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STYLE & SANSKRITI

linc pen & plastics limited | Annual Report 2016-17

Cautionary statement

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



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India is possibly the most fascinating country in the world - 22 languages, 720 dialects and 13 scripts.

At Linc, we are proud to celebrate the calligraphy of these scripts and the great Indian writing tradition.

This annual report is dedicated to all those anonymous calligraphers who kept our communication tradition alive through the repeated copying of precious texts before the advent of printing; those who copied multiple books and scriptures so that wisdom could be passed from one generation to another; those who calligraphed tombstones, nameplates, store boards and even theatre/film posters.

They have moved on; their art endures.

Linc pen & plastics Limited is more than just another writing instruments brand.

The name 'Linc' stands for a superior recall revolving around 'pioneering pens', 'something exciting' and 'excellent quality'.

The result is that Linc is not just one of India's most trusted writing instrument brands; it is also a respected global brand enjoying a growing presence in around 50 countries.

VISION

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

MISSION

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

CORE VALUES

- Ethical business practices
- Customer delight
- Building relationships
- Innovation

BACKGROUND

Linc Pen and Plastics Limited was established by Mr. Surajmal Jalan. The Company is engaged in the manufacture and marketing of writing instruments and stationery.

The Company offers a range of products comprising gel pen, ball pen, retractable ball pen and stationery.

The Company's manufacturing operations are conducted in two manufacturing facilities on the outskirts of Kolkata; a third facility has recently been commissioned in Gujarat.

The certification of the manufacturing unit in Serakole was updated to ISO 9001:2015

PRESENCE

The Company is headquartered in Kolkata (West Bengal, India). The manufacturing facilities are located in Serakole and Falta SEZ, in addition to two assembling units, all of which are located on the outskirts of Kolkata. The Company also commissioned an integrated pen manufacturing and assembly unit in Umbergaon (Gujarat) in the first quarter of 2017.

EXPORTS

Linc is a global citizen. The Company generated more than 92% exports through its Linc brand. The Company's international personality was defined by the periodic introduction of innovative products and impeccable service. The Company was recognised as a Two Star export house.

BRANDS

Linc is among the most respected and recognisable brands in India's writing instruments industry. The Company's products are respected for quality, writing ease, packaging and convenience-enhancing features.

PIONEERING

Linc was the first in the Indian writing instruments industry to launch the Smart

Pen series comprising Linc Combi (pen with highlighter for an affordable ₹10), Linc Twinn (pen with pencil) and Linc Touch (pen with stylus).

PARTNERS

Linc is engaged with Mitsubishi Pencil Co. Ltd, Japan, to exclusively distribute, market and package Mitsubishi's Uni-ball brand. Mitsubishi Pencil Co. Ltd., Japan, holds a 13% stake in the Company.

LISTING

Linc shares are publicly listed and actively traded on the Bombay Stock Exchange and the National Stock Exchange. The Company enjoyed a market capitalisation of ₹432 crore as on 31st March, 2017.

HOW WE HAVE GROWN OVER THE YEARS



Revenues grew by 18.23% between FY2013-14 and FY2016-17



...PAT growth reached a peak of 49.17% during FY2015-16



...The Company strengthened its profitability by more than 200 bps



...The Company's ROCE improved by 100 bps across the last three years



...The Company enhanced its branding and promotion costs to enhance recall



...The Company enhanced value for shareholders through enhanced earnings per share



LINC AND THE GST GAME-CHANGER

At Linc, we are at the right place at the right time.

Starting Q2 of 2017-18, India will embrace the landmark GST reform.

Among the various implications of this landmark initiative is the narrowing tax incidence between organised and unorganised manufacturers in India.

When applied to the writing instruments sector, the GST could make it less profitable for unorganised pen manufacturers.

The narrowing differential could make the country's organised and branded writing instrument manufacturers more competitive. In turn, this is expected to accelerate the shift in consumption from unorganised to organised brands.

At Linc, we expect to benefit on this transition through the launch of five new product brands in the current financial year, reinforced by increased brand spending.

Enhancing recall. Accelerating offtake.



LINC AND THE UMBERGAON PLANT COMMISSIONING

At Linc, we have been a single-state manufacturing facility for the last number of years.

The result is that even as we were pan-Indian in our influence, our supplies were largely routed out of Kolkata.

The concentration of a considerable part of our capacity in one geographic pocket created challenges: the delivery of input materials as well as finished products consumed time and involved logistic costs. The result was that the Company was relatively slow in addressing marketplace upturns with speed and sensitivity.

Linc commissioned a factory in Umbergaon, Gujarat to address this inequity.

One, the plant is located in a growing region of the country; it is ideally positioned to service the growing demand for writing instruments in the western region.

Two, the plant is only 180 kms from the port city of Mumbai, facilitating a timely import of raw materials on the one hand and export of finished products to the western markets on the other.

Three, the Company will be able to supply quicker to the growing export markets in Africa and the Middle-East, improving the overall delivery cycle. At Linc, we believe that in doing so, we have created a robust foundation for the next round of growth.

For the next round of growth, the next round of business sustainability.



MANAGING DIRECTOR'S REVIEW

Managing Director Deepak Jalan outlines the reasons why Linc should post a better performance going ahead

Was the management pleased with the Company's performance in 2016-17?

The management was definitely not pleased with the Company's performance during the year under review. The reason is fairly evident: the Company had issued a 15% revenue growth guidance in last year's annual report. As things turned out, the Company finished with a mere 4% revenue growth, undershooting its stated target.

In view of this, it would be fair to state that we under-performed during the year under review.

What were the principal reasons for this under-performance?

There were a number of reasons that contributed to this under-performance.

One, import restrictions were imposed in certain countries during the period, perhaps with the objective to promote their national industries, which staggered exports from Linc to those geographies. The import restrictions were reflected in key markets like Turkey, Egypt etc. Besides, exports were lower following steep currency devaluation in most of the African markets, which moderated their appetite to import.

Two, demonetisation proved to be a setback just on the eve of what is traditionally a large gifting season; the cash crunch in the economy affected our institutional and corporate sales offtake in the third and fourth quarters.

Three, polymer costs increased by 30% beginning December 2016 and considering that 40% of the Company's production costs are accounted by polymers, there was a raw material inflation that could not be passed on to customers.

The combination of these realities affected the performance of the Company during 2016-17.

What were the initiatives taken by the management to overcome these challenges?

Linc responded with decisive initiatives to each of these realities.

On the export front, we recognised that there was need to switch to alternative markets for exports where these restrictions did not apply. These initiatives are still in progress and should start generating positive results beginning Q3 of FY18.

In the domestic market, we further increased our impetus on value added

products to insulate our margins from polymer price fluctuations.

How did the Company respond to the growing competition in the writing instruments segment within India?

Linc sustained its strategic direction; the prevailing realities in the last financial year only strengthened our commitment: the Company enhanced the proportion of revenues derived from value-added products, serving to counter material inflation. For instance, the proportion of Linc's branded products priced in excess of ₹10 per instrument increased from 19% in 2015-16 to 21% in 2016-17. The Company also strengthened its business through the institution of a stronger management structure following the recruitment of zonal sales managers to generate superior control over our sales and distribution functions. During the latter part of the year, the Company engaged a prominent national creative agency to strengthen its brand appeal and pan-India visibility, formulate above the line and below-the-line strategies and revamp product packaging. I am optimistic that the benefit of these initiatives will be reflected in the coming fiscal year.

What was the contextual landscape of the writing instruments market during the year under review?

The writing instruments market in India has always been competitive, marked by relatively low entry barriers and the general price sensitivity of consumers. The broad market grew around 6% during the year under review. Each time a player entered the market, it attempted to carve out a slice of the market through aggressive pricing. As one indicated earlier, Linc's counter-response was derived from a growing presence in the value-added segment, which served to not only leverage the brand visibility but also accelerate product movement in sluggish markets.

How does the Company expect to perform in 2017-18?

At Linc, we believe that we will outperform market growth, reporting enhanced sales by approximately 10% in 2017-18: this should translate into a turnover of ₹400 crore during the current financial year. There are a number of reasons for this optimism.

One, the Company intends to launch five new products during the current financial year, which should strengthen offtake.

Two, the Company intends to increase its brand spending during the current financial to support these launches.

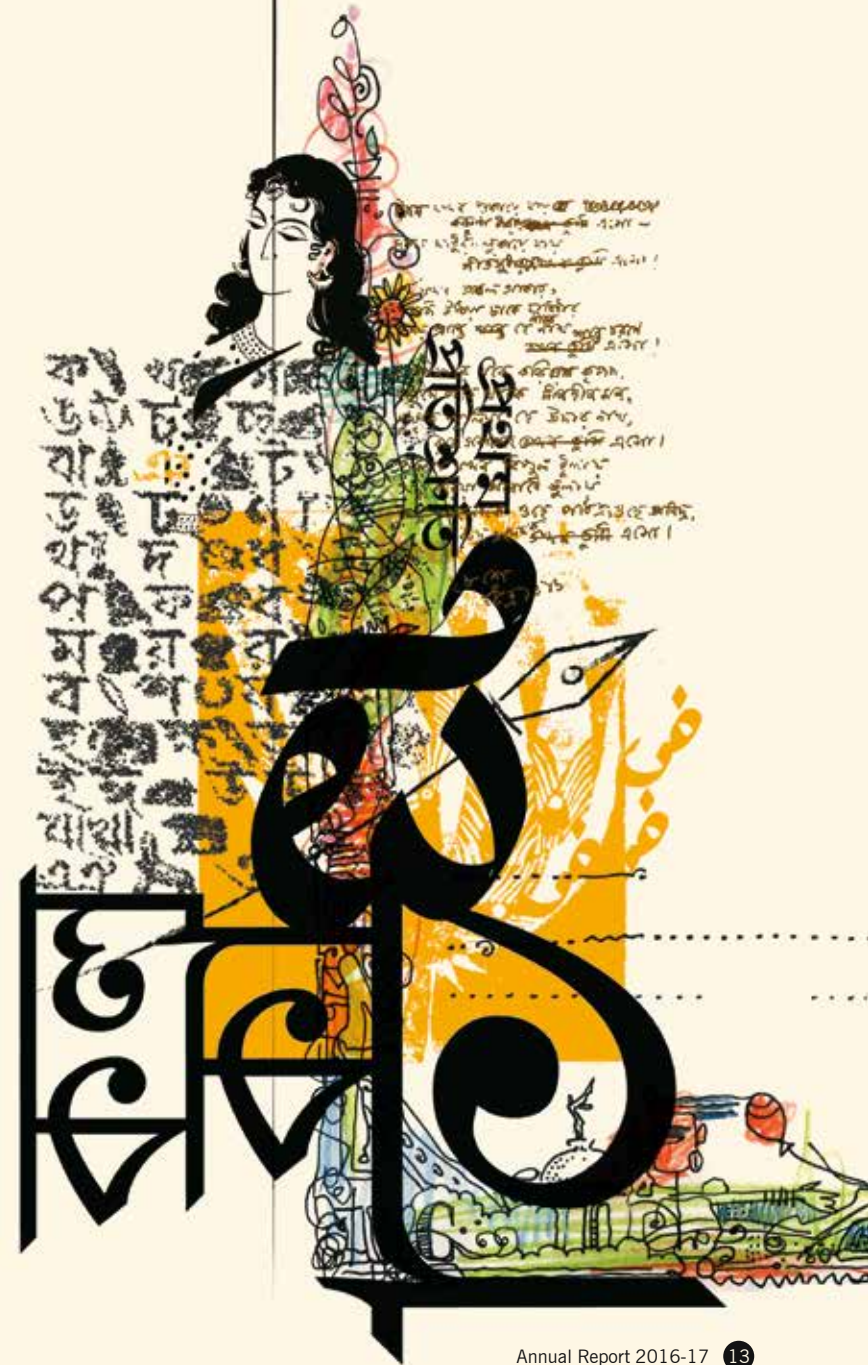
Three, the engagement of a prominent advertising and branding agency should translate into enhanced visibility.

Four, we believe that the introduction of GST should narrow the costing differential between branded and unorganised players, strengthening our competitiveness to grow market share over unorganised competitors.

I believe that the convergence of these realities should translate into enhanced topline and bottomline value during the current financial year.

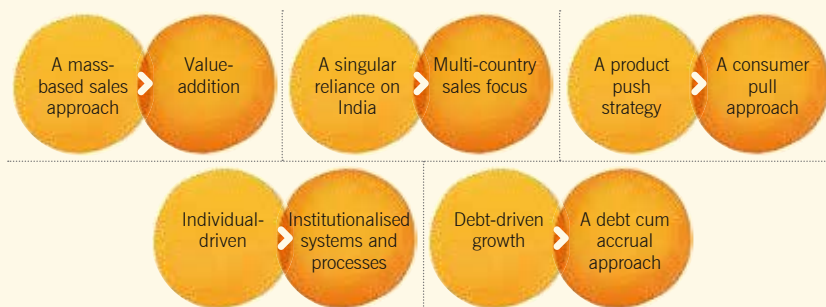
What other factors could drive the Company's performance in 2017-18?

A big game-changer has been the completion of our new manufacturing facility in Umbergaon in Gujarat, which will commence production from beginning of Q2 of FY18. This integrated production and assembly unit is attractively located: it will help us moderate logistic costs related to the import of raw material, it will moderate the cycle time related to the transfer of material, it will help us moderate working capital outlay and more importantly, our presence in Gujarat will make it possible for us to serve the needs of dealers and distributors in Western India through quicker stocks replenishment. I believe that the fact that the Company could build the ₹26 crore facility through a prudent mix of accruals and debt will create the foundation for relatively low-cost expansion that makes it possible for the Company to capitalise effectively on a shift from unorganised to organised manufacturers, starting this current financial year. In view of this, the message that I would likely to send out is that the Company is at the right place at the right time to enhance value for its shareholders.



HOW WE INTEND TO ENHANCE STAKEHOLDER VALUE

At Linc, we believe that success in a rapidly-evolving sector is derived from the ability to keep one step ahead of marketplace realities.



The context of our sector

Income growth

A consistent GDP growth of 6-8% makes India the fastest growing major economy reflected in a growth in personal incomes, aspirations and consumption.

Literacy

India's growing literacy has been the principal driver of its writing instruments sector

Value-addition

For decades, Indians downtraded purchases; there is now a growing evidence of Indians needing better products, reflected in a growing consumption of value-added products

Intangibles

There is increasing evidence that in addition to brand visibility and competence, the biggest success driver is the ability to widen one's distribution network (offline or online)

The passion that we bring to our business

Focus

Linc creates markets

Respect

An honest reputation is the biggest business asset

Pioneering

'If it is pioneering then it must be Linc'

Conviction

Passion overcomes everything

Integrity

Driven by ethics

Belief

The market only remembers the first

How we address the sectoral context

Scale

Linc is addressing the growth in population and literacy with an enhanced output of writing instruments. The Company commissioned a factory in Umbergaon in the first quarter of 2017-18. Linc is among the three largest players in the Indian writing instruments industry.

Value-addition

At Linc, we are making constant efforts to enhance the proportion of value-added products in our overall revenues.

Footprint

Linc enjoys a presence in around 50 countries, strengthening business de-risking; the Company generated 29% of

revenues from exports in 2016-17

Mass and class

Linc addresses two segments – the mass-based, which addresses the entry-level consumer and the price-sensitive buyer; the class-based segment addresses the growing needs of the aspirational

Intangibles

Linc is making progressive investments in business intangibles (distribution and branding) to create a consumer pull and product reach across the last mile

Governance

At Linc, we are a governance-driven

company addressing stakeholder needs of ethical conduct, transparency, process-orientation and Board composition

Footprint

At Linc, we have evolved from a principally Eastern India brand to a global brand

Technologies

Linc has embraced cutting-edge technologies to enhance product quality and innovation

Distribution network

Linc is present where consumers are. The distribution network comprises 2723 distributors and 284 field sales force across India.

The results of our business model

Growth

Linc has been a sectoral outlier; it has reported healthy profits year-on-year and has been regularly paying dividends to shareholders since inception.

Sustainability

Linc possesses a robust Balance Sheet. The Company had ₹50.80 crore of debt on its books against a net worth of ₹118.29 crore as on 31st March 2017; gearing was a comfortable 0.43:1.

SUCCESS DRIVER HOW WE ARE STRENGTHENING THE LINC BRAND

In a writing instruments industry populated by a large number of players, success is derived from enhanced visibility that translates into quicker offtake.

Linc's principal strength lies in its brand identity, marked by a recall for pioneering features, high functional quality and superior price-value proposition.

Over the years, Linc has reinforced its recall through its consistent ability to invest in brand-building. The Company invested ₹27 crore in its brand in the five years ending 2016-17; during the year under review, the Company staggered its brand building in view of the demonetisation to ₹4.54 crore – 1.3% of its revenues for the year.

Traditionally, Linc's brand spending has been marked by selectivity: celebrity endorsements (Shah Rukh Khan from October, 2008 to September 2011) and being associated with high-visibility sporting events (IPL, India's most popular cricket tournament), enhancing its pan-India recall.

Over the years, prudent investments above-the-line (direct promotion) and below-the-line (trade incentives) helped Linc enhance visibility not just in India but across Africa, South East Asia, Middle East and CIS countries, making it possible for the Company to market products in own brand and generate repeat offtake.

During 2016-17, the Company undertook the following initiatives to strengthen its brand:

After a detailed analysis product portfolio a focused nine brand strategy called Navratna was adopted. These brands account for 60 – 65% of domestic sales to ensure all marketing activities focused

around them are expected to result in a higher brand recall and purchase.

Following the focus on resourcing and distribution around the nine Linc Navratna brands, the volume growth and distribution helped the Company grow in the second half of FY 2016- 17:

- **Maxo Fine & Maxx Gel** – The value-for-money ball pen and gel pen that comes with the promise of maximum writing with the USP of a elastomeric rubber grip; they registered a healthy growth
- **Smart GI** – The value-for-money ball pen brand Smart GI, which has a unique feature of oil-based gel ink, witnessed positive growth
- **Glycer** – Glycer has always been the flagship brand in the Linc portfolio. The Company, in its attempt to make the brand Glycer bigger, shared its brand new offering Glycer 10X – the all new ₹10 ball pen with the promise of the pen with the 'X-Factor' - which received rave reviews from customers because of its attractive packaging and cutting-edge features.

- **Ocean Gel** – Ocean Gel, which comes with Japanese waterproof ink, has been the second biggest brand of the Company. For the markets of Western and Southern India, the Company brought its new offering – Ocean Wave, the all new ₹5 gel pen with the promise

of faster and smoother writing at a value-for-money range – which was a fresh lease of life for the brand Ocean.

• **Signetta, Meeting Ball and Executive Gel** – In the ₹10 range, the stylish retractable pen Signetta, the ball pen brand Meeting and gel pen brand Executive led the value and volume growth for the Company

• **Shine Glitter** – The Glitter gel pen for kids and students, which uses Korean sparkle ink, saw a robust growth

Innovation has always been at the core of the Company's philosophy. However, the Pen plus range brands (Twinn, Touch & Combi) did not take off in FY 2016-17 after a good start in FY 2015-16. The Company did extensive market research; consumer feedback was collected. The improvement areas are being incorporated in the next marketing campaign for these niche brands to generate broader appeal and acceptability.

The Japanese technology-driven high value brands of Uniball Eye, Uniball Air & Signo clocked reasonable value growth across markets. In the stationery segment, Rocket Eraser did extremely well while the newly-launched markers are yet to show substantial growth in terms of sales versus estimates.

Many other Linc brand extensions are underway, which will give the consumers a variety of choices with a bigger range.

Strategic analytical reformulation of the launch plans, better go-to-market plans and focus around new product developments were initiated in the last 6-8 months to augment sales, marketing, planning and execution. The Company has always been known for offering quality products at affordable prices, reinforcing its position in the below-₹10 price category. Keeping pace with the changing times and consumer demands, the Company set out in its

journey for strengthening its position in the ₹10 and above range brands as well. The Company emphasised on brand visibility at the most important points – the retail outlets with points of purchase items such as posters, danglers and innovative dispensers. The Company strengthened its brand visibility in the modern trade outlets, e-commerce portals as well as exhibitions across India; it reached out to more than 1000 schools and students using its flagship school contact programmes – Spellinc and Write-O-Values.

The Company undertook the following marketing initiatives to strengthen its brand:

Above the line

- **Print:** 2016 marked the 40th year of the Company. The focus brands – Glycer 10x, Signetta, Maxwell, Uniball and Firefly got major print support in important markets and were featured in widely circulating dailies like Hindi Hindusthan, Prabhat Khabar among others.
- **Digital:** The Company improved its website with cutting-edge technology that made it easily navigable and search-optimised

Below the line

- **Exhibitions:** The Company took part in exhibitions across major Indian cities
- **Sponsorship:** The Company sponsored interactive sponsorship programmes including sit-and-draw competitions
- **POP:** Point of purchase visibility was enhanced for major brands – Glycer 10X, Ocean Wave, Inklusion among others

Brand spending (₹ cr)



Brand spending as % of revenues



Linc's pioneering products

Linc Tiptop: Linc's first retractable ball pen, priced at ₹2.50

Linc Hi School Gel: Linc's first gel pen, priced at ₹10

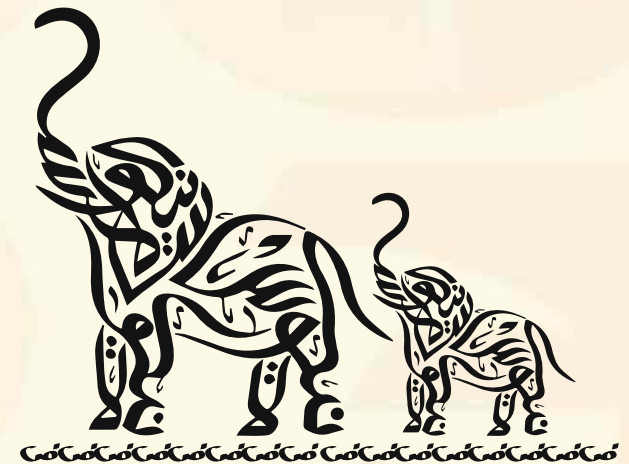
Linc Glycer: Linc's highest selling pen in Linc's history

Linc Ocean Gel: It has been running non-stop for 12 years

Linc Smart: Linc's first refillable oil-based gel pen.

Linc Twinn: Unique, super-smooth ball pen and lead pencil in the same body

Linc Starline: Pioneer product in its category for 2 decades





SUCCESS DRIVER

HOW WE ARE EFFICIENTLY MANAGING OUR OPERATIONS

"I wear my Pen as others do their Sword."
- John Oldham

Linc's consistent success has been largely derived from its ability to manage raw materials – cost and quantity – in a manner that has helped protect viability across various input cycles leading to business sustainability.

The Company manufactures diverse products like ball pens, gel pens, direct fill pens and ball pen refills, among others. The Company's success has been drawn from its ability to work closely with dependable raw material providers on the one hand coupled with its ability to manage diverse processes (injection moulding, extrusion, auto-refilling, assembling and packaging) on the other.

For instance, Linc leverages the use of extrusion technology to manufacture refill tubes and barrels used in the manufacture of direct fill pens. The chief raw materials used by Linc comprise polymer, inks and tips. The Company employs a mix of 10 to 12 polymer varieties, more than half of which are

imported. The Company sources inks from India, Japan and Germany and tips from Indian vendors.

As a measure of caution, the Company selects vendors cautiously based on extensive raw material tests, strengthening quality and shelf-life.

Highlights, 2016-17

- Streamlined operations at its integrated assembling unit, moderating its dependence on third-party manufacturers.
- Enhanced shopfloor workforce by 15% following an increased need for pen assemblers
- Operationalised the Umbergaon factory, expected to moderate costs following the consolidation of assembling and production activities under one roof
- Received the ISO 9001:2015 certification for the Serakole facility



SALES AND MARKETING

HOW WE ARE WIDENING AND DEEPENING OUR SALES FOOTPRINT

"Since day one, since the first time I touched the pen, I wanted to be the best at what I do."

- Kendrick Lamar

Over the years, the Company graduated from its predominantly mass market focus to the value-added segment following enhanced aspirations and the fact that the Company's products accounted for a negligible part of the consumer's spending.

The result is that even as recent as 2010-11, 79% of the Company's revenues were derived from the mass segment; in 2016-17, the premium segment accounted for 31% of the Company's revenues.

Over the years, Linc extended its deep Eastern India footprint to other regions as well, strengthening its pan-India presence. The Company moderated its

excessive dependence on Northern and Eastern India from 78% of revenues in 2010-11 to 71% in 2016-17; the Company enhanced its exposure in Western and Southern India.

Outlook, 2017-18

Linc intends to launch pens priced at ₹10 and above in line with the Company's growing focus on the value-added segment. The Company intends to launch metallic pens priced above ₹40, strengthening its brand. The Company intends to capitalise on benefits derived from GST implementation, which are expected to strengthen the competitiveness of the country's organised sector.

2723
Distributors

284
Field sales force

HOW WE ARE BUILDING OUR GLOBAL FOOTPRINT

*"The pen is an instrument of discovery
rather than just a recording implement."*

- Billy Collins

Linc is one of the largest exporters of writing instruments from India.

The Company brings to the space over 15 year exposure and familiarity of the international terrain.

More than a decade ago when the Company entered the exports space, the Company marketed products in the name of its global buyers; since then, the Company has evolved into a proud exporter that markets the products under its own brand.

Over the years, the Company's patient strategy and superior price-value proposition helped establish a foothold in nearly 50 countries across the Middle East, South America, South East Asia, US and the UK. Exports accounted for 29% of the Company's revenue during the financial year under review due to optimised manufacturing costs.

The year under review proved challenging for the Company's exports as import restrictions in some countries as well as currency devaluations in major African nations impacted exports. Despite these unforeseen circumstances, Linc's export revenues grew 8% from ₹97.02 crore in FY2015-16 to ₹104.64 crore in FY2016-17.

Outlook, 2017-18

The Company intends to enhance exports and generate 50% of the turnover from international sales in the next few years. The Company intends to accelerate shipment flow and curtail costs following the commissioning of the new manufacturing facility in Gujarat. The Company intends to strengthen its export team to address growing demand. The Company has established its footprint in alternative markets to insulate from import restrictions in some countries.

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

The pace of global economic activity was mixed in 2016. Within advanced economies, comprising the US, Europe and Japan, the lingering legacies of the recent crisis, coupled with monetary policy support and return to fiscal neutrality, underpinned a generally-accelerating output with declining unemployment. In countries outside the advanced economies, the sources of slower growth ranged from commodity price declines to overhangs from past rapid credit growth to political turmoil.

Global growth is projected to slow to 3.1% in 2016 before recovering to 3.4% in 2017. The forecast was revised down by 0.1 percentage point for 2017 compared to the April 2016 projections. This reflected a more subdued outlook following the Brexit referendum and weaker-than-expected growth in the US.

The prospects of emerging market economies improved on the back of lower interest rates in advanced

economies and firming commodity prices. Asia in general and India in particular demonstrated robust growth while sub-Saharan Africa experienced a sharp slowdown (Sources: IMF and World Bank).

Among advanced economies, activity rebounded strongly in the US and its economy is approaching full employment. Long-term nominal and real interest rates rose in the UK and in the US since November 2016. The currencies of advanced commodity exporters strengthened, reflecting firming commodity prices; several emerging market currencies depreciated substantially.

With China reorienting into a consumption-centric economy and Saudi Arabia reducing its dependence on oil, the case for base metals strengthened, which, in turn, reinforced commodity prices. Consequently, inflation rates recovered across advanced economies and commodity prices bottomed out.

	Growth		
	2016	2017 (P)	2018 (P)
Global economy	3.1%	3.4%	3.6%
Advanced economies	1.6%	1.9%	2.0%
Emerging market and developing economies	4.1%	4.5%	4.8%

(Source: IMF)

(P) – Projected



Outlook

The global economy entered its sixth year of stagnation with growth estimates for 2017 continuing to trend the historical path. A projected stabilisation in energy and commodity prices may provide some respite for resource-rich economies in 2017. However, the medium-term outlook continues to be bleak with growth weakening in terms of investments and labour supply. Businesses will need to prepare themselves adequately to address the challenges arising from geopolitical tensions, policy uncertainties, financial market volatilities and rapid technological advancements.

Indian economy overview

India's GDP growth has been projected at 6.5% for the fiscal 2016-17, down from the 7.9% recorded in 2015-16. Although demonetisation affected the GDP growth rate by 25-100 bps, the Government initiative of removing specified bank notes from circulation is expected to have long-term benefits.

The growth rate of the industrial sector (measured in the index of industrial production or IIP) was estimated to moderate to 5.2% in 2016-17, down from 7.4% in 2015-16. With Rajasthan, Madhya Pradesh and Maharashtra receiving 20% more rainfall than the usual, the agricultural sector is expected to grow at an above-average level of 4% on a weak base, caused by two consecutive periods of poor monsoons. This should lift the sagging rural demand and, by extension, the GDP growth rate. The major impetus is expected to come from the farm sector as non-agricultural growth is pegged to pick up by 10 bps over the previous fiscal to 8.6%.

Outlook

According to IMF World Economic Outlook Update (January 2017), the Indian economy is expected to accelerate to 7.7% during FY 2017-18. The

country is projected to emerge as the third largest economy in the world by 2030, its GDP approximately trebling to US\$7 trillion by 2030.

India's inflation moderated to 5-6% since 2014, reducing interest rates and strengthening consumer spending. India's consumer confidence index was 136 in the Q4 of 2016, topping the global list of countries with respect to this parameter, according to market research agency Nielsen. Moody's has stated that Government reforms will enable the country to better its performance compared to peers over the medium-term, while affirming the Government of India's Baa3 rating with a positive outlook. A number of positive triggers such as reduced subsidies following the direct benefit transfer, higher financial savings due to financial inclusion, better tax compliance post-demonetisation and GST could lead to a re-rating of the Indian economy.

Other key economic growth drivers include cheap labour, English-speaking population, reflecting rising literacy, flourishing services sector including BPO and IT services, demographic dividend of the young working population, increasing per capita incomes, FDI and FII inflows, manufacturing and infrastructure investment, subsidy targeting, UID, reform policies and digitisation. (Sources: IBEF, Economic Times and Quora)

Indian writing instruments industry

The Indian organised writing instruments sector is estimated at about ₹3450 crore. The writing instrument industry has seven major players in the organised sector with a fragmented sizeable unorganised sector estimated at 25% of the total industry.

The Indian writing instrument industry has been marked by product design, cost-efficiencies and writing quality innovation.

The pen category can also be divided according to sticker prices: up to ₹5, ₹10-20 and above ₹25 (semi-premium and premium). Around 80% of revenues of the Indian pen industry are derived from pens priced below ₹15 per piece and a small percentage from pens priced between ₹100 and ₹300. The market for pens below ₹15 is growing at 7-8% annually whereas the market for pens above ₹15 is growing at around 8-10% annually.

Around 60% of writing instrument consumers are students. In the mass segment, where the price of the writing instruments is below ₹20, the large players comprise Linc, Cello and Rorito. In the high-value segment, where the price is between ₹20 and ₹400, the prominent market players are Uni-ball, Pilot and Parker; in the premium segment, where the price is above ₹400, the major market players are Mont Blanc, Parker, Cross, Lamy and Sheaffer.

India's pen segment is marked by value-added features like better grip, smoother nibs and ink flow. However, the technology used is specific for premium pens, which range from ₹30 in the semi-premium segment to as much as ₹5 lac (18-carat gold). The raw materials used in making the body of pens and markers include metals or polymers.

India is also a large exporter of writing instruments. The Indian market comprises 15 large-scale, 100 mid-size, and 900 small-scale manufacturing units.

The demand for writing instruments is marked by the following realities:

- High propensity to spend on education and stationery/writing instruments
- Consumers opting for new pens instead of refills
- Increase in the demand for quality and branded products

- Entry of foreign brands
- Government initiatives, regulations and taxes.

The Indian stationery industry

The Indian stationery industry is classified into paper products, writing instruments, computer stationery, school stationery, and office stationery. Factors like lack of modern production facilities, unorganised nature of functioning, marginal demand, Government policies and international competition have been responsible for the slow growth of the organised stationery industry in India.

This industry segment is showing signs of growth following an increase in demand driven by growing literacy, increased school enrolment and a growing commercial sector. India's players are consolidating presence pan-India by strengthening distribution, marketing, branding and promotions. Organised retail channels have accelerated the growth of the stationery market.

Consumption catalysts

Investment: Foreign direct investment into India increased from approximately US\$ 24 billion in 2012 to approximately US\$ 44 billion in 2015 and approximately US\$ 32 billion in the nine months ended September 30, 2016 according to the Oliver Wyman Report. Though India's net foreign institutional investor inflows over the past decade have grown around 24%, they accounted for only approximately 2% of India's GDP in 2015.

Working population: India's per capita income increased by 9.7% from ₹94,130 in FY2015-16 to an estimated ₹103,219 in FY2016-17. The rising disposable income levels in India make it an exciting market. India's workforce is expected to increase to 940 million and account for nearly 67% of the total population of India by 2021. India's unemployment declined from

approximately 12% in the early 1990s to approximately 5.5%. (Source: *Oxford Economics*)

Demographic mix: India's workforce is estimated at the second largest in the world comprising 860 million 15–64 year-olds accounting for approximately 66% of the total population (source: World Bank), a robust consumption-driving population. India is expected to overtake China with the world's largest workforce by 2026 (Source: The World Bank). The median age of the Indian population is under 25 years - the highest user for writing instruments.

Services: India's 16%-plus annual growth rate in the services sector between 2006 and 2014 was driven by the export of IT and BPO services. The country's service sector continues to drive financial growth compared with the other sectors. (Source: *CEIC*)

New retail formats: The penetration of modern retail formats is still at around a mere 10% of the country's retail sector, expected to grow rapidly.

Middle-class: World Bank estimates the share of India's population living in urban-like surroundings at approximately 55% and this is rising. India's middle-class households have grown from 65 million in 2006 to more than 75 million in 2015, catalysing consumption with a 2.9x increase in per capita private consumption. (Source: *Economist Intelligence Unit, Euromonitor*)

Untapped rural market: India's rural market is largely untapped with immense potential because it is inhabited by about 850 million, making up for about 70% of the population and contributing to around half the country's GDP. Rural consumption patterns are gradually resembling urban consumption patterns, making rural India a large attractive investment opportunity for Indian writing instrument companies.

Overseas market: Global writing and marking instruments market is growing at healthy compounded annual rates in developing economies like the Middle and Far East, Asia-Pacific, Africa and South America. This market growth could be attributed to a rapid increase in population, literacy level and demand for good quality writing instruments.

Increased literacy: The demand for writing instruments and other stationery items is growing against the backdrop of economic expansion and rising literacy rate (75% according to the 2011 census). India's youth literacy increased from 81.1% in 2006 to 89.7% in 2015; gross enrolment ratio for tertiary education increased from 11.5% in 2006 to 23.9% in 2013. The Government's ambitious Sarva Shiksha Abhiyan could see a large investment of ₹60,000 crore, helping catalyse the stationery industry. (Source: *UNESCO*)

Government education initiatives: The Union Budget 2017 pegged an outlay of ₹79,685.95 crore for the education sector for 2017-18, up from ₹72,394 crore in FY2016-17—a 9.9% increase. The Government of India and World Bank signed a US\$ 201.50 million International Development Association credit agreement for the Third Technical Education Quality Improvement Programme (TEQIP III), aimed at improving engineering education across several states. The Cabinet Committee on Economic Affairs approved the opening of a Jawahar Navodaya Vidyalaya (JNV) in each of the 62 uncovered districts with an outlay of ₹2,871 crore (US\$ 430.6 million), benefiting over 35,000 students in rural areas.

Outlook

The ₹20,000 crore Indian stationery industry is poised for a CAGR of 15% in the next few years. Though threatened by increased hi-tech communication,

writing instruments comprise a vital part of the daily routine of school-going students and hi-tech professionals.

The global market for writing and marking instruments is expected to reach US\$18.8 billion by 2022. Asia-Pacific represents the largest and the fastest growing market worldwide for writing

instruments with a CAGR of 6.7%, India and China being major players. The writing instruments segment in India is expected to register a CAGR of 6% in sales value at constant 2016 prices over the forecast period, to reach ₹44 billion in 2021. (Sources: *PRWeb, Strategy, www.euromonitor.com*)



RISK MANAGEMENT

Economic risk

This risk is characterised by a slowdown in sectors that generate incremental demand for the Company's products.

Mitigation: The World Bank has projected a strong 7.2% growth rate for India in 2017-18 against 6.8% growth in a demonetisation-affected 2016-17. The Company is optimistic that demonetisation will strengthen tax compliance, digitalisation and capital formation investments. Besides, per capita income increased around 9.7%

growth in 2016-17 over the previous financial year, enhancing disposable incomes. The GST implementation from July 2017 will simplify tax structures and will narrow the costing difference between organised and unorganised manufacturers, strengthening the competitiveness of organised players like Linc.

Currency risk

Devaluation in exporting countries could make the Company's products dearer; a rupee appreciation could moderate margins.

Mitigation: Exchange rate fluctuations are beyond the control of the Company. The Company benefits from cheaper imports when the rupee strengthens even as exports realisations are affected. The Company responds with proactive

cost-cutting to buffer the impact of the strengthening rupee. The Company counters the incidence of weak currencies of countries exported to by seeking new countries to export.

Competition risk

Increasing competition, widening product range, enhanced quality and lower competing costs could affect market share.

Mitigation: Linc operates in a fragmented industry marked by low entry barriers. The principal factors driving competition in the writing instruments sector comprise pricing, product quality

and brand perception. The Company distinguishes itself from competitors on the basis of strong branding, quality, competitiveness and service responsiveness.

Market risk

Market sluggishness could affect offtake and profitability.

Mitigation: India's literacy rate of around 75% [Census 2011] compared with the global average of 84% presents a growth opportunity – the higher the literacy, the stronger the offtake of

writing instruments. The respect for written documentation continues to drive sectoral growth, a reality likely to sustain.

Brand risk

Ineffective marketing could affect recall and revenues.

Mitigation: The Company has an aggressive target for investing on brand promotion in 2017-18, which is also

marked by consumer engagement in schools and colleges, points of purchase, display boards and educational events.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 23rd Annual Report together with the audited accounts of the Company for the year ended 31st March, 2017.

Financial Highlights	₹ in Lakhs)	
	2016 – 17	2015 – 16
Sales & Other Operational Income	36091.11	34414.43
Other Income	37.76	73.84
Profit before depreciation, interest and taxation	3389.80	3213.08
Finance Cost	216.66	153.04
Depreciation	792.83	596.36
Profit before Tax	2380.31	2463.68
Provision for Taxation		
- Current	543.00	541.00
- Deferred	120.37	90.68
Profit after Tax	1716.94	1832.00
Add: Credit Balance of the previous year	480.08	381.96
Amount available for Appropriation	2197.02	2213.96
Transfer to General Reserve	1200.00	1200.00
Proposed Dividend	443.58	443.58
Corporate Tax on Dividend	90.30	90.30
Balance carried to Balance Sheet	463.14	480.08

Dividend

Your Directors recommend a Dividend of ₹3/- per equity share (previous year ₹3/- per equity share) for the year ended 31st March, 2017.

Financial Performance

Sales & Net Profit: During the year under review, the Company's Sales (incl. Other Operational Income) increased by 4.9% to ₹36091.11 Lakhs as compared to ₹34414.43 Lakhs during the preceding year. The Profit after Tax during the year was ₹1716.94 Lakhs as compared to ₹1832 Lakhs in the previous year, a drop of about 6.3%. The steep decline in the corporate / institutional sale post demonetization, pulled down the revenue growth of the Company, which together with increase in polymer prices and strengthening of the Indian rupee affected the profitability of the Company.

Working Capital: The year-end debtors are 40 days of the sales for the year as compared to 51 days in the previous year. The inventory holding is for 79 days' sales as compared to 82 days in the previous year.

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

New Facility at Umbergaon, Gujarat

The Company inaugurated its new manufacturing facility at Umbergaon, Gujarat on 1st

May, 2017. The commercial production from this facility is expected to start after successful trial run.

Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Corporate Governance

The Company had complied with the requirements of Corporate Governance in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report each on Corporate Governance (Annexure-B,

along with Auditors' Certificate on its due compliance) and Management Discussion and Analysis is attached to this report.

Listing

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

Directors and Key Managerial Personnel

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

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

Shri Deepak Jalan - Managing Director
 Shri Alope Jalan - Whole Time Director
 Shri N. K. Dujari - Chief Financial Officer & Company Secretary

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

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

Particulars of Employees and related disclosures

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

Policy on Directors' Appointment and Remuneration

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

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

- Remuneration to unionised workmen is based on the periodical settlement with the workmen union.
- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen (non Unionised) is industry driven in which it is operating taking into account the performance leverage and factors such as to attract and retain quality talent.
- For Directors, it is based on the shareholders resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars and guidelines issued by Central Government and other authorities from time to time.

Declaration by Independent Directors

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

Related Party Transactions

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

Party Transactions Policy is available on weblink <http://www.lincpen.com>

Risk Management

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

Annual Evaluation by Board

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

Whistle Blower Mechanism

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

Extract of Annual Return

Extract of Annual Return is annexed as Annexure – E.

Meeting of the Board of Directors

Five (5) meeting of the Board of Directors, including a meeting of independent Directors, without the attendance of the Non-Independent Directors and members of management, were held during the year. The details of the same are provided in the Corporate Governance Report.

Auditors

M/s Singhi & Co. (FRN: 302049E), Chartered Accountants, are proposed to

be appointed as the Statutory Auditors in place of M/s G. P. Agrawal & Co., whose terms ends at the conclusion of the forthcoming Annual General Meeting of the Company.

M/s Singhi & Co. will hold office as the Statutory Auditor of the Company for a period of 5 years commencing from the conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company. In terms of the provisions of section 139 of the Companies Act, 2013 such appointment is subject to ratification by members at every Annual General Meeting. M/s Singhi & Co. has confirmed their eligibility to act as the Auditor of your Company.

Secretarial Audit

The Company had appointed M/s D. C. Sahoo & Co., Practising Company Secretaries as the Secretarial Auditor of the Company for the financial year 2016-17. The report of the Secretarial Auditor is annexed as Annexure – F. The report does not contain any qualification.

Internal Finance Control

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

Corporate Social Responsibility

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

The amount required to be spent on CSR activities during the year under review in accordance with the provisions of Section 135 of the Companies Act, 2013 is ₹38.38 Lakhs and the company has spent ₹22.83 Lakhs during the current financial year. The spending was less as the Company wanted to utilize the funds in justifiable, sustainable and measurable activities. The shortfall in the spend during the year under review is intended to be utilized in future on projects within the Company's CSR Policy.

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

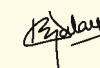
Prevention of Sexual Harassment at workplace

The Company has in place a Policy against Sexual Harassment of Women at Workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complain Committee (ICC) has been setup to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. No complaints were received by the Committee during the year under review.

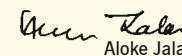
Acknowledgement

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
Din: 00758600



Alok Jalan
Whole Time Director
Din:00758762

Place : Kolkata
Dated : 30th May, 2017

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 seven, whose composition is given below:

- 2 Promoter, Executive Directors
- 5 Independent, Non-Executive Directors including one Woman Director

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

Name of the Director	DIN	Category	No. of Other Directorship*	No. of Membership/ Chairmanship of other Board Committee +
Shri Deepak Jalan	00758600	Promoter, Executive	1	Nil
Shri Alope Jalan	00758762	Promoter, Executive	Nil	Nil
Shri Naresh Pachisia	00233768	Independent, Non- Executive	4	5 (as Member)
Shri K. N. Ranasaria	00201370	Independent, Non- Executive	Nil	Nil
Dr. Ranjan Das	01738493	Independent, Non- Executive	1	1 (as Member)
Shri Anil Kochar	00943161	Independent, Non- Executive	2	1 (as Member)
Ms. Supriya Newar	07144076	Independent, Non- Executive	Nil	Nil

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

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

*Excludes Linc Pen & Plastics Limited.

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

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

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

Performance Evaluation and Criteria

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

Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations, corporate governance practices and stakeholders' interests. A separate exercise was carried out to evaluate the performance

of individual Directors who were evaluated on parameters such as level of engagement and contribution, independence of judgement, meeting risk management & competition challenges, compliance & due diligence, financial control, safeguarding the interest of the Company and its minority shareholders etc.

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

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

During the financial year ended 31st March, 2017, five Board Meetings were held on 24th May, 2016, 10th August, 2016, 12th November, 2016, 14th February, 2017 and 27th March, 2017. The meeting held on 27th March, 2017 was for the Independent Directors, without the attendance of the Non-Independent Directors and members of management. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Name of the Directors	No. of Board meetings attended	Attendance at last AGM held on 29.08.2016
Shri Naresh Pachisia	5	Present
Shri K. N. Ranasaria	5	Present
Dr. Ranjan Das	3	Leave of Absence
Shri Deepak Jalan	3	Present
Shri Alope Jalan	3	Present
Shri Anil Kochar	3	Leave of Absence
Ms. Supriya Newar	5	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 four Directors, three of whom are Independent and Non-Executive. All these Directors possess knowledge of corporate finance, accounts and law. During the financial year ended 31st March, 2017, four Audit Committee Meetings were held on 24th May, 2016, 10th August, 2016, 12th November, 2016 and 14th February, 2017. The attendance of the Members were as under-

Members	No. of Meetings Attended
Shri K. N. Ranasaria, Chairman	4
Shri Deepak Jalan	3
Shri Naresh Pachisia	4
Shri Anil Kochar	3

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

5. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of Dr. Ranjan Das, Chairman, Shri K. N. Ranasaria

and Shri Naresh Pachisia, all of whom are Independent and Non-Executive. The Company Secretary acts as the Secretary to the Committee.

During the year, meeting of the Nomination and Remuneration Committee was held on 6th February, 2017, attended by Dr. Ranjan Das and Shri Naresh Pachisia.

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

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

Name of the Director	Relation with other Directors	Salary ₹	Benefits ₹	Sitting Fees ₹	Commission ₹	Total ₹	Service contract/ Notice period/ Severance fees
Shri Deepak Jalan	Brother of Whole Time Director	90,00,000	10,95,000	-	8,00,000	1,08,95,000	Terms of office valid upto 30.09.17. No notice period & severance fee.
Shri Alope Jalan	Brother of Managing Director	72,00,000	9,41,552	-	8,00,000	89,41,552	-do-
Shri Naresh Pachisia	None	-	-	1,77,000	3,00,000	4,77,000	Appointed for a period of 5 years w.e.f. 29.08.14.
Shri K. N. Ranasaria	None	-	-	1,61,000	3,00,000	4,61,000	-do-
Dr. Ranjan Das	None	-	-	70,000	3,00,000	3,70,000	-do-
Shri Anil Kochar	None	-	-	1,05,000	3,00,000	4,05,000	-do-
Ms. Supriya Newar	None	-	-	1,00,000	3,00,000	4,00,000	Appointed for a period of 5 years w.e.f. 03.09.15.

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, 2017, 7 (seven) Share Transfer Committee Meetings were held. Number of Shares pending for transfers as on 31st March, 2017 were Nil.

ii) Stakeholders' Relationship Committee:

The Stakeholders' Relationship 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 2. There were no outstanding complaints as on 31st March, 2017.

iii) Compliance Officer :

The Board has designated Shri N. K. Dujari, Chief Financial Officer & Company Secretary as the compliance officer.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

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

The terms of reference of this Committee is to comply with the requirement of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 which includes formulating and recommending to the Board, a Corporate

Social Responsibility(CSR) Policy indicating the activities to be undertaken by the Company as per Schedule VII to the Companies Act, 2013; recommending the amount of expenditure to be incurred and monitoring the CSR policy of the Company.

8. WHISTLE BLOWER POLICY :

With the rapid expansion of business in terms of volume, value and geography, various risk associated with the business

have also increased considerably. One such risk identified is the risk of fraud and misconduct. The Audit Committee is committed to ensure risk/fraud free work environment and to this end the Committee has laid down a policy providing a platform to all the employee, vendors and customers to report any suspected or confirmed incident of fraud / risk / misconduct. The policy has been posted on the website at www.lincpen.com.

9. GENERAL BODY MEETING

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

Financial Year	Date	Location of the Meeting	Time
2013 – 2014	29.08.14	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	3.30 p.m.
2014 – 2015	03.09.15	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	3.30 p.m.
2015 – 2016	29.08.16	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	3.30 p.m.

Two and one special resolutions were passed at 20th and 21st Annual General Meeting of the Company held on 29.08.2014 and 03.09.2015 respectively. During the last year, no special resolution has been passed through postal ballot. No special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 1st September, 2017.

10. DISCLOSURES :

i) Details of related party transactions during the year have been set out under Note No. 28.5 of Notes on Accounts of the Annual Accounts. However, the Company does not have any materially significant related party transactions, which may have potential conflict with the interests of the Company at large. The transactions with related parties are at prices which are reasonable having regard to the prevailing market prices for such goods / services. The policy on dealing with related party transactions has been uploaded on the Company's website: www.lincpen.com .

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

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

v) The Non – executive Directors does not

hold any shares of the Company as on 31st March, 2017.

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

vii) The Company had no subsidiary as on 31st March, 2017.

viii) 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.

11. 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 Business Standard and Kalantar.

iii) As per the Listing Regulations, certain documents / informations such as quarterly / annual financial results, shareholding pattern and corporate governance are accessible on the website www.corpfiling.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.

12. GENERAL SHAREHOLDER INFORMATION :

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

i) Annual General Meeting	
Date and Time	: 1st September, 2017 at 3.30 p.m.
Venue	: Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkatta – 700 020
ii) Financial Calendar	
Financial Year	: 1st April to 31st March
Results	: 1st Qtr – 2nd week of August, 2017
	: 2nd Qtr – 2nd week of November, 2017
	: 3rd Qtr – 2nd week of February, 2018
	: 4th Qtr – end May, 2018
iii) Book closure date	: 26.08.2017 to 01.09.2017 on account of AGM and Dividend.
iv) Dividend payment date	: After 1st September, 2017

v)	Listing of Equity Shares on Stock Exchanges at	: i) The Calcutta Stock Exchange Ltd 7, Lyons Range, Kolkata – 700 001 ii) B S E Limited, P J Towers, Dalal Street, Fort, Mumbai – 400 001 iii) National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
vi)	Listing Fees	: Listing fee for the year 2016 – 2017 has been paid to the above Stock Exchanges.
vii)	Stock Code	: Bombay Stock Exchange - 531241 Calcutta Stock Exchange – 10022035 National Stock Exchange- LINC PEN Demat ISIN No. – INE 802B01019

viii) Market Price Data – High /Low during each month of the year ended 31st March, 2017, at the Bombay Stock Exchange and National Stock Exchange.

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2016	198.90	184.10	40,467	199.00	182.25	78,037
May, 2016	219.00	182.50	49,640	218.00	185.25	1,58,786
June, 2016	255.70	202.30	1,44,437	255.00	202.05	5,01,985
July, 2016	293.00	236.70	64,786	294.95	234.00	4,18,648
August, 2016	295.10	249.55	1,27,007	297.90	249.10	2,90,871
September, 2016	299.00	247.05	65,073	303.20	247.10	1,74,815
October, 2016	288.50	250.00	83,197	288.90	255.05	1,77,614
November, 2016	262.35	220.05	29,516	264.95	215.60	1,29,226
December, 2016	248.00	224.00	13,681	247.90	222.50	35,123
January, 2017	288.75	229.00	67,168	288.60	230.00	3,29,149
February, 2017	278.00	248.20	48,345	280.00	248.75	98,250
March, 2017	338.95	238.20	1,43,295	338.80	238.00	5,79,494

ix) Share Price performance in 2016-17 in comparison to broad based indices – BSE Sensex and NSE Nifty

% Change in Linc's Share Price: 54.07%	% Change in BSE Sensex: 16.88%
% Change in Linc's Share Price: 56.30%	% Change in NSE Nifty: 18.55%

x)	Registrar and Share Transfer Agent	M/s. Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001 Phone – 2243 5029/2248 2248, Fax – 2248 4787 e-mail – mdpl@cal.vsnl.net.in
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Share Transfer System	Presently, the share transfers which are received in physical form are normally effected within a maximum period of 15 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, 23, R. N. Mukherjee Road, Kolkata-700 001.
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xi) Distribution of Shareholding :

Distribution of Shareholding by Ownership:

	Holding Pattern	No. of Shares	Shareholding %
1	Promoters & Associates	88,50,192	59.85
2	NRI, FIIs, etc.	21,15,287	14.31
3	Mutual Funds	2,80,450	1.90
4	Private Corporate Bodies	6,34,345	4.29
5	Indian Public	29,05,686	19.65
Total		1,47,85,960	100.00

Distribution of Shareholding by Size:

Range of Shares	Shareholders		Shares	
	Number	%	Number	%
1 to 500	6,038	89.84	5,05,119	3.42
501 to 1000	283	4.21	2,37,956	1.61
1001 to 5000	293	4.36	6,64,058	4.49
5001 to 10000	37	0.55	2,78,736	1.88
10001 & above	70	1.04	1,31,00,091	88.60
Total	6,721	100.00	1,47,85,960	100.00

xii) Dematerialisation of Shares:

Holding	No. of Holder	%	No. of Shares	%
Physical	779	11.59	1,97,864	1.34
Demat	5,942	88.41	1,45,88,096	98.66
Total	6,721	100.00	1,47,85,960	100.00

xiii)	Outstanding GDR/ADR or any convertible Instruments	:	Not Applicable
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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
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Note: The new manufacturing facility at Umbergaon, Gujarat is under trial run.

xv)	Address for Correspondence	:	For Share Transfer and related queries - M/s. Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001 Phone – 2243 5029/2248 2248 Fax – 2248 4787 e-mail – mdpl@cal.vsnl.net.in
			For General Assistance Mr. N. K. Dujari, Chief Financial Officer & 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 the SEBI (listing obligations and Disclosure Requirements) regulations, 2015, all the Directors and Senior Management have affirmed compliance with the Companies Code of Conduct during the financial year ended 31st March, 2017.



Deepak Jalan
Managing Director
DIN: 00758600

Kolkata,
30th May, 2017

C E O / C F O C E R T I F I C A T I O N

The Board of Directors
Linc Pen & Plastics Limited
Kolkata

Re: Financial Statements for the financial year 2016 –17 - Certification by MD and CFO

We, Deepak Jalan, Managing Director and N. K. Dujari, Chief Financial Officer & Company Secretary, of Linc Pen & Plastics Limited, on the review of financial statements and cash flow statement for the year ended 31st March, 2017 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017 which are fraudulent illegal or violative of Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining the financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors & the Audit Committee:-
 - (i) there have been no significant changes in internal control over financial reporting during the period.
 - (ii) there have been no significant changes in accounting policies during the period.
 - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.



N. K. Dujari
Chief Financial Officer &
Company Secretary
Kolkata,
30th May, 2017



Deepak Jalan
Managing Director
DIN: 00758600

ANNEXURE – C

**AUDITOR'S CERTIFICATE
ON CORPORATE GOVERNANCE**

To the members of
Linc Pen & Plastics Limited

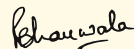
We have examined the compliance of the conditions of Corporate Governance by Linc Pen & Plastics Limited for the year ended 31st March, 2017, as stipulated in chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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. Radhika Bhauwala)
Membership No. 310691
Partner

7A, Kiran Shankar Ray Road
Kolkata – 700 001
Date: The 30th day of May, 2017

A. CONSERVATION OF ENERGY

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

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

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

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

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

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

B. TECHNOLOGY ABSORPTION

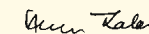
The Company has no separate R & D section. The Company is however, developing new products and upgrading existing products and also their packaging to meet the changing market taste / profile.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

b) Total Foreign Exchange used and earned:- The foreign exchange used and earned during the year by the Company are as under:-
Foreign Exchange Used – ₹5143.30 Lakhs
Foreign Exchange Earned – ₹10329.53 Lakhs

Kolkata
30th May, 2017



Alok Jalan
Whole Time Director
DIN:00758762



Deepak Jalan
Managing Director
DIN:00758600

ANNEXURE - D

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

A. Under Rule 5(1)

Sl. No.	Name of the Director / KMP	Designation	Ratio of remuneration of each Director/ to median remuneration of employees	% increase in Remuneration over Last Year
1	Shri Deepak Jalan	Managing Director	76:1	-
2	Shri Alope Jalan	Whole Time Director	63:1	0.71
3	Shri Naresh Pachisia	Independent, Non- Executive	3:1	10.16
4	Shri Kedar Nath Ranasaria	Independent, Non- Executive	3:1	8.22
5	Dr. Ranjan Das	Independent, Non- Executive	2.6:1	(1.33)
6	Shri Anil Kochar	Independent, Non-Executive	3:1	(3.57)
7	Ms. Supriya Newar	Independent, Non-Executive	3:1	5.26
8	Shri N. K. Dujari	CFO & Company Secretary	11:1	21.61

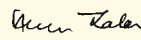
- The number of permanent employees as on 31st March, 2017 was 708.
- Compared to the previous year 2015-16, the figures for the current year 2016-17 reflects that:
 - Median remuneration and average remuneration of employees of all employees have increased by 10.45% and 8.1%
 - Average remuneration of employees excluding Key Managerial Personnel has increased by 8.1%
 - Remuneration of Key Managerial Personnel has increased by 1.66%
- The remuneration of the Directors, Key Managerial Personnel and other employees is in accordance with the Remuneration Policy of the Company.

B. Under Rule 5(2)

Name	Designation	Remuneration subject to tax (₹)	Qualification	Age / Experience (Years)	Date of Commencement of Employment	Details of last employment
Shri Deepak Jalan	Managing Director	1,08,95,000	B.Com	55 / 31	01.04.1995	Self Employed
Shri Alope Jalan	Whole Time Director	89,41,552	B.Com	48 / 26	01.05.2004	Self Employed
Shri Manmeet Singh	Vice President - Sales & Marketing	43,53,380	B.Com, PGDBM	41/18	04.07.2016	Pepsico Holdings Pvt. Ltd.
Shri Vinay Maheswari	President- International Business	22,93,739	B.E. (Electronics)	51/27	01.08.2000	ZAO Scheffelds, Moscow
Shri N. K. Dujari	C F O & Company Secretary	16,14,950	B.Com(H), FCA, FCS	50/30	01.12.2000	Globsyn Webel Ltd.
Shri G. N. Choudhury	Dy. Manager- Operation	11,06,720	ITI, DPMMT (CIPET)	38/20	01.08.2001	K S B Plastomec
Shri Manish Kr. Shroff	Sr. Manager- IBD	10,41,087	B.Com	46/20	13.11.1995	Indian Express
Shri Deepak Ramgaria	Sr. Manager- Mfg. Operation (Exp.)	10,45,338	B.Com(H)	46/17	06.01.2010	Self Employed
Shri K A S Noushad	Regional Business Manager-South	10,41,890	B.Sc., MBA	44/14	02.11.2015	Cello Pens Pvt. Ltd.
Shri Asish Kanoria	Sr Manager- Sales Coordination	10,24,511	B.Com	42/19	02.06.2002	Victoria Tea Company
Shri Partha Pratim Banerjee	Regional Business Manager-East	9,69,820	B.COM,	51/30	27.12.2001	Menezes Cosmetics Pvt.Ltd

Notes:

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



Alope Jalan
Whole Time Director
Din:00758762



Deepak Jalan
Managing Director
Din:00758600

Kolkata
30th May, 2017

ANNEXURE - E

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I REGISTRATION AND OTHER DETAILS:

1	CIN	L36991WB1994PLC065583
2	Registration Date	24.10.1994
3	Name of the Company	LINC PEN & PLASTICS LIMITED
4	Category/Sub-Category of the Company	PUBLIC COMPANY LIMITED BY SHARES
5	Whether listed Company (Yes/No)	YES
6	Name, Address and Contact details of Registrar and Transfer Agent, if any	MAHESHWARI DATAMATICS PVT. LTD. 23, R. N. MUKHERJEE ROAD, 5TH FLOOR, KOLKATA- 700001 PHONE: (033) 2243 5029/2248 2248 FAX: (033) 2248 4787

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of Main Product / Services	NIC Code of the Product	% of total turnover of the Company
	Ball Point Pen	32901	83.54

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GIN	Holding / Subsidiary of the Company	% of shares held	Applicable Section
	NIL	NIL	NIL	NIL	NIL

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1. Indian									
a. Individual / HUF	72,72,426	-	72,72,426	49.18%	71,74,985	-	71,74,985	48.53%	(1.34)%
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d. Bodies Corp.	16,75,207	-	16,75,207	11.33%	16,75,207	-	16,75,207	11.33%	-
e. Bank/FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total-A(1)	89,47,633	-	89,47,633	60.51%	88,50,192	-	88,50,192	59.86%	(1.09)%
2. Foreign	-	-	-	-	-	-	-	-	-
a. NRI- Individual	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank / FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub-Total-A(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters A= A(1) +A(2)	89,47,633	-	89,47,633	60.51%	88,50,192	-	88,50,192	59.86%	(1.09)%
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institution									
a. Mutual Funds	-	-	-	-	2,80,450	-	2,80,450	1.90%	100.00
b. Bank/FI	172	-	172	0.00%	1,317	-	1,317	0.01%	665.70%
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital.	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIs	44,560	-	44,560	0.30%	9,000	-	9,000	0.06%	(79.80)%
h. Foreign Venture Capital	-	-	-	-	-	-	-	-	-
j. Others:									
Foreign Portfolio Investors	-	-	-	-	12,915	-	12,915	0.09%	100.00
Sub-Total-B(1)	44,732	-	44,732	0.30%	3,03,682	-	3,03,682	0.02	578.89%
2. Non-Institution									
a. Body Corp.									
i) Indian	8,34,060	1,001	8,35,061	5.65%	6,33,344	1,001	6,34,345	4.29%	(24.04)%
ii) Oversease	20,00,000	-	20,00,000	13.53	20,00,000	-	20,00,000	13.53	-
b. Individuals									
i. Individual shareholders holding nominal share capital up to ₹1 lac	13,39,430	1,85,732	15,25,162	10.31%	12,32,459	1,82,363	14,14,822	9.57%	(7.23)%
ii. I Individual shareholders holding nominal share capital in excess of ₹1 lac.	11,95,539	14,500	12,10,039	8.18%	14,31,370	14,500	14,45,870	9.78%	19.49%
c. Others (Specify)									

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Non Resident Individual	1,87,733	-	1,87,733	1.27%	93,372	-	93,372	0.63%	(50.26)%
iii. Clearing Members	16,848	-	16,848	0.11%	43,677	-	43,677	0.30%	159.24%
iv. NBFCs registered with RBI	18,752	-	18,752	0.13%	-	-	-	-	(100.00)%
Sub-Total-B(2)	55,92,362	2,01,233	57,93,595	39.18%	54,34,222	19,7864	56,32,086	38.09%	(2.79)%
Total Public Shareholding B= B(1) + B(2)	56,37,094	2,01,233	58,38,327	39.49%	57,37,904	19,7864	59,35,768	40.14%	1.67%
C. Shares held by Custodian for GDRs & ADRs									
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
*Grand Total (A+B+C)	1,45,84,727	2,01,233	1,47,85,960	100.00%	1,45,88,096	1,97,864	1,47,85,960	100.00%	-

ii Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Deepak Jalan	3,10,554	2.10%	NIL	3,12,455	2.11%	NIL	0.61%
2	Deepak Jalan HUF	4,75,466	3.22%	NIL	4,75,966	3.22%	NIL	0.11%
3	Prakash Jalan	100	-	NIL	100	-	NIL	-
4	Aloke Jalan	7,68,416	5.20%	NIL	7,68,416	5.20%	NIL	-
5	Aloke Jalan HUF	20,800	0.14%	NIL	20,800	0.14%	NIL	-
6	Suraj Mal Jalan	10,18,683	6.89%	NIL	10,25,371	6.93%	NIL	0.66%
7	Suraj Mal Jalan HUF	49,100	0.33%	NIL	49,100	0.33%	NIL	-
8	Shobha Jalan	20,03,730	13.55%	NIL	20,03,730	13.55%	NIL	-
9	Bimla Devi Jalan	1,57,500	1.07%	NIL	1,57,500	1.07%	NIL	-
10	Divya Jalan	13,280	0.09%	NIL	2,000	0.01%	NIL	(84.94)%
11	Rohit Deepak Jalan	59,900	0.41%	NIL	59,900	0.41%	NIL	-
12	Aakash Jalan	22,100	0.15%	NIL	22,100	0.15%	NIL	-
13	Utkarsh Jalan	12,400	0.08%	NIL	12,400	0.08%	NIL	-
14	Devanshi Jalan	3,61,397	2.44%	NIL	3,61,397	2.44%	NIL	-
15	Sarita Jalan	19,99,000	13.52%	NIL	18,99,750	12.85%	NIL	(4.96)%
16	Ekta Jalan	-	-	NIL	4,000	0.03%	NIL	100%
17	Linc Writing Aids Pvt. Ltd.	16,75,207	11.33%	NIL	16,75,207	11.33%	NIL	-
	Total	89,47,633	60.51%	NIL	88,50,192	59.86%	NIL	(1.09)%

iii Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Deepak Jalan				
	At the beginning of the year	3,10,554	2.10%		
	Increase / (Decrease) during the year				
	03/03/17	1,901	0.01%	3,12,455	2.11%
	At the end of the year			3,12,455	2.11%
2	Deepak Jalan HUF				
	At the beginning of the year	4,75,466	3.22%		
	Increase / (Decrease) during the year				
	03/03/17	500	-	4,75,966	3.22%
	At the end of the year			4,75,966	3.22%
3	Prakash Jalan				
	At the beginning of the year	100	-		
	At the end of the year			100	-
4	Aloke Jalan				
	At the beginning of the year	7,68,416	5.20%		
	At the end of the year			7,68,416	5.20%
5	Aloke Jalan HUF				
	At the beginning of the year	20,800	0.14%		
	At the end of the year			20,800	0.14%
6	Surajmal Jalan				
	At the beginning of the year	10,18,683	6.89%		
	18/11/16	3,000	0.02%	10,21,683	6.91%
	25/11/16	1,622	0.01%	10,23,305	6.92%
	23/12/16	2,066	0.01%	10,25,371	6.93%
	At the end of the year			10,25,371	6.93%
7	Surajmal Jalan HUF				
	At the beginning of the year	49,100	0.33%		
	At the end of the year			49,100	0.33%
8	Shobha Jalan				
	At the beginning of the year	20,03,730	13.55%		
	At the end of the year			20,03,730	13.55%
9	Bimla Devi Jalan				
	At the beginning of the year	1,57,500	1.07%		
	At the end of the year			1,57,500	1.07%
10	Divya Jalan				
	At the beginning of the year	13,280	0.09%		
	Increase / (Decrease) during the year				
	31/03/17	(11,280)	0.08%	2,000	0.01%

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the end of the year			2,000	0.01%
11	Rohit Deepak Jalan				
	At the beginning of the year	59,900	0.41%		
	At the end of the year			59,900	0.41%
12	Aakash Jalan				
	At the beginning of the year	22,100	0.15%		
	At the end of the year			22,100	0.15%
13	Utkarsh Jalan				
	At the beginning of the year	12,400	0.08%		
	At the end of the year			12,400	0.08%
14	Devanshi Jalan				
	At the beginning of the year	3,61,397	2.44%		
	At the end of the year			3,61,397	2.44%
15	Sarita Jalan				
	At the beginning of the year	19,99,000	13.52%		
	Increase / (Decrease) during the year				
	03/03/17	750	0.01%	19,99,750	13.52%
	31/03/17	(1,00,000)	0.68%	18,99,750	12.85%
	At the end of the year			18,99,750	12.85%
16	Ekta Jalan				
	At the beginning of the year	-	-		
	Increase / (Decrease) during the year				
	24/02/17	2,000	0.01%	2,000	0.01%
	03/03/17	2,000	0.01%	4,000	0.03%
	At the end of the year			4,000	0.03%
17	Linc Writing Aids Pvt. Ltd.				
	At the beginning of the year	16,75,207	11.33%		
	At the end of the year			16,75,207	11.33%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
		No. of Shares	No. of Shares	% of Total Shares of the Company
1	MITSUBISHI PENCIL CO LTD			
	At the beginning of the year	20,00,000		13.53%
	At the end of the year		20,00,000	13.53%
2	AJANTA SALES PRIVATE LIMITED			
	At the beginning of the year	2,43,078		1.64%
	Increase / (Decrease) during the year			
	22/04/16	(11,866)	2,31,212	1.56%

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
		No. of Shares	No. of Shares	% of Total Shares of the Company
	29/04/16	(13,134)	2,18,078	1.47%
	06/05/16	13,380	2,31,458	1.57%
	15/07/16	(1,50,000)	81,458	0.55%
	22/07/16	11,529	92,987	0.63%
	29/07/16	6,000	98,987	0.67%
	05/08/16	3,042	1,02,029	0.69%
	19/08/16	25,000	1,27,029	0.86%
	26/08/16	12,676	1,39,705	0.94%
	02/09/16	3,521	1,43,226	0.97%
	09/09/16	(79,036)	64,190	0.43%
	16/09/16	20,379	84,569	0.57%
	23/09/16	1,100	85,669	0.58%
	25/11/16	1,00,000	1,85,669	1.26%
	At the end of the year		1,85,669	1.26%
3	S. SHYAM			
	At the beginning of the year	1,56,683		1.06%
	Increase / (Decrease) during the year			
	29/04/16	2,217	1,58,900	1.07%
	06/05/16	6,930	1,65,830	1.12%
	13/05/16	1,005	1,66,835	1.13%
	22/07/16	5,648	1,72,483	1.17%
	12/08/16	1,509	1,73,992	1.18%
	19/08/16	1,654	1,75,646	1.19%
	26/08/16	16	1,75,662	1.19%
	13/01/17	4	1,75,666	1.19%
	20/01/17	2,429	1,78,095	1.20%
	27/01/17	11,608	1,89,703	1.28%
	03/02/17	1,160	1,90,863	1.29%
	At the end of the year		1,90,863	1.29%
4	SHREE BALAJI SAREES PVT. LTD.			
	At the beginning of the year	1,40,000		0.95%
	Increase / (Decrease) during the year			
	At the end of the year		1,40,000	0.95%
5	NITIN CHUNILAL MEHTA			
	At the beginning of the year	1,15,000		0.78%
	28/10/16	2,500	1,17,500	0.79%
	11/11/16	2,500	1,20,000	0.81%
	31/03/17	(1,135)	1,18,865	0.80%
	At the end of the year		1,18,865	0.80%
6	NITIN TANDON			
	At the beginning of the year	96,000		0.65%
	At the end of the year		96,000	0.65%
7	VIJAYA S			
	At the beginning of the year	79,366		0.54%
	Increase / (Decrease) during the year		96,000	0.65%
	24/06/16	8,256	87,622	0.59%
	30/06/16	3,000	90,622	0.61%
	15/07/16	3,000	93,622	0.63%

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
		No. of Shares	No. of Shares	% of Total Shares of the Company
	22/07/16	1,066	94,688	0.64%
	05/08/16	344	95,032	0.64%
	26/08/16	448	95,480	0.65%
	28/10/16	326	95,806	0.65%
	18/11/16	500	96,306	0.65%
	25/11/16	1,000	97,306	0.66%
	At the end of the year		97,306	0.66%
8	IDFC MONTHLY INCOME PLAN			
	At the beginning of the year	-	-	-
	Increase / (Decrease) during the year			
	22/07/16	1,48,745	1,48,745	1.01%
	19/08/16	1,35,000	2,83,745	1.92%
	31/03/17	(3,295)	2,80,450	1.90%
	At the end of the year		2,80,450	1.90%
9	JITEN KANWAR SINGH			
	At the beginning of the year	77,600		0.52%
	Increase / (Decrease) during the year			
	27/05/16	(200)	77,400	0.52%
	03/06/16	(1,000)	76,400	0.52%
	10/06/16	(1,900)	74,500	0.50%
	17/06/16	(3,100)	71,400	0.48%
	24/06/16	(3,182)	68,218	0.46%
	30/06/16	(4,818)	63,400	0.43%
	08/07/16	(6,000)	57,400	0.39%
	15/07/16	(6,000)	51,400	0.35%
	22/07/16	(13,656)	37,744	0.26%
	29/07/16	(344)	37,400	0.25%
	09/09/16	(2,400)	35,000	0.24%
	07/10/16	(2,000)	33,000	0.22%
	14/10/16	(1,000)	32,000	0.22%
	21/10/16	(3,000)	29,000	0.20%
	28/10/16	(7,000)	22,000	0.15%
	04/11/16	(4,349)	17,651	0.12%
	18/11/16	(664)	16,987	0.11%
	25/11/16	(7,987)	9,000	0.06%
	02/12/16	(4,000)	5,000	0.03%
	09/12/16	(1,100)	3,900	0.03%
	At the end of the year		3,900	0.03%
10	AMIT SHARAFF			
	At the beginning of the year	54,457		0.37%
	Increase / (Decrease) during the year			
	15/04/16	1,637	56,094	0.38%
	22/07/16	1,201	57,295	0.39%
	29/07/16	7,199	64,494	0.44%
	26/08/16	10,024	74,518	0.50%

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
		No. of Shares	No. of Shares	% of Total Shares of the Company
	16/09/16	9,579	84,097	0.57%
	24/03/17	5,903	90,000	0.61%
	31/03/17	1,00,000	1,90,000	1.29%
	At the end of the year		1,90,000	1.29%
11	INDIANIVESH SECURITIES PRIVATE LIMITED			
	At the beginning of the year	228		-
	Increase / (Decrease) during the year			
	08/04/16	(228)	-	-
	22/04/16	50	50	-
	29/04/16	445	495	-
	06/05/16	85	580	-
	13/05/16	668	1,248	0.01%
	20/05/16	(254)	994	0.01%
	27/05/16	57	1,051	0.01%
	03/06/16	(2)	1,049	0.01%
	10/06/16	(282)	767	0.01%
	17/06/16	75,366	76,133	0.51%
	24/06/16	(74,083)	2,050	0.01%
	30/06/16	(2,000)	50	-
	15/07/16	8	58	-
	22/07/16	192	250	-
	29/07/16	(200)	50	-
	05/08/16	100	150	-
	12/08/16	500	650	-
	16/09/16	(50)	600	-
	30/09/16	(50)	550	-
	07/10/16	(50)	500	-
	21/10/16	1,139	1,639	0.01%
	16/12/16	450	2,089	0.01%
	23/12/16	449	2,538	0.02%
	30/12/16	(500)	2,038	0.01%
	06/01/17	(899)	1,139	0.01%
	13/01/17	(234)	905	0.01%
	20/01/17	234	1,139	0.01%
	03/02/17	(40)	1,099	0.01%
	17/02/17	(1,099)	-	-
	31/03/17	40	40	-
	At the end of the year		40	-
12	RELIANCE CAPITAL TRUSTEE CO. LTD- A/C RELIANCE SMALL CAP FUND			
	At the beginning of the year	-		-
	Increase / (Decrease) during the year			
	24/06/16	1,15,948	1,15,948	0.78%
	30/06/16	3,215	1,19,163	0.81%
	08/07/16	25,118	1,44,281	0.98%
	15/07/16	14,641	1,58,922	1.07%
	29/07/16	(10,975)	1,47,947	1.00%
	05/08/16	(30)	1,47,917	1.00%

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
		No. of Shares	No. of Shares	% of Total Shares of the Company
	12/08/16	(12,771)	1,35,146	0.91%
	19/08/16	(1,35,146)	-	-
	At the end of the year		-	-
13	CELLO PENS & STATIONERY PVT LTD			
	At the beginning of the year	53,000		0.36%
	Increase / (Decrease) during the year			
	13/05/16	1	53,001	0.36%
	20/05/16	24,999	78,000	0.53%
	21/10/16	(10,000)	68,000	0.46%
	28/10/16	(8,000)	60,000	0.41%
	02/12/16	3,990	63,990	0.43%
	10/02/17	(383)	63,607	0.43%
	17/02/17	(3,607)	60,000	0.41%
	24/02/17	(2,653)	57,347	0.39%
	31/03/17	(3,297)	54,050	0.37%
	At the end of the year		54,050	0.37%

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Deepak Jalan	3,10,554	2.10%	3,12,455	2.11%
	Aloke Jalan	7,68,416	5.20%	7,68,416	5.20%
	N. K. Dujari	7,000	0.05%	2,500	0.02%

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,093.77	-	-	3,093.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total of (i+ii+iii)	3,093.77	-	-	3,093.77
Change in Indebtedness during the financial year				
+ Addition	1,985.77	-	-	1,985.77
- Reduction				-
Net Change	1,985.77	-	-	1,985.77
Indebtedness at the end of the financial year				
i) Principal Amount	5,079.54	-	-	5,079.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total of (i+ii+iii)	5,079.54	-	-	5,079.54

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Deepak Jalan	Aloke Jalan	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	90.00	72.00	162.00
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option / 3. Sweat Equity	-	-	-
4	Commission as % of profit	8.00	8.00	16.00
5	Others, please specify: Contribution to Provident Fund, Medical Reimbursement & LTC	10.95	9.42	20.37
	Total (A)	108.95	89.42	198.37
	Ceiling as per the Act	10% of the Net Profit of the Company		

B. Remuneration to other directors:

(₹ in Lakhs)

Particulars of Remuneration	Name of Directors					Total Amount
	Dr. Ranjan Das	Mr. Naresh Pachisia	Mr. K. N. Ranasaria	Mr. Anil Kochar	Ms. Supriya Newar	
Independent Directors						
• Fee for attending board committee meetings	0.70	1.77	1.61	1.05	1.00	6.13
• Commission	3.00	3.00	3.00	3.00	3.00	15.00
• Others, please specify						
Total	3.70	4.77	4.61	4.05	4.00	21.13
Total Managerial Remuneration						
Overall Ceiling as per the Act	1% of the Net Profit of the Company					

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Mr. N. K. Dujari CFO & Company Secretary
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14.41
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option / 3. Sweat Equity /4. Commission as % of profit	-
5	Others: Contribution to PF, Medical Reimbursement & LTC	1.74
	Total	16.15

VII Penalties / Punishment/ Compounding of Offences : None

Kolkata
30th May, 2017


Alope Jalan
Whole Time Director
Din:00758762


Deepak Jalan
Managing Director
Din:00758600

ANNEXURE - F

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2017

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

To,
The Members,
M/s Linc Pen & Plastics Limited
Satyam Towers, 1st Floor,
3, Alipore Road,
Kolkata- 700027

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

Based on our verification of the M/s Linc Pen & Plastics Limited's books, papers, minute books, forms and returns filed, registers and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other registers and records maintained by M/s Linc Pen and Plastics Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act)

- and the rules made there under ;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 .
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act

and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

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

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

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

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

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

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

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

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

During the period under review the Company has complied with the

provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:-

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board as the case may be.

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

We further report that during the audit period the company has entered into or taken the following major decisions which have influential financial impact on the entire affairs of the Company: -

New manufacturing facility at OHM Industrial Infrastructure Park, Umbergaon, Gujarat have been inaugurated on 1st May, 2017. The commercial production will start at the new facility after successful trial run.

For D. C. Sahoo & Co.
Company Secretaries



D. C. Sahoo
Proprietor

M. No.: ACS No: 14008
C P No.: 5508

To,

The Members,

M/s Linc Pen & Plastics Limited

Satyam Towers, 1st Floor, 3, Alipore Road, Kolkata- 700027

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

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

For D. C. Sahoo & Co.
Company Secretaries



D. C. Sahoo
Proprietor

M. No.: ACS No: 14008
C P No.: 5508

Place : Kolkata
Date: 30.05.2017

Place : Kolkata
Date: 30.05.2017

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

ANNEXURE - G
ANNUAL REPORT ON CSR ACTIVITIES

1	A brief outline of the Company's CSR Policy, including overview of projects or programmes propose to be undertaken and a reference to the weblinc to the CSR policy and projects or programs	The Company has adopted a CSR Policy in compliance with the Companies Act, 2013, which is placed on the website of the Company - www.lincpen.com. The Company directly contributed in the field of Education, Health Care, Nationally Recognised Sports.					
2	The composition of the CSR Committee.	Shri Deepak Jalan (Chairman), Shri Alopek Jalan & Ms. Supriya Newar					
3	Average Net Profit of the company for last 3 financial years	₹1919 Lakhs					
4	Threshold Limit-(2% of this amount as in 3 above)	₹38.38 Lakhs					
5	Details of CSR spent during the financial year						
	a. Total amount to be spent for the financial year	₹22.83 Lakhs					
	b. Amount unspent, if any	₹15.55 Lakhs					
	(c) Manner in which the amount spent during the financial year is detailed below:						
1	2	3	4	5	6	7	8
Sl	"CSR project/ activity identified"	Sector in which the project is covered	"Projects/Programmes 1. Local area/others-2. specify the state / district (Name of the District/s, State/s where project/ programme was undertaken"	Amount outlay (budget) project / programme wise (₹ In Lakhs)	Amount spent on the project / programme Subheads: 1. Direct expenditure on project, 2. Overheads: (₹ In Lakhs)	Cumulative spend upto to the reporting period. (₹ In Lakhs)	Amount spent: Direct / through implementing agency
1	Promoting, Education, Health Care, Nationally Recognised Sports	Education	Kolkata, West Bengal	11.00	11.00	11.00	Directly to Good News Children Education Mission
		Education	Kolkata, West Bengal	2.00	2.00	2.00	Directly to Ektara
		Education	Tribal / Rural areas all over the Country	2.00	2.00	2.00	Directly to Friends of Tribal Society
		Education	Kolkata, West Bengal	1.25	1.25	1.25	Directly to Help Us Help Them
		Education	Kolkata, West Bengal	1.00	1.00	1.00	Directly to Friends of Kolkata
		Education	Kolkata, West Bengal	1.00	1.00	1.00	Directly to Lions Club of Calcutta Sanchetna
		Education	Kolkata, West Bengal	1.00	1.00	1.00	Directly to Terapanth Yuvak Parishad Trust
		Education / Health Care	Kolkata, West Bengal	1.00	1.00	1.00	Amount given directly to Kolkata Gives Foundations
		Education	Kolkata, West Bengal	0.75	0.75	0.75	Directly to Parivaar Education Society
		Nationally Recognised Sports	Kolkata, West Bengal	0.72	0.72	0.72	Directly to Japan Karate Association of India
		Education	Kolkata, West Bengal	0.51	0.51	0.51	Directly to Apne Aap Women Worldwide (India) Trust
		Health Care	Mumbai, Maharashtra	0.50	0.50	0.50	Directly to Care & Concern Foundation
		Education	Kolkata, West Bengal	0.10	0.10	0.10	Directly to Rotary Club of Calcutta Victoria Trust

Note : Administrative Overhead expenses is Nil

6. The spending was less as the Company wanted to utilize the funds in justifiable, sustainable and measurable activities. The shortfall in the spend during the year under review is intended to be utilized in future on projects within the Company's CSR Policy. Further as a responsible corporate citizen, the Company had been involved in CSR activities since its inception. Some of these activities will not fall under 2% CSR spend as per Schedule VII read with Section 135 of the Companies Act, 2013. But the Company decided to continue with them, since those activities are integral to the business of the Company.

7. The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the Company

Kolkata
30th May, 2017


Alopek Jalan
Whole Time Director
Din:00758762


Deepak Jalan
Chairman - CSR Committee
Din:00758600

DIRECTOR'S PROFILE

DR. RANJAN DAS,

68, director, an M.Sc (Applied Mathematics) and a Doctorate in Strategic Management. He is currently a Professor of Strategic Management at 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 21 years experience in strategic & functional management, teaching, training, consulting and research.

MR. ANIL KOCHAR,

60, director, a postgraduate in commerce and LLB, is an eminent advisor on income tax matters. He brings with him a wide experience to the Board.

MS. SUPRIYA NEWAR,

42, director, for the last 18 years, she has keenly traversed the complete spectrum of Brand and Communications from content creation, journalism to marketing communication, brand management, public relations and the digital wave. Over the years, she has worked with leading brands, both Indian and global and has led and trained several executives. She has been a student of Arts and holds a Masters Degree in International Relations. Retaining her 'Calcutta Chromosome', she is a music aficionado, an avid traveler and a book worm and rejoices in wielding her pen as well as engaging with younger minds as a Visiting Lecturer at Institutes of repute.

MR. NARESH PACHISIA,

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

MR. KEDAR NATH RANASARIA,

83, director, he is a post-graduate and brings with him more than four decades of experience in finance, manufacturing and other allied areas. He was associated with Balrampur Chini Mills Limited, one of India's leading sugar company.

MR. ALOKE JALAN,

48, wholtime director, a commerce graduate with 26 years of experience in the business, he looks after the Company's marketing operations with special emphasis in the western region and southern Region.

MR. DEEPAK JALAN,

55, managing director, a commerce graduate with 31 years of experience in the business, he is responsible for the overall operations of the Company with a specialisation in international operations.

INDEPENDENT AUDITORS' REPORT

To
The Members of
Linc Pen & Plastics Limited

Report on the financial statements

We have audited the accompanying financial statements of Linc Pen & Plastics Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2017 and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - iii. The Balance Sheet, the Statement of Profit and Loss and the Cash flow Statement dealt with by this Report are in agreement with the books of account.
 - iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - v. On the basis of the written representations received from the directors as at 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.28.1. to the financial statements.
- b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- c. There was no delay in transferring amounts of Unpaid dividend to the Investor Education and Protection Fund.
- d. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 17;

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



(CA. Radhika Bhauwala)
Partner
Membership No. 310691

Place of Signature: Kolkata
Date: The 30th day of May, 2017

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

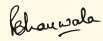
Statement referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of **LINC PEN & PLASTICS LIMITED** on the financial statements for the year ended 31st March, 2017.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a), (b) and (c) of paragraph 3 of the said order are not applicable to the Company.
- (iv) The Company has neither given any loan, guarantee or security nor made any investment under the provisions of section 185 and 186 of the Act. Therefore, clause (iv) of paragraph 3 of the said order is not applicable to the Company.
- (v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
- (vi) The provisions regarding maintenance of the cost records under Section 148(1) of the Act are not applicable to the Company.
- (vii) (a) On the basis of our examination, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, to the extent applicable, with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date of becoming payable.
- (b) The disputed statutory dues aggregating to ₹246.31 Lakhs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the Statute	Nature of dues	Period to which pertain	Amount (₹ in Lakhs)	Forum where the dispute is pending
1	The Income Tax Act, 1961	Income Tax	A.Y. 2005-06	25.16	ITAT
2	The Income Tax Act, 1961	Income Tax	A.Y. 2006-07	106.24	ITAT
3	The Income Tax Act, 1961	Income Tax	A.Y. 2007-08	0.82	ITAT
4	The Income Tax Act, 1961	Income Tax	A.Y. 2008-09	56.91	ITAT
5	The Income Tax Act, 1961	Income Tax	A.Y. 2009-10	54.33	ITAT
6	The Income Tax Act, 1961	Income Tax	A.Y. 2013-14	0.24	CIT Appeals
7	The Income Tax Act, 1961	Income Tax	A.Y. 2014-15	2.61	CIT Appeals
Total				246.31	

- (viii) On the basis of our examination of records and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and Government and has not issued any debentures.
- (ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has neither raised any money by way of initial public offer or further public offer (including debt instruments). During the year, the company has raised fund through term loan for ₹1344 Lakhs from HDFC Bank and have been applied for the purpose for which it has been obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of paragraph 3 of the said order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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


(CA. Radhika Bhauwala)
 Partner
 Membership No. 310691

Place of Signature: Kolkata
 Date: The 30th day of May, 2017

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT

of even date on the Financial Statements of **LINC PEN & PLASTICS LIMITED**

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

We have audited the internal financial controls over financial reporting of Linc Pen & Plastics Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial

Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting


Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting

may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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



(CA. Radhika Bhauwala)
Partner
Membership No. 310691

Place of Signature: Kolkata
Date: The 30th day of May, 2017

BALANCE SHEET

AS AT 31ST MARCH, 2017

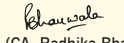
(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	1,478.60	1,478.60
(b) Reserves and surplus	3	10,350.55	8,633.61
		11,829.15	10,112.21
(2) Non-current liabilities			
(a) Long-term borrowings	4	1,343.60	-
(b) Deferred tax liabilities (Net)	5	396.49	276.12
(c) Long-term provisions	6	184.85	143.78
		1,924.94	419.90
(3) Current liabilities			
(a) Short-term borrowings	7	3,735.94	3,093.77
(b) Trade payables	8		
(i) Total outstanding dues of micro enterprises and small enterprises		81.70	87.33
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,857.45	2,798.29
(c) Other current liabilities	9	1,526.88	1,492.90
(d) Short-term provisions	10	10.77	543.48
		7,212.74	8,015.77
TOTAL		20,966.83	18,547.88
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment		4,699.34	4,194.61
(b) Capital work-in-progress	11	1,054.59	175.75
(c) Intangible assets	12	0.68	2.59
(d) Long-term loans and advances	13	2,060.61	836.29
(e) Other non-current assets	14	1.15	0.57
		7,816.37	5,209.81
(2) Current assets			
(a) Inventories	15	7,853.08	7,729.30
(b) Trade receivables	16	3,992.90	4,772.61
(c) Cash and cash equivalents	17	21.63	28.53
(d) Short-term loans and advances	18	1,233.59	787.42
(e) Other current assets	19	49.26	20.21
		13,150.46	13,338.07
TOTAL		20,966.83	18,547.88
Significant Accounting Policies	1		
Other Disclosures	28		

The accompanying notes 1 to 28 are an integral part of the Financial Statements.

As per our report of even date attached.

 For G. P. Agrawal & Co.
 Chartered Accountants
 F.R No.302082E


 (CA. Radhika Bhauwala)
 Partner
 Membership No.310691
 Place of Signature: Kolkata
 Dated: The 30th day of May, 2017

For and on behalf of the Board


 Deepak Jalan
 Managing Director
 DIN:00758600


 Alopek Jalan
 Whole Time Director
 DIN:00758762


 N. K. Dujari
 Chief Financial Officer
 & Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2017

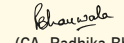
(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
Income			
I. Revenue from operations (Gross)	20		
Sale of goods (Gross)		35,148.08	33,919.37
Less: Excise duty		175.78	185.90
Net Sale of goods		34,972.30	33,733.47
Other operating revenues		1,118.81	680.96
Revenue from operations (Net)		36,091.11	34,414.43
II. Other income	21	37.76	73.84
III. Total revenue (I + II)		36,128.87	34,488.27
IV. Expenses			
Cost of materials consumed	22	10,679.25	10,018.79
Purchases of stock-in-trade	23	12,687.46	12,461.88
Change in inventories of finished goods, work-in-progress and stock in trade	24	(191.22)	(604.27)
Employee benefits expense	25	2,081.64	1,857.01
Finance costs	26	216.66	153.04
Depreciation and amortisation expense		792.83	596.36
Other expenses	27	7,481.94	7,541.78
Total expenses		33,748.56	32,024.59
V. Profit before exceptional and extraordinary items and tax (III - IV)		2,380.31	2,463.68
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		2,380.31	2,463.68
VIII. Extra ordinary items		-	-
IX. Profit before tax (VII - VIII)		2,380.31	2,463.68
X. Tax expense:			
Current tax		543.00	541.00
Deferred tax		120.37	90.68
		663.37	631.68
XI. Profit for the year (IX-X)		1,716.94	1,832.00
XII. Earnings per equity share - Basic and diluted (₹)	28.4	11.61	12.39
(Face value ₹10/- per equity share)			
Significant Accounting Policies	1		
Other Disclosures	28		

The accompanying notes 1 to 28 are an integral part of the Financial Statements.

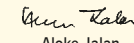
As per our report of even date attached.

 For G. P. Agrawal & Co.
 Chartered Accountants
 F.R No.302082E


 (CA. Radhika Bhauwala)
 Partner
 Membership No.310691
 Place of Signature: Kolkata
 Dated: The 30th day of May, 2017

For and on behalf of the Board


 Deepak Jalan
 Managing Director
 DIN:00758600


 Alopek Jalan
 Whole Time Director
 DIN:00758762


 N. K. Dujari
 Chief Financial Officer
 & Company Secretary

CASH FLOW STATEMENT
 FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit before tax as per Statement of Profit and Loss		2,380.31		2,463.68
Adjustments for:				
Depreciation		792.83		596.36
Profit on sale of Fixed Assets		5.61		(48.19)
Interest Income		(0.26)		(3.33)
Unrealised loss/(gain) on foreign exchange fluctuation (Net)		(116.37)		(24.81)
Finance cost		216.66	898.47	153.04
Operating profit before working capital changes		3,278.78		3,136.75
(Increase) / Decrease in Trade receivables		805.22		(734.25)
(Increase) / Decrease in Inventories		(123.78)		(1,364.58)
(Increase) / Decrease in Long Term Loans & Advances		(1,042.96)		(267.08)
(Increase) / Decrease in Other Non Current Assets		(0.67)		0.25
(Increase) / Decrease in Short Term Loans & Advances		(446.22)		(333.37)
(Increase) / Decrease in Other Current Assets		(29.05)		0.15
Increase / (Decrease) in Long Term Provisions		41.07		22.49
Increase / (Decrease) in Trade Payables		(880.13)		720.14
Increase / (Decrease) in Other Current Liabilities		35.17		194.30
Increase / (Decrease) in Short Term Provisions		1.17	(1,640.18)	0.54
Cash generated from operations		1,638.60		1,375.34
Less: Direct taxes paid		724.31		406.50
Net Cash Generated From Operating Activities		914.29		968.84
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Addition to Property, Plant and Equipment (Including Intangibles)		(2,227.49)		(2,024.30)
Sale of Property, Plant and Equipment		47.40		174.13
Interest Received		0.34		3.29
		(2,179.75)		(1,846.88)
Net Cash Used in Investing Activities		(2,179.75)		(1,846.88)

CASH FLOW STATEMENT
 FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long term borrowings		1,343.60		-
Proceeds /(Repayment) of Short term borrowings (Net)		666.69		1,327.76
Interest Paid		(200.02)		(131.35)
Other borrowing cost		(16.64)		(12.19)
Dividend Paid		(443.58)		(369.65)
Dividend Tax Paid		(90.30)	1,259.75	(73.92)
Net Cash From Financing Activities		1,259.75		740.65
Net increase in cash and cash equivalents (A+B+C)		(5.71)		(137.39)
Cash and cash equivalents - Opening balance		13.67		151.06
		7.96		13.67
Cash and cash equivalents - Closing balance (Refer Note No. 17)		7.96		13.67

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 from respective activities.
- Additions to Property, Plant and Equipment include movement of Capital Work-in-Progress during the year.
- Cash and cash equivalent at the end of the year consist of :

Particulars	(₹ in Lakhs)	
	As at 31st March, 2017	As at 31st March, 2016
a) Cash in hand	7.22	12.55
b) Balances with Banks in Current Accounts	0.74	1.12
c) In Fixed Deposits	-	-
	7.96	13.67

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

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

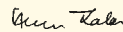
 For G. P. Agrawal & Co.
 Chartered Accountants
 F.R No.302082E


 (CA. Radhika Bhauwala)
 Partner
 Membership No.310691
 Place of Signature: Kolkata

Dated: The 30th day of May, 2017

For and on behalf of the Board


 Deepak Jalan
 Managing Director
 DIN:00758600


 Alok Jalan
 Whole Time Director
 DIN:00758762


 N. K. Dujari
 Chief Financial Officer
 & Company Secretary

Note No. 1: Significant Accounting Policies

a) Basis of preparation of Financial Statements:

The Financial Statements of the Company are prepared in accordance with the generally accepted accounting principles (GAAP) in India.

The Financial statements have been prepared on accrual basis and under historical cost convention except for certain tangible fixed assets which are carried at revalued amounts. The Financial statements are presented in Indian rupees rounded off to the nearest rupees in lakhs.

GAAP comprises applicable Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, relevant applicable provisions of the Companies Act, 1956 and Companies Act, 2013 to the extent notified and the applicable guidelines issued by the Securities and Exchange Board of India.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies' Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Use of Estimates:

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

c) Revenue Recognition:

- i) Revenue from Sale of Goods is recognized upon passage of title to the customers.
- ii) Gross Sales is inclusive of Excise Duty and exclusive of Sales Tax/Vat, rebate etc.
- iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- iv) All other income are accounted for on accrual basis.

d) Expenses:

All the expenses are accounted for on accrual basis.

e) Property Plant and Equipment:

Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Cost, net of cenvat, includes acquisition price, duties, taxes, incidental expenses, erection expenses and interest etc. up to the date the asset is ready for its intended use.

f) Intangible Assets:

Intangible Assets expected to provide future enduring economic benefits are stated at cost less amortization and impairment, if any. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.

g) Capital Work-in-Progress:

It comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Note No. 1: Significant Accounting Policies (contd.)

h) Depreciation and Amortisation:

- i) Depreciation on Tangible Assets is provided on Straight Line basis so as to charge the cost of the assets less its residual value over the useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013.
- ii) Residual Value has been considered as 5% of the cost of the assets.
- iii) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/ disposal.
- iv) Computer Software (Acquired) are amortised over a period of five years on straight line basis.

i) Foreign Currency Transactions:

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

j) Inventories:

- i) Inventories (Other than Scrap) are valued at lower of cost and net realisable value, after providing for obsolescence, if any. Cost of inventory comprises of purchase price, cost of conversion and other cost incurred in bringing the Inventories to their respective present location and condition. The cost of Inventories is computed on weighted average basis except for Raw Materials and Components which is computed on FIFO basis.
- ii) Scrap are valued at Net Realisable Value.

k) Employee Benefits:

- i) Short-term employee benefits based on expected obligation on undiscounted basis are recognized as expenses in the Statement of Profit and Loss for the period in which the related service is rendered.
- ii) Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit and Loss 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 gains and losses in respect of post employment and other long-term employee benefits are recognized in the Statement of Profit and Loss.

l) 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.

m) 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.

Note No. 1: Significant Accounting Policies (contd.)
n) Insurance Claims:

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

o) Impairment of Assets:

Wherever events or changes in circumstances indicate that the carrying amount of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as the excess of the carrying amount over the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the respective asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying amount after reversal is not increased beyond the carrying amount that would have prevailed by charging usual depreciation if there was no impairment.

p) 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.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

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 neither recognized nor disclosed in the Financial Statements.

q) Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined independently for each period presented.

r) Cash flow statement:

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

s) Cash and Cash Equivalents:

Cash and Cash equivalents include cash in hand, cheques in hand, balance with bank on current accounts and short term, highly liquid Investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

Notes to Accounts
Note No. 2 : Share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	Amount	No. of shares	Amount
Authorised				
Equity shares of ₹10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued, subscribed and fully paid up				
Equity shares of ₹10/- each	1,47,85,960	1,478.60	1,47,85,960	1,478.60
		1,478.60		1,478.60

a. Reconciliation of number and amount of equity shares outstanding:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
At the beginning of the year	1,47,85,960	1,478.60	1,47,85,960	1,478.60
Add: Shares Issued for cash	-	-	-	-
At the end of the year	1,47,85,960	1,478.60	1,47,85,960	1,478.60

b. Terms & rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The holders of Equity Shares are entitled to receive dividends as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shareholders holding more than 5% shares in the Company :

Name of the Shareholders	31st March, 2017		31st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mrs. Shobha Jalan	20,03,730	13.55	20,03,730	13.55
M/s. Mitsubishi Pencil Co. Ltd.	20,00,000	13.53	20,00,000	13.53
Mrs. Sarita Jalan	18,99,750	12.85	19,99,000	13.52
M/s. Linc Writing Aids Pvt. Ltd.	16,75,207	11.33	16,75,207	11.33
Mr. Suraj Mal Jalan	10,25,371	6.93	10,18,683	6.89
Mr. Alope Jalan	7,68,416	5.20	7,68,416	5.20

During the year ended 31st March 2017, the Board of Directors has proposed a dividend of ₹3 per equity share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting and if approved it will lead to cash outflow amounting to ₹533.88 lakhs including corporate dividend tax of ₹90.30 lakhs.

Notes to Accounts
Note No. 3 : Reserves and surplus

(₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Securities premium account				
Balance as per last account		2,096.94		2,096.94
General reserve				
Balance as per last account	6,056.59		4,856.59	
Add: Transfer from surplus as per Statement of profit and loss	1,200.00	7,256.59	1,200.00	6,056.59
Surplus in the Statement of profit and loss				
Balance as per last statement	480.08		381.96	
Add: Net profit for the year as per Statement of profit and loss	1,716.94		1,832.00	
Amount available for appropriation	2,197.02		2,213.96	
Less: Appropriations				
Proposed dividend	-		443.58	
Tax on proposed dividend	-		90.30	
Transfer to general reserve	1,200.00		1,200.00	
Closing balance		997.02		480.08
		10,350.55		8,633.61

- a. General Reserve is primarily created to comply with the requirements of sec. 123(1) of the Companies Act, 2013. This is the free reserve and can be utilised for any general purpose viz. issue of bonus shares, payment of dividend, buyback of shares etc.
- b. During the year ended 31st March, 2016, dividend of ₹3 per equity share was recognised as distribution to equity shareholders. The total dividend appropriation for the year ended March 31, 2016 amounted to ₹533.88 lakhs including corporate dividend tax of ₹90.30 lakhs.

Note No. 4 : Long-term borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Term loan (Secured)				
- From bank		1,343.60		-
		1,343.60		-

- a. **Nature of securities:**
Term Loan from Bank is secured against exclusive charge on the fixed assets (moveable & immovable) of the plant located in Umbergaon, Gujarat, second charge on current assets of the Company and personal guarantee of some of the directors of the Company.
- b. **Terms of Repayment of Loans:**
Repayable in 20 quarterly instalments of ₹67.18 lakhs from the end of the 1st quarter after moratorium commencing from 31st Jan, 2018 as per terms of the agreement. The last instalment is due in the month of October, 2022.
- c. **Interest:**
0.9% over base rate which presently is 10.00% p.a at monthly rests.

Notes to Accounts
Note No. 5 : Deferred tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Deferred tax liabilities :				
Depreciation		462.92		327.93
Less : Deferred tax asset				
Expenses allowable for tax purpose when paid		66.43		51.81
Deferred tax liabilities (Net)		396.49		276.12

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Note No. 6 : Long-term provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Provision for employee benefits				
Leave Encashment		170.58		135.81
Gratuity		14.27		7.97
		184.85		143.78

Note No. 7 : Short-term borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Loan repayable on demand				
- From banks (Secured)		2,535.94		2,759.92
Other loans and advances				
- From bank (Secured)		1,200.00		-
Foreign currency loan		-		333.85
		3,735.94		3,093.77

Loan from Banks are secured by first charge on current assets and second charge on moveable fixed assets of the Company and also guaranteed by Managing Director and Whole Time Director. Loan repayable on demand carries interest@ 9.30% to 10.75%.

Note No. 8 : Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 28.2)		81.70		87.33
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,857.45		2,798.29
		1,939.15		2,885.62

Notes to Accounts

Note No. 9 : Other current liabilities (₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unpaid dividends *	13.67	14.86
Trade deposits	296.15	208.56
Other payables		
Advance from customers	38.91	130.69
Statutory liabilities \$	394.89	310.25
Payable to supplier of capital goods	14.88	95.68
Unpaid salaries and other payroll dues	129.39	115.88
Accrued Expenses	638.99	616.98
* There are no amount due and outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund		
\$ Include excise duty and cess on closing stock ₹20.65 Lakhs (Previous Year ₹19.93 Lakhs)		
	1,526.88	1,492.90

Note No. 10 : Short-term provisions (₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for employee benefits - leave encashment	7.12	5.95
Provision for proposed dividend	-	443.58
Provision for tax on proposed dividend	-	90.30
Provision for wealth tax	3.65	3.65
	10.77	543.48

Notes to Accounts

Note No. 11 : Property, Plant & Equipment

Particulars	Gross Block		Depreciation		Net Carrying Amount	
	Cost as at 01.04.2016	Additions during the year during the year	Total as at 31.03.2017	For the year	Upto 31.03.2017	As at 31.03.2017
Freehold Land	131.80	-	131.80	-	-	131.80
Buildings	443.36	1.55	444.91	12.55	96.69	348.22
Plant and Machinery	2,600.00	287.73	2,887.73	288.60	1,469.75	1,384.11
Furniture and Fixtures	387.14	14.39	401.53	37.25	235.55	165.98
Vehicles	236.62	56.85	293.47	28.50	16.84	155.65
Office Equipments	126.31	12.86	139.17	13.68	2.03	103.74
Other Equipment	4,422.80	946.34	5,369.14	387.09	80.83	2,878.40
Electrical Installation & Equipments	180.62	23.17	203.79	17.88	11.21	107.65
Computers & Data Processing Units	152.54	5.76	158.30	5.37	4.56	137.91
TOTAL	8,681.19	1,348.65	10,029.84	790.92	147.09	4,699.34

Additions includes transfer from Capital Work in Progress: Furniture(1.44),Office Equipment(4.02),Other Equipment(23.27) & Electrical Installation & Equipments(1.34)

Particulars	As at 1.04.2016	Additions	Transfer	As at 31.03.2017
Capital Work in Progress	175.75	908.91	30.07	1,054.59

Note No. 12 : Intangible Assets

Particulars	Gross Block		Amortisation		Net Carrying Amount	
	Cost as at 01.04.2016	Additions during the year	Total as at 31.03.2017	For the year	Upto 31.03.2017	As at 31.03.2016
Computer Software	85.38	-	85.38	1.91	84.70	0.68
TOTAL	85.38	-	85.38	1.91	84.70	0.68

Notes to Accounts
Property, Plant & Equipment

Particulars	Gross Block		Depreciation		Net Carrying Amount				
	Cost as at 01.04.2015	Additions during the year	Total as at 31.03.2016	Upto 31.03.2015	For the year	Disposal/ deduction during the year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Freehold Land	131.80	-	131.80	-	-	-	-	131.80	131.80
Buildings	382.14	61.22	443.36	73.51	10.63	-	84.14	359.22	308.63
Plant and Machinery	1,995.45	680.13	2,600.00	1,014.31	244.03	45.57	1,212.77	1,387.23	981.14
Furniture and Fixtures	389.86	13.13	387.14	160.22	42.49	4.41	198.30	188.84	229.64
Vehicles	229.99	35.29	236.62	75.06	28.73	14.73	89.06	147.56	154.93
Office Equipments	120.69	6.20	126.31	77.16	15.26	0.33	92.09	34.22	43.53
Other Equipment	3,518.79	1,075.71	4,422.80	2,443.97	230.44	102.27	2,572.14	1,850.66	1,074.82
Electrical Installation & Equipments	174.86	7.09	180.62	83.76	17.63	0.41	100.98	79.64	91.10
Computers & Data Processing Units	148.33	4.21	152.54	131.86	5.24	-	137.10	15.44	16.47
TOTAL	7,091.91	1,882.98	8,681.19	4,059.85	594.45	167.72	4,486.58	4,194.61	3,032.06

Intangible Assets

Particulars	Gross Block		Amortisation		Net Carrying Amount				
	Cost as at 01.04.2015	Additions during the year	Total as at 31.03.2016	Upto 31.03.2015	For the year	Disposal/ deduction during the year	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
Computer Software	85.38	-	85.38	80.88	1.91	-	82.79	2.59	4.50
TOTAL	85.38	-	85.38	80.88	1.91	-	82.79	2.59	4.50

Notes to Accounts
Note No. 13 : Long-term loans and advances

(₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	(Unsecured, considered good)			
Capital advances		1,659.28		643.35
Security deposits		110.67		85.54
Other loans & advances				
- Advance wealth tax		4.30		4.30
- Advance income tax	2,454.63		1,730.28	
Less: Provision for taxation	2,171.50	283.13	1,628.50	101.78
- Prepaid expenses		3.23		1.32
		2,060.61		836.29

Note No. 14 : Other non-current assets (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Fixed deposits with banks		0.55	
(Non current portion with original maturity period of more than 12 months)				
Fixed deposits with statutory authorities		0.57		0.45
(Non current portion with original maturity period of more than 12 months)				
Interest accrued but not due on fixed deposits		0.03		0.12
		1.15		0.57

Note No. 15 : Inventories*

(₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	(At lower of cost and net realisable value)			
Raw materials		4,136.68		4,204.85
Work-in-progress		46.38		44.49
Finished goods	1,233.95		1,079.79	
Add: Goods in transit	37.86	1,271.81	2.12	1,081.91
Stock-in-trade		2,398.21		2,398.05
* Includes materials lying with other parties				
		7,853.08		7,729.30

Note No. 16 : Trade receivables (Unsecured, considered good)

(₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Outstanding for a period exceeding six months from due date		29.25	
Others		3,963.65		4,741.68
		3,992.90		4,772.61

Notes to Accounts
Note No. 17 : Cash and cash equivalents (₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Cash and cash equivalents				
Balance with banks				
In current accounts	0.74		1.12	
Cash on hand	7.22	7.96	12.55	13.67
Other bank balances				
Earmarked balances				
- Unpaid dividend accounts		13.67		14.86
		21.63		28.53

Details of Specified Bank Notes (SBNs) held and transacted during demonetisation period from 08-11-2016 to 30-12-2016

Sl. No.	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.16	3.82	4.76	8.58
(+) Permitted receipts		14.24	14.24
(-) Permitted payments	-	(15.21)	(15.21)
(-) Amount deposited in Banks	(3.82)	-	(3.82)
Closing cash in hand as on 30.12.16	-	3.79	3.79

Note No. 18 : Short-term loans and advances (Unsecured, considered good) (₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Security deposits		2.92		0.44
Other loans and advances				
- Advances to suppliers and others		1,213.70		761.86
- Prepaid expenses		16.97		25.12
		1,233.59		787.42

Note No. 19 : Other Current Assets (Unsecured, considered good) (₹ in Lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
Interest accrued but not due on fixed deposits		0.14		0.13
Claims receivable		33.79		-
Taxes and duties refundable		15.33		20.08
		49.26		20.21

Notes to Accounts
Note No. 20 : Revenue from operations (₹ in Lakhs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
Sale of goods (Gross)				
Pens	29,362.96		28,171.22	
Refills	1,445.78		1,617.55	
Others	4,339.34		4,130.60	
	35,148.08		33,919.37	
Less: Excise duty	175.78		185.90	
Net sales of goods		34,972.30		33,733.47
Other operating revenues				
- Scrap sales	8.14		6.23	
- Export Incentive	994.30		649.92	
- Gain on exchange fluctuation	116.37	1,118.81	24.81	680.96
Revenue from operations (Net)		36,091.11		34,414.43

Note No. 21 : Other incomes (₹ in Lakhs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
Interest income (Gross)				
- Fixed deposits with banks		0.06		3.11
- Others		0.20		0.22
Other non operating income				
Insurance claim		34.65		0.17
Net gain/ (loss) on sale of Fixed Assets		-		48.19
Miscellaneous Income		2.85		5.93
Liabilities no longer required, written back		-		16.22
		37.76		73.84

Note No. 22 : Cost of materials consumed (₹ in Lakhs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
Plastic powder		3,179.68		3,517.03
Ink		1,012.95		996.33
Tips		1,543.78		1,577.88
Others		4,942.84		3,927.55
		10,679.25		10,018.79

Notes to Accounts
Note No. 23 : Purchase of stock in trade (₹ in Lakhs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Pens		9,578.00	
Refills		181.28		194.11
Others		2,928.18		3,241.24
		12,687.46		12,461.88

Note No. 24 : Change in inventories of finished goods, work in progress and stock in trade (₹ in Lakhs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Finished goods			
Opening stock	1,081.91		1,115.65	
Less: Closing stock	1,271.81	(189.90)	1,081.91	33.74
Work in progress				
Opening stock	44.49		76.31	
Less: Closing stock	46.38	(1.89)	44.49	31.82
Stock in trade				
Opening stock	2,398.05		1,725.25	
Less: Closing stock	2,398.21	(0.16)	2,398.05	(672.80)
Add/(Less): Excise duty and cess on stock*	(0.73)	(0.73)	(2.97)	(2.97)
		(191.22)		(604.27)

*The amount of excise duty and cess on stock represents difference in excise duty and cess on opening and closing stock.

Note No. 25 : Employee benefits expense (₹ in Lakhs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Salaries and wages		1,861.81	
Contribution to provident and other funds		136.02		119.20
Staff welfare expenses		83.81		72.80
		2,081.64		1,857.01

Note No. 26 : Finance costs (₹ in Lakhs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Interest expense			
- On short term borrowings	181.82		108.61	
- On others	18.20	200.02	25.30	133.91
(Includes interest ₹ Nil (Previous Year ₹9.5 lakhs) for shortfall in payment of advance tax)				
Other borrowing costs		16.64		12.19
Applicable Net loss on foreign currency transactions and translation		-		6.94
		216.66		153.04

Notes to Accounts
Note No. 27 : Other expenses (₹ in Lakhs)

Particulars	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Consumption of stores and spares		105.72	
Power and fuel		439.46		388.46
Processing charges		2,586.91		2,283.10
Rent		288.69		277.01
Repairs				
Building		13.20		1.13
Machinery		31.50		21.79
Others		27.61		32.97
Insurance		98.62		97.85
Rates and taxes		35.90		61.01
Payment to auditor				
- For statutory audit	3.44		3.44	
- For tax audit	0.80		0.80	
- For other services (limited review, certification etc.)	3.71	7.95	2.62	6.86
Director sitting fees		6.13		5.34
Travelling & conveyance		412.14		412.08
Postage, telegram & telephone		71.94		77.90
Freight & transportation		596.13		557.06
Advertisement expenses		453.67		811.88
Sales promotion expenses		166.82		341.86
Incentives on sales		286.29		203.61
Commission on Sales		82.42		70.20
Discount allowed		620.06		645.27
Rebate, claim & other expenses		597.89		642.96
Bad debts		-		0.33
Corporate social responsibility expense		22.83		10.72
(Note No. 28.15)				
Loss on sale of fixed assets		5.61		-
Miscellaneous expenses		524.45		495.48
		7,481.94		7,541.78

Notes to Accounts

Note No. 28 : Other Disclosures

1. Contingent liabilities and commitments (to the extent not provided for) (₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Contingent Liabilities:		
Claims against the Company not acknowledged as debts:		
Income Tax demands under appeal	448.24	444.88
Income Tax Paid against demands	201.93	201.42
The amounts shown in (a) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately.		
In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.		
The Company does not expect any reimbursements in respect of the above contingent liabilities.		
b) Commitments:		
i) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	2,509.70	1,146.54
ii) Advance paid against above	1,659.28	643.35

2. Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

Sl. No.	Description	2016-17	2015-16
i)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	81.70	87.33
ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	Nil	Nil
iii)	The amount of interest paid in terms of section 16, along with the amount of payment made to the suppliers beyond the appointed day during the year	Nil	Nil
iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	Nil	Nil
v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.	Nil	Nil
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid.	Nil	Nil

* Shown as line item "Total outstanding dues of Micro and Small Enterprises" under Note No. 8.

Notes to Accounts

3. 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.

4. Earnings Per Share:

Particulars	2016-17	2015-16
The numerator and denominator used to calculate Basic/ Diluted Earnings Per Share		
a) Amount used as the numerator Profit after tax (₹ in Lakhs)	1,716.94	1,832.00
b) Basic / Diluted weighted average number of Equity Shares used as the denominator (Nos. in Lakhs)	147.86	147.86
c) Nominal value of Equity Shares (₹)	10	10
d) Basic / Diluted Earnings Per Share (a/b) (₹)	11.61	12.39

5. Related Party Transactions:

Related party disclosure as per Accounting Standard 18 for the year ended 31st March, 2017 are given below:

I) Names and description of relationship of related parties as on 31st March 2017:

Related Party	Relationship
Key Managerial Personnel (KMP)	
Deepak Jalan	Managing Director (MD)
Aloke Jalan	Whole Time Director (WTD)
N.K.Dujari	Chief Financial Officer & Company Secretary
Enterprises in which KMP and their relatives have substantial interest :	
Linc Writing Aids Pvt. Ltd.	Substantial interest of the relatives of MD and WTD
Linc Retail Ltd.	
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. Rohit Deepak Jalan (Son)
	Mr. Prakash Jalan (Brother)
	Smt. Bindu Jalan (Brother's Wife)
Mr. Aloke Jalan	Aloke Jalan (HUF) Mr. Aloke Jalan is Karta of HUF
	Mrs. Shobha Jalan (Wife)
	Mr. Aakash Aloke Jalan (Son)
	Mr. Utkarsh Jalan (Son)
	Mr. S.M. Jalan (Father)
	Mrs. Bimla Devi Jalan (Mother)
	Mr. Prakash Jalan (Brother)
	Smt. Bindu Jalan (Brother's Wife)

Notes to Accounts
5. Related Party Transactions: (contd.)
II) Details of transactions with related parties.

(₹ in Lakhs)

Description	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.	-	4.18	-	4.18
	(-)	(55.08)	(-)	(55.08)
Linc Retail Ltd.	-	0.82	-	0.82
	(-)	(0.25)	(-)	(0.25)
Sale of Goods				
Linc Retail Ltd.	-	60.75	-	60.75
	(-)	(30.16)	(-)	(30.16)
Linc Writing Aids Pvt. Ltd.	-	247.44	-	247.44
	(-)	(321.42)	(-)	(321.42)
Receiving of Services (Remuneration)				
Mr. Deepak Jalan	108.95	-	-	108.95
	(108.95)	(-)	(-)	(108.95)
Mr. Alope Jalan	89.42	-	-	89.42
	(88.79)	(-)	(-)	(88.79)
Mr. N. K. Dujari	16.15	-	-	16.15
	(13.28)	(-)	(-)	(13.28)
Receiving of Services (Others)				
Linc Writing Aids Pvt. Ltd.	-	12.72	-	12.72
	(-)	(12.72)	(-)	(12.72)
Mr. Rohit Jalan	-	-	7.16	7.16
	(-)	(-)	(5.46)	(5.46)
Ms. Divya Jalan	-	-	4.10	4.10
	(-)	(-)	(4.12)	(4.12)
Mrs. Shobha Jalan	-	-	10.24	10.24
	(-)	(-)	(9.84)	(9.84)
Mr. Aakash Jalan	-	-	8.44	8.44
	(-)	(-)	(7.68)	(7.68)
Mr. Utkarsh Jalan	-	-	8.89	8.89
	(-)	(-)	(8.08)	(8.08)
M/s. Alope Jalan (HUF)	-	-	8.89	8.89
	(-)	(-)	(9.20)	(9.20)
Dividend Paid to Shareholders				
Mr. Deepak Jalan	9.32	-	-	9.32
	(7.77)	(-)	(-)	(7.77)
M/s. Deepak Jalan (HUF)	-	14.26	-	14.26
	(-)	(11.82)	(-)	(11.82)
Mr. Alope Jalan	23.05	-	-	23.05
	(19.21)	(-)	(-)	(19.21)
M/s. Alope Jalan (HUF)	-	0.62	-	0.62
	(-)	(0.52)	(-)	(0.52)
Linc Writing Aids Pvt. Ltd.	-	50.26	-	50.26
	(-)	(41.88)	(-)	(41.88)

Notes to Accounts
5. Related Party Transactions: (contd.)
II) Details of transactions with related parties.

(₹ in Lakhs)

Description	Key Managerial Personnel (KMP)	Enterprises in which KMP and their relatives have substantial interest	Relatives of KMP (R)	Total
Mrs. Sarita Jalan	-	-	59.97	59.97
	(-)	(-)	(49.98)	(49.98)
Mr. S. M. Jalan	-	-	30.56	30.56
	(-)	(-)	(25.47)	(25.47)
M/s. S. M. Jalan (HUF)	-	1.47	-	1.47
	(-)	(1.23)	(-)	(1.23)
Mrs. Shobha Jalan	-	-	60.11	60.11
	(-)	(-)	(50.09)	(50.09)
Mrs. Bimla Devi Jalan	-	-	4.73	4.73
	(-)	(-)	(3.94)	(3.94)
Mr. Prakash Jalan	-	-	0.003	0.003
	(-)	(-)	(0.002)	(0.002)
Ms. Divya Jalan	-	-	-	-
	(-)	(-)	(0.08)	(0.08)
Mr. Rohit Jalan	-	-	1.80	1.80
	(-)	(-)	(1.50)	(1.50)
Mr. Aakash Jalan	-	-	0.66	0.66
	(-)	(-)	(0.55)	(0.55)
Mr. Utkarsh Jalan	-	-	0.37	0.37
	(-)	(-)	(0.31)	(0.31)
Balance Outstanding				
a) Accounts Receivable				
Linc Retail Ltd.	-	113.01	-	113.01
	(-)	(237.47)	(-)	(237.47)
Linc Writing Aids Pvt. Ltd.	-	71.91	-	71.91
	(-)	(130.23)	(-)	(130.23)
b) Amount outstanding against Guarantees given for Loans taken by the Company				
Mr. Deepak Jalan	5,079.54	-	-	5,079.54
	(3,093.77)	(-)	(-)	(3,093.77)
Mr. Alope Jalan	3,143.85	-	-	3,143.85
	(3,093.77)	(-)	(-)	(3,093.77)
Linc Writing Aids Pvt. Ltd.	-	-	-	-
	(-)	(1,358.21)	(-)	(1,358.21)

- 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 pertains to previous year.

Notes to Accounts
6. 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:

Amount (₹ in Lakhs)

Defined Contribution Plan	2016-17	2015-16
Employers' Contribution to Provident Fund	103.64	94.92
Employers' Contribution to Employee State Insurance Scheme	30.43	24.91
Total	134.07	119.83

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 represents 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 available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the statement of profit and loss account for the year ended 31st March, 2017 in respect of Employees Benefit Schemes based on actuarial reports as on 31st March, 2017 is as follows:

(₹ in Lakhs)

	2016-17		2015-16	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
I. Components of Employer Expense:				
1. Current Service Cost	18.71	24.39	18.13	22.56
2. Past Service Cost	-	-	-	-
3. Interest Cost	12.76	10.14	10.97	8.44
4. Expected Return on Plan Asset	(15.07)	-	(13.16)	-
5. Actuarial gain/loss recognized in the year	16.21	31.47	8.34	23.60
6. Expense Recognized in Statement of Profit & Loss	32.61	66.00	24.28	54.60
II. Change in Present Value of Defined Benefit Obligation:				
1. Present Value of Defined Benefit Obligation at the Beginning of the year	164.37	141.76	145.57	123.79
2. Interest Cost	12.76	10.14	10.97	8.44
3. Current Service Cost	18.71	24.39	18.13	22.56
4. Plan Amendments Cost/(Credit)	-	-	-	-
5. Actuarial Gain/(Losses)	13.79	31.47	6.64	23.60

Notes to Accounts
6. Employee Benefits : (contd.)

(₹ in Lakhs)

	2016-17		2015-16	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
6. Benefit Payments	(9.62)	(30.06)	(16.94)	(36.63)
7. Present Value of Obligation at the End of the year	200.01	177.70	164.37	141.76
III. Change in Fair Value of Plan Assets during the year ended 31st March, 2017:				
1. Plan Assets at the Beginning of the year	156.40	-	142.66	-
2. Expected Return on Plan Assets	15.07	-	13.16	-
3. Actual Company Contribution	26.31	-	19.22	-
4. Actuarial Gain/(Losses)	(2.42)	-	(1.70)	-
5. Benefit Payments	(9.62)	-	(16.94)	-
6. Plan Assets at the end of the year	185.74	-	156.40	-
IV. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2017:				
1. Present value of Defined Benefit Obligation	200.01	177.70	164.37	141.76
2. Fair Value on Plan Assets	185.74	-	156.40	-
3. Funded Status (Surplus/(deficit))	(14.27)	(177.70)	(7.97)	(141.76)
4. Net Asset/(Liability) recognized in Balance Sheet	(14.27)	(177.70)	(7.97)	(141.76)
V. Actuarial Assumptions				
1. Discount Rate (per annum)	7.60 %	7.60 %	8.00 %	8.00%
2. Expected Return on Plan Assets (per annum)	9.15 %	-	9.15 %	-
3. Salary Increases	5.50 %	5.50%	5.50 %	5.50%
4. Retirement/Superannuation Age	58	58	58	58
5. Mortality	Indian Assured Lives Mortality (2006 - 08)		Indian Assured Lives Mortality (2006 - 08)	

VI. Basis used to determine the Expected Rate of Return on Plan Assets:

The basis used to determine overall expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

VII. Basis of estimates of rate of escalation in salary

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by LIC.

VIII. Major category of plan assets as a % of the total plan assets as at the year end for Gratuity :

Defined Contribution Plan	2017	2016
Others (including assets under Schemes of Insurance)	100%	100%

Notes to Accounts
6. Employee Benefits : (contd.)
IX The history of experience adjustments for the funded post retirement plan of Gratuity are as follows:

(₹ in Lakhs)

As at 31st March,		2017	2016	2015	2014	2013
1.	Defined Benefit Obligation at the end of the period	(200.01)	(164.37)	(145.57)	(89.91)	(87.43)
2.	Plan Assets at end of the period	185.74	156.40	142.66	121.87	103.40
3.	Funded Status	(14.27)	(7.97)	(2.91)	31.96	15.97
4.	Experience Gain/(Loss) adjustment on plan liabilities	(3.78)	(6.64)	(18.33)	(2.90)	(1.17)
5.	Experience Gain/(Loss) adjustment on plan assets	(2.42)	(1.70)	(0.94)	(2.39)	(0.70)
6.	Actuarial Gain/(Loss) due to change on assumptions	(10.01)	(-)	(23.30)	15.01	(7.62)

X The history of experience adjustments for the unfunded plan of Leave Benefit Scheme are as follows:

(₹ in Lakhs)

As at 31st March,		2017	2016	2015	2014	2013
1.	Defined Benefit Obligation at the end of the period	(177.70)	(141.76)	(123.79)	(89.76)	(87.84)
2.	Plan Assets at end of the period	-	-	-	-	-
3.	Funded Status	(177.70)	(141.76)	(123.79)	(89.76)	(87.84)
4.	Experience Gain/(Loss) adjustment on plan liabilities	(22.87)	(23.60)	(13.64)	(5.37)	(13.28)
5.	Experience Gain/(Loss) adjustment on plan assets	-	-	-	-	-
6.	Actuarial Gain/(Loss) due to change on assumptions	(8.60)	(-)	(19.46)	14.31	(7.52)

XI Other Disclosures

- The Gratuity and Provident Fund Expenses have been recognized under "Contribution to provident and other funds" and Leave Encashment under "Salaries & wages" under Note No. 25.
- Expected employers' contribution for next year is not available and therefore, not disclosed.

7. Intangible Assets

The unamortised amount of Computer Software (Acquired) ₹0.68 Lakh is to be amortised in the coming years as given hereunder:

Particulars	Amount (₹ in Lakhs)	Years
Computer Software	0.68	One

8. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

There are no transactions which are required to be disclosed under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Notes to Accounts
9. Consumption of materials

Amount (₹ in Lakhs)

Particulars	Amount	Percentage
Imported	852.06	7.98%
	(1,114.68)	(11.13%)
Indigenous	9,827.19	92.02%
	(8,904.10)	(88.87%)
Total	10,679.25	100.00%
Total (Previous Year)	(10,018.79)	(100.00%)

10. Consumption of spare parts *

Amount (₹ in Lakhs)

Particulars	Amount	Percentage
Imported	10.59	10.02%
	(1.18)	(1.22%)
Indigenous	95.13	89.98%
	(95.73)	(98.78%)
Total	105.72	100.00%
Total (Previous Year)	(96.91)	(100.00%)

* Spare parts includes store items also.

11. Value of imports on C.I.F. basis

Amount (₹ in Lakhs)

Particulars	2016-17	2015-16
Raw Materials, Components	765.19	1,452.89
Trading Goods	3,101.19	2,920.11
Capital Goods	1,019.21	1,146.50
Spares	10.59	1.18

12. Expenditure in Foreign Currency

Amount (₹ in Lakhs)

Particulars	2016-17	2015-16
Bank Interest & Commission	52.50	50.13
Travelling	51.90	64.77
Exhibition Expenses	46.33	38.44
Commission on Exports	8.17	15.96
Product Designing, Testing Charges & Others	88.22	79.02

13. Earnings in Foreign Currency

Amount (₹ in Lakhs)

Particulars	2016-17	2015-16
Exports on FOB Basis	10,329.53	9,586.54
Sale of Fixed assets	-	13.45

Notes to Accounts

14. Dividend Remittance in Foreign Currency		
Amount (₹ in Lakhs)		
Particulars	2016-17	2015-16
a) Number of Non-Resident to whom remittance was made	1	1
b) Number of shares on which remittance was made	20,00,000	20,00,000
c) Net amount remitted - Dividend for 2015-16	60	50

15. Expenditure on Corporate Social Responsibilities (CSR) Activities		
Amount (₹ in Lakhs)		
Particulars	2016-17	2015-16
Amount required to be spent by the Company during the year.	38.38	26.65

The various heads under which the CSR expenditure was incurred during the year is detailed as follows:


Amount (₹ in Lakhs)				
Sl. No.	Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR Activities	2016-17	2015-16
a)	Clause (i)	Promoting healthcare including preventive healthcare	0.60	-
b)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects socially and economically backward groups	21.51	9.00
c)	Clause (iv)	Animal welfare	-	1.00
d)	Clause (vii)	Promoting rural sports & nationally recognised sports	0.72	0.72
e)		Expenditure on administrative overheads	-	-
			22.83	10.72

The aforesaid amount was spent in cash for purposes other than on construction/acquisition of any asset.

16 Figures in brackets represent figures for the previous year. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary as required by Schedule III of the Companies Act, 2013. 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.

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

For G. P. Agrawal & Co.
Chartered Accountants
F.R No.302082E

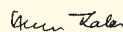

(CA. Radhika Bhaauwala)

Partner
Membership No.310691
Place of Signature: Kolkata

Dated: The 30th day of May, 2017

For and on behalf of the Board


Deepak Jalan
Managing Director
DIN:00758600


Alope Jalan
Whole Time Director
DIN:00758762


N. K. Dujari
Chief Financial Officer
& Company Secretary

10 YEAR FINANCIAL HIGHLIGHTS

Year	(₹ in Cr.)									
	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Source of Funds										
Share Capital	14.79	14.79	14.79	14.79	14.79	12.79	12.79	12.79	12.79	8.00
Reserves & Surplus	103.50	86.34	73.35	63.84	55.79	34.79	34.58	28.87	23.16	24.54
Networth	118.29	101.13	88.14	78.63	70.58	47.58	47.37	41.66	35.95	32.54
Borrowings	50.80	30.94	17.78	32.72	30.30	41.67	40.23	20.65	27.22	28.15
Defd Tax Liab	3.96	2.76	1.85	2.19	2.02	1.89	1.86	1.64	1.58	1.26
Funds Employed	173.05	134.83	107.77	113.54	102.90	91.14	89.46	63.95	64.75	61.95
Operating Results										
Domestic Revenue	256.27	247.12	231.13	223.02	228.24	207.82	198.14	173.27	151.33	138.62
Exports	104.64	97.02	87.17	91.08	77.02	67.23	55.50	52.18	39.43	38.61
Total Revenue	360.91	344.14	318.30	314.10	305.26	275.05	253.64	225.45	190.76	177.23
E B I D T A	33.90	32.13	25.55	22.15	13.99	10.27	16.52	16.32	12.79	11.80
Finance Cost	2.17	1.53	1.48	2.37	2.48	3.78	2.08	1.70	2.86	2.92
Depreciation	7.93	5.96	5.86	5.05	4.47	4.30	3.62	3.07	3.09	2.89
Profit before tax	23.80	24.64	18.21	14.73	7.04	2.19	10.82	11.55	6.84	6.00
Profit after tax (P A T)	17.17	18.32	14.32	11.51	5.41	1.70	8.40	8.40	5.04	5.03
E B I D T A Margin (%)	9.4%	9.1%	8.0%	7.1%	4.6%	3.7%	6.5%	7.2%	6.7%	6.7%
P A T / Total Sales (%)	4.8%	5.3%	4.5%	3.7%	1.8%	0.6%	3.3%	3.7%	2.6%	2.8%
EPS	11.61	12.39	9.69	7.78	3.91	1.33	6.57	6.57	3.94	6.29
Dividend %	30%	30%	25%	20%	15%	10%	18%	18%	15%	15%
Dividend Payout %	31%	29%	31%	30%	45%	88%	32%	32%	45%	28%
Networth per Share (₹)	80.00	68.39	59.61	53.18	47.73	37.21	37.05	32.58	28.12	40.67
Return on Capital Employed %	16.3%	19.4%	18.3%	15.1%	9.3%	6.6%	14.4%	20.7%	15.0%	14.4%
Return on Equity %	14.5%	18.1%	16.3%	14.6%	7.7%	3.6%	17.7%	20.2%	14.0%	15.5%
Average Realisation/pen (₹)	3.90	3.90	3.86	3.78	3.17	3.49	3.29	3.05	2.94	2.69

CORPORATE INFORMATION

BOARD OF DIRECTORS	Category
Dr. Ranjan Das	Independent, Non-executive
Mr. Anil Kochar	Independent, Non-executive
Ms. Supriya Newar	Independent, Non-executive
Mr. Naresh Pachisia	Independent, Non-executive
Mr. Kedar Nath Ranasaria	Independent, Non-executive
Mr. Alopek Jalan	Whole Time Director
Mr. Deepak Jalan	Managing Director

CFO & COMPANY SECRETARY

N. K. Dujari

REGISTERED OFFICE

Satyam Towers,
3, Alipore Road, Kolkata - 700 027
Phone: (033) 3041 2100, 2479 0248
Fax: (033) 2479 0253
CIN: L36991WB1994PLC065583
e-mail: investors@lincpen.com
website: www.lincpen.com

WORKS

Linc Estate
Usthi Road, Serakole, 24 Pgns.(S),
Pin - 743 513, West Bengal
Phone: 09051280300
Fax: (033) 2420 4441

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

OHM Industrial Infrastructure Park
Plot no.7/8/11/12, Umbergaon
Dist.Valsad, Gujarat - 396 155

AUDITORS

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

BRANCH OFFICES

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

KANPUR - 77/78 A1, 1st Floor, Gandhi Gram
Kanpur - 208 007, U.P.

PATNA - C/o, Shanker Logistics Pvt. Ltd.
Mehdigunj, Ward No. 61, Holding No. 34/22,
Jhauganj, Patna, Bihar - 800 007

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

INDORE - 45, Pandharinath Path,
Indore - 452 004, Madhya Pradesh

REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt Ltd
23, R.N.Mukherjee Road, 5th Floor
Kolkata - 700 001

BANKERS

HDFC Bank Ltd.
Yes Bank Ltd.
IDBI Bank Ltd.

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