with roughly 70% of these pens getting discarded as consumers buy new pens instead of refilling ink. The 'Refill more' initiative was launched with the express purpose of reversing this trend.

Other events

Christmas celebration

It was a humble effort to ring in the yuletide spirit in the lives of underprivileged children of HIVE India, Kolkata, and Smile Foundation, Mumbai. The Company organised various events for these children and distributed gifts and sweets.

To teachers with love

Linc celebrated Teachers' Day by joining hands with Dhvani, a quartet of multilingual singers from Kolkata. Besides the four metros, musical shows were held in Hyderabad, Bengaluru, Jaipur, Guwahati, Asansol, Ranchi and

Jamshedpur. Linc distributed gift hampers to all teachers who attended the programme as a mark of gratitude.

Official literacy partner at IIFA, 2010

Linc associated with IIFA, 2010, as their official literacy partner as both share a common vision – that of a literate India. Linc's primary reason for association was to encourage child soldier rehabilitation in war-torn Sri Lanka. Linc pledges support for spreading literacy and creating a harmonious environment by providing free pens to the children of Jafna (Sri Lanka).

Spellinc and students

"It was an enriching experience. Spellings form an integral part of any language and Spellinc taught us its importance." – *Soumya Das, St Patrick's, Asansol*

"The Spellinc competition helps us in word building, increases our vocabulary and boosts our English knowledge." – *Anirban Choudhury, student, New Delhi*

FINANCIAL ANALYSIS

Review of profit and loss account

(Rs. in lacs)

	2010-11	2009-10	Growth (%)
Revenue	24,844.61	22,205.86	11.88
EBIDTA	1,636.86	1,631.99	0.30
PAT	839.97	839.51	0.05
EBIDTA margin (%)	6.6	7.3	(70) bps
PAT margin (%)	3.4	3.8	(40) bps

Cost analysis

Total operating cost increased 22.81% from Rs. 20,348.41 lacs in 2009-10 to Rs. 24,990.78 lacs in 2010-11, owing to the following:

- Increased resource prices as plastic granule (principal raw material) is crude price-dependent
- Expenditure on increased scale of operations.

Analysis of balance sheet

Sources of funds

(Rs. in lacs)

	2010-11	2009-10	Growth (%)
Share capital	1,278.59	1,278.59	-
Reserves and surplus	3,458.25	2,886.65	19.80
Net worth	4,736.84	4,165.24	13.72
Secured loans	4,135.47	2,064.81	100.28
Unsecured loans	219.50	219.22	0.13
Deferred tax liability	185.51	164.49	12.78
Total	9,277.32	6,613.76	40.27

Net worth

Net worth comprised equity share capital (26.99% of net worth as on 31 March 2011) and reserves and surplus (73.01% as on 31 March 2011).

Net worth increased 13.72% from Rs. 4,165.24 lacs as on 31 March 2010 to Rs. 4,736.84 lacs as on 31 March 2011, owing to an increase in equity capital and reserves and surplus.

Equity share capital: This component comprised 1,27,85,960 equity shares of face value of Rs. 10 each. With a total equity capital of Rs. 1,278.59 lacs, promoters' holding was 69.14%.

Reserves: Reserves grew 19.8% from Rs. 2,886.65 lacs as on 31 March 2010 to Rs. 3,458.25 lacs as on 31 March 2011, owing to a free reserve increase.

External funds: External funds comprised 94.96% secured loans and 5.04% of unsecured loans. Secured loans increased 100.28% from Rs. 2,064.81 lacs as on 31 March 2010 to Rs. 4,135.47 lacs as on 31 March 2011, owing to an increase in gross block and infrastructure

development. Forex loans comprised 32.7% of the loan portfolio. Debt-equity ratio stood at 0.92 in 2010-11 against 0.55 in 2009-10.

Gross block

Gross block grew 31.18% from Rs. 3,765.14 lacs as on 31 March 2010 to Rs. 4,939.18 lacs as on 31 March 2011, due to the purchase of plant, equipment, furniture and fittings.

Depreciation increased 17.76% from Rs. 307.37 lacs in 2009-10 to Rs. 361.95 lacs in 2010-11, on account of an increase in gross block. Accumulated depreciation as a proportion of gross block stood at 47.23% in 2010-11 (53.39% in 2009-10), reflecting gross block contemporariness.

Working capital

Working capital increased 38.57% from Rs. 4,657.90 lacs as on 31 March 2010 to Rs. 6,454.61 lacs as on 31 March 2011, due to an increase in operational scale. Working capital as a proportion of total capital employed stood at 69.57% as on 31 March 2011 against 70.42% as on 31 March 2010.

	2010-11	2009-10
Current ratio	3.09	2.67
Quick ratio	0.93	0.96

RISK MANAGEMENT

Risk can be defined as the expression of uncertainties and possible outcomes that could have material impact on a company's performance and prospects. Linc identifies, assesses and takes proactive measures to minimise or eradicate the potential loss arising from exposure to particular risks to maximise returns.

Industry slowdowns could impact revenue

Mitigation

- Despite low-entry barriers and unorganised sector presence, the organised Indian writing instrument industry's market share is increasing, owing to superior quality, wider distribution and increased consumer brand awareness
- With the government's emphasis on education, more schools are being established and along with economic prosperity, will continue to drive stationery product demand.

Quality inconsistencies can dent brand value

Mitigation

- Linc ensures quality checks at every stage for all products commencing from raw material procurement to finished goods
- It conducts batch testing at regular frequencies
- Manufacturing units are ISO 9001:2008-certified

Inability to differentiate may impact business

Mitigation

- Linc products are of superior quality compared with other Indian pen brands, catering to varied consumer preferences
- Focused on increasing presence in the premium pen and stationery product segments



DIRECTORS' PROFILE

Inability to widen sales footprint can threaten revenue growth

Mitigation

- Entered 10 new countries
- Focused on the potential-rich African markets
- Registered its brand across 46 countries and marketed in over 30
- Supplied pens to global retail giants like Wal-Mart, Asda, Lidl, Poundland, WH Smith and Tesco
- Derived 77.3% revenue from within India in 2010-11.

Inability to enhance product basket could lead to business stagnation

Mitigation

- Product basket comprises a variety of pens and other stationery products (pencils, erasers, sharpeners and rulers, among others)
- Entered into strategic alliances with leading international companies like Mitsubishi Pencil (Japan) and C. Joseph Lamy GmbH (Germany) to tilt product portfolio towards high value-added segments
- Strengthened presence in the premium segment, enhancing overall margins

Inability to meet market expectations could lead to customer attrition

Mitigation

- Almost 54% revenue came from repeat customers (more than 10 years old)
- Customises products according to consumer specifications

Foreign currency fluctuation could impact profitability

Mitigation

- Imports raw material and exports products, which act as a natural hedge
- Took loans in foreign currency instruments which act as a natural hedge for exports
- Covered a portion of foreign currency exposure through hedging mechanism

Shri Kedar Nath Ranasaria

77, Director, is a post-graduate and brings with him over four decades of experience in finance, manufacturing and other allied areas. He is associated with Balrampur Chini Mills Limited, one of India's leading sugar companies.

Shri Naresh Pachisia

48, Director, a Certified Financial Planner (CFP) is the Promoter-Managing Director of SKP Securities Ltd, a leading stock broking and wealth management service provider.

Shri Prahlad Rai Agarwala

73, Director, a Commerce and Law graduate, possesses vast experience in the manufacturing and marketing of fast-moving consumer goods. He is the Chairman of Rupa & Co.Ltd, a well known inner and casualwear company.

Dr. Ranjan Das

62, Director, an M.Sc (Applied Mathematics) and a Doctorate in Strategic Management. He is currently a Professor of Strategic Management at the Indian Institute of Management, Calcutta. He has an impeccable record as a leading advisor in strategic planning and management to several corporates. He has over 15 years experience in strategic and functional management, teaching, training, consulting and research. Prior to that, he had 20 years of industry experience during which he held senior positions as GM of an MNC and MD of a joint sector company.



Shri Sohan Lal Kochar

79, Director, a postgraduate in commerce and LLB, is a leading advisor on income tax matters. He brings with him a wide experience to the Board. He has been a guiding force since the very inception of the Company.

Shri Prakash Jalan

45, Director, a commerce graduate with 23 years of experience in the business.

Shri Alope Jalan

42, Wholetime Director, a Commerce graduate with 20 years of experience in the business, looks after the Company's marketing operations with special emphasis on the western and southern regions.

Shri Deepak Jalan

49, Managing Director, a Commerce graduate with 25 years of experience in the business, is responsible for the overall operations of the Company with a specialisation in international operations.

STATUTORY SECTION

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 17th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2011.

Financial Highlights

(Rs. in Lacs)

	2010 – 11	2009 – 10
Sales & Other Operational Income	25364.09	22544.68
Other Income	40.19	20.51
Profit before depreciation, interest and taxation	1636.87	1631.99
Interest	193.42	169.75
Depreciation	361.95	307.37
Profit before Tax	1081.50	1154.87
Provision for Taxation - Current	220.50	306.00
- Deferred	21.03	6.01
- Income Tax for earlier years	-	3.35
Profit after Tax	839.97	839.51
Add: Credit Balance of the previous year	195.80	125.55
Amount available for Appropriation	1035.77	965.06
Transfer to General Reserve	500.00	500.00
Proposed Dividend	230.15	230.15
Corporate Tax on Dividend	38.22	39.11
Balance carried to Balance Sheet	267.40	195.80

Dividend

Your Directors recommend a Dividend of Rs.1.80 per equity share (previous year Rs.1.80 per equity share) for the year ended 31st March, 2011.

Financial Performance

Performance: During the year under review, the Company's Sales (incl. Other Operational Income) increased by 12.5% to Rs.25364.09 Lacs as compared to Rs. 22544.68 Lacs during the preceding year. The Company spend Rs.1368.27 Lacs (5.5% of Sales) on Advertisement & Promotion in 2010-11 as compared Rs.970.23Lacs (4.3% of Sales) in 2010-11. The Profit after Tax during the year was Rs.839.97 Lacs which is almost same as previous year.

Finance Cost: The Interest cost was up by 13.9% at Rs.193.42 Lacs in 2010-11 from Rs.169.75 Lacs in 2009-10. The Interest / Turnover was 0.8% and Interest Cover is 8.5 in 2010-11, which were 0.8% and 9.6 respectively in 2009-10.

The CRISIL retained its "P1" rating as regards to Rs.100 Million Commercial Paper Programme of our Company. As per them, this rating indicates that the degree of safety with regard to timely payment of interest and principal on the instrument is very strong.

Working Capital: The year-end debtors are 32 days of the sales for the year as compared to 33 days in the previous year. The inventory holding is for 98 days' sales as compared to 78 days in

the previous year.

Fixed Assets: The Company spent Rs.1236.84 Lacs on acquisition of Fixed Assets, mainly consisting of moulds and machines at existing facilities.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that :-

- in the preparation of the annual accounts, the applicable accounting standards had been followed;
- appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

Corporate Governance

The Company had complied with the requirements of Corporate Governance in

terms of clause 49 of the Listing Agreement with Stock Exchanges. A separate report each on Corporate Governance and Management Discussion and Analysis is attached to this report as Annexure – “A” and Annexure – “B” along with Auditors’ Certificate on its due compliance.

Listing

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

Directors

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Shri P. R. Agarwala and Shri K. N. Ranasaria, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

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

A statement pursuant to section 217(1)(e) of the Companies Act, 1956, giving details of measures taken towards

conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1998 is annexed as Annexure - C.

Particulars of Employees

The Company does not have any employee falling within the scope of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) rules, 1975.

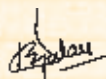
Auditors

Your Directors request you to appoint Auditors for the Current Financial Year.

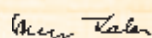
Acknowledgement

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



Deepak Jalan
Managing Director



Alope Jalan
Whole Time Director

Place : Kolkata
Dated : 30th May 2011

ANNEXURE – C

A. Conservation of Energy

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

1. Regular preventive maintenance of all equipment for better efficiency.
2. Improvement of electrical power load factor.
3. 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 and cost. Regular participates in important international fairs / exhibitions held across the globe. 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 –
Rs.4786.99 Lacs

Foreign Exchange Earned –
Rs.5479.50 Lacs

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, (out of which two Executive Directors)
- 5 Independent, Non-Executive Directors.

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

Name of the Director	Category	No. of Other Directorship*	No. of Membership/ Chairmanship of other Board Committee ⁺
Shri Deepak Jalan	Promoter, Executive	1	Nil
Shri Prakash Jalan	Promoter	1	Nil
Shri Alope Jalan	Promoter, Executive	Nil	Nil
Shri S. L. Kochar	Independent, Non - Executive	1	1 (as Chairman)
Shri P. R. Agarwala	Independent, Non - Executive	2	Nil
Shri Naresh Pachisia	Independent, Non - Executive	6	6 (as Member)
Shri K. N. Ranasaria	Independent, Non - Executive	Nil	Nil
Dr. Ranjan Das	Independent, Non - Executive	1	Nil

* Directorships in Private Companies are not included

+ Only covers membership / chairmanship of Audit Committee and Shareholder / Investor Grievance Committee.

There is no permanent Chairman in the Board. None of the Directors is a member of more than ten Committees or Chairman of more than five Committees across all Companies.

Attendance of each director at the board meetings and the last annual general meeting

During the financial year ended March 31, 2011, four Board Meetings were held on 29th May, 2010, 31st July, 2010, 30th October 2010 and 25th January, 2011. 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 15.09.2010
Shri S. L. Kochar	4	Present
Shri P. R. Agarwala	1	Leave of Absence
Shri Naresh Pachisia	4	Present
Shri K. N. Ranasaria	4	Present
Dr. Ranjan Das	3	Leave of Absence
Shri Deepak Jalan	4	Present
Shri Prakash Jalan	1	Present
Shri Alope Jalan	4	Present

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 March 31, 2011, four Audit Committee Meetings were held on 29th May, 2010, 31st July, 2010, 30th October 2010 and 25th January, 2011. The attendance of the Members were as under-

Members	No. of Meetings Attended
Shri S. L. Kochar, Chairman	4
Shri K. N. Ranasaria	4
Shri Deepak Jalan	4

The role, powers, duties and terms of

reference of the Audit Committee cover the matter specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, 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. Remuneration Committee

The Committee comprises of Shri Naresh Pachisia, Chairman, Shri S. L. Kochar, and Shri Deepak Jalan. The terms of reference of the remuneration committee inter alia consists of formulating a remuneration policy of the Company and to supervise its implementation and fixing remuneration of the working directors including Managing Director(s), Whole time director(s) and Manager(s) and to revise the same from time to time.

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 XIII to the Companies Act, 1956. The Details of Remuneration paid to Directors are as under:

Name of the Director	Relation with other Directors	Salary Rs.	Benefits Rs.	Sitting Fees Rs.	Commission Rs.	Total Rs.	Service contract/ Notice period/ Severance fees
Shri Deepak Jalan	Brother of Whole Time Director	45,00,000	5,47,780	-	-	50,47,780	Terms of office valid upto 30.09.15. No notice period & severance fee.
Shri Alopek Jalan	Brother of Managing Director	36,00,000	4,86,556	-	-	40,86,556	-do-
Shri Prakash Jalan*	- do -	62,500	7,500	-	-	70,000	Upto 15th April, 2011
Shri S. L. Kochar	None	-	-	44,000	2,00,000	2,44,000	Retire by rotation
Shri P. R. Agarwala	None	-	-	10,000	2,00,000	2,20,000	-do-
Shri Naresh Pachisia	None	-	-	42,000	2,00,000	2,46,750	-do-
Shri K. N. Ranasaria	None	-	-	44,000	2,00,000	2,44,000	-do-
Dr. Ranjan Das	None	-	-	30,000	2,00,000	2,40,000	-do-

*upto 15th April, 2011

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, 2011, 8 (eight) Share Transfer Committee Meetings were held. Number of Shares pending for transfer as

on 31st March, 2011 were Nil.

ii) Shareholder/Investor Grievances Committee

The Shareholder / Investor Grievances Committee comprises of Shri K. N. Ranasaria as the Chairman and Shri Deepak 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 10. There were no outstanding complaints as on 31st March, 2011.

iii) Compliance Officer

The Board has designated Shri N. K. Dujari, G. M. – Finance & Company Secretary as the compliance officer.

7. 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
2007 – 2008	12.09.2008	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	3.30 p.m.
2008 – 2009	23.09.2009	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	3.30 p.m.
2009 – 2010	15.09.2010	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	3.30 p.m.

One special resolution was passed at each of 14th & 16th Annual General Meeting of the Company held on 12.09.2008 & 15.09.2010. No special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 8th September, 2011.

8. Disclosures

i) Details of related party transactions during the year have been set out under Note No. 'B-8' of Notes on Accounts of Schedule '18' of the Annual Accounts. However, the Company does not have any 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.

ii) The Company has complied with the requirements of regulatory authorities

on capital markets and no penalties/strictures have been imposed against it during the last three years.

iii) The Company is regularly complying with all the mandatory requirements of Clause 49 of the Listing Agreement regarding Board Composition, Code of conduct, Audit Committee, quarterly and annual disclosures etc. The Company has adopted the non-mandatory requirement of remuneration committee.

iv) The Non – executive Directors does not hold any shares of the Company as on 31st March, 2011.

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

vi) The Company had no subsidiary as on 31st March, 2011.

vii) 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.

9. Means Of Communication

i) A half-yearly report was not sent to each household of the shareholders. Shareholders were intimated through the press and the Company's website – www.lincpen.com about the quarterly performance and financial results of the Company.

ii) The quarterly and half yearly results are published in the leading newspapers in English and Bengali such as The Economic Times, The Business Standard, Aaj Kal and Kalantar.

iii) As per the Listing Agreement with the stock exchanges, certain documents / informations such as quarterly / annual financial results, shareholding pattern and corporate governance are accessible on the website www.corpfilings.co.in.

iv) The Company results and official news release are displayed on the Company's Website: www.lincpen.com.

v) No presentation have been made to institutional investors or analysts etc.

vi) Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

10. 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 : 8th September 2011 at 10.30 a.m.
- Venue : Shripati Singhanian Hall, 94/2, Chowringhee Road, Kolkata – 700 020

ii) Financial Calendar

- Financial Year : 1st April to 31st March
- Results : 1st Qtr – end July, 2011
2nd Qtr – end October, 2011
3rd Qtr – end January, 2012
4th Qtr – end May 2012

- iii) Book closure date : 01.09.2011 to 08.09.2011 on account of AGM and Dividend.

- iv) Dividend payment date : After 8th September 2011

- v) Listing of Equity Shares on Stock Exchanges at : i) The Calcutta Stock Exchange Association Ltd
7, Lyons Range, Kolkata – 700 001
ii) Bombay Stock Exchange Ltd,
Rotunda Building, PJ Tower,
Dalal Street, Fort, Mumbai – 400 001

- vi) Listing Fees : Listing fee for the year 2010 – 2011 has been paid to the above Stock Exchanges.

- vii) Stock Code : Bombay Stock Exchange – 531241
Calcutta Stock Exchange – 10022035
Demat ISIN No. – INE 802B01019

viii) Market Price Data – High /Low during each month of the year ended 31st March, 2011, at the Bombay Stock Exchange.

Month	High (Rs.)	Low (Rs.)
April, 2010	84.50	67.05
May, 2010	79.80	62.20
June, 2010	93.80	64.10
July, 2010	85.00	70.25
August, 2010	91.80	70.00
September, 2010	99.60	84.40
October, 2010	94.80	80.00
November, 2010	87.95	65.00
December, 2010	78.70	63.15
January, 2011	87.00	65.00
February, 2011	75.95	60.60
March, 2011	72.00	57.00

ix) Share Price performance in 2010-11 comparison to broad based indices – BSE Sensex

% Change in Linc's Share Price: (-) 14.9%

% Change in BSE Sensex (+) 10.9%

x) Share Transfer System

Presently, the share transfers which are received in physical form are normally effected within a maximum period of 30 days from the date of receipt and Demat are confirmed within a maximum period of 14 days by Registrar and Share Transfer Agent – M/s.Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata-700 001.

xi) Distribution of Shareholding :

Distribution of Shareholding by Ownership

Holding Pattern	No. of Shares	Shareholding %
1 Promoters & Associates	88,40,070	69.14
2 NRI, FIIs, etc.	1,18,747	0.93
3 Private Corporate Bodies	15,06,019	11.78
4 Indian Public	23,21,124	18.15
Total	1,27,85,960	100.00

Distribution of Shareholding by Size:

Range of Shares	Shareholders		Shares	
	Number	%	Nos.	%
1 to 500	4352	85.18	4,99,379	3.90
501 to 1000	329	6.44	2,75,558	2.16
1001 to 5000	313	6.13	7,08,068	5.54
5001 to 10000	47	0.92	3,40,234	2.66
10001 & above	68	1.33	1,09,62,721	85.74
Total	5109	100.00	1,27,85,960	100.00

xii) Dematerialisation of Shares

Holding	No. of Holder	%	No. of Shares	%
Physical	893	17.48	2,33,306	1.82
Demat	4216	82.52	1,25,52,654	98.18
Total	5109	100.00	1,27,85,960	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. Falta SEZ, Sector II, Shed No.2, Falta, 24 Paragans (South), West Bengal.

xv) Address for Correspondence :

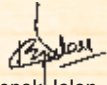
For Share Transfer and related queries - M/s. Maheswari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001
 Phone – 22435029/5809,
 Fax – 2248 4787
 e-mail – mdpl@cal.vsnl.net.in

For General Assistance
 Mr. N. K. Dujari,
 G. M. - Finance & Company Secretary
 Linc Pen & Plastics Ltd
 3, Alipore Road, Kolkata – 700 027
 Phone – 3041 2100 / 2479 0248,
 Fax – 2479 0253
 e-mail – investors@lincpen.com

Declaration

As provided under Clause 49 of the Listing Agreement with Stock Exchanges, all the Directors and Senior Management have affirmed compliance with the Companies Code of Conduct during the financial year ended 31st March, 2011.

Kolkata
 30th May 2011


Deepak Jalan
 Managing Director

CEO / CFO CERTIFICATION

The Board of Directors
Linc Pen & Plastics Limited
 Kolkata

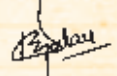
Re: Financial Statements for the financial year 2010 –11 - Certification by MD and GM Finance

We, Deepak Jalan, Managing Director and N. K. Dujari, G. M.- Finance & Company Secretary, of Linc Pen & Plastics Limited, on the review of financial statements and cash flow statement for the year ended 31st March 2011 and to the best of our knowledge and belief, hereby certify that:-

- These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
- 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.
- There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2011 which are fraudulent illegal or violative of Company's Code of Conduct.
- 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.
- We have indicated to the Auditors & the Audit Committee : -
 - there have been no significant changes in internal control over financial reporting during the period.
 - there have been no significant changes in accounting policies during the period.
 - 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.

Kolkata
 30th May 2011


N. K. Dujari
 G. M. – Finance &
 Company Secretary


Deepak Jalan
 Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of
Linc Pen & Plastics Limited

We have examined the compliance of the conditions of Corporate Governance by Linc Pen & Plastics Limited for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

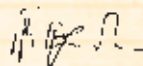
The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained, there were no investor's grievances remaining unattended/ pending for more than 30 days as at 31st March, 2011.

We further 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 **G.P. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 302082E



(CA. Ajay Agrawal)

Membership No. 17643

Partner

7A, Kiran Shankar Ray Road
Kolkata - 700 001

Date: The 30th day of May 2011

AUDITOR'S REPORT

To the Members of
Linc Pen and Plastics Limited

1. We have audited the attached Balance Sheet of **LINC PEN AND PLASTICS LIMITED** as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of account;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - v) On the basis of written

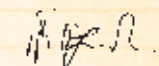
Annexure to the Auditor's Report

Referred to in paragraph 3 of our report to the members of LINC PEN AND PLASTICS LIMITED on the accounts for the year ended 31st March 2011:

- representations received from such directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the Balance Sheet, of the state of affairs of the

- Company as at 31st March, 2011;
- b) in the case of the Profit and Loss Account, of the PROFIT for the year ended on that date: and
- c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **G.P. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 302082E



(CA. Ajay Agrawal)
Membership No. 17643
Partner

7A, Kiran Shankar Ray Road
Kolkata - 700 001
The 30th day of May 2011

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) The fixed assets have been physically verified during the year by the management. To the best of our knowledge, no material discrepancies were noticed on such verification.
- c) The Company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
- ii) a) The inventories have been physically verified during the year by the management at reasonable intervals. In respect of inventories lying with third parties, confirmation has been obtained from them.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) On the basis of our examination, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification of inventories by the management as compared to book records were not material and these have been properly dealt with in the books of account.
- iii) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- b) As the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act, the provisions of para (iii)(b) to (iii)(d) of the paragraph 4 of the said order are not applicable to the company.
- c) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- d) As the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act, the provisions of para (iii)(f) to (iii)(g) of the paragraph 4 of the said order are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system, commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system.
- v) a) In our opinion and according to the information and explanations

- given to us, particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanation given to us, these transactions made in pursuance of such contracts have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit within the meaning of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion, the internal audit system of the company is commensurate with the size of the company and the nature of its business.
- viii) The provision regarding maintenance of cost records is not applicable to the

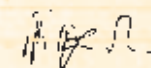
- Company.
- ix) a) According to the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Custom Duty, Cess and other statutory dues with appropriate authorities. As explained to us the provisions of Wealth Tax are not applicable to the company. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable.
- b) The disputed statutory dues aggregating to Rs. 57,151,990 that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount Relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	2,049,095	A.Y. 2002-03	Commissioner of Income Tax (Appeals).
The Income Tax Act, 1961	Income Tax	4,945,170	A.Y. 2003-04	Commissioner of Income Tax (Appeals).
The Income Tax Act, 1961	Income Tax	12,951,927	A.Y. 2004-05	Commissioner of Income Tax (Appeals).
The Income Tax Act, 1961	Income Tax	17,452,738	A.Y. 2005-06	Commissioner of Income Tax (Appeals).
The Income Tax Act, 1961	Income Tax	633,887	A.Y. 2007-08	Commissioner of Income Tax (Appeals).
The Income Tax Act, 1961	Income Tax	19,119,173	A.Y. 2008-09	Commissioner of Income Tax (Appeals).
		57,151,990		

- x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has no dues of financial institution or debenture holders as at the Balance Sheet date.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to this Company.
- xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or other investments. However, the investments made by the Company in Government securities have been held in its own name.
- xv) According to the records of the Company and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The Company has raised new term loans during the year. The term loans outstanding at the beginning of the

- year and those raised during the year have been applied for the purposes for which they were raised.
- xvii) According to the records of the Company and according to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) The Company has not issued any debenture.
- xx) The Company has not raised any money during the year by public issue.
- xxi) In our opinion and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements materially misstated.

For **G.P. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 302082E



(CA. Ajay Agrawal)
Membership No. 17643
Partner

7A, Kiran Shankar Ray Road
Kolkata - 700 001
The 30th day of May 2011

BALANCE SHEET

(Amount in Rupees)

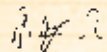
As at 31st March,	Schedule	2011	2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Share Capital	1	127,859,600	127,859,600
b) Reserves & Surplus	2	345,824,884	288,664,842
		473,684,484	416,524,442
2. Loan Funds			
a) Secured Loans	3	413,547,344	206,480,589
b) Unsecured Loans		21,950,229	21,921,519
		435,497,573	228,402,108
3. Deferred Tax Liability - Net (Refer Note No. B-11 of Schedule 18)			
		18,551,477	16,449,186
Total		927,733,534	661,375,736
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	4	493,918,662	376,514,971
b) Less: Depreciation		233,273,652	201,024,590
c) Net Block		260,645,010	175,490,381
d) Capital Work In Progress		21,627,364	20,095,659
		282,272,374	195,586,040
2. Current Assets, Loans and Advances			
a) Inventories	5	666,846,643	475,417,400
b) Sundry Debtors	6	219,581,379	199,162,581
c) Cash & Bank Balances	7	3,268,223	4,312,473
d) Loans & Advances	8	64,097,889	65,641,810
		953,794,134	744,534,264
Less : Current Liabilities & Provisions			
a) Current Liabilities	9	275,431,787	234,115,988
b) Provisions	10	32,901,187	44,628,580
		308,332,974	278,744,568
Net Current Assets		645,461,160	465,789,696
Total		927,733,534	661,375,736
Significant Accounting Policies and Notes on Accounts	18		


Schedules 1 to 10 and 18 referred to above form an integral part of the Balance Sheet

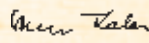
This is the Balance Sheet referred to in our report of even date.

For G. P. Agrawal & Co.
 Chartered Accountants
 Firm Registration No. 302082E

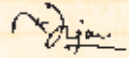
For and on behalf of the Board


(CA. Ajay Agrawal)
 Membership No. 17643
 Partner


Deepak Jalan
 Managing Director


Aloke Jalan
 Whole Time Director

 7A, Kiran Shankar Ray Road
 Kolkata - 700 001
 The 30th day of May, 2011


N. K. Dujari
 G.M.- Finance &
 Company Secretary

PROFIT AND LOSS ACCOUNT

(Amount in Rupees)

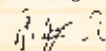
For the year ended 31st March,	Schedule	2011	2010
INCOME			
Gross Sales		2,485,007,580	2,220,586,340
Less : Excise Duty		546,466	-
Net Sales	11	2,484,461,114	2,220,586,340
Other Operational Income	12	51,948,007	33,881,491
Other Income	13	4,019,482	2,050,802
Increase / (Decrease) In Stocks	14	122,336,579	(58,477,528)
		2,662,765,182	2,198,041,105
EXPENDITURE			
Raw Materials & Components Consumed	15	713,917,256	877,329,671
Purchases of Trading Goods		1,140,596,139	543,496,876
Manufacturing, Administrative, Selling & General Expenses	16	644,564,763	614,016,041
Interest	17	19,342,326	16,974,616
Depreciation		36,195,178	30,736,991
		2,554,615,662	2,082,554,195
Profit Before Taxation		108,149,520	115,486,910
Provision For Taxation			
- Current Tax		22,050,000	30,600,000
- Deferred Tax		2,102,291	600,487
- Income Tax for Earlier Years		-	335,169
Profit After Taxation		83,997,229	83,951,254
Balance Brought Forward		19,580,166	12,554,993
Profit Available for Appropriation		103,577,395	96,506,247
APPROPRIATIONS			
General Reserve		50,000,000	50,000,000
Proposed Dividend		23,014,728	23,014,728
Tax on Proposed Dividend		3,822,459	3,911,353
Balance Carried to Balance Sheet		26,740,208	19,580,166
		103,577,395	96,506,247
Earning Per Share - Basic & Diluted (Face Value Rs.10/- each)		6.57	6.57
(Refer Note No. B-7 of Schedule 18)			
Significant Accounting Policies and Notes on Accounts	18		


Schedules 11 to 18 referred to above form an integral part of the Profit and Loss Account

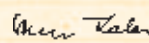
This is the Profit and Loss Account referred to in our report of even date.

For G. P. Agrawal & Co.
 Chartered Accountants
 Firm Registration No. 302082E

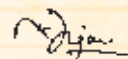
For and on behalf of the Board


(CA. Ajay Agrawal)
 Membership No. 17643
 Partner


Deepak Jalan
 Managing Director


Aloke Jalan
 Whole Time Director

 7A, Kiran Shankar Ray Road
 Kolkata - 700 001
 The 30th day of May, 2011


N. K. Dujari
 G.M.- Finance &
 Company Secretary

SCHEDULES TO THE BALANCE SHEET

(Amount in Rupees)

As at 31st March,	2011	2010
1 SHARE CAPITAL		
Authorised		
13,000,000 (Previous year 13,000,000) Equity Shares of Rs.10/- each	130,000,000	130,000,000
Issued, Subscribed and Paid up		
12,758,960 (Previous year 12,785,960) Equity Shares of Rs.10/-each (Of the above 4,785,660 Equity Shares have been issued to the members of erstwhile Shree Writing Aid Private Limited pursuant to the Scheme of Amalgamation as fully paid up without payment received in cash)	127,859,600	127,859,600
2 RESERVES & SURPLUS		
General Reserve		
As per last account	239,390,676	189,390,676
Add : Transferred from Profit & Loss Account	50,000,000	50,000,000
Securities Premium Account		
As per last account	29,694,000	29,694,000
Profit & Loss Account		
Surplus as per Profit & Loss Account	26,740,208	19,580,166
	345,824,884	288,664,842
3 LOAN FUNDS		
Secured Loans		
From Scheduled Banks *		
Term Loan	1,086,000	-
Short Term Loan	32,500,000	22,500,000
Packing Credit	69,596,824	90,756,625
Cash Credit	171,325,445	59,038,964
Foreign Currency Loan	135,090,259	34,185,000
*Secured by hypothecation of Plant & Machinery, Moulds & Current Assets of the Company and first charge by way of Equitable Mortgage of Immovable Properties and Other Fixed Assets of the Company and also guaranteed by Managing Director, Whole Time Director and associate concerns of the Company.		
From Others		
Secured against hypothecation of Car	3,948,816	-
	413,547,344**	206,480,589**
** Includes term Loan repayable within one Year Rs. 43,726,842/- (Previous Year Rs. 56,685,000/-)		
Unsecured Loans		
Trade Deposits*	21,950,229	21,921,519
*Includes Interest Accrued and due Rs. 705,826/- (Previous Year Rs.1,322,264/-)		
	21,950,229	21,921,519

SCHEDULES TO THE BALANCE SHEET

(Amount in Rupees)

Description of Assets	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 1st April 2010	Additions during the Year	Up to 31st March 2010	For the Year	Up to 31st March 2011	As at 31st March 2010
Freehold Land	1,530,310	13,179,250	-	-	14,709,560	1,530,310
Buildings	21,577,979	653,044	2,438,777	611,524	19,180,722	19,139,202
Plant & Machinery	91,296,173	35,683,877	35,226,706	9,330,927	81,835,631	56,069,467
Other Equipments	229,102,385	55,358,580	154,261,970	22,267,015	107,863,874	74,840,415
Furniture & Fixtures	18,908,621	7,709,202	4,659,452	1,354,950	20,406,350	14,249,169
Vehicles	8,795,118	8,820,920	1,675,967	1,114,002	13,343,648	7,119,151
Computer Software * (Intangible Assets)	5,304,385	2,279,418	2,761,718	1,516,760	3,305,325	2,542,667
Total	376,514,971	123,684,291	201,024,590	36,195,178	233,273,652	175,490,381
Previous Year	339,913,238	54,151,346	180,388,846	30,736,991	175,490,381	-
Capital Work In Progress					21,627,364	20,095,659
Grand Total					282,272,374	195,586,040

* Acquired

SCHEDULES TO THE BALANCE SHEET

(Amount in Rupees)

As at 31st March,	2011	2010
5 INVENTORIES*		
(At lower of cost or net realisable value)		
Raw Materials & Components	305,052,761	236,618,021
Finished Goods	92,306,555	78,656,155
Trading Goods	264,719,281	155,452,940
Work in Process	4,768,046	4,684,969
Scrap	-	5,315
	666,846,643	475,417,400

* Includes Materials lying with third parties

6 SUNDRY DEBTORS

(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	9,834,440	9,132,251
Other Debts	209,746,939	190,030,330
	219,581,379	199,162,581

7 CASH & BANK BALANCES

Cash on hand (As certified)		809,931		796,001
Bank Balances;				
With Scheduled Banks in:				
Current Accounts	327,894		331,999	
Unpaid Dividend Accounts	1,074,679		954,101	
Fixed Deposit Account*	1,055,719	2,458,292	2,230,372	3,516,472
*(Lodged with Bank as Margin Money)				
		3,268,223		4,312,473

8 LOANS & ADVANCES

(Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received or pending adjustments		40,840,598		50,416,608
Advance Payment of Tax	88,743,138		48,271,663	
Less: Provision for Tax	85,379,704	3,363,434	48,271,663	-
Export Benefits Receivable		10,100,814		7,477,539
Security Deposits		9,793,043		7,747,663
		64,097,889		65,641,810

9 CURRENT LIABILITIES

Sundry Creditors				
Total outstanding dues of Micro and Small Enterprises (Refer Note No.B-5 of Schedule 18)		25,716,289		14,221,266
Total outstanding dues of creditors other than Micro and Small Enterprises		233,025,834		211,380,859
Investor Education and Protection Fund* - Unclaimed Dividend	1,074,679			954,101
Advances from Customers		15,614,985		7,559,762
* There are no amount due and outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund				
		275,431,787		234,115,988

SCHEDULES TO THE BALANCE SHEET

(Amount in Rupees)

As at 31st March,	2011	2010
10 PROVISIONS		
Provisions		
Provision for Tax	85,379,704	63,329,704
Less: Advance Payment of Tax	85,379,704	48,271,663
Employees Benefits		6,064,000
Proposed Dividend		23,014,728
Tax on Proposed Dividend		3,822,459
	32,901,187	44,628,580

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

(Amount in Rupees)

For the year ended 31st March,	2011	2010
11 SALES		
Domestic	1,929,986,727	1,698,770,164
Less: Excise Duty	546,466	-
Exports		555,020,853
	2,484,461,114	2,220,586,340

12 OTHER OPERATIONAL INCOME

Export Benefits Received		36,915,266		33,881,491
Gain on Exchange Fluctuation		15,032,741		-
		51,948,007		33,881,491

13 OTHER INCOME

Interest Received (Gross)*				
Fixed Deposit		63,498		228,508
Others		342,259		203,797
Insurance Claim		214,396		124,467
Miscellaneous Income		3,399,329		1,494,030
		4,019,482		2,050,802

* Includes Tax Deducted At Source Rs. 31,640/- (Previous year Rs. 193,468/-)

14 INCREASE / (DECREASE) IN STOCKS

Closing stock				
Finished Goods	92,306,555		78,656,155	
Trading Goods	264,719,281		155,452,940	
Work in Process	4,768,046		4,684,969	
	361,793,882		238,794,064	
Less: Excise Duty on Closing Finished Goods Stock	663,239	361,130,643	-	238,794,064
Less: Opening stock				
Finished Goods	78,656,155		97,102,601	
Trading Goods	155,452,940		193,376,571	
Work in Process	4,684,969	238,794,064	6,792,420	297,271,592
Increase/(Decrease) in Stock		122,336,579		(58,477,528)

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

(Amount in Rupees)

For the year ended 31st March,	2011	2010
15 RAW MATERIALS & COMPONENTS CONSUMED		
Opening Stock of Raw Materials	236,623,336	289,632,784
Add: Purchases during the year	782,346,681	824,320,223
	1,018,970,017	1,113,953,007
Less: Closing Stock of Raw Materials	305,052,761	236,623,336
	713,917,256	877,329,671

16 MANUFACTURING, ADMINISTRATIVE, SELLING & GENERAL EXPENSES

Stores and Spare Parts Consumed		5,081,909		3,718,116
Power & Fuel		15,278,208		11,690,937
Processing Charges		103,652,746		167,729,039
Rent		16,748,943		11,660,365
Repairs				
Machinery	1,060,008		1,411,889	
Building	102,757		45,215	
Others	1,950,681	3,113,446	2,124,641	3,581,745
Rates & Taxes		1,294,432		660,506
Other Manufacturing Expenses		1,973,691		1,920,768
Payments to and Provisions for Employees				
Salaries, Wages, Bonus & Allowances	107,971,667		88,031,637	
Contribution to Provident and Other Funds	9,283,838		5,992,374	
Workmen and Staff Welfare & Training Expenses	4,255,180	121,510,685	2,897,678	96,921,689
Auditors Remuneration		472,636		469,327
Miscellaneous Expenses		30,670,787		24,404,057
Insurance Charges		2,443,690		2,560,669
Directors' Sitting Fees		170,000		194,750
Travelling & Conveyance		29,743,103		24,568,587
Postage, Telegram & Telephone		6,700,275		5,497,951
Freight & Transportation		35,830,388		33,207,660
Advertisement Expenses		84,758,606		72,095,302
Sales Promotion Expenses		52,067,977		24,928,126
Incentives on Sales		29,875,186		33,921,330
Commission on Sales		5,880,733		5,693,771
Discount Allowed		56,798,436		44,502,111
Rebate & Claim		14,970,590		19,073,799
Bad Debts		-		243,127
Other Selling & Distribution Expenses		25,357,831		22,871,320
Loss on Sale of Fixed Assets		170,465		1,855,707
Loss on Exchange Fluctuation		-		45,282
		644,564,763		614,016,041

17 INTEREST

To Bank				
Fixed Loans	4,842,205		1,606,463	
Other than Fixed Loans	12,777,446	17,619,651	13,541,035	15,147,498
To Others (Other than Fixed Loans)		1,722,675		1,827,118
		19,342,326		16,974,616

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting:

The Company prepares its accounts under the historical cost convention on accrual basis, except otherwise stated, in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.

2. Revenue Recognition:

- Revenue from Sale of Goods is recognized upon passage of title to the customers.
- Sales is exclusive of Sales Tax/Vat, rebate etc.
- All other incomes are accounted for on accrual basis.

3. Expenses:

All the expenses are accounted for on accrual basis.

4. Fixed Assets:

- All fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost include acquisition price, duties, taxes, incidental expenses, erection expenses and interest etc. up to date the asset is ready for intended use.
- Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.
- Capital Work-in-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.
- Depreciation on Fixed Assets is provided on straight-line method at the rates specified in Schedule XIV to The Companies Act, 1956 (as amended).
- Depreciation on fixed assets added/ disposed off during the year is provided on pro-rata basis with reference to the date of addition/ disposal.
- Computer Software (Acquired) are amortised over a period of five years. Amortisation is done on straight line basis.

5. Foreign Currency Transactions:

- Transactions in foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rate.
- Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized in the Profit & Loss Account.

6. Inventories:

- 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. The cost of Inventories is computed on weighted average basis except for Raw Material and Components which is computed on FIFO basis.
- Scrap are valued at Net Realisable Value.

7. Employee Benefits:

- Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- Post employment and other long-term employee benefits are recognized as an expense in the Profit & Loss Account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuations. Actuarial

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

gains and losses in respect of post employment and other long-term employee benefits are recognized in the profit and loss account

8. Taxes on Income:

Tax expense comprises both current and deferred taxes. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted at the Balance Sheet date. Deferred tax assets (including unrecognized deferred tax assets of earlier years) are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

9. Borrowing Cost:

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred. No borrowing costs were eligible for capitalisation during the year.

10. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in previous accounting period is reversed if there has been a change in the estimate of recoverable amount.

11. Provisions, Contingent liabilities and Contingent Assets:

Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

Contingent Liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Re-imbursment expected in respect of expenditure to settle a provision is recognised only when it is virtually certain that the re-imbursment will be received.

Contingent Assets are not recognized in the Accounts.

B. NOTES ON ACCOUNT

(Amount in Rupees)

As at 31st March,	2011	2010
1. a) Estimated amount of contracts remaining to be executed for Capital Expenditure and not provided for	47,407,385	15,380,132
b) Advance paid against above	20,286,148	11,045,579
2. i) Contingent Liabilities Not Provided For :		
a) Bank Guarantees issued in favour of the President of India and others*	3,170,000	6,023,850
*Fixed Deposit lodged as Margin Money against the above	1,030,719	1,585,372
b) Income Tax demands under appeal	62,151,990	21,880,079
Income Tax Paid against demands	5,000,000	-
c) Bills Discounted from Bank	Nil	2,122,099

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

3. Managerial Remuneration

Computation of Net Profit for the purpose of calculating Directors' remuneration: (Amount in Rupees)

For the Year 31st March,	2011	2010
Profit Before Tax (as per profit & loss account)	108,149,520	115,486,910
Add: Directors' Sitting Fees	170,000	194,750
Directors' Remuneration	10,204,336	10,808,130
Loss on Sale of Fixed Assets	170,465	1,855,707
Depreciation as per Books of Account	36,195,178	30,736,991
	154,889,499	159,082,488
Less: Depreciation as per Section 350 of the Companies Act.	36,195,178	30,736,991
Net Profit for the purpose of Directors' remuneration	118,694,321	128,345,497
(As per Section 349 of the Companies Act, 1956)		
Maximum remuneration permissible to Managing and Whole Time Directors under the Act @10%	11,869,432	12,834,550
Restricted to	-	2,000,000
Commission Payable to Non Executive Directors @ 1% of Net Profit	1,186,943	1,283,455
Restricted to	1,000,000	1,000,000
Remuneration paid to Managing, Whole Time and Non Executive Directors:		
Salary	8,224,836	6,980,130
Commission to Non Executive Directors	1,000,000	1,000,000
Contribution to Provident & Other Funds.	979,500	828,000
Commission to Managing Director/Whole Time Directors	-	2,000,000
Total	10,204,336	10,808,130

The total remuneration as above is within the maximum permissible limit under the Act.

The above figure does not include Gratuity, since the same is provided on actuarial basis for the company as a whole.

(Amount in Rupees)

As at 31st March,	2011	2010
4. a) Statutory Auditors' Remuneration		
Audit Fees	286,780	286,780
Tax Audit Fees	55,150	55,150
Other Matters	130,706	114,161
	472,636	456,091
b) Branch Auditors' Remuneration		
Audit Fees	-	11,030
Tax Audit Fees	-	2,206
	-	13,236
Total (a+b)	472,636	469,327

5. The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company.

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

The disclosures relating to Micro and Small Enterprises are as under: (Amount in Rupees)

Sl. No.	Description	2010-11	2009-10
i)	The principal amount remaining overdue for payment to suppliers as at the end of accounting year *	25,716,289	14,221,266
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 to the Micro and Small Enterprises	Nil	Nil

* Included in the line item "Total outstanding dues of Micro and Small Enterprises" under Schedule - 9.

6. Segment Reporting

The business of the company falls under a single segment i.e. "Writing Instruments and Stationeries" therefore the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.

7. Earnings Per Share:

The numerator and denominator used to calculate Basic/ Diluted Earnings Per Share (Amount in Rupees)

	2011	2010
a) Amount used as the numerator (Rs.)		
Profit after Tax	83,997,229	83,951,254
b) Basic / Diluted weighted average number of Equity Shares used as the denominator	12,785,960	12,785,960
c) Nominal value of Equity Shares (Rs.)	10	10
d) Basic / Diluted Earnings Per Share (a/b) (Rs.)	6.57	6.57

8. Related Party transactions:

Related party disclosure as per Accounting Standard 18 for the year ended 31st March 2011 are given below:

I) Names and description of relationship of related parties as on 31st March 2011:

Related Party	Relationship
Associates :	
Linc Retail Ltd	Associate
Key Managerial Personnel (KMP) :	
Deepak Jalan	Managing Director
Prakash Jalan	Director
Aloke Jalan	Whole Time Director

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

I) Names and description of relationship of related parties as on 31st March 2011 (Contd...) :

Related Party	Relationship
Enterprises in which KMP and their relatives have substantial interest :	
Linc Marketing Services (Goa)	Proprietorship Concerns owned by
Linc Engineering	Smt. Bindu Jalan wife of Director
S.M. Homes	
Linc Writing Aids Pvt. Ltd.	Substantial interest of the relatives of M.D. and W.T.D.
Linc Property Developers Ltd.	Substantial interest of the Director
Relatives of KMP :	
Mr. Deepak Jalan	Deepak Jalan (HUF) Mr. Deepak Jalan is Karta of HUF Mr. S.M. Jalan (Father) Mrs. Bimla Devi Jalan (Mother) Ms. Divya Jalan (Daughter)
Mr. Prakash Jalan	Mr. S.M. Jalan (Father) Mrs. Bimla Devi Jalan (Mother)
Mr. Aloke Jalan	Aloke Jalan (HUF) Mr. Aloke Jalan is Karta of HUF Mrs. Shobha Jalan (Wife) Mr. S.M. Jalan (Father) Mrs. Bimla Devi Jalan (Mother)

II) Details of transactions with related parties.

(Amount in Rupees)

Description	Associates (A)	Key Managerial Personnel (KMP)	Enterprises in which KMP and their relatives have substantial interest	Relatives of KMP (R)	Total
Purchase of Goods					
Linc Writing Aids Pvt. Ltd.	-	-	12,719,602	-	12,719,602
	(-)	(-)	(572,725)	(-)	(572,725)
Linc Retail Ltd.	-	-	-	-	-
	(4,633,543)	(-)	(-)	(-)	(4,633,543)
Sale of Goods					
Linc Retail Ltd.	8,362,601	-	-	-	8,362,601
	(1,983,396)	(-)	(-)	(-)	(1,983,396)
Linc Writing Aids Pvt. Ltd.	-	-	233,187,474	-	233,187,474
	(-)	(-)	(219,225,910)	(-)	(219,225,910)
Purchase of Fixed Assets					
Suraj Mal Jalan	-	-	-	-	-
	(-)	(-)	(-)	(300,000)	(300,000)
Sale of Fixed Assets					
S.M. Homes	-	-	-	-	-
	(-)	(-)	(115,440)	(-)	(115,440)
Bimla Devi Jalan	-	-	-	-	-
	(-)	(-)	(-)	(459,160)	(459,160)
Linc Property Developers Ltd.	-	-	-	-	-
	(-)	(-)	(567,840)	(-)	(567,840)

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

II) Details of transactions with related parties (Contd...)						(Amount in Rupees)
Description	Associates (A)	Key Managerial Personnel (KMP)	Enterprises in which KMP and their relatives have substantial interest	Relatives of KMP (R)	Total	
Receiving of Services (Remuneration)						
Mr. Deepak Jalan	-	5,047,780	-	-	5,047,780	
	(-)	(3,000,000)	(-)	(-)	(3,000,000)	
Mr. Prakash Jalan	-	70,000	-	-	70,000	
	(-)	(1,536,000)	(-)	(-)	(1,536,000)	
Mr. Alok Jalan	-	4,086,556	-	-	4,086,556	
	(-)	(2,400,000)	(-)	(-)	(2,400,000)	
Receiving of Services (Others)						
Linc Writing Aids Pvt. Ltd.	-	-	1,272,000	-	1,272,000	
	(-)	(-)	(1,446,000)	(-)	(1,446,000)	
Mr. Prakash Jalan	-	72,000	-	-	72,000	
	(-)	(-)	(-)	(-)	(-)	
Mr. S. M. Jalan	-	-	-	-	-	
	(-)	(-)	(-)	(265,600)	(265,600)	
Ms. Divya Jalan	-	-	-	223,000	223,000	
	(-)	(-)	(-)	(223,000)	(223,000)	
M/s. Deepak Jalan (HUF)	-	-	-	414,000	414,000	
	(-)	(-)	(-)	(360,000)	(360,000)	
Mrs. Bimla Devi Jalan	-	-	-	-	-	
	(-)	(-)	(-)	(90,000)	(90,000)	
Mrs. Shobha Jalan	-	-	-	996,000	996,000	
	(-)	(-)	(-)	(960,000)	(960,000)	
M/s. Alok Jalan (HUF)	-	-	-	960,000	960,000	
	(-)	(-)	(-)	(900,000)	(900,000)	
Rendering of Services						
Linc Retail Ltd.	-	-	-	-	-	
	(930,639)	(-)	(-)	(-)	(930,639)	
Dividend Paid to Shareholders						
Mr. Deepak Jalan	-	1,307,826	-	-	1,307,826	
	(-)	(1,105,417)	(-)	(-)	(1,105,417)	
Mr. Prakash Jalan	-	22,275	-	-	22,275	
	(-)	(254,250)	(-)	(-)	(254,250)	
Mr. Alok Jalan	-	1,416,989	-	-	1,416,989	
	(-)	(1,180,824)	(-)	(-)	(1,180,824)	
Guarantees (Given for the Loans obtained by the Company)						
Mr. Deepak Jalan	-	416,500,000	-	-	416,500,000	
	(-)	(206,480,589)	(-)	(-)	(206,480,589)	

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

II) Details of transactions with related parties (Contd...)						(Amount in Rupees)
Description	Associates (A)	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.	16,914,961	-	-	-	16,914,961	
	(4,016,942)	(-)	(-)	(-)	(4,016,942)	
Linc Writing Aids Pvt. Ltd.	-	-	16,204,846	-	16,204,846	
	(-)	(-)	(25,448,398)	(-)	(25,448,398)	
Linc Property Developers Ltd.	-	-	25,400	-	25,400	
	(-)	(-)	(-)	(-)	(-)	
b) Amount outstanding against Guarantees given for Loans obtained by the Company						
Mr. Deepak Jalan	-	413,547,344	-	-	413,547,344	
	(-)	(206,480,589)	(-)	(-)	(206,480,589)	

- 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.
- VI) Figure in brackets pertain to previous year.

9. Capital Work In Progress includes Capital Advance of Rs 20,286,148 (Rs.11,045,579).

10. Employee Benefits :

As per Accounting Standard - 15, the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:

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:

Defined Contribution Plan	(Amount in Rupees)	
	2010-11	2009-10
Employers' Contribution to Provident Fund	5,092,994	4,058,876
Employers' Contribution to Employee State Insurance Scheme	1,949,844	1,276,498
Total	7,042,838	5,335,374

b) Post employment and other long-term employee benefits in the form of gratuity and leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognized in the Balance Sheet represent the present value of the obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to the discounted value of any economic benefits

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the profit and loss account for the year ended 31st March, 2011 in respect of Employees Benefit Schemes based on actuarial reports as on 31st March, 2011 is as follows:

(Amount Rs. in lacs)

	2010 – 11		2009 – 10	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
I. Components of Employer Expense:				
1. Current Service Cost	7.17	10.74	5.75	9.02
2. Past Service Cost	5.35	–	–	–
3. Interest Cost	2.74	3.21	2.39	2.26
4. Expected Return on Plan Asset	(5.39)	–	(4.47)	–
5. Actuarial gain/loss recognized in the year	12.54	13.49	2.90	8.93
6. Net Expense/(Income) Recognized in Statement of Profit & Loss Account	22.41	27.44	6.57	20.21
II. Change in Present Value of Defined Benefit Obligation:				
1. Present Value of Defined Benefit Obligation at the Beginning of the year	37.44	42.42	29.37	31.61
2. Interest Cost	2.74	3.21	2.39	2.26
3. Current Service Cost	7.17	10.74	5.75	9.02
4. Plan Amendments Cost/(Credit)	5.35	–	–	–
5. Actuarial Gain/(Losses)	10.15	13.49	1.81	8.93
6. Benefit Payments	(10.39)	(9.22)	(1.88)	(9.40)
7. Present Value of Obligation at the End of the year	52.46	60.64	37.44	42.42
III. Change in Fair Value of Plan Assets during the year ended 31st March, 2011:				
1. Plan Assets at the Beginning of the year	53.41	–	47.63	–
2. Expected Return on Plan Assets	5.39	–	4.47	–
3. Actual Company Contribution	21.39	–	4.28	–
4. Actuarial Gain/(Losses)	(2.39)	–	(1.09)	–
5. Benefit Payments	(10.39)	–	(1.88)	–
6. Plan Assets at the End of the year	67.41	–	53.41	–
IV. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2011:				
1. Present value of Defined Benefit Obligation	52.46	60.64	37.44	4.42
2. Fair Value on Plan Assets	67.41	–	53.41	–
3. Funded Status (Surplus/(deficit))	14.95	(60.64)	15.97	(42.42)
4. Net Asset/(Liability) recognized in Balance Sheet	14.95	(60.64)	15.97	(42.42)
V Actuarial Assumptions				
1. Discount Rate (per annum)	8.50 %	8.50%	8.40 %	8.50%
2. Expected Return on Plan Assets (per annum)	9.15 %	–	9.15 %	–
3. Salary Increases	5.50 %	5.50%	5.00 %	5.50%
4. Retirement/Superannuation Age	58	58	58	58
5. Mortality		LIC		LIC
		(1994 - 96)		(1994 - 96)

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

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. Discloser related to previous years

(Amount Rs. in lacs)

	Leave Encashment (Unfunded)		Gratuity (Funded)	
	2009	2008	2009	2008
As at 31st March,				
1. Present value of Defined Benefit Obligation	(31.61)	(20.40)	(29.37)	(23.71)
2. Fair Value on Plan Assets	–	–	47.63	38.81
3. Funded Status (Surplus/(deficit))	(31.61)	(20.40)	18.26	15.10

IX Other Disclosures

- The Gratuity and Provident Fund Expenses have been recognized under "Contribution to Provident and Other Funds" and Leave Encashment under "Salaries, Wages, Bonus & Allowances" under Schedule - 16.
- The amount of the Present value of Obligation, fair value of Plan Assets, Surplus/Deficit in the plan and experience adjustment arising on Plan Liabilities and Plan Assets for the previous one annual period is not available and therefore, not disclosed.
- The amount of Expected Employer's contribution for next year is not available and therefore, not disclosed.

11. The Break up of Deferred Tax Liability as follow:

Deferred Tax Liability

(Amount in Rupees)

As at 31st March,	2011	2010
Deferred Tax Liability		
Tax effect of timing differences on account of:		
Difference between book and tax depreciation	16,449,186	15,848,699
Deferred Tax Asset		
Less: Expenses allowable for tax purpose on payment basis	(2,102,291)	(600,487)
Deferred Tax Liability (Net)	18,551,477	16,449,186

12. Disclosure pursuant to AS-29 on Provisions, Contingent Liabilities and Contingent Assets :

- No provisions for Liabilities was made during the year and no provision was outstanding at the beginning and at the end of the year.
- The Contingent Liabilities referred to in B-2 above depends upon non discharge of export obligation/outcome of appeal, invocation of bank guarantee etc.
- No reimbursement is expected in respect of contingent liabilities shown in B-2 above.

13. Details of aggregate amount of loans outstanding which are guaranteed by the Managing Director /Whole time Director.

(Amount in Rupees)

As at 31st March,	2011	2010
Loans from Banks [Including Non-Fund based limits		
Rs. 3,170,000 (Previous year Rs. 6,023,850)]	416,717,344	212,504,439

Note : No Guarantee Commission is payable to the Guarantors.

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

14. Intangible Assets

The unamortised amount of Computer Software (Acquired) Rs. 3,305,325 is to be amortised equally in the coming years as given hereunder:

Particulars	Amount (Rs.)	Years
Computer Software	1,823,534	Four
Computer Software	385,839	Three
Computer Software	1,095,952	Two

15. Disclosure under clause 32 of the Listing Agreement:

There are no transactions which are required to be disclosed under Clause 32 of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed.

16. Sundry Debtors includes Rs. 758,437 (Previous Year Nil) under litigation.

17. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

18. Additional Information Pursuant to paragraph 4C & 4D of Part II of Schedule VI to the Companies Act, 1956

a) Licenced & Installed Capacities and Actual Production for the year. (Quantity in lacs)

Class of Products	Unit	Installed Capacity	Actual Production
Pens & Plastics Components	Pcs.	*	2777.668 (4188.840)
Refills	Pcs.	*	3940.309 (4380.388)

* The company's products are non standardised and are of various shapes & sizes, hence there is no proper measure to assess and indicate the same.

Note:

- I. No specific licence is required for the manufacture of products mentioned above.
- II. Production includes products manufactured on job basis.

b) Value of Raw Materials Consumed

Particulars	Amount (Rs.)	Percentage
Imported	165,200,453 (136,337,031)	23.14% (15.54%)
Indigenous	548,716,803 (740,992,640)	76.86% (84.46%)
Total	713,917,256	100%
Total (Previous Year)	(877,329,671)	(100%)

c) Value of Stores & Spares Consumed

Particulars	Amount (Rs.)	Percentage
Imported	443,119 (368,342)	8.72% (9.91%)
Indigenous	4,638,790 (3,349,774)	91.28% (90.09%)
Total	5,081,909	100%
Total (Previous Year)	(3,718,116)	(100%)

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

d) CIF Value of Imports (Amount in Rupees)

Particulars	2010-11	2009-10
Raw Materials, Components	155,491,701	107,287,325
Trading Goods	261,514,665	135,613,256
Capital Goods	52,518,618	16,997,627
Spares	302,096	356,306

e) Expenditure in Foreign Currency (Amount in Rupees)

Particulars	2010-11	2009-10
I) Bank Interest & Commission	920,710	885,197
II) Travelling	2,094,612	1,290,834
III) Exhibition Expenses	1,831,613	2,406,041
IV) Commission on Exports	2,459,166	1,461,721
V) Product Designing, Testing Charges & Others	1,566,483	1,396,979

f) Earnings in Foreign Exchange (Amount in Rupees)

Particulars	2010-11	2009-10
Exports on FOB Basis	547,950,385	517,602,468

19. The Ministry of Corporate Affairs, Government of India vide its General Notification No. S.O.301(E) dated 8th February 2011 issued under Section 211(3) of the Companies Act, 1956 has exempted certain classes of companies from disclosing certain information in their profit and loss account. The Company being an 'export oriented company' is entitled to the exemption. Accordingly, disclosures mandated by paragraphs 3(i)(a), 3(ii)(a), 3(ii)(b) and 3(ii)(d) of Part II, Schedule VI to the Companies Act, 1956 have not been provided.

20. Figures in brackets represents figures for the previous years.

SCHEDULES TO THE ACCOUNT

18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

21. Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

1. Registration Details

Registration No.

0	6	5	5	8	3
---	---	---	---	---	---

 State Code

2	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

2. Capital raised during the year (Amount in Rs. '000s)

Public Issue

				N	I	L
--	--	--	--	---	---	---

 Right Issue

				N	I	L
--	--	--	--	---	---	---

Bonus Issue

				N	I	L
--	--	--	--	---	---	---

 Private Placement

				N	I	L
--	--	--	--	---	---	---

3. Position of mobilisation and deployment of funds (Amount in Rs. '000s)

Total Liabilities*

	9	2	7	7	3	4
--	---	---	---	---	---	---

 Total Assets

	9	2	7	7	3	4
--	---	---	---	---	---	---

Sources of funds

Paid-up Capital

	1	2	7	8	6	0
--	---	---	---	---	---	---

 Reserves and Surplus

	3	4	5	8	2	5
--	---	---	---	---	---	---

Secured Loans

	4	1	3	5	4	8
--	---	---	---	---	---	---

 Unsecured Loans

		2	1	9	5	0
--	--	---	---	---	---	---

Other Liabilities

		1	8	5	5	1
--	--	---	---	---	---	---

Application of funds

Net Fixed Assets

	2	8	2	2	7	2
--	---	---	---	---	---	---

 Investments

				N	I	L
--	--	--	--	---	---	---

Net Current Assets

	6	4	5	4	6	2
--	---	---	---	---	---	---

 Miscellaneous Expenditure

				N	I	L
--	--	--	--	---	---	---

* (Excluding current liabilities & provisions of Rs. 308333 thousands)

4. Performance of the Company (Amount in Rs. '000s)

Turnover & Other Income

2	5	4	0	4	2	9
---	---	---	---	---	---	---

 Total Expenditure

2	4	3	2	2	7	9
---	---	---	---	---	---	---

+ - Profit/Loss Before Tax

+	1	0	8	1	5	0
---	---	---	---	---	---	---

 + - Profit/Loss After Tax

+		8	3	9	9	7
---	--	---	---	---	---	---

Earnings Per Share in Rs.

		6	.	5	7
--	--	---	---	---	---

 Dividend rate (%)

				1	8
--	--	--	--	---	---

5. Generic Name of Three Principal Products of the Company (in monetary terms)

Item Code No. (ITC Code)

9	6	0	8	1	0
---	---	---	---	---	---

Product Description

B	A	L	L	P	O	I	N	T	P	E	N
---	---	---	---	---	---	---	---	---	---	---	---

Item Code No. (ITC Code)

9	6	0	8	6	0
---	---	---	---	---	---

Product Description

R	E	F	I	L	L	S					
---	---	---	---	---	---	---	--	--	--	--	--

Item Code No. (ITC Code)

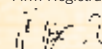
9	6	0	9	9	0
---	---	---	---	---	---

Product Description

P	E	N	C	I	L	S					
---	---	---	---	---	---	---	--	--	--	--	--

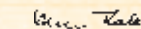
Signatories to Schedules 1 to 18 forming part of the Accounts.


For G. P. Agrawal & Co.
Chartered Accountants
Firm Registration No. 302082E


(CA. Ajay Agrawal)
Membership No. 17643
Partner

7A, Kiran Shankar Ray Road
Kolkata - 700 001
The 30th day of May, 2011


Deepak Jalan
Managing Director


Alok Jalan
Whole Time Director


N. R. Dujan
G.M. - Finance &
Company Secretary

CASH FLOW STATEMENT

(Amount in Rupees)

For the year ended 31st March,	2011	2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	108,149,520	115,486,910
Adjustments for		
Depreciation	36,195,178	30,736,991
(Profit) / Loss on sale/ Discard of Fixed Assets	170,465	1,855,707
Interest Income	(405,757)	(432,305)
Unrealised loss/(gain) on foreign exchange fluctuation (Net)	238,725	3,354,118
Interest expense	19,342,326	16,974,616
Operating profit before working capital change	163,690,457	167,976,037
(Increase) / Decrease in Trade and other receivables	(21,419,298)	(9,045,409)
(Increase) / Decrease in Inventories	(191,429,243)	111,486,976
(Increase) / Decrease in Loans & Advances	4,779,129	(14,820,748)
Increase / (Decrease) in Trade Payables	45,376,538	(78,740,917)
Cash generated from operations	997,583	176,855,939
Less: Direct taxes paid	40,471,475	20,673,239
Net Cash Generated / Used -- Operating Activities	(39,473,892)	156,182,700
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Addition to Fixed Assets (Including Intangibles)	(125,215,996)	(54,782,449)
Fixed Deposit with Banks	1,174,653	704,692
Sale of fixed assets	2,164,019	5,592,659
Interest Received	533,983	360,408
Net Cash Generated / Used -- Investing Activities	(121,343,341)	(48,124,690)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds (Repayment) of Long term borrowings	1,086,000	(5,747,166)
Proceeds from/Repayment of Other Borrowings (Net)	205,320,283	(64,511,655)
Interest Paid	(18,653,144)	(16,216,071)
Unclaimed Dividend	120,578	120,894
Dividend Paid	(23,014,728)	(19,178,940)
Dividend Tax Paid	(3,911,353)	(3,259,461)
Net Cash Generated / Used -- Financing Activities	160,947,636	(108,792,399)
Net increase in cash and cash equivalents (A+B+C)	130,403	(734,389)
Cash and cash equivalents - Opening balance	2,082,101	2,816,490
	2,212,504	2,082,101
Cash and cash equivalents - Closing balance	2,212,504	2,082,101

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement as specified in Companies (Accounting Standard) Rules 2006.
- Figures in bracket represent cash outflow.
- Additions to Fixed Assets include movement of Capital Work-in-Progress during the year.

CASH FLOW STATEMENT (Contd...)

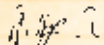
- 4) Repayment / Proceeds from Other Borrowings have been shown on net basis.
 5) Cash & Cash Equivalents include Balances in Unpaid Dividend Accounts Rs. 1,074,679/-
 (Previous year Rs. 954,101/-) not available for use by the Company.
 6. Cash and Cash equivalent at the end of the year consist of:

(Amount in Rupees)

For the year ended 31st March,	2011	2010
a) Cash in hand	809,931	796,001
b) Balances with Scheduled Banks in Current Accounts	327,894	331,999
c) Balances in Unpaid Dividend Accounts	1,074,679	954,101
	2,212,504	2,082,101
Add: Fixed Deposits Shown under Investment Activities	1,055,719	2,230,372
	3,268,223	4,312,473

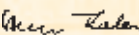
This is the Cash Flow Statement referred to in our report of even date.

For **G. P. Agrawal & Co.**
 Chartered Accountants
 Firm Registration No. 302082E


 (CA. Ajay Agrawal)
 Membership No. 17643
 Partner

7A, Kiran Shankar Ray Road
 Kolkata - 700 001
 The 30th day of May, 2011


 Deepak Jalan
 Managing Director


 Alok Jalan
 Whole Time Director


 N. K. Dujari
 G.M.- Finance &
 Company Secretary

For and on behalf of the Board

FIVE YEAR FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Year	2010-11	2009-10	2008-09	2007-08	2006-07
Source of Funds					
Share Capital	1278.60	1278.60	1278.60	800.03	800.03
Reserves & Surplus	3458.25	2886.64	2316.39	2453.90	2081.63
Networth	4736.85	4165.24	3594.99	3253.93	2881.66
Borrowings	4354.98	2284.02	2979.02	3402.91	2967.06
Funds Employed	9091.83	6449.26	6574.01	6656.84	5848.72
Operating Results					
Domestic Sales	19294.40	16987.70	14814.67	13539.06	11719.94
Exports	5550.21	5218.16	3943.37	3861.44	2663.78
Total Sales	24844.61	22205.86	18758.04	17400.50	14383.72
PBIDT	1636.87	1631.99	1279.40	1180.31	900.65
Interest	193.42	169.75	285.91	291.82	215.64
Depreciation	361.95	307.37	309.29	288.64	281.15
Profit before tax	1081.50	1154.87	684.20	599.85	403.86
Profit after tax	839.97	839.51	503.82	503.40	330.72
EPS	6.57	6.57	3.94	6.29	4.13
Cash EPS	9.40	8.97	6.36	9.90	7.65
Dividend %	18	18	15	15	12

PERFORMANCE IN US\$

(In million - US\$)

Year	2010-11	2009-10
Source of Funds		
Share Capital	2.86	2.83
Reserves & Surplus	7.74	6.40
Networth	10.60	9.23
Borrowings	9.75	5.06
Funds Employed	20.35	14.29
Operating Results		
Domestic Sales	43.18	37.65
Exports	12.42	11.56
Total Sales	55.60	49.21
PBIDT	3.66	3.62
Interest	0.43	0.38
Depreciation	0.81	0.68
Profit before tax	2.42	2.56
Profit after tax	1.88	1.86
Conversion Rate (INR per US\$)	44.69	45.13

CORPORATE INFORMATION

Board of Directors

Shri Kedar Nath Ranasaria	Independent, Non-executive
Shri Naresh Pachisia	Independent, Non-executive
Shri Prahlad Rai Agarwala	Independent, Non-executive
Dr. Ranjan Das	Independent, Non-executive
Shri Sohan Lal Kochar	Independent, Non-executive
Shri Prakash Jalan	Non-executive
Shri Alope Jalan	Whole Time Director
Shri Deepak Jalan	Managing Director

Company Secretary

N. K. Dujari

Registered Office

Satyam Towers,
 3, Alipore Road, Kolkata - 700 027
 Phone: (033) 30412100, 2479 0248
 Fax: (033) 2479 0253
 e-mail: investors@lincpen.com
 website: www.lincpen.com

Works

Linc Estate, Usthi Road, Serakole,
 24 Pgns. (S), Pin - 743 513,
 West Bengal
 Phone: (033) 2420 4275/76
 Fax: (033) 2420 4441
 e-mail: production@lincpen.com

Falta SEZ, Sector-II, Shed No.2
 Falta, 24 Pgns(S), Pin - 743 504
 West Bengal
 Phone: (03174) 222 925

Auditors

G. P. Agrawal & Co.
 Chartered Accountants
 7A, Kiran Sankar Ray Road
 Kolkata 700 001

Branch Offices

GOA - A2/2, New Horizon, D.B. Marg,
 Miramar, Panjim-403 001, Goa
 Phone: (0832) 246 5644
 Fax: (0832) 246 5747
 e-mail: lincgoa@lincpen.com

MUMBAI - 403-404 Tanishka Bldg.
 Off Western Express Highway
 Kandivali (East), Mumbai - 400 101
 Phone: (022) 6692 4155 / 4255
 Fax: (022) 6694 2963
 e-mail: lincmumbai@lincpen.com

DELHI - B-34/10, G.T.K.Road
 Industrial Area, New Delhi - 110 033
 e-mail: lincdelhi@lincpen.com

RANCHI - Rahul Complex
 North Market Road, Upper Bazar
 Ranchi - 834 001, Jharkand

NOIDA - NOIDA - D-43, Sector - 11,
 G.B.Nagar, Noida - 201 301, U.P.

SARIGAM - Plot No. 164, Plastic Zone,
 G.I.D.C, Umbergaon - 396 171,
 Gujarat

Bankers

State Bank of India, IDBI Bank Ltd.,
 HDFC Bank Ltd.

Notes



Linc Pen & Plastics Limited

Regd Office: Satyam Towers, 3, Alipore Road, Kolkata - 700 027

NOTICE

TO THE MEMBERS OF **Linc Pen & Plastics Limited**

NOTICE is hereby given that the 17th Annual General Meeting of the Members of the Company will be held at "Shripati Singhania Hall", Rotary Children's Welfare Trust, 94/2, Chowringhee Road, Kolkata – 700 020 on Thursday, 8th September, 2011 at 10.30 A.M. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 and Profit & Loss Account for the year ended on that date together with the reports of the Auditors and Directors.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2011.
3. To appoint a Director in place of Shri P. R. Agarwala, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri K. N. Ranasaria, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to authorise the Board to fix their remuneration.
M/s. G. P. Agrawal & Co., Chartered Accountants, Kolkata, (Registration No.302082E) Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting of the Company and have offered themselves for reappointment.

By order of the Board

Registered Office
3, Alipore Road
Kolkata – 700 027
Dated: 30th July 2011


N. K. Dujari
G. M. - Finance &
Company Secretary

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the time for holding of the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company remain closed from 1st September, 2011 to 8th September, 2011 (both days inclusive) for the purpose of Annual General Meeting and for determining eligibility for dividend for the year ended 31st March, 2011. The Dividend, if declared at this meeting will be payable to those members whose names are in the Company's Register of Member after giving effect to the valid transfers in physical form lodged with the Company before 1st September, 2011. In respect of Shares held in electronic form (dematerialised shares), the dividend will be payable to such beneficial owners as per the list furnished by the Depositories as at the close of business on 31st August 2011. The Dividend warrants will be posted on or after 8th September, 2011.
3. Members are requested to notify change in their address, if any, alongwith Pincode Number immediately to the Company's Registrar and Share Transfer Agents–M/s.Maheswari Datamatics Pvt. Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata-700001.

4. Members who have not yet encashed their dividend warrant for the financial years 2003-04 to 2009-10 are requested to lodge their claim with the Company.
5. Members / Proxies should bring the attendance slip duly filled in for attending the meeting. Members are requested to bring their copy of Annual Report. Additional Copies of the Annual Report will not be made available at the meeting.
6. Members desiring any information or having any query on the Accounts are requested to write to the Company 7 days before the meeting so that the information / answers may be readily available at the meeting.
7. **Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 and Listing Agreement**

Item No. 3 – Shri P. R. Agarwala retires from the Board by rotation and being eligible offers himself for reappointment. Shri Agarwala is Commerce and Law Graduate. Shri Agarwal's age is 73. He is the Chairman of Rupa & Co.Ltd, a well known inner and casual wear Company. He brings with him a wide experience to the Board. The other Public Limited Companies in which Shri Agarwal is Director are – Rupa & Co. Ltd and Rupa Spinners Ltd.

Item No. 4 – Shri K. N. Ranasaria retires from the Board by rotation and being eligible offers himself for reappointment. Shri Ranasaria aged 77, is a postgraduate. He brings with him over four decades of experience in finance, manufacturing and other allied area. He is on the Audit Committee and Shareholder / Investors Grievances Committees of the Board of Directors of Linc Pen & Plastics Ltd.

8. **Green Initiative:** The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circulars stating that service of notice /documents including Annual Report can be sent by e-mail to its members. Hence members who have not registered their e-mail addresses, so far, are requested to register their e-mail address, in respect of electronic holdings with the depository through their concerned Depository Participants. Shareholders holding physical share certificates are requested to register their e-mail address with our Registrar and Share Transfer Agents - M/s Maheswari Datamatics Pvt. Ltd. in the format given below.

By order of the Board



N. K. Dujari

G. M. - Finance &
Company Secretary

Registered Office
3, Alipore Road
Kolkata – 700 027
Dated: 30th July 2011

GREEN INITIATIVE

Name of the Company : _____

Name of the First Share Holder : _____

Address : _____

_____ Pincode _____

Folio No. / Client Id / Dp Id: _____

Mode of Holding : Physical Demat Mobile No. _____

Email Id (in Capital Letters) : _____



Linc Pen & Plastics Limited

Regd Office: Satyam Towers, 3, Alipore Road, Kolkata - 700 027

ATTENDANCE SLIP

(To be handed over, duly filled in, at the entrance of the Meeting Hall)

Name of the attending Member/ Proxy* (in block letters):

Member's name:

Member's Folio/Client ID No:..... No. Of Shares held:

I hereby record my presence at the 17th Annual General Meeting of the Company on Thursday, 8th September, 2011 at 10.30 a.m. at "Shripati Singhanian Hall", Rotary Children's Welfare Trust, 94/2, Chowringhee Road, Kolkata – 700 020

Place: Kolkata

Member's/ Proxy Signature**

*Please strike off whichever is not applicable

**To be signed at the time of handing over this slip.



Linc Pen & Plastics Limited

Regd Office: Satyam Towers, 3, Alipore Road, Kolkata - 700 027

PROXY FORM

I /We..... of in the district ofbeing a Member / Members of the above named Company, hereby appoint.....ofin the district of or failing him/herofin the district of as my /our Proxy to vote for me/us on my/our behalf at the 17th ANNUAL GENERAL MEETING of the said Company to be held on Thursday, 8th September, 2011 at 10.30 a.m. and at any adjournment thereof.

Affix Revenue Stamp

Signed this day of September, 2011

Member's Signature

Folio/Client ID No:

Note: The proxy and the Power of Attorney (if any) under which it is signed or notarially certified copy of that Power must be deposited at the Registered Office of the Company at Satyam Towers, 3, Alipore Road, Kolkata – 700 027 not later than 48 hours before the time for holding of the Annual General Meeting.