



PENTONIC

The story of a pen that
decided to rewrite some rules

Annual Report
2019-20



LINC PEN & PLASTICS LIMITED

Forward-looking statement

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

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Pentonic

The story of a pen that decided
to rewrite some rules

*'You can't think of launching
such a pen...'*

*'India is not ready for a premium
writing instrument.'*

*'The easiest way to launch a pen
is to copy a successful one.'*

*'The rules of a new product
launch have been cast in stone.'*

At Linc, we had heard these
words of caution for years.

Finally, we said 'No more.'

Linc. One of the **India's most exciting** writing instrument companies.

Ethos

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: We are proud of our ethical ways and integrity is our soul. We endeavor to create customer delight. We are dedicated to each cause that we take up and each

relationship that we build. Creating innovative products and finding innovative solutions is in our core.

Pedigree

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

Facilities

Linc's state-of-the-art integrated manufacturing facilities are located in

Umbergaon (Gujarat), Falta (SEZ) and Serakole (West Bengal).

Certifications

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

Listing

The Company was listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) with a market capitalisation of ₹198 crores as on 31st March, 2020.

Products

The Company possesses one of the most diversified product portfolios in the industry ranging from gel pens, ball pens and fountain pens to markers, mechanical pencils, files and folders.

Our major product portfolio

BALL PENS



21 varieties
10 colours

GEL PENS



8 varieties
12 colours

MARKERS



3 varieties
4 colours

Launches in FY2019-20



Robust distribution network

37

Channel partners

2800+

Distributors

330

Sales professionals addressing distribution needs

65000+

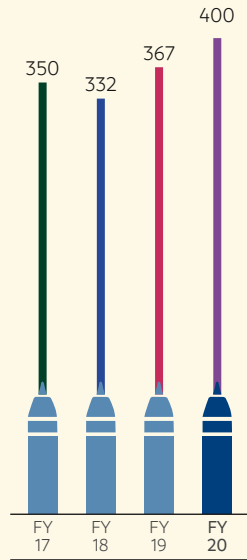
Retailers

50

Number of countries of Linc's presence

How we have grown over the years

Revenues (₹ crores)



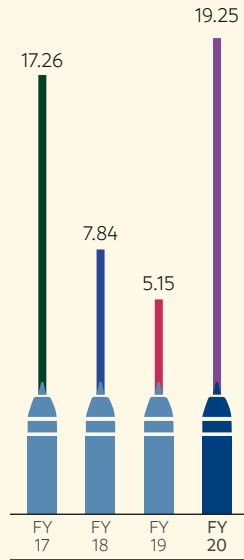
Definition
Growth in sales net of taxes.

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

Performance
Aggregate sales increased by 9% to ₹400 crores in FY2019-20.

Value impact
Created a robust engine on which to amortise costs and generate profits.

Profit after tax (₹ crores)



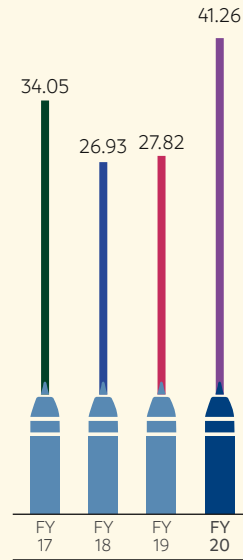
Definition
Profit earned during the year after deducting all expenses and provisions.

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

Performance
The Company reported a 273.9% increase in its profit after tax in FY2019-20 on the back of increased Pentonic sales.

Value impact
Ensures that adequate cash is available for reinvestment.

EBITDA (₹ crores)



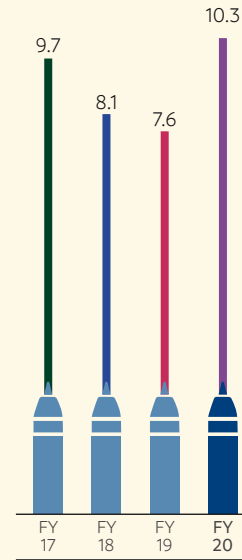
Definition
Earnings before the deduction of interest, depreciation, extraordinary items and tax.

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

Performance
The Company's EBITDA for FY2019-20 stood at ₹41.26 crores, a 47.8% growth over the previous financial year.

Value impact
Adequate cash was generated by the operating business (before tax, interest and depreciation).

EBITDA margin (%)



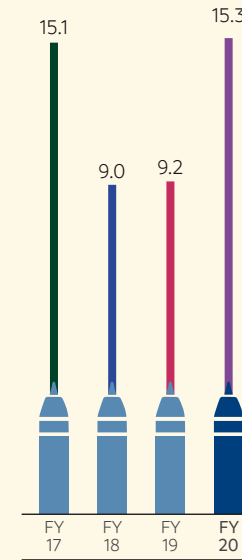
Definition
EBITDA margin is a profitability index used to measure the effectiveness of a Company's business model.

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

Performance
The Company reported a 340 bps increase in EBITDA margin in FY2019-20 while enriching its portfolio with superior products and improved operating efficiency.

Value impact
Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances the surplus.

ROCE (%)



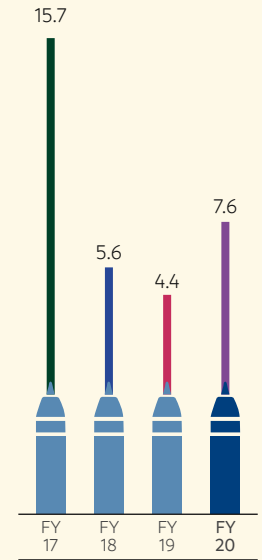
Definition
It is a financial ratio that measures a Company's profitability and the efficiency with which its capital is employed in the business.

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

Performance
The Company generated a 620 bps increase in ROCE in FY2019-20 followed increased offtake and superior cost management.

Value impact
Enhanced ROCE can potentially drive valuations and perception.

Interest cover (x)



Definition
This is derived through the division of EBITDA by interest outflow.

Why we measure
Interest cover indicates the Company's comfort in servicing interest, the higher the better.

Performance
The Company strengthened interest cover to 7.6x in FY2019-20 compared to 4.4x in the previous fiscal.

Value impact
The higher number indicates enhanced liquidity.

This was what existed Before 2018...

There was an unwritten rule that a new launch at ₹10 per pen in India's writing instruments industry would be difficult.

There was a belief that the cheaper one priced pens the better.

There was a belief that one needed to copy pen designs to succeed in India.

There was a belief that pen needed to be foiled with stainless steel clips.

There was a belief that one needed to make pens within guidelines – not beyond.

There was a belief that whatever one needed to know about pen launches was already known.

There was a belief that the writing instruments market was too commoditised for anything premium to succeed.

...And then came Pentonic.
Game-changer

₹50
CRORES
POWER BRAND

₹50 crores Power Brand in two years

Proved that you don't need to copy a competing brand to succeed

Fastest any Linc brand has taken to achieve ₹50 crores in annual revenues

Transformed from standalone product to brand extension in two years

Increased manufacturing capacity for the Pentonic brand ten-fold in just two years

'Pentonic is a pen. Why are you calling it a 'family.?'



4
NUMBER OF
PRODUCTS LAUNCHED
IN THE YEAR

For years, most writing instruments were, well, just that. They were writing instruments.

A pen priced for ₹5. Or a pen priced for ₹10.

Interestingly, Pentonic has been more than a writing instrument.

It has emerged as a 'family'. A platform that will make it possible for the Company to launch more related products around the Pentonic umbrella – gel and retractable pens in different colours and packaging and other related products.

We believe that the success of Pentonic could translate into the success of a family of products to be launched across the foreseeable future.

So when observers say 'Pentonic is a good product', we have a slightly different opinion: 'Ahh, Pentonic is much more than that...it is an umbrella that will facilitate the success of a number of products in the years to come.'

What started out as an event is evolving into a journey.

'Black? Who wants to write with a pen of that colour?!'

In a culturally sensitive country where a colour is not just a colour but stands for a different cultural perspective, the selection of the colour of the proposed Pentonic was one of the most debated.

Blue appeared to be the conventional choice. Grey was what no one appeared to have a problem with.

But black?

'Should be avoided,' said one. 'Why tread on a ground where we are unsure,' hinted another. 'Most people prefer colours other than black,' was a standard response.

At Linc, we overlooked most conventional responses. We said 'Try the different,' instead.

We inserted a number of black pens in a holder placed on a counter-top - and watched.

Most consumers who came to buy other products were attracted by the starkness of the black. They picked a pen out, examined, turned it over and then asked 'Imported?'

The difference worked.

12
NUMBER OF COLOURS
AVAILABLE



'No metal clip. No interest. Sorry!'

People buy writing instruments for the price and pride.

This everyone knows.

What most people do not know is the kind of variables at play when it comes to pen design.

The curve of the cap. The click with which cap fits on to body. The colour of the nib. The extent to which the name of the brand has been embossed on the pen body. The nature of typeface.

So when we introduced Pentonic without a metal clip – generally accepted as an inseparable part of pen aesthetics – the first reaction was dismissive.

Because a metal clip was considered something that made the pen appear expensive.

Because the sheen of the metal enhanced the owner's pride when it peeped out of the pocket.

At Linc, we took a different view: we felt that there was subtlety in our black clip; there was an under-statedness; there was the sense of a whisper.

The proof of our concept was tested in the marketplace. When consumers first examined the pen, they examined it all over and whispered to themselves... 'Metal clip *nahi hain...isi liye to achcha lag rahaa hain.*'

Linc had passed the test.

'Pay ₹10 for a pen without dedicated packaging? Come on...'

In a business where the assurance that a product has not been pre-used comes from the integrity of its packaging, there was consternation when Linc proposed the daring: Pentonic would not be marketed with a wrapper.

There were a number of well-meaning people who attempted to dissuade Linc from this lateral approach.

'Product *sasta lagega*,' said one.

'The packaging makes it compelling for even casual buyers,' said another.

At Linc, we resolved to be different.

We said 'When you create a world-class product, why hide it in a wrapper?'

Besides, we placed 50 pens in a dispenser to be displayed on a retail counter.

The collective bunching achieved its objective. The visible presence on the retail counter generated a consumer pull. Besides, Linc saved costs and carbon footprint by eliminating packaging.

Win-win-win.



‘You are saying that Pentonic is not a pen? What do you mean...?’

It would be simplistic to see Pentonic as another writing instrument.

It is not.

Within the short space of a couple of years, the installed capacity for Pentonic was raised twice.

The product, marketed across 30 countries, generated repeat orders.

The product has been acknowledged as the most daring introduction in Indian writing instruments industry.

The product helped raise the proportion of Revenues (General Trade – Domestic) derived from pens priced at ₹10 or above from 40% in the previous year to 50% during the year under review.

That brings us to an important question: Is Pentonic just another successful product?

We don't think so.

We feel that Pentonic's brand extension will help us generate an entire family of contiguous products across the foreseeable future.

It's not a singular pen really; it's a platform that could generate multi-year revenues instead.

‘After you have sold Pentonic to urban India, you will have run out of a market’



When we were chalking out the sales projections for Pentonic, some of our well-meaning competitors hinted: ‘*Sirf urban India me bikega.* Wonder how this can become a big winner.’

At Linc, we worked harder. We launched a national campaign. We emphasised that the product was for all. We indicated that for a step-up by ₹5 one the consumer would be able to graduate to superior writing experience. We subtly hinted that the lifestyle experience of our consumers had largely improved, so why should it not extend to something like a writing instrument as well.

That urban India took to our product did not surprise. That Pentonic emerged as a winner in rural India was the highlight of this product's journey.

Pentonic has been accepted in rural Bengal, Odisha, Bihar and Uttar Pradesh.

There are quite a few days when our sales executives get a frantic call from deep inside one of these states: ‘*Is baar double quantity Pentonic bhijwa deejiyega. Saara maal khatam!*’

And to think that people felt that rural India would only write with a ₹5 pen.

BUSINESS REVIEW

‘No one will buy a pen priced higher than ₹5 or ₹7.’

‘Dus rupiya ka koi naya pen hota hain?’

This is the observation that we picked up when we placed Pentonic for a selective review.

‘Price at ₹5 or ₹7 and the product will move faster,’ said others.

There was a rationale for these observations: the price of pens had remained stagnant for 15 years around a belief that expensive pens would not sell.

Linc challenged this convention when it launched Pentonic at ₹10.

India’s writing instruments industry waited to see the outcome of this gamble.

Some consumers examined the pen closely and pronounced a one-word judgment: ‘Premium’.

Other consumers wondered: ‘Imported for only ₹10?’

The result was that an ‘expensive’ Pentonic proved to be a runaway hit.

The product didn’t just sell well; it proved to a sceptic industry that one could price higher ...and sell higher as well.



“Through Pentonic, Linc is creating a ‘property’ over a ‘product’ that is likely to strengthen a multi-year growth journey”

EXPLAINS DEEPAK JALAN, MANAGING DIRECTOR



Were you pleased with the performance of the Company during the year under review?

A: The management at Linc was reasonably satisfied with the performance of the Company for a principal reason: whatever investment the Company had made in its Pentonic product a couple of years ago was completely validated during the year under review, the first full financial year of the product’s performance. The success of this brand strengthened the Company’s body language, brand, revenues,

margins and profit after tax. It would be fair to state that the launch and success of Pentonic represents a watershed in the Company’s existence, which can now be segregated across two parts – Before Pentonic (BP) and After Pentonic (AP).



What were some of the other positives to have emerged from Pentonic’s distinctive success?

A: Without getting into the specifics of our financial performance upfront, it would be more relevant to explain what the success of Pentonic

has done for the sector and the Company. Until a couple of years ago, the perception that had deepened within the sector was that the Indian consumer would be closed to the prospect of any product priced higher than the prevailing average and that the future of the sector would be limited to playing only the volume game. If there is one message that we wish to send out is that Linc successfully proved that these perceptions are not necessarily true and that the Indian consumer has matured to a point, where it is willing to pay a better price in exchange for a superior price-value proposition.

BUSINESS REVIEW



How did the success of Pentonic translate into superior numbers?

A: I am pleased to communicate that Linc reported profitable growth during the year under review: while revenues increased 9%, EBITDA strengthened to 10.3%, PAT hardened at 4.8%. The positive divergence of these numbers indicate how the Pentonic traction helped generate higher revenues and how this made it possible for the Company to amortise fixed costs more effectively. There was a corresponding 270 bps improvement in the Company's EBITDA margins: from 7.6% in FY19 to 10.3% during the year under review.



What other initiatives strengthened the Company's performance during the year under review?

A: Linc was traditionally not strong in West and South India. During the year under review, the Company deepened its presence in these regions through Pentonic, building on the successful entry of Ocean Gel, years ago. The Company had not seen any major increase in price realisations for nearly a decade and a half; the only way the sector had grown was through fixed cost absorption and increased volumes that would help generate economies to counter inflation. This reality can be best described as revenue-minus, which was demotivating for new product development. Pentonic broke that multi-year trend; the product's remarkable success represented validation of a shift in the consumer's aspiration and spending willingness.



What were some of the other features of the Company's performance?

A: The decisive shift in the Company's strategic direction was captured in an important metric: products priced at ₹10 or more accounted for 50% of the Company's domestic revenues in FY2019-20. This is an interesting prism through which to capture the evolution of the Company: in FY2005-06, the Company did not possess any major product priced at ₹10 or above; whereas by FY2018-19 the proportion of revenues from this space was about 40%, which strengthened 1,000 bps during the year under review.



Q: How was the Company's exports performance?

A: The exports performance of the Company was slightly disappointing for the year under review. Exports declined 11.3% to ₹78.48 crores; the new markets being explored by the Company could not replace closed markets. Some of the challenges comprised a difficulty in finding partners in new markets around the Company's stringent appraisal standards; besides, the Company shortlisted its markets of intended presence on the basis of projected volume, value and growth possibilities. On the brighter side, I am pleased to communicate that Pentonic is now available in 30 countries and generating repeat orders.



Where does the Company go from here?

A: The success of Pentonic has kick-started a virtuous cycle where the Company has generated adequate resources for brand building, increased capacity and new product development that should accelerate its growth engine. During the year under review, Linc implemented capacity expansions for Pentonic Range, making it possible to plug market gaps and address opportunities created through adequate brand promotion. In doing so, we strengthened the capacity of our business to report sustainable growth.

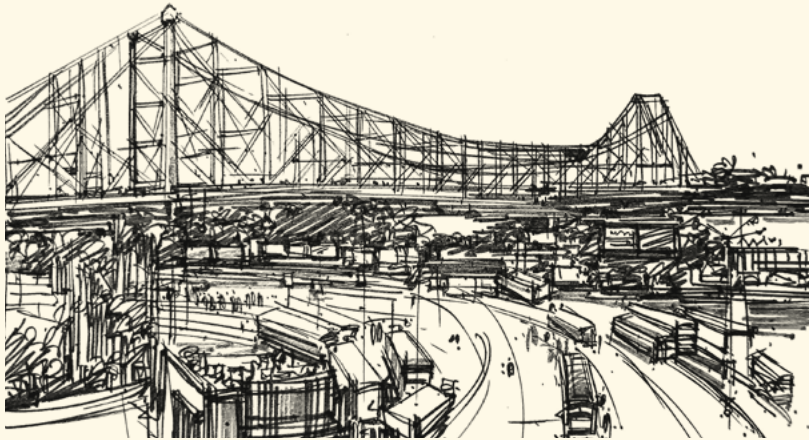


Why are you optimistic of the Pentonic brand?

A: Pentonic has provided the Company with a different opportunity landscape: even as Pentonic is on the way to become a global brand, there are market gaps waiting to be plugged; the Company expects to enhance its directly covered retail outlets from around 65,000 to half a million across the foreseeable future, which we expect will transform Linc from a manufacturing-led business to a distribution-pulled enterprise. Besides, Pentonic is carving away market share; the Company is creating a 'property' over a 'product' that is likely to strengthen a multi-year growth journey for the Company.

Seeing a city through the prism of pen and ink

Vignettes of Kolkata using Pentonic by sketch artist Avidip Kundu



Howrah Bridge

No sketch evokes the grandness of architecture and the ferment of human life than the Howrah Bridge



Esplanade Tram Depot

The bustle of what used to be a tram depot, marked by the goomty at left



Victoria Memorial

Kolkata's 'Taj Mahal' – the Victoria Memorial



Kolkata High Court

One of the imposing structures still visible in Kolkata

Functional review

MANUFACTURING	BRANDING
SALES AND DISTRIBUTION	FINANCIAL



Manufacturing review

Overview

Linc's state-of-the-art integrated manufacturing facilities are located across two principal locations within India, making it possible to enhance manufacturing efficiencies on the one hand and market proximity on the other.

The Company has three state-of-the-art manufacturing facilities, two in West Bengal (Falta and Serakole) and one in Gujarat (Umbergaon). The Falta and Serakole facilities enable the Company to address the growing demand in Northern and Eastern India while the Umbergaon facility addresses the growing demand for writing instruments in Southern and Western India.

The Company invested in cutting-edge equipment to manufacture superior products with higher operating efficiency. Besides, this competitiveness was derived through integrated plant operations, widening the value chain and enhancing responsiveness to market needs.

Strengths

Strategic location:

Linc's strategic plant locations enable adequate raw material, skilled manpower and port proximity.

Strong management:

Linc possesses a strong manufacturing team with more than 2 decades of industry experience.

Contemporary technology:

Linc invested in automated equipment sourced from high-end manufacturers.

Asset utilisation:

Linc progressively enhanced capacity utilisation, revenues and amortisation economies.

Challenges and responses

Absenteeism among contracted labourers in the Umbergaon facility.

Mitigation: The Umbergaon facility faced contract labour availability issue during pandemic on account of migrant labour phenomenon. To mitigate this challenge the Company revised the shift timing of the Unit, moderating absenteeism immediately.

Highlights, FY2019-20

- The Company increased in-house product assembly, enhancing competitiveness, quality and delivery timeliness.
- The Company achieved 90% capacity utilisation compared to 85% in FY2018-19.
- The Company's manufacturing facilities were shut from late March 2020 due to the lockdown following the outbreak of the COVID-19 pandemic.

Outlook

The Company's production resumed partially operation on 22nd April, 2020 in Falta and Serakole and 20th May, 2020 in Umbergaon, which impacted the results of the first quarter of FY2020-21. The outlook is presently hazy as offtake has been affected by the closure of schools and commercial offices working at a low utilisation.

Branding review

Overview

Considering that writing instruments in general are classified as low-involvement products, there is a premium on the need for effective branding. Linc recognised the importance of branding and engaged in extensive branding across the years, enhancing visibility.

Strengths

- Linc has a visible sectorial background of over two decades.
- Linc is widely recalled for superior product quality and price-value proposition.
- Linc is considered a market leader in India by quality and innovation.

Challenges and responses

The writing instrument industry was marked by price stagnation even as costs increased, affecting profitability.

Mitigation: Linc collaborated with renowned international designers and launched a value-added product line (Pentonic) that was positioned around a superior writing experience, transforming sectorial dynamics.

Highlights, FY2019-20

- To widen rural outreach, the Company participated in haats and melas through kiosks, enhancing brand awareness among rural retailers and consumers.
- The Company launched a Pentonic brand extension called Pentonic V-RT, a retractable pen priced at ₹20 in the 3rd Qtr of FY2019-20 with great success.
- The Company focused on shop signage and in-shop branding in Myanmar, Russia, Africa and South East Asia.
- The Company enhanced awareness through active participation in International Fairs and Exhibitions.

Outlook

- The Company intends to deepen its presence amongst the non-conventional retailers, helping penetrate market further.
- The Company will focus extensively on social media branding and taking steps to increase the brand outreach even further.

Linc's brand campaigns

Launched a radio and print campaign called 'Pen *nahi*, Pentonic *bolne ka*'

Engaged in accelerating dealer board branding pan-India (~10,000 during the year)

Sustained campaigns in *haats* and *melas*

Engaged with creative advertising agencies to launch campaigns

Our branding efficiency



Sales and distribution review

Overview

Distribution is the function that connects the Company to its customers. Linc made prudent investments in sales and distribution initiatives through the decades, making it a global brand gradually.

Strengths

- A large network of 2800+ pan-India distributors.
- Trade engagements marked by low inventory and superior return on investments for trade partners.
- Combination of push-based and pull-based sales, moderating inventories.

Challenges and responses

The COVID-19 pandemic put a priority on last-mile distribution.

Mitigation: Linc entered into a third-party strategic tie-up to strengthen logistics. The Company strengthened inventory management, undertaking regular reviews to address stock-outs and service consumers faster.

Highlights, FY2019-20

Domestic

- Linc focused on inventory management of materials and finished goods.
- The Company plugged supply chain gaps to ensure faster delivery turnaround times.
- The Company strengthened distributor throughput by shifting the target from value-based to volume-based, which generated superior offtake for the Company.
- The Company marketed its Pentonic range through e-commerce platforms.
- The Company focused on non-conventional retail outlets that also sold writing instruments.

- The Company conducted a zone-wise and town/city-wise analysis based on population size to identify opportunities.
- The Company launched Pentonic V-RT across 40 leading Indian cities.

Exports

- The Company generated 19.6% of revenues from exports.
- The Company resumed exports to select countries in Africa and discontinued exports to sub-optimal countries.
- The Company launched Pentonic gel in Myanmar, Russia, Eastern Europe and USA and Pentonic V-RT in Eastern Europe and Myanmar.

Outlook

- The first quarter is expected to be affected by the COVID-19 crisis, with gradual recovery starting from second quarter.
- The 4x expansion plan by Linc was supposed to be rolled out by the end of FY2020-21. The Company leveraged the lockdown to impart training to its sales team. The Company initiated the rollout of this expansion immediately after coming out of the lockdown.
- The Company is closely analysing demand in the areas of its presence with the objective to improve offtake.

The COVID-19 effect

Impact

The COVID-19 pandemic resulted in a global economic slowdown and trade disruption, affecting the writing instruments sector (including Linc).

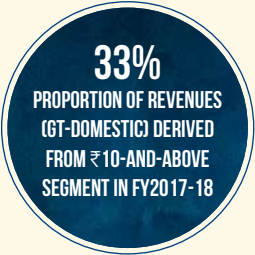
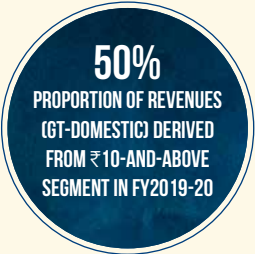
- The last quarter of a financial year is the biggest revenue generator for writing instrument manufacturers; the lockdown imposition from late March 2020 affected offtake.
- The indefinite closure of schools affected sales.

- The Company assisted trade partners with an extended credit cycle.
- The Company's global shipments were affected due to trade disruption; orders were cancelled.

Counter-initiatives

- The Company forayed into Portugal in the first quarter of FY21.
- The Company intends to deepen its presence in USA.

Towards an improved bottomline



Financial review

Overview

Financial prudence is of importance to any writing equipment manufacturer. In view of this, the Company has focused on debt moderation and enhanced financial efficiency.

Strengths

- The Company enjoyed a debt-equity ratio of 0.33 at the close of FY2019-20.
- The Company enjoyed an improved interest cover of 7.6 in FY2019-20.
- The Company possessed adequate working capital to sustain operations.

Highlights, FY2019-20

- The Company reported its highest ever PAT.
- Despite the further term loan taken by the Company for Pentonic expansion, Linc moderated interest outflow from ₹6.29 crores in FY2019-20 to ₹5.46 crores in FY2019-20.
- The Company sustained its long-term credit rating at A/Stable and short-term credit rating at A1.
- The Company benefited from corporate tax relief.

The COVID-19 impact

The Company shut its manufacturing operations from 24th March, 2020, which resulted in a notional loss of sales of about ₹15 crores. The Company protected business continuity through the following initiatives:

- Implemented working from home.
- Deferred manpower cost and moderated other costs to strengthen cash management.
- Done away with travelling with the help of web meeting / conferencing.
- Implementing thermal screening of employees, premises sanitisation and social distancing in office on resumption.
- Provided proper equipment and sanitisation material across all locations.
- Made the wearing of masks mandatory.

Outlook

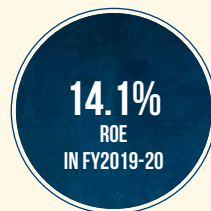
The Company will continue to focus on value-added products, moderating debt and finance cost and enhancing profitability.

Challenges and responses

The Company took a term loan for the expansion of Pentonic capacity in 2019, enhancing repayment responsibility during the COVID-19 pandemic.

Mitigation: Linc had pre-paid over 50% of the installments falling due in FY21 in February – March 2020, strengthening its liquidity during the pandemic outbreak.

Our key numbers



Management discussion and analysis

Indian economic review

Indian economy slowed to 4.2% in FY2019-20, compared to 6.1% in FY2018-19. In FY2019-20, GDP growth slowed, which contributed to an increase in fiscal deficit mainly on account of lower aggregate demand,

lower fiscal revenue, lower economic activity and higher fiscal expenditure on account of the measures to address the economic slowdown.

India emerged as the fifth-largest world

economy in 2019. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. The country climbed 79 positions in five years and was among the top 10 performers for the third year running.

Indian writing instrument industry overview

The writing instrument industry accounts for a larger share of the non-paper-based stationery industry, which comprises pens, pencils, markers and highlighters. Pens (ball and gel) account for the largest share of the writing instruments industry.

The global writing and marking instrument market was estimated at US\$ 16.99 billion in 2018 and projected to increase to US\$ 23.98 billion in 2025, growing at a CAGR

of 5.1% between 2018 and 2025. With a growing educational awareness, coupled with initiatives like GST implementation, the pricing gap between organised and unorganised manufacturers declined in the last two years, strengthening prospects for organised players. The size of India's writing instruments industry was estimated at ₹40 billion in FY2019-20.

Owing to a growing emphasis on

premiumisation across India, the writing instrument industry is marked by increasingly superior design products, which is, in turn, driving both domestic sales and exports. Besides, an increasing focus on education has created a platform for sustainable growth in the Indian writing instrument industry.

(Source: Businesswire, CRISIL, Business Standard)

Stationery industry overview

The stationery industry can be classified into paper products and non-paper stationery. The non-paper stationery segment is the bigger contributor to the stationery industry.

The global stationery industry was estimated at US\$ 90.6 billion in 2018 and projected to grow to US\$ 128.5 billion by 2025, growing at a

CAGR of 5.1% between 2019 and 2025. The Asia Pacific region was the biggest contributor to the global stationery industry, accounting for a revenue share of 34% in 2018. India is one of the largest markets in the Asia Pacific and expected to expand at a CAGR of 6.2% between 2019 and 2025. On the back of the tailwinds owing to GST, the organised sector has

grown attractively during the last two years.

The educational sector is one of the biggest consumers of stationery products; the country has ~15 lakhs schools, 935 universities and 39,931 colleges. The size of the Indian educational sector was estimated at US\$ 101 billion in FY2018-19, a 10% y-o-y growth.

Growth drivers

Favourable demographics:

Approximately 66% of India's population is below 35 years, driving the Indian stationery industry.

Increasing incomes: The nominal per capita net national income during FY2019-20 was estimated at ₹134,226, a rise of 6.1%

over ₹126,521 in FY2018-19. (Source: MoSPI)

Educational spending:

The Union Budget FY2019-20 allocated ₹94,853.64 crores for education, a y-o-y increase of ~₹10,000 crores over FY2018-19. Of this, ₹56,536.63 crores was allocated for the school segment and ₹38,317.01

crores for higher education.

Rising literacy:

Government initiatives like Sarva Shiksha Abhiyaan and Mid-Day Meal Scheme catalysed India's literacy rate from 65% in 2001 to 74% in 2011 to ~78% in 2018.

Government initiatives

Sarva Shiksha Abhiyaan:

The Government of India initiated this programme in 2001 with the objective of providing universal education access and bridging the gap of gender and social inequality in schools.

Rashtriya Madhyamik Shiksha Abhiyan:

Launched in 2009, this initiative of the Central Government of India was

directed towards the launch and improvement of secondary education in primary schools.

Eklavya Schools: The Government proposed Eklavya schools (at par with Navodaya Vidyalayas) by 2022. The central government approved setting up 462 Eklavya residential schools, which will have 450 tribal students from class six

to twelve and would require an estimated cost of ₹10,000 crores. These schools will be opened in Jharkhand, Odisha, North East and other states in two years. (Source: PIB, India Today)

Mid-day Meal: In FY2019-20, the Government allocated ₹11,000 crores to this scheme, moderating drop-out rates in schools.

Financial review, FY2019-20

• Revenues for the year increased to ₹400 crores compared to ₹367 crores in the previous fiscal.

• PBT for the year was at ₹23.26 crores compared to ₹11.07 crores in the previous fiscal.

• PAT for the year was ₹19.25 crores compared to ₹5.15 crores in the previous fiscal.

Risk management

Economic risk: An economic slowdown could stagger growth.

Mitigation: Linc intends to improve its penetration in domestic and international market where its presence is moderate. In doing so, has taken up several marketing initiatives during the year under review specially targeting those geographies.

Competition risk: Intense competition could affect the Company's market share.

Mitigation: Linc has been differentiating itself from peers on the back of designed products, which

provides consumers with a superior price-value proposition.

Liquidity risk: A liquidity crunch could adversely affect long-term viability.

Mitigation: The Company strengthened its debt-equity ratio to 0.33 during the year as against 0.51 in the previous year, signifying improved gearing. The interest cover was at 7.6 as compared to 4.4 in the previous year.

Quality risk: Inability to service customers with quality products could affect product demand.

Mitigation: Linc is one of India's most respected writing instrument

manufacturers; its brand name is synonymous with superior quality and customer-centricity, validated by a ISO 9001:2008 certification.

Raw material risk: The proportion of raw materials which are crude-based is pegged at 40% of the total raw materials and an increase in crude prices can drive costs up for these materials.

Mitigation: Linc has focused on the development of products, which can insulate the Company by providing it with a cushion to absorb crude oil-induced cost fluctuations.

Internal control systems and their adequacy

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

Human resources

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

Cautionary statement

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

Director's Profile

MR. ANIL KOCHAR

63, independent, non-executive 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

45, independent, non-executive director, Author of the recently released and widely acclaimed book, 'Kalkatta Chronicles', Supriya Newar has clocked nearly two decades of keen professional involvement in the world of brands and communications. She has had the opportunity to work closely with prestigious Indian and global brands and lead and train teams. She is also a guest lecturer at reputed institutes, a music aficionado and a traveller.

MR. NARESH PACHISIA

57, independent, non-executive director. He is Founder & MD, SKP Securities Ltd., Eastern India's leading investment banker, wealth manager and stock broker with 38 years' experience in capital markets.

MR. ALOKE JALAN

51, wholetime director, a commerce graduate with 29 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. SANJAY AGARWAL

58, independent, non-executive director. He is a commerce graduate from Calcutta University and having more than 33 years of rich experience in diverse fields. He is the Managing Director of Century Plyboards (India) Limited and Star Cement Ltd. and is the driving force behind the successful making of 'Century Ply' Brand. He is also the past President of Merchants Chamber of Commerce and is on executive bodies of other reputed trade Committees and organizations.

MR. DEEPAK JALAN

58, managing director, a commerce graduate with 34 years of experience, responsible for the overall operations with a specialisation in international operations. Responsible for the Company's strategic direction.

MR. ROHIT DEEPAK JALAN

31, wholetime director, a BA Hons. in Management studies from University of Nottingham, UK and completed his PG Diploma in Business Management with specialisation in Marketing. He is heading the International Business Department and Marketing Department of the Company.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their 26th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2020.

(₹ in lakhs)

	2019-20	2018-19
Financial Highlights		
Revenue from Operations	39995.50	36693.64
Other Income	4.29	243.49
Profit before depreciation, interest and taxation	4126.66	2782.91
Finance Cost	546.33	629.38
Depreciation	1254.38	1046.41
Profit before Tax	2325.95	1107.12
Provision for Taxation - Current	562.00	246.00
- Income Tax for earlier years	-	206.24
- Deferred	(160.67)	140.19
Profit after Tax	1924.62	514.69
Total Other comprehensive Income	(40.04)	(17.41)
Total Comprehensive Income of the Year	1884.58	497.28
Statement of Retained Earnings		
Balance at the beginning of the year	844.17	1090.45
Add: Total Comprehensive Income of the Year	1884.58	497.28
Less: Dividend (incl. Income Tax thereon) of the previous year paid during the year	243.55	243.55
Transfer to General Reserve	1000.00	500.00
Balance at the end of the year	1485.20	844.17

Dividend

Your Directors recommend a Dividend of ₹1.50 per equity share (previous year ₹1.50 per equity share) for the year ended 31st March, 2020.

Financial Performance

During the year under review, the Company's Revenue from Operations increased by 9% to ₹39996 lakhs as compared to ₹36694 during the preceding year. The Profit after Tax during the year was ₹1925 lakhs as compared to ₹515 lakhs in the previous year, a jump of about 273.8%. This was primarily on account of better product mix and slight moderation

in polymer prices.

The year-end debtors were 40 days of sales for the year as compared to 42 days in the previous year. The inventory holding as at year end was for 76 days of sales as compared to 70 days as at the end of 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 as well as other sections of the Annual Report.

Scheme of Arrangement and Amalgamation

The Hon'ble NCLT, Kolkata Bench vide its order dated 17.01.20 has approved the Scheme of Arrangement and Amalgamation involving demerger of retail division of Linc Writing Aids Pvt. Ltd. (LWAPL)(Transferor Company) into Linc Retail Ltd. (Resulting Company) and amalgamation of remaining business of 'Linc Writing Aids Pvt. Ltd. with Linc Pen and Plastics Ltd. (Company).The Appointed Date fixed under the Scheme is 01.04.18. Accordingly, the assets and liabilities of the Transferor Company (as mentioned in the Scheme) stands transferred to and vests in the Company with effect from the Appointed Date and financial statements of your Company for the year reflects the same. In terms of the said Scheme, your company had issued 16,74,806 equity shares of ₹10/- each to the shareholders of LWAPL on 11.03.20, as per the approved share exchange ratio and cancelled 15,88,475 Equity Shares of ₹10/- each held by LWAPL. Hence there is a net increase of 86,331 Equity Shares in the paidup capital of the Company.

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.

Secretarial Standards

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

Listing

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

Directors and Key Managerial Personnel

In accordance with the Articles of Association of the Company, Shri Aloke Jalan, Whole Time Director of the Company, retire by rotation at the ensuing

Annual General Meeting and being eligible, offer himself for re-appointment.

Ms. Supriya Newar was appointed as Independent Director of the Company for a period of five consecutive years from 3rd September, 2015 and their terms of office as Independent Directors will cease on 2nd September, 2020. The Board of Directors, on recommendation of the Nomination and Remuneration Committee, has recommended the re-appointment of Ms. Supriya Newar as Independent Director for a further period of five consecutive years from 3rd September, 2020. The Board of Directors are also of the opinion that Ms. Supriya Newar fulfills all the criteria specified in the Companies Act, 2013 and rules thereon and all the requirements of SEBI (LODR) making her eligible to be appointed as Independent Director of the Company for a further term. Ms. Supriya Newar does not hold any shares in the Company. Additional information is mentioned in the Notice convening the ensuing Annual General Meeting of the Company.

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

Shri Deepak Jalan - Managing Director

Shri Alopek Jalan - Whole Time Director

Shri Rohit Deepak 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 section 134(3) (h) and 188(1) of the Companies Act, 2013 are not applicable and therefore, Form No. AOC-2 has not been attached. Related Party Transactions Policy is available on 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.

Credit Rating

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

Annual Evaluation by Board

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

Whistle Blower Mechanism

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

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 were appointed as the Statutory Auditor of the Company in 23rd Annual General Meeting held on 1st September, 2017 for a period of 5 consecutive years commencing from the conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company.

In accordance with the Companies Amendment Act, 2017 enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

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

Secretarial Audit

The Company had appointed M/s D. C. Sahoo & Co., Practising Company Secretaries as the Secretarial Auditor of the Company for the financial year 2019-20. The report of the Secretarial Auditor is annexed as Annexure - F. The Secretarial Auditor has made observation in the report.

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 ₹31.86 lakhs and the company has spent ₹34.97 lakhs during the current financial year.

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

Prevention of Sexual Harassment at workplace

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

Number of complaints received by the Committee during the financial year: NIL

General

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

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

Acknowledgement

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

For and on behalf of the Board



Deepak Jalan
Managing Director
DIN: 00758600



Rohit Deepak Jalan
Whole Time Director
DIN: 06883731

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:

- 3 Promoter, Executive Directors

- 4 Independent, Non-Executive Directors including one Woman Director

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

Name of the Director	DIN	Category	No. of Other Directorship*	No. of Membership/ Chairmanship of other Board Committee +
Shri Deepak Jalan	00758600	Promoter, Executive	1	Nil
Shri Aloké Jalan	00758762	Promoter, Executive	Nil	Nil
Shri Rohit Deepak Jalan#	06883731	Promoter, Executive	Nil	Nil
Shri Naresh Pachisia	00233768	Independent, Non- Executive	3	3 (as Member)
Shri Anil Kochar	00943161	Independent, Non- Executive	2	1 (as Chairman)
Shri Sanjay Agarwal	00246132	Independent, Non- Executive	6	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 have been considered.

*Excludes Linc Pen & Plastics Limited.

Shri Rohit Deepak Jalan, Executive Director was appointed w.e.f. 28th May, 2019. He was designated as Director-Sale & Marketing w.e.f. 1st October, 2019

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.

Details of Directorship in Listed Companies as on 31st March, 2020

Name of the Director	Name of Listed Company	Category
Shri Deepak Jalan	Linc Pen & Plastics Ltd.	Promoter, Executive
Shri Alope Jalan	Linc Pen & Plastics Ltd.	Promoter, Executive
Shri Rohit Deepak Jalan	Linc Pen & Plastics Ltd.	Promoter, Executive
Shri Naresh Pachisia	Linc Pen & Plastics Ltd. Gillanders Arbuthnot & Co. Limited SKP Securities Limited	Independent, Non- Executive Independent, Non- Executive Executive
Shri Anil Kochar	Linc Pen & Plastics Ltd. Mysore Petro Chemicals Ltd.	Independent, Non- Executive Independent, Non- Executive
Shri Sanjay Agarwal	Linc Pen & Plastics Ltd. Century Ply Boards (I) Ltd. Star Cement Ltd.	Independent, Non- Executive Executive Executive
Ms. Supriya Newar	Linc Pen & Plastics Ltd.	Independent, Non- Executive

Skill/expertise/competence of the Board of Directors:

Executive Directors:

Shri Deepak Jalan	a commerce graduate with 34 years of experience in the business with a specialisation in international operations, is Managing Director.
Shri Alope Jalan	a commerce graduate with 29 years of experience in the business
Shri Rohit Deepak Jalan	BA Hons. in Management studies from University of Nottingham, UK and completed his PG diploma in Business Management with specialisation in Marketing. He is heading the International Business Department and Marketing Department of the Company.

Independent, Non-Executive Directors

Shri Naresh Pachisia	have 38 years of rich experience in Wealth Management and Capital Market.
Shri Anil Kochar	a postgraduate in commerce and LLB, is an eminent advisor on income tax matters.
Shri Sanjay Agarwal	is a commerce graduate and having more than 33 years of rich experience in diverse fields.
Ms. Supriya Newar	Master's degree in International Relations, keenly involved with the world of Brand and Communications for the last two decades.

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

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

Performance Evaluation and Criteria

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

Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering

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

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

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

During the financial year ended March 31, 2020, five Board Meetings were held on 28th May, 2019, 6th August, 2019, 6th November, 2019, 7th February, 2020 and 7th March, 2020. The meeting held on 7th March, 2020 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 26.08.2019
Shri Naresh Pachisia	5	Leave of Absence
Shri Deepak Jalan	4	Present
Shri Alope Jalan	2	Present
Shri Rohit Deepak Jalan	4	Leave of Absence
Shri Anil Kochar	5	Present
Ms. Supriya Newar	5	Present
Shri Sanjay Agarwal	4	Present

3. CODE OF CONDUCT :

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

4. AUDIT COMMITTEE :

The Audit Committee presently comprises of Three Directors, two of whom are Independent and Non-Executive. All these Directors possess knowledge of corporate finance, accounts and law. During the financial year ended 31st March, 2020, four Audit Committee Meetings were held on 28th May, 2019, 6th August, 2019, 6th November, 2019, 7th February, 2020. The attendance of the Members were as under-

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

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

5. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of Shri Sanjay Agarwal, Chairman, Shri Naresh Pachisia, and Shri Anil Kochar, all of whom are Independent and Non-Executive Directors. The Company Secretary acts as the Secretary to the Committee. During the year, the Nomination and Remuneration Committee met on 28th May, 2019. The attendance of the Members were as under-

Members	No. of Meetings Attended
Shri Sanjay Agarwal, Chairman	1
Shri Naresh Pachisia	1
Shri Anil Kochar	1

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	10,80,000	-	24,00,000	1,24,80,000	Terms of office valid upto 30.09.22. No notice period & severance fee.
Shri Alope Jalan	Brother of Managing Director	72,00,000	8,64,000	-	12,00,000	92,64,000	-do-
Shri Rohit Deepak Jalan	Son of Managing Director	29,94,810	2,87,352	-	-	32,82,162	-do-
Shri Naresh Pachisia	None	-	-	1,74,000	3,00,000	4,74,000	Appointed for a period of 5 years w.e.f. 29.08.19
Shri Anil Kochar	None	-	-	1,71,000	3,00,000	4,71,000	-do-
Shri Sanjay Agarwal	None	-	-	90,000	3,00,000	3,90,000	Appointed for a period of 5 years w.e.f. 12.02.19.
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, 2020, 4 (four) Share Transfer Committee Meetings were held. Number of Shares pending for transfers as on 31st March, 2020 were Nil.

ii) Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises of Shri Anil Kochar, Chairman, Shri Deepak Jalan and Shri Alope 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 1. There were no outstanding complaints as on 31st March, 2020. During the year, the Stakeholders' Relationship Committee met on 7th February, 2020. The attendance of the Members were as under-

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

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
2016 – 2017	01.09.17	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	3.30 p.m.
2017 – 2018	11.09.18	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	10.30 a.m.
2018 – 2019	26.08.19	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	3.30 p.m.

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 25th September, 2020.

10. DISCLOSURES :

- i) Details of related party transactions during the year have been set out under Note No. 35 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) During the financial year ended 31st March, 2019 NSE and BSE imposed a fine of ₹1,84,000/- each under Regulation 19 of the Listing Regulations. NSE has refunded ₹1,84,000/- subsequently and refund application to BSE is under active consideration. Further, during the financial year ended 31st March, 2020 NSE and BSE imposed a fine of ₹10,000/- each under Regulation 44 of the Listing Regulations. Refund application of ₹10,000/- has already made to BSE and NSE representing the case that it was happened on account of compliance with the order of NCLT, Kolkata Bench. Apart from this, there were no other instances of non-compliance by the Company nor have any penalties or strictures been imposed on the company by the Stock Exchange(s) or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.
- iii) The Company has established Vigil Mechanism to provide for the safeguards against victimisation of Directors and employees who follow such mechanism. The policy on the same has been uploaded on the Company's website: www.lincpen.com. As per policy, no person has been denied access to the Chairperson of the Audit Committee.
- iv) The Company is regularly complying with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Board Composition, Code of conduct, Audit Committee, quarterly and annual disclosures etc.
- v) The Non – executive Directors does not hold any shares of the Company as on 31st March, 2020.

- vi) None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director by SEBI / Ministry of Corporate Affairs / Statutory Authorities, which has also been confirmed by M/s D. C. Sahoo & Co., Practising Company Secretaries.
- vii) Confirmation by the Board with respect to the Independent Directors is provided in the 'Directors' Report', forming part of the Annual Report.
- viii) The particulars of directors seeking reappointment are given in the explanatory statement to the notice of Annual General Meeting.
- ix) The Company had no subsidiary as on 31st March, 2020.
- x) The Company has laid down risk assessment and minimisation procedures and the same is periodically reviewed by the Board. Further, the Company has adequate internal control systems to identify the risk at appropriate time and to ensure that the executive management controls the risk in a properly defined framework.
- xi) The total fees paid by the Company to M/s Singhi & Co., Statutory Auditors of the Company, and all other entities forming part of the same network, aggregate ₹11.85 lakhs.
- xii) Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, number of complaints received by the Committee during the financial year: NIL

11. MEANS OF COMMUNICATION:

Timely disclosure of relevant and reliable information on corporate financial performance is at the core of good governance. The Company informs to

the Stock Exchanges in a prompt manner, all price sensitive information as well as all such other matters which in its opinion, are material and relevant for the shareholders.

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

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

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

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

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

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application

designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, statement of investor complaints, etc are also filed electronically on the Listing Centre.

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

12. GENERAL SHAREHOLDER INFORMATION:

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

- i) **Annual General Meeting**
 - Date and Time : 25th September, 2020 at 11.00 a.m.
 - Venue : AGM will be held through Video Conference or Other Audio Visual Means
- ii) **Financial Calendar** :
 - Financial Year : 1st April to 31st March
 - Results : 1st Qtr – 1st week of August, 2020
2nd Qtr – 2nd week of November, 2020
3rd Qtr – 1st week of February, 2021
4th Qtr – end May, 2021
- iii) **Book closure date** : 19.09.2020 to 25.09.2020 on account of AGM and Dividend.
- iv) **Dividend payment date** : After 25th September, 2020
- 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 2019 – 2020 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, 2020, at the Bombay Stock Exchange and National Stock Exchange.

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2019	271.00	198.00	25164	262.00	195.45	2,18,015
May, 2019	227.50	200.00	12444	232.00	198.50	45,586
June, 2019	224.95	172.90	614	218.85	189.00	20,242
July, 2019	209.85	182.00	2046	206.00	187.05	34,265
August, 2019	226.00	181.00	2435	227.85	173.00	19,260
September, 2019	206.95	183.00	15021	205.00	170.20	24,444
October, 2019	211.85	164.35	1795	186.00	168.00	16,897
November, 2019	210.00	179.00	27322	213.50	178.10	1,09,242
December, 2019	203.95	184.00	1736	203.95	178.00	1,39,889
January, 2020	247.90	187.55	45812	247.90	171.10	1,56,901
February, 2020	243.00	196.70	21325	242.00	195.05	85,206
March, 2020	212.00	115.20	10449	211.40	103.00	1,57,729

ix) **Share Price performance in 2019-20 in comparison to broad based indices** – BSE Sensex and NSE Nifty

% Change in Linc's Share Price: -31.32%	% Change in BSE Sensex: -23.80%
% Change in Linc's Share Price: -26.17%	% Change in NSE Nifty: -26.03%

x) **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. Maheswari Datamatics Pvt. Ltd
 23, R. N. Mukherjee Road, 5th Floor,
 Kolkata – 700 001
 Phone – 2243 5029/2248 2248,
 Fax – 2248 4787, e-mail - info@mdpl.in; mdpldc@yahoo.com

xi) **Distribution of Shareholding:**
 Distribution of Shareholding by Ownership:

Holding Pattern	No. of Shares	Shareholding %
1 Promoters & Associates	89,06,096	59.88
2 IEPF	27,924	0.19
3 NRI, FII, etc.	20,41,343	13.73
4 Private Corporate Bodies	8,99,364	6.05
5 Indian Public	29,97,564	20.16
Total	1,48,72,291	100.00

Distribution of Shareholding by Size:

Range of Shares	Shareholders		Shares	
	Number	%	Nos.	%
1 to 500	5,145	89.28	3,84,288	2.58
501 to 1000	234	4.06	1,89,442	1.27
1001 to 5000	272	4.72	6,03,864	4.06
5001 to 10000	35	0.61	2,26,659	1.52
10001 & above	77	1.34	1,34,68,038	90.56
Total	5,763	100.00	1,48,72,291	100.00

xii) **Dematerialisation of Shares:**

Holding	No. of Holder	%	No. of Shares	%
Physical	370	6.42	18,03,644	12.13
Demat	5,393	93.58	1,30,68,647	87.87
Total	5,763	100.00	1,48,72,291	100.00

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

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

- Linc Estate, Usthi Road, Serakole, 24 Paragans (South), West Bengal; and
- Falta SEZ, Sector II, Shed No.2, Falta, 24 Paragans (South), West Bengal
- OHM Industrial Infrastructure Park, Plot No.: 7/8/11/12, Umbergaon, Gujarat

xv) **Address for Correspondence** : For Share Transfer and related queries -
 M/s. Maheswari Datamatics Pvt. Ltd.
 23, R. N. Mukherjee Road, 5th Floor,
 Kolkata – 700 001
 Phone – 2243 5029/2248 2248, Fax – 2248 4787
 e-mail – info@mdpl.in; mdpldc@yahoo.com
 For General Assistance
 Mr. 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 Personnel have affirmed compliance with the Companies Code of Conduct during the financial year ended 31st March, 2020.



Deepak Jalan
 Managing Director
 DIN: 00758600

Place: Kolkata
 Date: 29th June, 2020

CEO / CFO Certification

The Board of Directors
Linc Pen & Plastics Limited
 Kolkata

Re: Financial Statements for the financial year 2019 –20 - 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, 2020 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, 2020 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
 FCA 54444 / FCS 8745



Deepak Jalan
 Managing Director
 DIN: 00758600

Place: Kolkata
 Date: 29th June, 2020

Independent Auditor's Certificate on Corporate Governance

To the Members of
Linc Pen & Plastics Limited

1. We have examined the compliance of conditions of Corporate Governance by Linc Pen & Plastics Limited ("the Company"), for the year ended on 31st March, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Managements' Responsibility

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

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in


accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2020.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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



(Aditya Singhi)
 Partner

Membership No. 305161
 UDIN: 20305161AAAAAL5827

Place: Kolkata
 Date: June 29, 2020

Annexure - C

A. CONSERVATION OF ENERGY

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

1. Scheduled preventive maintenance of machines and equipment for better efficiency.
2. Systematic Study or power consummation 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 – ₹7,248.66 Lacs
Foreign Exchange Earned – ₹7,721.05 Lacs



Deepak Jalan
Managing Director
DIN: 00758600



Rohit Deepak Jalan
Whole Time Director
DIN: 06883731

Place: Kolkata
Date: 29th June, 2020

Annexure - D

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

A. Under Rule 5(1)

Name of the Director / KMP and Designation	Designation	Ratio of remuneration of each Director/ to median remuneration of employees	% increase in Remuneration over Last Year
Shri Deepak Jalan	Managing Director	67.6:1	52.10
Shri Alopek Jalan	Whole Time Director	50.2:1	41.13
Shri Rohit Deepak Jalan *	Whole Time Director	17.8:1	-
Shri Naresh Pachisia	Independent, Non-Executive	2.6:1	31.30
Shri Anil Kochar	Independent, Non-Executive	2.6:1	23.62
Shri Sanjay Agarwal#	Independent, Non-Executive	2.1:1	500.00
Ms. Supriya Newar	Independent, Non-Executive	2.2:1	33.33
Shri N. K. Dujari	Chief Financial Officer & Company Secretary	9.3:1	(4.25)

* Shri Rohit Deepak Jalan has been appoint w.e.f. 28.05.2019

Shri Sanjay Agarwal has been appoint w.e.f. 12.02.2019

1. The number of permanent employees as on 31st March, 2020 was 918
2. Compared to the previous year 2018-19, the figures for the current year 2019-20 reflects that:
 - i) Median remuneration and average remuneration of all employees have increased by 12.35% and 6%
 - ii) Average remuneration of employees excluding Key Managerial Personnel has increased by 6%
 - iii) Remuneration of Key Managerial Personnel has increased by 61.5%
3. 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	1,24,80,000	B.Com	58 / 34	01.04.1995	-
Shri Alopek Jalan	Whole Time Director	92,64,000	B.Com	51 / 29	01.05.2004	-
Shri Rohit Deepak Jalan	Whole Time Director	32,82,162	P G D in Business Economics (Mktg)	31 / 8	01.09.2012	-
Shri Samip Baruah	Vice President - Sales	23,42,284	PHD (Business Admn.)	50 / 23	01.08.2018	ITC Ltd.
Shri Deepak Ramgaria	Sr. Manager-Mfg. Operation (Exp.)	21,69,559	B.Com (H)	49 / 20	06.01.2010	-
Shri Anamitra Bandyopadhyay	Deputy General Manager	17,41,317	Post Graduate	53 / 28	12.08.2019	McNroe Consumer Products Pvt.Ltd.
Shri Arun Sharma	Zonal Business Manager	17,35,808	M.A.	45 / 23	02.02.2018	Shyamdhani Industries Ltd.
Shri N. K. Dujari	CFO & Company Secretary	17,13,000	B.Com(H), FCA, FCS	53 / 33	01.12.2000	Globsyn Webel Ltd.
Shri G. N. Choudhury	Dy. Manager-Operation	15,99,396	ITI, DPMMT (CIPET),	41 / 23	01.08.2001	K S B Plastomec
Shri Shailesh Didwania	Senior Manager	15,47,744	B.Com	50 / 27	01.12.2006	-

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, 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.

Deepak Jalan
Managing Director
DIN: 00758600

Rohit Deepak Jalan
Whole Time Director
DIN: 06883731

Place: Kolkata
Date: 29th June, 2020

Annexure - E

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

[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	MAHESWARI 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	84.82

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	72,08,466	-	72,08,466	48.75%	72,31,290	16,74,806	89,06,096	59.88%	11.13%
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	15,88,475	-	15,88,475	10.74%	-	-	-	-	(10.74)%

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	
e. Bank/FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total-A(1)	87,96,941		87,96,941	59.50%	72,31,290	16,74,806	89,06,096	59.88%	0.39%
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)	87,96,941		87,96,941	59.50%	72,31,290		89,06,096	59.88%	0.39%
B. Public Shareholding									
1. Institution									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank / FI	20	-	20	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j. Others:									
Foreign Portfolio Investors	11,000	-	11,000	0.07%	11,000	-	11,000	0.07%	-
Sub-Total-B(1)	11,020	-	11,020	0.07%	11,000	-	11,000	0.07%	-
2. Non-Institution									
a. Bodies Corp.									
i) Indian	7,56,309	1,000	7,57,309	5.12%	8,98,364	1,000	8,99,364	6.05%	0.93%
ii) Oversease	20,00,000	-	20,00,000	13.45	20,00,000	-	20,00,000	13.45%	-
b. Individuals									
i. Individual shareholders holding nominal share capital up to ₹1 lakh	11,25,463	127,799	12,53,262	8.48%	11,37,721	113,338	12,51,059	8.41%	(0.06)%
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	17,97,565	14,500	18,12,065	12.26%	16,64,600	14,500	16,79,100	11.29%	(0.97)%
c. Others (Specify)									
ii. Non Resident Individual	42,791	-	42,791	0.29%	41,343	-	41,343	0.28%	(0.01)%
iii. Clearing Members	84,803	-	84,803	0.57%	18,369	-	18,369	0.12%	(0.45)%
iv. Trust	247	-	247	-	247	-	247	-	-
v. NBFCs registered with RBI	5,005	-	5,005	0.03%	37,789	-	37,789	0.25%	0.22%
Investors Education & Protection Fund Authority	22,517	-	22,517	0.15%	27,924	-	27,924	0.19%	0.04%
Sub-Total-B(2)	58,34,700	1,43,299	59,77,999	40.43%	58,26,357	128,838	59,55,195	40.04%	(0.39)%

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	
Total Public Shareholding B= B(1) + B(2)	58,45,720	1,43,299	59,89,019	40.50%	58,37,357	128,838	59,66,195	40.12%	(0.39)%
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	1,46,42,661	1,43,299	1,47,85,960	100.00%	1,30,68,647	1,28,838	1,48,72,291	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	3,27,455	2.21%	NIL	3,27,455	2.20%	NIL	(0.01)%
2	Deepak Jalan HUF	5,27,928	3.57%	NIL	5,27,928	3.55%	NIL	(0.02)%
3	Prakash Jalan	100	-	NIL	100	-	NIL	-
4	Aloke Jalan	7,68,416	5.20%	NIL	7,68,416	5.17%	NIL	(0.03)%
5	Aloke Jalan HUF	20,800	0.14%	NIL	20,800	0.14%	NIL	-
6	Suraj Mal Jalan	10,30,871	6.97%	NIL	16,39,731	11.03%	NIL	4.06%
7	Suraj Mal Jalan HUF	51,100	0.35%	NIL	1,66,020	1.12%	NIL	0.77%
8	Shobha Jalan	20,03,730	13.55%	NIL	20,16,106	13.56%	NIL	0.01%
9	Bimia Devi Jalan	1,75,305	1.19%	NIL	5,21,143	3.50%	NIL	2.31%
10	Divya Jalan	9,214	0.06%	NIL	12,000	0.08%	NIL	0.02%
11	Rohit Deepak Jalan	3,59,900	2.43%	NIL	9,81,450	6.60%	NIL	4.17%
12	Aakash Aloke Jalan	22,100	0.15%	NIL	32,300	0.22%	NIL	0.07%
13	Utkarsh Aloke Jalan	12,400	0.08%	NIL	20,900	0.14%	NIL	0.06%
14	Devanshi Jalan	3,67,397	2.48%	NIL	3,84,057	2.58%	NIL	0.10%
15	Sarita Jalan	12,24,250	8.28%	NIL	11,80,190	7.94%	NIL	(0.34)%
16	Eka Jalan	3,07,500	2.08%	NIL	3,07,500	2.07%	NIL	(0.01)%
17	Linc Writing Aids Pvt. Ltd.	15,88,475	10.74%	NIL	-	-	NIL	(10.74)%
	Total	87,96,941	59.50%	NIL	89,06,096	59.88%	NIL	0.39%

iii. Change in Promoters' Shareholding

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	3,27,455	2.21%	
		At the end of the year			3,27,455
2	Deepak Jalan HUF	At the beginning of the year	5,27,928	3.57%	
		At the end of the year			5,27,928
3	Prakash Jalan	At the beginning of the year	100	-	
		At the end of the year			100

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
4	Aloke Jalan				
	At the beginning of the year	7,68,416	5.20%		
	At the end of the year			7,68,416	5.17%
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	10,30,871	6.97%		
	Increase / (Decrease) during the year				
	22/11/19	600	-	10,31,471	6.98%
	11/03/20*	6,08,260	4.09%	16,39,731	11.03%
	At the end of the year			16,39,731	11.03%
7	Surajmal Jalan HUF				
	At the beginning of the year	51,100	0.35%		
	Increase / (Decrease) during the year				
	11/03/20*	1,14,920	0.77%	1,66,020	1.12%
	At the end of the year			1,66,020	1.12%
8	Shobha Jalan				
	At the beginning of the year	20,03,730	13.55%		
	Increase / (Decrease) during the year				
	11/03/20*	12,376	0.08%	20,16,106	13.56%
	At the end of the year			20,16,106	13.56%
9	Bimla Devi Jalan				
	At the beginning of the year	1,75,305	1.19%		
	Increase / (Decrease) during the year				
	29/11/19	19,438	0.13%	1,94,743	1.32%
	11/03/20*	3,26,400	2.19%	5,21,143	3.50%
	At the end of the year			5,21,143	3.50%
10	Divya Jalan				
	At the beginning of the year	9,214	0.06%		
	Increase / (Decrease) during the year				
	29/11/19	1,500	0.01%	10,714	0.07%
	28/02/20	1,286	0.01%	12,000	0.08%
	At the end of the year			12,000	0.08%
11	Rohit Deepak Jalan				
	At the beginning of the year	3,59,900	2.43%		
	Increase / (Decrease) during the year				
	06/03/20	5,00,000	3.38%	8,59,900	5.82%
	11/03/20*	1,21,550	0.82%	9,81,450	6.60%
	At the end of the year			9,81,450	6.60%
12	Aakash Aloke Jalan				
	At the beginning of the year	22,100	0.15%		
	Increase / (Decrease) during the year				
	11/03/20*	10,200	0.07%	32,300	0.22%
	At the end of the year			32,300	0.22%
13	Utkarsh Aloke Jalan				
	At the beginning of the year	12,400	0.08%		
	Increase / (Decrease) during the year				
	11/03/20*	8,500	0.06%	20,900	0.14%
	At the end of the year			20,900	0.14%

* allotted pursuant to Scheme of Arrangement and Amalgamation.

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
14	Devanshi Jalan				
	At the beginning of the year	3,67,397	2.48%		
	Increase / (Decrease) during the year				
	11/03/20*	16,660	0.11%	3,84,057	2.58%
	At the end of the year			3,84,057	2.58%
15	Sarita Jalan				
	At the beginning of the year	12,24,250	8.28%		
	Increase / (Decrease) during the year				
	06/03/20	(5,00,000)	(3.38)%	7,24,250	4.90%
	11/03/20*	4,55,940	3.07%	11,80,190	7.94%
	At the end of the year			11,80,190	7.94%
16	Ekta Jalan				
	At the beginning of the year	3,07,500	2.08%		
	At the end of the year			3,07,500	2.07%
17	Linc Writing Aids Pvt. Ltd.				
	At the beginning of the year	15,88,475	10.74%		
	Increase / (Decrease) during the year				
	11/03/20 (cancelled pursuant to Scheme)	(15,88,475)	(10.74)%	-	-
	At the end of the year			-	-

* allotted pursuant to Scheme of Arrangement and Amalgamation.

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	13.45%
2	AJANTA SALES PRIVATE LIMITED			
	At the beginning of the year	2,63,382		1.78%
	At the end of the year		2,63,382	1.77%
3	S. SHYAM			
	At the beginning of the year	74,447		0.50%
	Increase / (Decrease) during the year			
	05/04/19	(22,697)	51,750	0.35%
	12/04/19	(21,706)	30,044	0.20%
	19/04/19	(12,151)	17,893	0.12%
	26/04/19	(5,450)	12,443	0.08%
	17/05/19	(12,442)	1	-
	At the end of the year		1	-
4	SHREE BALAJI SAREES PVT. LTD.			
	At the beginning of the year	1,40,000		0.95%
	Increase / (Decrease) during the year			
	31/05/19	1,061	1,41,061	0.95%
	07/06/19	1,120	1,42,181	0.96%
	13/12/19	12,242	1,54,423	1.04%
	31/12/19	2,523	1,56,946	1.06%

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
	14/02/20	254	1,57,200	1.06%
	27/03/20	1,589	1,58,789	1.07%
	31/03/20	3,043	1,61,832	1.09%
	At the end of the year		1,61,832	1.09%
5	NITIN CHUNILAL MEHTA			
	At the beginning of the year	1,52,000		1.03%
	At the end of the year		1,52,000	1.02%
6	SAKET TODI			
	At the beginning of the year	1,48,950		1.01%
	At the end of the year		1,48,950	1.00%
7	SAHARSH VINCOM PRIVATE LIMITED			
	At the beginning of the year	68,108		0.46%
	Increase / (Decrease) during the year			
	31/05/19	(1,974)	66,134	0.45%
	19/07/19	9,343	75,477	0.51%
	17/01/20	(500)	74,977	0.51%
	07/02/20	(824)	74,153	0.50%
	14/02/20	(6,786)	67,367	0.46%
	At the end of the year		67,367	0.45%
8	ASHOK KUMAR TODI			
	At the beginning of the year	71,455		0.48%
	Increase / (Decrease) during the year			
	29/11/19	(8,000)	63,455	0.43%
	06/12/19	(12,990)	50,465	0.34%
	13/12/19	(17,402)	33,063	0.22%
	20/12/19	(18,497)	14,566	0.10%
	27/12/19	(14,566)	-	-
	At the end of the year		-	-
9	AMIT SHARAFF			
	At the beginning of the year	2,79,677		1.89%
	Increase / (Decrease) during the year			
	09/08/19	2,529	2,82,206	1.91%
	25/10/19	500	2,82,706	1.91%
	01/11/19	498	2,83,204	1.92%
	08/11/19	1,541	2,84,745	1.93%
	15/11/19	7,100	2,91,845	1.97%
	06/12/19	834	2,92,679	1.98%
	07/02/20	50	2,92,729	1.98%
	14/02/20	40	2,92,769	1.98%
	20/03/20	3	2,92,772	1.97%
	At the end of the year		2,92,772	1.97%
10	UDIT TODI			
	At the beginning of the year	1,23,340		0.83%
	Increase / (Decrease) during the year			
	08/11/19	(9,000)	1,14,340	0.77%
	15/11/19	(1,000)	1,13,340	0.77%
	At the end of the year		1,13,340	0.76%
11	SHOBHA DEVI TODI			
	At the beginning of the year	1,10,338		0.75%
	Increase / (Decrease) during the year			
	08/11/19	(8,000)	1,02,338	0.69%

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
	15/11/19	(7,000)	95,338	0.64%
	At the end of the year		95,338	0.64%
12	SILVERTOSS SECURITIES PRIVATE LIMITED			
	At the beginning of the year	-		-
	Increase / (Decrease) during the year			
	08/11/19	13,000	13,000	0.09%
	15/11/19	12,000	25,000	0.17%
	06/12/19	18,000	43,000	0.29%
	13/12/19	13,995	56,995	0.39%
	20/12/19	20,151	77,146	0.52%
	27/12/19	12,088	89,234	0.60%
	31/12/19	7,221	96,455	0.65%
	At the end of the year		96,455	0.65%
13	NITIN TANDON			
	At the beginning of the year	96,000		0.65%
	Increase / (Decrease) during the year			
	20/12/19	3,700	99,700	0.67%
	At the end of the year		99,700	0.67%

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	3,27,455	2.21%	3,27,455	2.20%
	Aloke Jalan	7,68,416	5.20%	7,68,416	5.17%
	N. K. Dujari	500	-	500	-

V. INDEBTNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lakhs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loan	Deposits	Total Indebtness
Indebtness at the beginning of the financial year				
i) Principal Amount	6,204.84	-	-	6,204.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total of (i+ii+iii)	6,204.84	-	-	6,204.84
Change in Indebtness during the financial year				
+ Addition	-	-	-	-
- Reduction	1,630.15	-	-	1,630.15
Net Change	(1,630.15)	-	-	(1,630.15)
Indebtness at the end of the financial year				
i) Principal Amount	4,574.69	-	-	4,574.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total of (i+ii+iii)	4,574.69	-	-	4,574.69

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Deepak Jalan	Aloke Jalan	Rohit Deepak Jalan	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	90.00	72.00	29.95	191.95
	(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	24.00	12.00		36.00
5	Others, please specify: Contribution to Provident Fund, Medical Reimbursement & LTC	10.80	8.64	2.87	22.31
	Total (A)	124.80	92.64	32.82	250.26
	Ceiling as per the Act	10% of the Net Profit of the Company			

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. Naresh Pachisia	Mr. Anil Kochar	Mr. Sanjay Agarwal	Ms. Supriya Newar	
Independent Directors					
• Fee for attending board committee meetings	1.74	1.71	0.90	1.00	5.35
• Commission	3.00	3.00	3.00	3.00	12.00
• Others, please specify					
Total	4.74	4.71	3.90	4.00	17.35
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	16.12
	(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	-
5	Others, please specify: Contribution to Provident Fund, Medical Reimbursement & LTC	1.01
	Total (A)	17.13

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

None



Deepak Jalan
Managing Director
DIN: 00758600



Rohit Deepak Jalan
Whole Time Director
DIN: 06883731

Place: Kolkata
Date: 29th June, 2020

Annexure - F

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st March, 2020

[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) for the financial year ended 31st March, 2020. 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, 2020 ('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, 2020 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 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;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 .
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure

Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, w.e.f. from 10th November, 2018 and its amendment Regulations, 2018, w.e.f. 31-12-2018.;

- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable to the Company during the Audit Period);
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- 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;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 w.e.f. 11th September, 2018 (Not applicable to the Company during the Audit Period);
- The management has identified and confirmed the following laws as specifically applicable to the Company:
 - The Legal Metrology Act, 2009 and Rules made there under;
 - Water (Prevention & Control of Pollution) Act, 1974;
 - The Air (Prevention & Control of Pollution) Act, 1981;
 - 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:

- 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.
- 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

except compliance of Regulation-44 of the SEBI (LODR) Regulation, 2015 in one occasion regarding submission of voting results within 48 hours of conclusion General Meeting. The EGM of the Company was held as per the order of the NCLT, Kolkata Bench (with Chairman and Scrutiniser appointed by NCLT) and the voting results were submitted to the stock exchanges within 48 hours of receipt of the voting result from the NCLT appointed Chairman of the NCLT convened meeting and It was not feasible / possible for the Company to submit voting results within 48 hours of conclusion of its General Meeting as the voting results were not in possession of the Company.

We further report that:-
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

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

For D. C. Sahoo & Co.
Company Secretaries



D. C. Sahoo
Proprietor
M. No.: ACS No: 14008
C P No.: 5508
UDIN: A014008B000413651

Place: Kolkata
Date: 29.06. 2020

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

To,
The Members,
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.

- 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.
- 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.

- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management representation about the Compliance of Laws, rules and regulations and happening of events etc.
- 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.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For D. C. Sahoo & Co.
Company Secretaries



D. C. Sahoo
Proprietor
M. No.: ACS No: 14008
C P No.: 5508
UDIN: A014008B000413651

Place: Kolkata
Date: 29.06. 2020

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, Eradicating Hunger, Nationally Recognised Sports, etc.
2	The composition of the CSR Committee.	Shri Deepak Jalan (Chairman) Shri Alope Jalan Ms. Supriya Newar
3	Average Net Profit of the company for last 3 financial years	₹1,593 Lacs
4	Threshold Limit-(2% of this amount as in 3 above)	₹31.86 Lacs
5	Details of CSR spent during the financial year	
	a. Total amount to be spent for the financial year	₹34.97 Lacs
	b. Amount unspent, if any	NIL

c. Manner in which the amount spent during the financial year is detailed below:

1	2	3	4	5	6	7	8
SI	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 Lacs)	Amount spent on the project / programme Subheads: 1. Direct expenditure on project, 2. Overheads: (₹ In Lacs)	Cumulative spend upto to the reporting period. (₹ In Lacs)	Amount spent: (Directly to)
1	Promoting Education, Eradicating Hunger, Health Care, Nationally Recognised Sports	Education	Kolkata, West Bengal	18.00	18.00	18.00	Good News Children Education Mission
		Eradicating Hunger	Kolkata, West Bengal	6.00	6.00	6.00	Ann Bandhu
		Education	Kolkata, West Bengal	5.00	5.00	5.00	Parivaar Education Society
		Health Care	Kolkata, West Bengal	3.00	3.00	3.00	Dyslexia Trust of Kolkata
		Education	Madurai, Tamil Nadu	1.25	1.25	1.25	Relief Projects India
		Education	Kolkata, West Bengal	1.00	1.00	1.00	All India Marwari Mahila Samity
		Nationally Recognised Sports	Kolkata, West Bengal	0.72	0.72	0.72	Japan Karate Association of India

Note : Administrative Overhead expenses is Nil

- 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



Alope Jalan
Whole Time Director
DIN: 00758762



Deepak Jalan
Chairman- CSR Committee
DIN: 00758600

Place: Kolkata
Date: 29th June, 2020

Independent Auditor's Report

To the Members of
Linc Pen & Plastics Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Linc Pen & Plastics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's

Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 48 to the financial statements which explain the management's assessment of the financial & operational impact due to the lock-down and conditions related to the COVID – 19 and its consequential impact on the carrying values of assets as at 31st March, 2020. Our opinion is not modified in respect of the same.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue from sale of goods (as described in Note 23 to the financial statements)</p> <p>The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and discounts (variable consideration). During F.Y. 2019-20, the Company's Statement of Profit and Loss included Sales of ₹ 39,210.38 lakhs. The terms of sales arrangements, including the timing of transfer of control, the nature of discount and rebates arrangements and delivery specifications, create complexity and judgment in determining sales revenues.</p> <p>The risk is, therefore, that revenue is not recognised in accordance with Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ➤ Considered the appropriateness of Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'; ➤ Assessed the design and tested the operating effectiveness of internal controls related to sales and related rebates and discounts; ➤ Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, tested that the revenue has been recognised as per the sales agreements; ➤ Selected sample of sales transactions made pre- and post-year end, agreed the period of revenue recognition to underlying documents; and, ➤ Assessed the relevant disclosures made within the financial statements.
<p>Valuation of Inventories (as described in Note 7 to the financial statements)</p> <p>The company held inventories amounting to ₹8313.13 lakhs as at the Balance Sheet date, which represent 33.88% of total assets.</p> <p>As described in the accounting policies in note 1.4.g to the financial statements, inventories are carried at the lower of cost and net realizable value. Inventories valuation is a significant audit risk as inventories may be held for long periods of time before being sold making it vulnerable to obsolescence. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realizable value below cost based upon future plans for sale of inventory.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ➤ Obtained a detailed understanding and evaluated the design and implementation of controls that the company has established in relation to inventory valuation. ➤ Comparing the net realizable value to the cost price of inventories to check for completeness of the associated provision. ➤ Recomputing provisions recorded to verify that they are in line with the Company policy.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance,

total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls

system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the

financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company

and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its

financial statements. Refer Note 32b to the financial statement

- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E



(Aditya Singhi)

Partner

Membership No. 305161

UDIN: 20305161AAAAAN2467

Place: Kolkata

Date : 29th June, 2020

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Linc Pen & Plastics Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2020 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion

on the internal financial controls with reference to financial statements of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of

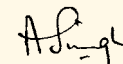
internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls and such internal financial controls were operating effectively as at March 31, 2020, 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.

For Singhi & Co.

Chartered Accountants
Firm’s Registration No. 302049E



(Aditya Singhi)

Partner

Membership No. 305161
UDIN: 20305161AAAAAN2467

Place: Kolkata
Date : 29th June, 2020

Annexure “B” to the Independent Auditor’s Report

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended 31st March 2020, we report that:

- (i) In respect to the Company’s assets:
- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to information and explanations given by the management, the title deeds of immovable properties included in Property, Plant & Equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The provisions regarding maintenance of the cost records under Section 148(1) of the Act are not applicable to the company.
- (vii) a. Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c. According to the records of the Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, goods and service tax, excise duty, value added tax & cess on account of any dispute, are as follows:-

Sl. No.	Name of the Statute	Nature of dues	Period to which pertain	Amount (₹ in lakhs)	Forum where the dispute is pending
1.	West Bengal Entry Tax Act	Entry Tax	F.Y. 2012-13 to 17-18	172.00	High Court
		Total		172.00	

- (viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. The Company has not taken any loans or borrowings from financial institutions and Government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given by the management, term loans were applied for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company 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 managerial remuneration during the financial year in compliance with provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) 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 Singhi & Co.
Chartered Accountants
Firm’s Registration No. 302049E


(Aditya Singhi)
Partner

Membership No. 305161
UDIN: 20305161AAAAAN2467

Place: Kolkata
Date : 29th June, 2020

Balance Sheet as at 31st March, 2020

(₹ in lakhs)

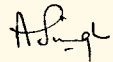
Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
1. Non-Current Assets			
a) Property, plant and equipment	2	7,415.53	7,470.25
b) Capital Work - in - progress		284.28	50.72
c) Right-of-Use Assets		154.86	-
d) Intangible Assets	3	15.22	19.57
e) Financial Assets -	4	107.18	96.58
i) Loans			
ii) Others		0.67	0.64
f) Income Tax Assets (Net)	5	97.03	87.90
g) Other Non - Current Assets	6	1,470.38	1,471.10
Total Non-Current Assets		9,545.15	9,196.76
2. Current Assets			
a) Inventories	7	8,313.13	7,043.33
b) Financial Assets			
i) Trade Receivables	8	4,355.74	4,234.11
ii) Cash & Cash Equivalents	9	13.02	11.05
iii) Bank Balances other than (ii) above	10	12.85	13.16
iv) Security Deposits	11	2.09	2.04
c) Other Current Assets	12	2,293.42	2,739.51
Total Current Assets		14,990.25	14,043.20
Total Assets		24,535.40	23,239.96
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	13	1,487.23	1,478.60
b) Share Suspense		-	8.63
c) Other Equity	14	12,210.18	10,569.15
Total Equity		13,697.41	12,056.38
Liabilities			
1. Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	1,879.64	1,967.41
ii) Lease Liabilities	44	95.54	-
b) Provisions	16	216.61	128.06
c) Deferred Tax Liabilities (Net)	17	544.51	718.65
Total Non-Current Liabilities		2,736.30	2,814.12
2. Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18	2,351.67	3,812.73
ii) Lease Liabilities	44	70.17	-
iii) Trade Payables	19		
Total outstanding dues of micro enterprises and small enterprises		242.71	157.94
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,359.70	2,438.24
iv) Others	20	1,538.04	1,437.86
b) Other Current Liabilities	21	529.61	514.80
c) Provisions	22	9.79	7.89
Total Current Liabilities		8,101.69	8,369.46
Total Liabilities		10,837.99	11,183.58
TOTAL EQUITY AND LIABILITIES		24,535.40	23,239.96

Significant Accounting Policies and Key Estimates and Judgements 1

The accompanying notes 1 to 49 are an integral part of the Financial Statements. As per our report of even date attached.

For Singhi & Co.

Chartered Accountants
F.R No. 302049E



(Aditya Singhi)
Partner
Membership No. 305161
Place of Signature: Kolkata
Dated: 29th June, 2020

For and on behalf of the Board



Deepak Jalan
Managing Director
DIN:00758600



Rohit Deepak Jalan
Whole Time Director
DIN:06883731



N. K. Dujari
Chief Financial Officer
& Company Secretary
FCA 54444/FCS 8745

Statement of Profit and Loss for the year ended 31st March, 2020

(₹ in lakhs)

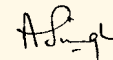
Particulars	Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Income			
I. Revenue from operations	23	39,995.50	36,693.64
II. Other income	24	4.29	243.49
III. Total revenue (I + II)		39,999.79	36,937.13
IV. Expenses			
Cost of materials consumed	25	13,891.49	13,343.69
Purchases of Stock-in-Trade	26	11,954.55	12,012.63
Change in inventories of Finished goods, Work-in-Progress and Stock-in-Trade	27	(988.05)	0.83
Employee benefits expense	28	3,577.49	2,796.44
Finance costs	29	546.33	629.38
Depreciation and amortization expense	2A	1,254.38	1,046.41
Other expenses	30	7,437.65	6,000.63
Total expenses		37,673.84	35,830.01
V. Profit before exceptional items and tax (III - IV)		2,325.95	1,107.12
VI. Exceptional items		-	-
VII. Profit before tax (V - VI)		2,325.95	1,107.12
VIII. Tax expense:			
Current tax	37	562.00	246.00
Income tax for earlier years		-	206.24
Deferred tax		(160.67)	140.19
Total Tax expenses:		401.33	592.43
IX. Profit for the year (VII-VIII)		1,924.62	514.69
Other Comprehensive Income not to be reclassified to profit and loss in subsequent periods:			
Re-Measurement gains/(losses) on defined benefit plans		(53.51)	(26.14)
Income Tax Effect		13.47	8.73
Total Other Comprehensive Income of the year		(40.04)	(17.41)
Total Comprehensive Income of the year		1,884.58	497.28
X. Earnings per equity share - Basic and diluted (₹)	42	12.94	3.46
(Face value ₹10/- per equity share)			

Significant Accounting Policies and Key Estimates and Judgements 1

The accompanying notes 1 to 49 are an integral part of the Financial Statements. As per our report of even date attached.

For Singhi & Co.


Chartered Accountants
F.R No. 302049E



(Aditya Singhi)
Partner
Membership No. 305161
Place of Signature: Kolkata
Dated: 29th June, 2020

For and on behalf of the Board


Chartered Accountants
F.R No. 302049E



Deepak Jalan
Managing Director
DIN:00758600



Rohit Deepak Jalan
Whole Time Director
DIN:06883731



N. K. Dujari
Chief Financial Officer
& Company Secretary
FCA 54444/FCS 8745

Cash Flow Statement for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019	
A. Cash flow from operating activities :			
Net profit before tax as per Statement of Profit and Loss		2,325.95	1,107.12
Adjustments for:			
Depreciation and amortization expense	1,254.38	1,046.41	
Profit on sale of Investment	-	(17.97)	
Profit on sale of Property, Plant and Equipment	(0.54)	(19.81)	
Interest Income	(3.62)	(2.68)	
Unrealised loss/(gain) on foreign exchange fluctuation (Net)	(296.79)	(239.48)	
Finance cost	546.33	1,499.76	629.38
Operating profit before working capital changes		3,825.71	2,502.97
(Increase) / Decrease in Trade Receivables	131.11	452.01	
(Increase) / Decrease in Inventories	(1,269.79)	867.79	
(Increase) / Decrease in Other Non Current Assets	(10.61)	11.84	
(Increase) / Decrease in Other Current Assets	446.09	(227.10)	
Increase / (Decrease) in Long Term Provisions	35.04	4.84	
Increase / (Decrease) in Trade Payables	1,050.27	(140.88)	
Increase / (Decrease) in Other Current Liabilities	100.27	129.78	
Increase / (Decrease) in Other Non-Current Liabilities	95.54	-	
Increase / (Decrease) in Short Term Provisions	1.90	579.82	4.74
Cash generated from operations		4,405.53	3,605.99
Less: Direct taxes paid		570.49	288.86
Net Cash Generated From Operating Activities		3,835.04	3,317.13
B. Cash flow from investing activities :			
Addition to Property, Plant and Equipment (Including Intangibles)	(1,391.61)	(1,723.71)	
Sale of Property, Plant and Equipment	24.91	41.10	
Proceeds/(Repayment) from sale of Investment	-	18.46	
Interest Received	3.62	(1,363.08)	2.68
Net Cash Used in Investing Activities		(1,363.08)	(1,661.47)
C. Cash flow from financing activities :			
Proceeds /(Repayment) of Long term borrowings (Net)	(169.09)	248.97	
Proceeds /(Repayment) of Short term borrowings (Net)	(1,461.06)	(1,035.29)	
Repayment of Lease Liabilities	(49.96)	-	
Interest Paid (Including amount of ₹ 17.40 lakhs of interest on Lease liabilities)	(543.35)	(626.31)	
Other borrowing cost	(2.98)	(3.07)	
Dividend Paid	(197.96)	(197.96)	
Dividend Tax Paid	(45.59)	(2,469.99)	(45.59)
Net Cash Used in Financing Activities		(2,469.99)	(1,659.25)

Cash Flow Statement for the year ended 31st March, 2020

(₹ in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net increase in cash and cash equivalents (A+B+C)	1.97	(3.59)
Cash and cash equivalents - Opening balance	11.05	11.28
Add: on Business Combination (Refer Note 46)	-	3.36
Total Cash and cash equivalents - Opening balance	11.05	14.64
	13.02	11.05
Cash and cash equivalents - Closing balance	13.02	11.05

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Ind AS 7 on "Statement of Cash Flow".
- Figures in bracket represent cash outflow from respective activities.
- Additions to Property, Plant and Equipment includes movement of Capital Work-in-Progress and Capital advances during the year.
- Cash and cash equivalent at the end of the year consist of :

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Cash in hand	10.10	7.91
b) Balances with Scheduled Banks in Current Accounts	2.92	3.14
	13.02	11.05

- Cash and cash equivalent do not include any amount which is not available to the company for its use.
- Change in Liability arising from financing activities

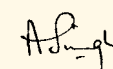
Particulars	As at 1st April, 2019	Cash Flow	Foreign Exchange Movement	As at 31st March, 2020
a) Long Term Borrowings (Note 15)	2,392.11	(169.09)	-	2,223.02
b) Short Term Borrowings (Note 18)	3,812.73	(1,461.06)	-	2,351.67

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

For Singhi & Co.

Chartered Accountants

F.R No. 302049E


(Aditya Singhi)

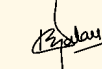
Partner

Membership No. 305161

Place of Signature: Kolkata

Dated: 29th June, 2020

For and on behalf of the Board


Deepak Jalan

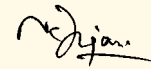
Managing Director

DIN:00758600


Rohit Deepak Jalan

Whole Time Director

DIN:06883731


N. K. Dujari

Chief Financial Officer

& Company Secretary

FCA 54444/FCS 8745

Statement of Changes in Equity as at and for the year ended 31st March, 2020

A. Equity Share Capital

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balances at the beginning of the year	1,47,85,960	1,478.60	1,47,85,960	1,478.60
Less: Shares cancelled (Refer Note 46)	15,88,475	158.85	-	-
Allotment of equity share during the year (Refer Note 46)	16,74,806	167.48	-	-
Balance at the end of the year	1,48,72,291	1,487.23	1,47,85,960	1,478.60

B. Reserves and Surplus

(₹ in lakhs)

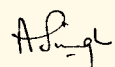
Particulars	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Total
Balance As on 1st April, 2018	2,096.94	7,756.59	-	744.51	10,598.04
Add: Arisen on Business Combination (Refer Note 46)			(628.55)	345.94	(282.61)
Profit for the year				514.69	514.69
Other Comprehensive Income for the year, net of tax:					
Remeasurement gain/(loss) on Defined Benefit Plans				(17.41)	(17.41)
Total Comprehensive Income for the year				497.28	497.28
Transfer to General Reserves from Retained Earnings		500.00		(500.00)	-
Payment of Dividend and Tax thereon				(243.55)	(243.55)
Balance As at 31st March, 2019	2,096.94	8,256.59	(628.55)	844.17	10,569.15
Balance As on 1st April, 2019	2,096.94	8,256.59	(628.55)	844.17	10,569.15
Profit for the year				1,924.62	1,924.62
Other Comprehensive Income for the year, net of tax:					
Remeasurement gain/(loss) on Defined Benefit Plans				(40.04)	(40.04)
Total Comprehensive Income for the year				1,884.58	1,884.58
Transfer to General Reserves from Retained Earnings		1,000.00		(1,000.00)	-
Payment of Dividend and Tax thereon				(243.55)	(243.55)
Balance As at 31st March, 2020	2,096.94	9,256.59	(628.55)	1,485.20	12,210.18

The accompanying notes 1 to 49 are an integral part of the Financial Statements.

As per our report of even date attached.

For Singhi & Co.

 Chartered Accountants
 F.R No. 302049E

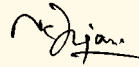

(Aditya Singhi)

 Partner
 Membership No. 305161
 Place of Signature: Kolkata
 Dated: 29th June, 2020

For and on behalf of the Board


Deepak Jalan
 Managing Director
 DIN:00758600


Rohit Deepak Jalan
 Whole Time Director
 DIN:06883731


N. K. Dujari
 Chief Financial Officer
 & Company Secretary
 FCA 54444/FCS 8745

Notes to Financial Statements as at and for the year ended 31st March, 2020

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

1.1 Statement of Compliance

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

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

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 29th June 2020.

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

1.2 Functional and Presentation currency

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

1.3 Basis of Measurement

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

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

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

1.4 Summary of Significant Accounting Policies

a. Current versus Non-Current Classification

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

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

Notes to Financial Statements as at and for the year ended 31st March, 2020

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

All other assets are classified as non-current.

A liability is current when it is:

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

The Company classifies all other liabilities as non-current.

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

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

b. Revenue Recognition

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

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

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

Interest Income

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

Notes to Financial Statements as at and for the year ended 31st March, 2020

Insurance Claims

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

c. Taxes

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

Current Tax

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

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

Deferred Tax

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Notes to Financial Statements as at and for the year ended 31st March, 2020

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

d. Property, Plant and Equipment

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

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

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

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

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

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

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

e. Intangible Assets

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

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

Notes to Financial Statements as at and for the year ended 31st March, 2020

f. Borrowing Costs

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

g. Inventories

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

ii) Scrap are valued at Net Realisable Value.

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

h. Impairment of Non-Financial Assets

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

i. Employee Benefits

i) Short-term employee benefits

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

Notes to Financial Statements as at and for the year ended 31st March, 2020

ii) Defined Benefit plans

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

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

j. Leases

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

Ind AS 116: Leases - Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards with the date of initial application on 1st April, 2019. Accordingly the financial statements for the year ended 31st March, 2019 have not been adjusted. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind AS 116 on the financial statements of the Company has been described under Note 44.

Notes to Financial Statements as at and for the year ended 31st March, 2020

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

As a lessee

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

(i) Right-of-use assets

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

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

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

(ii) Lease Liabilities

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

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

Notes to Financial Statements as at and for the year ended 31st March, 2020

used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term lease and lease of low-value assets

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

k. Foreign Currency Translation

i) Functional and presentation currency

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

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

ii) Transactions and balances

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

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

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

l. Financial Instruments

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

i) Initial Recognition and Measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except

Notes to Financial Statements as at and for the year ended 31st March, 2020

for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii) Derecognition of financial instruments

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

iii) Offsetting of Financial Instruments

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

m. Cash and Cash Equivalents

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

n. Cash Flow Statement

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

o. Dividend to Equity Holders

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

p. Earning Per Share

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

Notes to Financial Statements as at and for the year ended 31st March, 2020

attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

1.5 Significant Accounting Judgements, Estimates and Assumptions

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

Estimates and Assumptions

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

a) Defined Benefit Plans

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

Notes to Financial Statements as at and for the year ended 31st March, 2020

b) Estimated useful life of Property, plant and equipment

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

c) Claims, Provisions and Contingent Liabilities:

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

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

1.6 New Standard/Amendment to existing Standard issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would be applicable from April 1, 2020.]

Notes to Financial Statements as at and for the year ended 31st March, 2020**Note No. 2 Property, Plant and Equipment**

(₹ in lakhs)

Particulars	GROSS CARRYING VALUE		ACCUMULATED DEPRECIATION		NET CARRYING VALUE	
	1st April, 2019	Additions / adjustments	Deductions	31st March, 2020	For the year	31st March, 2020
Freehold Land	134.31	-	-	134.31	-	134.31
Buildings	1,934.04	9.35	-	1,943.39	63.00	1,775.93
Plant and Equipment	3,478.30	401.06	0.68	3,878.68	486.78	2,314.36
Furniture and Fixtures	337.07	5.41	-	342.48	34.99	185.89
Vehicles	283.19	42.88	27.78	298.29	31.70	185.46
Office Equipment	74.48	9.13	-	83.61	11.04	32.05
Other Equipment	3,765.54	678.06	-	4,443.60	532.87	2,640.48
Electrical Installation & Equipment	207.21	4.58	-	211.79	20.40	131.69
Computers & Data Processing Units	32.71	5.39	-	38.10	5.43	15.36
TOTAL	10,246.85	1,155.86	28.46	11,374.25	1,186.21	7,415.53
					4.08	3,958.72
						7,470.25

Notes to Financial Statements as at and for the year ended 31st March, 2020**Note No. 2 Property, Plant and Equipment**

(₹ in lakhs)

Particulars	GROSS CARRYING VALUE		ACCUMULATED DEPRECIATION		NET CARRYING VALUE	
	1st April, 2018	Additions / adjustments	Deductions	31st March, 2019	For the year	31st March, 2018
Freehold Land	134.31	-	-	134.31	-	131.80
Buildings	1,407.20	526.84	-	1,934.04	56.04	1,342.71
Plant and Equipment	2,931.41	552.58	5.69	3,478.30	412.68	2,266.36
Furniture and Fixtures	305.65	31.42	-	337.07	43.76	224.29
Vehicles	217.71	82.64	17.16	283.19	32.52	160.95
Office Equipment	68.63	5.85	-	74.48	11.97	40.08
Other Equipment	3,152.00	613.54	-	3,765.54	462.67	2,344.42
Electrical Installation & Equipment	195.36	12.29	0.44	207.21	20.22	155.84
Computers & Data Processing Units	28.89	4.00	0.18	32.71	5.74	16.69
TOTAL	8,441.16	1,829.16	23.47	10,246.85	1,045.60	6,683.14
					2.27	2,776.60
						7,470.25

Notes:

- Property, Plant and Equipment given as security for borrowings (Refer Note No 15 and 18)
- Gross carrying value as on 1st April 2018, includes ₹24,75 lakhs transferred pursuant to the scheme of arrangement. (Refer Note 46)

Note No. : 2A Depreciation & Amortisation Expense

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Depreciation on Property, plant & equipment	1,186.21	1,045.60
Depreciation on Intangible Assets	7.35	0.81
Depreciation of Right of use assets	60.82	-
	1,254.38	1,046.41

Note No. 3 Intangible Assets

Particulars	GROSS CARRYING VALUE		AMORTISATION		NET CARRYING VALUE	
	1st April, 2019	Additions / adjustments	31st March, 2020	For the year	31st March, 2020	31st March, 2019
		Deductions		Deductions		
Computer Software	3.14	3.00	6.14	0.82	3.41	0.55
Trade Mark	19.83	-	19.83	6.53	7.34	19.02
TOTAL	22.97	3.00	25.97	7.35	10.75	19.57

Particulars	GROSS CARRYING VALUE		AMORTISATION		NET CARRYING VALUE	
	1st April, 2018	Additions / adjustments	31st March, 2019	For the year	31st March, 2019	31st March, 2018
		Deductions		Deductions		
Computer Software	3.14	-	3.14	0.03	2.59	0.03
Trade Mark	-	19.83	19.83	0.81	0.81	-
TOTAL	3.14	19.83	22.97	0.84	3.40	0.03

Notes:

Gross carrying value as on 1st April 2018, includes ₹0.55 lakhs transferred pursuant to the scheme of arrangement. (Refer Note 46)

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 4 Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Financial Assets-Loans		
(Unsecured, considered good)		
Security Deposits	107.18	96.58
Financial Assets-Others		
(Unsecured, considered good)		
Fixed deposits with statutory authorities	0.57	0.57
(Non current portion with original maturity period of more than 12 months)		
Interest accrued but not due on fixed deposits	0.10	0.07
	0.67	0.64

Note No. : 5 Income Tax Assets (Net)

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
- Advance income tax	2,796.68	2,221.90
Less: Provision for taxation	2,699.65	97.03
	97.03	87.90

Note No. : 6 Other Non Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Capital advances	1,469.78	1,470.58
Other advances		
- Prepaid expenses	0.60	0.52
	1,470.38	1,471.10

Note No. : 7 Inventories *

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(At lower of cost and net realisable value)		
Raw materials	3,316.42	3,034.69
Work-in-progress	133.01	123.22
Finished goods	1,731.86	1,456.13
Add: Goods in transit	136.00	56.36
Stock-in-trade	2,995.84	2,372.93
	8,313.13	7,043.33

*Includes materials lying with other parties

Inventories are hypothecated/pledged against borrowings (refer note 18)

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 8 Trade Receivables

(₹ in lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Trade Receivables considered Goods - Secured	-	-
Trade Receivables considered Goods - Unsecured	4,355.74	4,234.11
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-
	4,355.74	4,234.11

Trade Receivables are hypothecated against borrowings (refer note 18)

Note No. : 9 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Balance with banks		
In current accounts	2.92	3.14
Cash on hand	10.10	7.91
	13.02	11.05

Note No. : 10 Other bank balances

(₹ in lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Earmarked balances		
- Unpaid dividend accounts	12.85	13.16
	12.85	13.16

Note No. : 11 Security deposits

(₹ in lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Unsecured, considered good		
Security deposits	2.09	2.04
	2.09	2.04

Note No. : 12 Other Current Assets

(₹ in lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
(Unsecured, considered good)		
- Advances to suppliers and others	331.34	292.31
- Prepaid expenses	24.73	20.60
- Claims receivable	411.36	511.36
- Taxes and duties refundable	5.14	5.14
- Export Benefit Receivable	226.60	304.13
- Balance with government authorities	1,294.25	1,605.97
	2,293.42	2,739.51

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 13 Share capital

(₹ in lakhs)

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	(₹ in lakhs)	No. of shares	(₹ in lakhs)
Authorised				
Equity shares of ₹10/- each	1,55,00,000	1,550.00	1,50,00,000	1,500.00
Issued, subscribed and fully paid up				
Equity shares of ₹10/- each	1,48,72,291	1,487.23	1,47,85,960	1,478.60
		1,487.23		1,478.60

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	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
Less: Shares cancelled (Refer Note 46)	15,88,475	158.85	-	-
Add: Shares Issued (Refer Note 46)	16,74,806	167.48	-	-
At the end of the year	1,48,72,291	1,487.23	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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Mrs. Shobha Jalan	20,16,106	13.56	20,03,730	13.55
M/s. Mitsubishi Pencil Co. Ltd.	20,00,000	13.45	20,00,000	13.53
Mrs. Sarita Jalan	11,80,190	7.94	12,24,250	8.28
Mr. Rohit Deepak Jalan	9,81,450	6.60	3,59,900	2.43
Mr. Suraj Mal Jalan	16,39,731	11.03	10,30,871	6.97
Mr. Alopek Jalan	7,68,416	5.17	7,68,416	5.20

d. Aggregate number of share issued for consideration other than cash:

During the current year, 1674806 shares issued pursuant to scheme of arrangement. (Refer Note 46)

After the Reporting date, the Board of Directors has proposed a dividend of ₹1.50/- per equity share (31st March, 2019 ₹1.50/- 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 ₹223.08 lakhs. Dividend would not attract dividend distribution tax w.e.f. 1st April, 2020.

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 14 Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Securities premium account		
Balance as per last account	2,096.94	2,096.94
General Reserve		
Balance as per last account	8,256.59	7,756.59
Add: Transfer from Retained Earnings	1,000.00	500.00
	9,256.59	8,256.59
Capital Reserve		
- Arisen on business combination (Refer Note 46)	(628.55)	(628.55)
Retained Earnings		
Balance as per last statement	844.17	744.51
Add: Transfer on Business Combination (Refer Note 46)	-	345.94
Add: Net profit for the year	1,924.62	514.69
Add: Other Comprehensive Income for the Year	(40.04)	(17.41)
Less: Dividend	197.96	197.96
Less: Tax on Dividend	45.59	45.59
Less: Transfer to General Reserve	1,000.00	500.00
Closing balance	1,485.20	844.17
	12,210.18	10,569.15

Description of nature and purpose of each reserve :-

a. Securities Premium

Securities Premium represents the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

b. General Reserve

General Reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of other Comprehensive income.

c. Capital reserve represents arisen on business combination. (Refer Note 46)

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 15 Long-term borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Term loan (Secured)		
- From banks	2,197.50	2,172.00
Vehicle loan (Secured)		
- From bank	25.52	37.71
Others (Unsecured)	-	182.40
	2,223.02	2,392.11
Less: Current maturities of Long Term Loans disclosed under the head other current financial liabilities	343.38	424.70
	1,879.64	1,967.41

a. Nature of securities :

- Term Loan of ₹2,197.50 lakhs from HDFC Bank (Previous Year ₹1,170/- lakhs from HDFC bank and ₹1,002 lakhs from Yes Bank) is secured against exclusive charge on the fixed assets (moveable & immovable) of the plant located in Falta, Serakole unit and 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:

- Term Loan of ₹630 lakhs as on 31/03/2020 from HDFC Bank, Repayable in 20 quarterly instalments of ₹90.00 lakhs as per terms of the agreement. The last installment is due in the month of October, 2022.
- Term Loan of ₹1,567.50 lakhs as on 31/03/2020 from HDFC Bank, Repayable in 19 quarterly instalments of ₹82.50 lakhs as per terms of the agreement. The last installment is due in the month of November, 2024.
- Vehicle Loan from ICICI Bank, Repayable in 36 equated monthly instalments of ₹1.27 lakhs as per terms of the agreement. The last installment is due in the month of January, 2022.

c. Interest

For HDFC Bank: (Term Loan of ₹630 lakhs):- 1.00% over base rate which presently is 9.25% p.a with monthly reset and (Term Loan of ₹1,567.50 lakhs): - 8.65% linked with 1 year MCLR with annual reset.

Note No. : 16 Provisions- Non Current

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Leave Encashment	109.76	77.88
Gratuity	106.85	50.18
	216.61	128.06

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 17 Deferred tax liabilities (Net) (₹ in lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Deferred tax liabilities :		
Depreciation	601.49	767.41
Less : Deferred tax asset :		
Expenses allowable for tax purpose when paid	56.98	48.76
Deferred tax liabilities (Net)	544.51	718.65

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

- For Movement in Deferred Tax (Assets) /Liabilities: (Refer Note no. 38)

Note No. : 18 Short-term borrowings (₹ in lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Loan Repayable On Demand		
- From banks (Secured)	2,351.67	3,812.73
	2,351.67	3,812.73

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@ 9.25% to 9.90 % (31st March, 2019 9.25% to 10.05%).

Note No. : 19 Trade payables (₹ in lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Total outstanding dues of micro enterprises and small enterprises (Refer note no. 33)	242.71	157.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,359.70	2,438.24
	3,602.41	2,596.18

Trade Payables are non - interest bearing and are normally settled in 0 to 45 days.

Note No. : 20 Other Financial Liabilities (₹ in lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Current maturities of long-term loans	343.38	424.70
Unpaid dividends *	12.85	13.16
Trade deposits	224.21	274.09
Unpaid salaries and other payroll dues	370.39	261.99
Accrued Expenses	587.21	463.92
	1,538.04	1,437.86

* There are no amount due and outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 21 Other current liabilities (₹ in lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Advance from customers	145.16	132.86
Advance against sale of Property, Plant and Equipment	0.25	4.25
Statutory liabilities	384.20	377.69
	529.61	514.80

Note No. : 22 Provisions-Current (₹ in lakhs)

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Provision for employee benefits -Leave Encashment	9.79	7.89
	9.79	7.89

Note No. : 23 Revenue From operations (₹ in lakhs)

Particulars	Year ended	Year ended	
	31st March, 2020	31st March, 2019	
Sale of goods			
Pens	33,937.10	30,334.69	
Refills	1,274.50	1,194.07	
Others	4,799.93	5,015.13	
	40,011.53	36,543.89	
Less: Discounts, Rebates, Incentives etc.	801.15	671.63	
	39,210.38	35,872.26	
Other operating revenues			
- Scrap sales	35.80	76.25	
- Export Incentive	452.53	505.65	
- Gain on exchange fluctuation (net)	296.79	239.48	821.38
Revenue from operations	39,995.50	36,693.64	

Ind AS 115 Disclosure -

Revenue from Operations (₹ in lakhs)

Particulars	Year ended	Year ended
	31st March, 2020	31st March, 2019
Sale of Products	39,210.38	35,872.26
Other Operating Revenues	785.12	821.38
	39,995.50	36,693.64

A Nature of goods and services

The Company is engaged in the manufacturing of Writing instruments and stationeries and generates revenue from the sale of Pen and Refill and the same is only the reportable segment of the Company.

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 23 Revenue From operations (contd...)

B Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition. (₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
i) Primary Geographical Markets (sales)		
Within India	32,163.71	27,695.51
Outside India	7,847.82	8,848.38
Total	40,011.53	36,543.89
ii) Major Products		
Pen	33,937.10	30,334.69
Refill	1,274.50	1,194.07
Others	4,799.93	5,015.13
Total	40,011.53	36,543.89
iii) Timing of Revenue		
At a point in time	40,011.53	36,543.89
Over time	-	-
Total	40,011.53	36,543.89
iv) Contract Duration		
Long Term	-	-
Short Term	40,011.53	36,543.89
Total	40,011.53	36,543.89

C Other Information

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
a. Transaction price allocated to the remaining performance obligations	Nil	Nil
b. The amount of revenue recognised in the current year that was included in the opening contract liability balance	Nil	Nil
c. The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil
d. Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil	Nil
e. Significant payment terms		
Financing Component	Nil	Nil

D Contract Balances

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
i) Contract Assets	Nil	Nil
ii) Contract Liabilities	145.16	132.86
iii) Trade Receivables	4,355.74	4,234.11

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 24 Other incomes

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest income		
- Fixed deposits with banks	0.05	0.05
- Others	3.69	5.52
Other non operating income		
Net gain/ (loss) on sale of Investment	-	17.97
Net gain/ (loss) on sale/discard of property, plant & equipment	0.54	19.81
Miscellaneous Income	0.01	10.80
Liabilities no longer required, written back	-	189.34
	4.29	243.49

Note No. : 25 Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Plastic powder	3,641.28	4,272.10
Ink	1,210.47	1,168.87
Tips	1,742.98	1,857.31
Others	7,296.76	6,045.41
	13,891.49	13,343.69

Note No. : 26 Purchase of stock in trade

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Pens	9,678.36	9,709.30
Refills	315.38	299.71
Others	1,960.81	2,003.62
	11,954.55	12,012.63

Note No. : 27 Change in inventories of Finished goods, Work-in-Progress and Stock-in-Trade

(₹ in lakhs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Finished goods				
Opening stock	1,512.49		1,567.74	
Less: Closing stock	1,867.86	(355.36)	1,512.49	55.25
Work-in-Progress				
Opening stock	123.22		67.06	
Less: Closing stock	133.01	(9.79)	123.22	(56.16)
Stock-in-Trade				
Opening stock	2,372.93		2,374.67	
Less: Closing stock	2,995.84	(622.90)	2,372.93	1.74
	(988.05)		0.83	

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 28 Employee benefits expense (₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries and wages	3,252.88	2,533.42
Contribution to provident and other funds	256.85	195.11
Staff welfare expenses	67.76	67.91
	3,577.49	2,796.44

Note No. : 29 Finance costs (₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest		
- On borrowings	491.40	590.47
- On others	34.55	35.84
- On Lease liabilities	17.40	–
Other borrowing costs	2.98	3.07
	546.33	629.38

Note No. : 30 Other expenses (₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Consumption of stores and spares	70.92	94.68
Power and fuel	472.02	408.59
Processing charges	2,738.53	2,416.00
Rent	160.94	225.11
Repairs		
Building	8.50	2.88
Machinery	21.64	19.02
Others	54.51	54.71
Insurance	105.90	92.22
Rates and taxes	7.09	11.43
Payment to auditor		
- For statutory audit	6.50	5.50
- For other services (limited review, certification etc.)	5.35	4.83
Director sitting fees & Commission	17.35	14.57
Travelling & conveyance	541.81	469.81
Postage, telegram & telephone	77.61	75.94
Freight & transportation	734.87	573.14
Advertisement expenses	1,242.29	539.01
Commission on Sales	45.42	55.80
Other selling expenses	436.24	394.71
Corporate social responsibility expense (Note No. 34)	34.97	15.76
Miscellaneous expenses	655.19	526.92
	7,437.65	6,000.63

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 31 Gratuity and Other Post Employment Benefit Plans

a) Defined Contribution Plan :

Employee benefits in the form of Provident Fund and Employee State Insurance Scheme are considered as defined contribution plan and the contributions are made in accordance with the relevant statute and are recognised as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognised as expense for the year is as under:

Defined Contribution Plan	2019-20	2018-19
Employers' Contribution to Provident Fund	132.09	114.22
Employers' Contribution to Employee State Insurance Scheme	28.53	31.33
Total	160.62	145.55

b) Defined Benefit Plan :

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Post - retirement benefit plans.

	2019-20 Gratuity (Funded)	2018-19 Gratuity (Funded)
I. Expenses Recognised in the Statement of Profit & Loss		
1 Current Service Cost	31.34	30.17
2 Past Service Cost	–	–
3 Interest Cost	3.82	0.85
4 Settlement Cost	–	–
5 Re-measurement -Due to Financial Assumptions	–	–
6 Re-measurement - Due to Experience Adjustments	–	–
Components of defined benefit cost recognised in P/L	35.16	31.02
7 Re-measurement - Due to Financial Assumptions	14.82	6.19
8 Re-measurement - Due to Experience Adjustments	35.02	17.96
9 Expected Return on Plan Asset	3.67	1.99
Components of defined benefit cost recognised in OCI	53.51	26.14
Total Expense	88.67	57.16

Notes to Financial Statements as at and for the year ended 31st March, 2020

	(₹ in lakhs)	
	2019-20 Gratuity (Funded)	2018-19 Gratuity (Funded)
II. Change in Obligation during the year		
1 Present Value of Defined Benefit Obligation at the Beginning of the year	282.94	236.74
2 Interest Cost	20.89	17.25
3 Current Service Cost	31.34	30.17
4 Settlement Cost	-	-
5 Plan Amendments Cost/(Credit)	-	-
6 Benefits Paid	(16.19)	(25.37)
7 Re-measurement - Due to Financial Assumptions	14.82	3.04
8 Re-measurement - Due to Experience Adjustments	35.02	17.96
9 Present Value of Defined Benefit Obligation at the End of the year	368.82	282.94
III. Change in the Fair Value of Plan Assets during the year		
1 Plan Assets at the Beginning of the year	232.76	207.58
2 Interest Income	17.07	16.40
3 Contribution by Employer	32.00	36.14
4 Re-measurement - Return on Assets (Excluding Interest Income)	(3.67)	(1.99)
5 Benefits Paid	(16.19)	(25.37)
6 Plan Assets at the end of the year	261.97	232.76
IV. Net Asset/(Liability) recognised in the Balance Sheet		
1 Present value of Defined Benefit Obligation	368.82	282.94
2 Fair Value of Plan Assets	261.97	232.76
3 Funded Status (Surplus/(deficit))	(106.85)	(50.18)
4 Net Asset/(Liability) recognised in Balance Sheet	(106.85)	(50.18)
V. Actuarial Assumptions		
1 Discount Rate (per annum)	6.80%	7.60%
2 Expected rate of return on Plan Assets	6.80%	7.60%
3 Salary Increase	5.50%	5.50%
4 Retirement/Superannuation Age	58	58
5 Mortality Rate	Indian Assured Lives Mortality (2006 - 08)	Indian Assured Lives Mortality (2006 - 08)

Notes to Financial Statements as at and for the year ended 31st March, 2020

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 :

	2019-20	2018-19
Others (including assets under Schemes of Insurance)	100%	100%

IX. A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	31st March, 2020		31st March, 2019	
	Discount Rate		Discount Rate	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Impact on Gratuity	(38.43)	45.32	(28.28)	33.22

Assumptions	31st March, 2020		31st March, 2019	
	Future Salary Increase		Future Salary Increase	
Sensitivity level	1% Increase	1% Decrease	1% Increase	1% Decrease
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Impact on Gratuity	43.72	(34.72)	32.18	(27.96)

Sensitivities due to mortality and withdrawals rate are not material and hence impact of changes is not calculated.

Sensitivity analysis above have been determine based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

X. Risk Exposure

- i) Interest Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- ii) Salary Inflation Risk : Higher than expected increase in salary will increase the defined benefit obligation.

Notes to Financial Statements as at and for the year ended 31st March, 2020

- iii) Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to long service employee.

XI. Maturity Profile of Expected Benefit Payments: (₹ in lakhs)

	As at 31st March, 2020	As at 31st March, 2019
1 Year 1	17.33	14.66
2 Year 2	29.14	8.10
3 Year 3	12.17	28.45
4 Year 4	17.86	9.84
5 Year 5	18.77	18.10
6 Next 5 Years	260.96	191.41

XII. Other Disclosures

- The Gratuity and Provident Fund Expenses have been recognised under "Contribution to provident and other funds" under Note no. 28.
- Expected employers' contribution for next year is not available and therefore, not disclosed.

Note No. : 32 Commitments and Contingencies (₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
a) Capital and Other Commitments:		
i) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	1,991.76	2,165.44
ii) Advance paid against above	1,469.78	1,470.58
b) Contingent Liabilities:		
(i) Demand/Claims by various Government Authorities and others not acknowledged as debts:		
Vat/ Sales Tax	71.83	71.83
Entry Tax	172.00	117.56

The amounts shown in (b) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately.

In the opinion of the management, no provision is considered necessary for the disputes

Notes to Financial Statements as at and for the year ended 31st March, 2020

mentioned above on the grounds that there are fair chances of successful outcome of appeals.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

- (ii) There has been a Supreme Court Judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to Provident Fund under the Employees Provident Fund and Miscellaneous Provision Act, 1952. There are interpretative aspects related to the judgement, including the effective date of application. The company will continue to assess any further developments in this matter for the implication on financial statements, if any.

Note No. : 33 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.		2019-20	2018-19
i)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	242.71	157.94
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. 19

Notes to Financial Statements

as at and for the year ended 31st March, 2020

Note No. : 34 Expenditure on Corporate Social Responsibilities (CSR) Activities

Particulars	2019-20	2018-19
Amount required to be spent by the Company during the year.	31.86 lakhs	40.71 lakhs

The various heads under which the CSR expenditure was incurred during the year is detailed as follows: (₹ in lakhs)

Sl. No.	Relevant clause of Schedule VII to the Companies Act, 2013	Description of CSR Activities	2019-20	2018-19
a)	Clause (i)	Eradicating Hunger, Promoting healthcare including Preventive healthcare	9.00	1.25
b)	Clause (ii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects socially and economically backward groups	25.25	13.79
c)	Clause (vii)	Promoting rural sports & nationally recognised sports	0.72	0.72
			34.97	15.76

Note No. : 35 Related Party Disclosure:

I) Names and description of relationship of related parties:

Related Party	Relationship
Key Managerial Personnel (KMP)	
Mr. Deepak Jalan	Managing Director (MD)
Mr. Rohit Deepak Jalan	Whole Time Director (WTD) (w.e.f. 28.05.2019)
Mr. Naresh Pachisia	Independent / Non-Executive Director
Mr. K. N. Ranasararia	Independent / Non-Executive Director (up to 25.03.2019)
Mr. Anil Kochar	Independent / Non-Executive Director
Ms. Supriya Newar	Independent / Non-Executive Director
Mr. Sanjay Agarwal	Independent / Non-Executive Director
Mr. Alope Jalan	Whole Time Director (WTD)
Mr. N.K.Dujari	Chief Financial Officer & Company Secretary
Enterprises in which KMP and their relatives have control/ substantial interest :	
Linc Retail Ltd.	Substantial interest of the relatives of MD and WTD

Notes to Financial Statements

as at and for the year ended 31st March, 2020

Related Party	Relationship
Relatives of KMP :	
Deepak Jalan (HUF)	Mr. Deepak Jalan is Karta of HUF
Mr. S.M. Jalan	Father of Mr. Deepak Jalan
Mrs. Divya Jalan	Daughter of Mr. Deepak Jalan
Mr. Rohit Deepak Jalan	Son of Mr. Deepak Jalan
Mrs. Ekta Jalan	Wife of Mr. Rohit Deepak Jalan
Alope Jalan (HUF)	Mr. Alope Jalan is Karta of HUF
Mrs. Shobha Jalan	Wife of Mr. Alope Jalan
Mr. Aakash Alope Jalan	Son of Mr. Alope Jalan
Mr. Utkarsh Alope Jalan	Son of Mr. Alope Jalan
Mr. S.M. Jalan	Father of Mr. Alope Jalan

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 Retail Ltd.	-	3.48	-	3.48
	(-)	(3.00)	(-)	(3.00)
Sale of Goods				
Linc Retail Ltd.	-	137.05	-	137.05
	(-)	(61.72)	(-)	(61.72)
Receiving of Services (Remuneration)				
Mr. Deepak Jalan	124.80	-	-	124.80
	(82.05)	(-)	(-)	(82.05)
Mr. Alope Jalan	92.64	-	-	92.64
	(65.64)	(-)	(-)	(65.64)
Mr. Rohit Deepak Jalan	32.82	-	-	32.82
	(24.47)	(-)	(-)	(24.47)
Mr. N. K. Dujari	17.13	-	-	17.13
	(17.32)	(-)	(-)	(17.32)
Remuneration Receivable From Directors				
Mr. Deepak Jalan	-	-	-	-
	(18.75)	(-)	(-)	(18.75)
Mr. Alope Jalan	-	-	-	-
	(15.00)	(-)	(-)	(15.00)

Notes to Financial Statements as at and for the year ended 31st March, 2020

Director's sitting fees / commission

	Year ended	Director's sitting fees	Director's commission	Amount owed to related parties
Mr. Naresh Pachisia	31st March, 2020	1.74	3.00	3.00
	31st March, 2019	(1.61)	(2.00)	(2.00)
Mr. K. N. Ranasaria	31st March, 2020	-	-	-
	31st March, 2019	(1.50)	(2.00)	(2.00)
Mr. Anil Kochar	31st March, 2020	1.71	3.00	3.00
	31st March, 2019	(1.81)	(2.00)	(2.00)
Ms. Supriya Newar	31st March, 2020	1.00	3.00	3.00
	31st March, 2019	(1.00)	(2.00)	(2.00)
Mr. Sanjay Agarwal	31st March, 2020	0.90	3.00	3.00
	31st March, 2019	(0.40)	(0.25)	(0.25)

Description	Key Managerial Personnel (KMP)	Enterprises in which KMP and their relatives have substantial interest	Relatives of KMP (R)	Total
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Receiving of Services (Remuneration)

Mrs. Ekta Jalan	-	-	14.63	14.63
	(-)	(-)	(13.41)	(13.41)
Mrs. Divya Jalan	-	-	7.67	7.67
	(-)	(-)	(3.95)	(3.95)
Mr. Aakash Alope Jalan	-	-	0.57	0.57
	(-)	(-)	(-)	(-)
Mr. Utkarsh Alope Jalan	-	-	2.66	2.66
	(-)	(-)	(-)	(-)

Receiving of Services (Rent)

Mrs. Shobha Jalan	-	-	9.21	9.21
	(-)	(-)	(8.92)	(8.92)
Mr. Aakash Alope Jalan	-	-	9.21	9.21
	(-)	(-)	(9.50)	(9.50)
Mr. Utkarsh Alope Jalan	-	-	9.78	9.78
	(-)	(-)	(9.78)	(9.78)
Alope Jalan (HUF)	-	-	9.78	9.78
	(-)	(-)	(9.78)	(9.78)

Dividend Paid to Shareholders

Mr. Deepak Jalan	4.91	-	-	4.91
	(4.81)	(-)	(-)	(4.81)
Deepak Jalan (HUF)	-	7.92	-	7.92
	(-)	(7.85)	(-)	(7.85)
Mr. Alope Jalan	11.53	-	-	11.53
	(11.53)	(-)	(-)	(11.53)

Notes to Financial Statements as at and for the year ended 31st March, 2020

Description	Key Managerial Personnel (KMP)	Enterprises in which KMP and their relatives have substantial interest	Relatives of KMP (R)	Total
Alope Jalan (HUF)	-	0.31	-	0.31
	(-)	(0.31)	(-)	(0.31)
Mrs. Sarita Jalan	-	-	18.36	18.36
	(-)	(-)	(18.31)	(18.31)
Mr. S. M. Jalan	-	-	15.46	15.46
	(-)	(-)	(15.46)	(15.46)
S. M. Jalan (HUF)	-	0.77	-	0.77
	(-)	(0.77)	(-)	(0.77)
Mrs. Shobha Jalan	-	-	30.06	30.06
	(-)	(-)	(30.06)	(30.06)
Others	-	-	18.81	18.81
	(-)	(-)	(18.59)	(18.59)

Balance Outstanding
a) Accounts Receivable

Linc Retail Ltd.	-	175.85	-	175.85
	(-)	(125.77)	(-)	(125.77)

b) Amount outstanding against Guarantees given for Loans taken by the Company

Mr. Deepak Jalan	4,549.17	-	-	4,549.17
	(5,984.73)	(-)	(-)	(5,984.73)
Mr. Alope Jalan	4,549.17	-	-	4,549.17
	(5,984.73)	(-)	(-)	(5,984.73)

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.

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No : 36 Fair Value Measurement of Financial Assets & Liabilities

(₹ in lakhs)

	CARRYING AMOUNT	
	As at 31.03.2020	As at 31.03.2019
Non Current Financial Assets	107.85	97.22
Current Financial Assets		
i) Trade Receivables	4,355.74	4,234.11
ii) Cash & Cash Equivalents	13.02	11.05
iii) Other Bank Balances	12.85	13.16
iv) Others	2.09	2.04
Total Financial Assets	4,491.55	4,357.58
Non-Current Financial Liabilities		
Borrowings	1,879.64	1,967.41
Current Financial Liabilities		
i) Borrowings	2,351.67	3,812.73
ii) Trade Payables	3,602.41	2,596.18
iii) Other current financial liabilities	1,538.04	1,437.86
Total Financial Liabilities	9,371.76	9,814.18

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Note No : 37 Income Tax

(₹ in lakhs)

	31st March, 2020	31st March, 2019
Current income tax	562.00	246.00
Deferred Tax:		
Relating to organisation and reversal of temporary differences	(160.67)	140.19
Income Tax of Earlier Year	–	206.24
Income tax expense reported in the statement of profit or loss	401.33	592.43
OCI Section		
Deferred Tax related to items recognised in OCI during the year		
Net loss/ (gain) on remeasurement of defined benefit plans	13.47	8.73
Income tax charged to OCI	13.47	8.73

Notes to Financial Statements as at and for the year ended 31st March, 2020

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2020 and 31st March, 2019: (₹ in lakhs)

	31st March, 2020	31st March, 2019
Accounting profit before income tax	2,325.95	1,107.12
At India's statutory income tax rate of 25.17% (31st March, 2019: 33.384%)	585.45	369.61
Tax effect of Non deductible expenses	8.80	5.26
Permanent difference	0.14	12.31
Income Tax for earlier years	–	206.24
Others (Including remeasurement impact due to change in rates)	(193.06)	(1.00)
Income tax expense reported in the statement of profit and loss	401.33	592.43

Note No : 38 Movement in Deferred Tax (Assets) / Liabilities

(₹ in lakhs)

	As at 31st March, 2019	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2020
Deferred tax liabilities				
Property, plant and equipments including intangible assets	767.41	(165.92)	–	601.49
	767.41	(165.92)	–	601.49
Deferred tax assets				
Amalgamation/ Merger Expenses	1.25	(1.25)	–	–
Provisions - employee benefits and Security Deposit	47.51	(4.00)	13.47	56.98
	48.76	(5.25)	13.47	56.98
	48.76	(5.25)	13.47	56.98
Net deferred tax liabilities / (assets)	718.65	(160.67)	(13.47)	544.51

Notes to Financial Statements

as at and for the year ended 31st March, 2020

Note No : 38 Movement in Deferred Tax (Assets) / Liabilities (₹ in lakhs)

	As at 31st March, 2018	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2019
Deferred tax liabilities				
Property, plant and equipments including intangible assets	693.55	73.86	-	767.41
	693.55	73.86	-	767.41
Deferred tax assets				
MAT credit entitlement	72.90	(72.90)	-	-
Amalgamation/ Merger Expenses	-	1.25	-	1.25
Provisions - employee benefits and Security Deposit	33.45	5.34	8.73	47.51
	106.35	(66.31)	8.73	48.76
	106.35	(66.31)	8.73	48.76
Net deferred tax liabilities / (assets)	587.20	140.17	(8.73)	718.65

Note No : 39 Financial Risk Management Objectives and Policies

The Company's financial liabilities comprise long term borrowings, short term borrowings, capital creditors, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents and deposits.

The Company is exposed to market risk and credit risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate risk governance framework for the Company. The audit committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, etc.

Notes to Financial Statements

as at and for the year ended 31st March, 2020

a. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

Unhedged Foreign Currency Exposure

The Company's exposure to foreign currency in USD at the end of the reporting period expressed in INR is as follows : (₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Financial Assets		
Trade Receivables	2,068.83	2,567.89
Financial Liabilities		
Trade Payables	1,014.05	563.11
Net Exposure	1,054.78	2,004.77

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of assets and liabilities. (₹ in lakhs)

Change in foreign Currency Rates	Effect on profit before tax		Effect on Equity, net of tax	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
+5%	52.74	100.24	39.46	66.77
-5%	(52.74)	(100.24)	(39.46)	(66.77)

b. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company profit before tax is affected through the impact on floating rate borrowings, as follows: (₹ in lakhs)

	Increase/ decrease in basis points	Effect on profit before tax	Effect on Equity, net of tax
31st March, 2020	+50	(27.75)	(20.77)
	-50	27.75	20.77
31st March, 2019	+50	(33.86)	(22.56)
	-50	33.86	22.56

Notes to Financial Statements

as at and for the year ended 31st March, 2020

(ii) Credit Risks

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reconciled. Based on historical trend, industry practice and the business environment in which the company operates, an impairment analysis is performed at each reporting date for trade receivables. Based on above, the company does not expect any credit loss.

Other Financial Assets

Credit Risk on cash and cash equivalent, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions who have been assigned high credit rating by international and domestic rating agencies.

(iii) Liquidity Risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

(₹ in lakhs)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	3-5 Years	> 5 years	Total
Year ended 31st March, 2020						
Borrowings	2,351.67	343.38	702.14	1,177.50	-	4,574.69
Other financial liabilities	1,538.04	-	-	-	-	1,538.04
Trade payables	3,602.41	-	-	-	-	3,602.41
	7,492.12	343.38	702.14	1,177.50	-	9,715.14
Year ended 31st March, 2019						
Borrowings	3,812.73	424.70	573.77	1,393.64	-	6,204.84
Other financial liabilities	1,437.86	-	-	-	-	1,437.86
Trade payables	2,596.18	-	-	-	-	2,596.18
	7,846.77	424.70	573.77	1,393.64	-	10,238.88

Note No. : 40 Segment reporting

There is only one primary business segment i.e. "Writing Instrument and Stationary" and hence no separate segment information is disclosed in this financial.

Notes to Financial Statements

as at and for the year ended 31st March, 2020

Geographical segments

The Company primarily operates in India and therefore analysis of geographical segment is demonstrated into Indian and overseas operation as under:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	India	Overseas	Total	India	Overseas	Total
Revenue from operations	32,147.68	7,847.82	39,995.50	27,845.26	8,848.38	36,693.64
Carrying Amount						
Segment assets	22,466.57	2,068.83	24,535.40	20,672.07	2,567.89	23,239.96
Segment Liabilities	9,823.94	1,014.05	10,837.99	10,620.47	563.11	11,183.58
Additions						
Tangible assets	1,155.86	-	1,155.86	1,829.16	-	1,829.16
Intangibles Assets	3.00	-	3.00	19.83	-	19.83

Note:

- No Single customer contributed 10% or more of the total revenue of the company for the year ended 31st March 2020 and 31st March 2019.
- The company had common Property, Plant & Equipment for producing goods for India & Overseas market. Hence, no separate figure for Property, Plant & Equipment/ additions to Property, Plant & Equipment/depreciation & amortization on Property, Plant & Equipment has been furnished.

Note No. : 41 Events occurring after the Balance Sheet date

Proposed Dividend

The Board of Directors at its meeting held on 29th June, 2020 have recommended a payment of final dividend of ₹1.50/- per equity share of face value of ₹10/- each for the financial year ended 31st March, 2020. The same amounts to ₹223.08 lakhs. Dividend would not attract dividend distribution tax w.e.f. 1st April, 2020.

The above is subject to approval of the shareholders at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

Note No : 42 Earnings Per Share:

	31st March, 2020	31st March, 2019
The numerator and denominator used to calculate Basic/ Diluted Earnings Per Share		
a) Amount used as the numerator Profit after tax (₹ in lakhs)	1924.62	514.69
b) Basic / Diluted weighted average number of Equity Shares used as the denominator (Nos. in lakhs)	148.73	147.86
c) Nominal value of Equity Shares (₹)	10	10
d) Basic / Diluted Earnings Per Share (a/b) (₹)	12.94	3.46

Notes to Financial Statements as at and for the year ended 31st March, 2020

Note No. : 43 Insurance Claim

Inventory of ₹546.89 lakhs was impacted by fire at the company's Falta unit during the year ended 31st March 2018. The Company had lodged insurance claim for the same. Claim receivable of ₹411.36 lakhs, (net of ₹100 lakhs received during the year) for which claim is presently under process, is shown under Other Current Assets (Note No. 12).

Note No. : 44 Leases

The Company has adopted Ind AS 116 "Leases" with the date of initial application being 1st April, 2019, using the modified retrospective method. On transition to Ind AS 116, Right of use asset as at 1st April, 2019 for lease previously classified as operating lease were recognised and measured at an amount equal to the lease liabilities. Accordingly, previous period information has not been reinstated.

Lease liabilities is being measured by discounting the lease payments using incremental borrowing rate i.e. 9% p.a.

The impact of change in accounting policy on account of adoption of Ind AS 116 is as follows:

(₹ in lakhs)	
Particulars	Amount
Increase in Right-of-Use Assets by	215.67
Increase in Lease liabilities by	215.67

As Lessee

(i) Carrying value of Right-of-use assets by class: (₹ in lakhs)

Particulars	As at 31st March, 2020
Balance as on 1st April, 2019	-
Recognised on account of adoption of Ind AS 116 as at 1st April, 2019	215.67
Additions during the year	-
Depreciation for the year	60.81
Balance as at 31st March, 2020	154.86

(ii) Movement in Lease liabilities: (₹ in lakhs)

Particulars	As at 31st March, 2020
Balance as on 1st April, 2019	-
Recognised on account of adoption of Ind AS 116 as at 1st April, 2019	215.67
Additions during the year	-
Payment of Lease liabilities for the year	49.96
Balance as at 31st March, 2020	165.71

(₹ in lakhs)	
Particulars	As at 31st March, 2020
Lease liabilities - Non-Current	95.54
Lease liabilities - Current	70.17

Notes to Financial Statements as at and for the year ended 31st March, 2020

(iii) Contractual maturities of Lease liabilities on an undiscounted basis: (₹ in lakhs)

Particulars	As at 31st March, 2020
Less than one year	70.17
One to five years	117.28
More than five years	-
Total	187.45

(iv) Amount recognised in Profit or Loss: (₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest on lease liabilities	17.40	-
Expense related to short-term and low-value leases*	160.94	-
Total	178.34	-

(v) Amount recognised in the statement of cash flows: (₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total cash outflow of leases including cash outflow for short term leases and leases of low value	228.30	-

There is no significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when due.

Note No. : 45 Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. Net debt (total borrowings less cash & cash equivalents) to equity ratio is used to monitor capital.

Particulars	31st March, 2020	31st March, 2019
Debt Equity Ratio	0.33	0.51

Note No. : 46

The Board of Directors of the Company, in its meeting held on November 03, 2018, approved the Scheme of Arrangement and Amalgamation between Linc Writing Aids Private Limited ("LWAPL" or "Demerged Company" or "Transferor Company"), Linc Retail Limited ("LRL" or "Resulting Company") and Linc Pen & Plastics Ltd ("LPPL" or "Transferee Company" or "Company") and their respective shareholders and creditors, which provides for demerger of Retail Business Undertaking of the Demerged Company to Resulting Company and Amalgamation of the Remaining Business of Transferor Company with the Transferee Company as per the provisions of Sections 230 to 232 and any other applicable

Notes to Financial Statements as at and for the year ended 31st March, 2020

provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme"). The aforesaid Scheme was sanctioned by Hon'ble National Company Law Tribunal, Kolkata Bench vide its Order dated January 17, 2020, received on February 24, 2020 and become effective on February 26, 2020 after filing the same with the Registrar of Companies. Pursuant to the sanctioned Scheme, 15,88,475 equity shares of ₹10 each held by LWAPL on record date i.e. March 06, 2020 in the share capital of the Company were cancelled and 16,74,806 no. of new equity shares of ₹10 each of the Company were allotted to the shareholders of Amalgamating Company. As on Effective date (i.e. February 26, 2020), LWAPL stand dissolved. There is an increase in share capital (Promoter/ Pubic shareholding) of the Company by ₹8,63,310/-, post allotment/ cancellation of equity shares pursuant to the sanctioned scheme.

In terms of said Scheme and in compliance with accounting prescribed in Pooling of Interest method in accordance with Appendix C of Ind AS 103,

- (a) All Asset and Liabilities (including reserves) of the Remaining Business Post demerger of Transferor Company have been transferred to and vested in the Company on a going concern basis at their respective book values on the Amalgamation Appointed Date
- (b) The equity shareholders of LWAPL received 34 equity shares of the Company for every 10 equity shares held in LWAPL and accordingly, the Company has issued 16,74,806 equity shares of face value of ₹10 each. The investment in the Company as was held by LWAPL and the nominal value share capital of the Company to that extent stands cancelled. The difference in the amount of share capital and book value of investment held by LWAPL has been adjusted with Reserves.
- (c) The Net-impact of merger on the financials is tabulated as under:

Particulars	(₹ in lakhs)
Assets	
Property Plant and Equipment	24.75
Intangible Asset	0.55
Non-Current Investments	669.17
Deferred Tax Asset	5.64
Inventories	23.02
Trade receivables	22.82
Cash and Bank Balances	3.35
	749.30
Liabilities	
Reserves and Surplus	345.95
Long-Term Borrowings	200.74
Trade Payables	99.40
Other Current Liabilities	53.96
	700.05
(A) Net assets transferred on amalgamation	49.25
(B) Cancellation of Investment (shares held by LWAPL)	669.17
(C) Capital reduction on account of Share Cancellation	158.85
(D) New Shares of the Company issued- 1674806 Equity Shares of ₹10 each	167.48
Capital Reserve (A-B+C-D)	(628.55)

Notes to Financial Statements as at and for the year ended 31st March, 2020

In terms of Ind AS 103 " Business Combination", the above amalgamation is a business combination under common control, accordingly the financial information in these financial statements in respect of Balance Sheet as at 31st March,2019 have been restated on account of above amalgamation with effect from appointed date 1st April, 2018 as per the sanctioned scheme.

Note No. : 47

The Company elected to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised the provision for Income Tax for the year ended 31st March, 2020 and remeasured its deferred tax basis the rate prescribed in the said section. The impact of this change has been recognised in these financial statements.

Note No. : 48

In view of lockdown across the country starting from 23rd March, 2020 due to the COVID-19 outbreak, there was total disruption of business during that period and gradual resumption started once lockdown was lifted in phased manner. The Company has considered the possible risk that may result from the pandemic relating to COVID-19 on carrying amounts of assets including inventories, receivables and other financial and non financial assets, for which the Company has used the principles of prudence in applying judgements, estimates and assumptions as well as the internal / external information available upto the date of approval of these financial results and the same does not have any material impact on these financial statements.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from the estimated as on the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

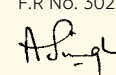
Note No. : 49

The previous year's figures have been regrouped, rearranged and reclassified wherever necessary.

The accompanying notes 1 to 49 are an integral part of the Financial Statements. As per our report of even date attached.

For Singhi & Co.

Chartered Accountants
F.R No. 302049E

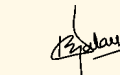


(Aditya Singhi)

Partner

Membership No. 305161

For and on behalf of the Board



Deepak Jalan

Managing Director

DIN:00758600



Rohit Deepak Jalan

Whole Time Director

DIN:06883731



N. K. Dujari

Chief Financial Officer

& Company Secretary
FCA 54444 / FCS 8745

Place of Signature: Kolkata

Dated: 29th June, 2020

10 Year Financial Highlights

Year	(₹ in crores)									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Share Capital	14.87	14.79	14.79	14.79	14.79	14.79	14.79	14.79	12.79	12.79
Reserves & Surplus	122.10	105.78	105.98	103.50	86.34	73.35	63.84	55.79	34.79	34.58
Networth	136.97	120.57	120.77	118.29	101.13	88.14	78.63	70.58	47.58	47.37
Borrowings	45.75	62.05	65.58	50.80	30.94	17.78	32.72	30.30	41.67	40.23
Defd Tax Liab	5.45	7.19	5.93	3.96	2.76	1.85	2.19	2.02	1.89	1.86
Funds Employed	188.17	189.81	192.28	173.05	134.83	107.77	113.54	102.90	91.14	89.46
Operating Results										
Domestic Revenue	321.48	278.46	252.18	245.85	247.12	231.13	223.02	228.24	207.82	198.14
Exports	78.48	88.48	79.71	104.64	97.02	87.17	91.08	77.02	67.23	55.50
Total Revenue	399.96	366.94	331.89	350.49	344.14	318.30	314.10	305.26	275.05	253.64
E B I D T A	41.26	27.82	26.93	34.05	32.13	25.55	22.15	13.99	10.27	16.52
Finance Cost	5.46	6.29	4.85	2.17	1.53	1.48	2.37	2.48	3.78	2.08
Depreciation	12.54	10.46	9.60	7.93	5.96	5.86	5.05	4.47	4.30	3.62
Profit before tax	23.26	11.07	12.48	23.95	24.64	18.21	14.73	7.04	2.19	10.82
Profit after tax (P A T)	19.25	5.15	7.84	17.26	18.32	14.32	11.51	5.41	1.70	8.40
E B I D T A Margin (%)	10.3%	7.6%	8.1%	9.7%	9.1%	8.0%	7.1%	4.6%	3.7%	6.5%
P A T / Total Sales (%)	4.8%	1.4%	2.4%	4.9%	5.3%	4.5%	3.7%	1.8%	0.6%	3.3%
EPS	12.94	3.46	5.30	11.68	12.39	9.69	7.78	3.91	1.33	6.57
Dividend %	15%	15%	15%	30%	30%	25%	20%	15%	10%	18%
Networth per Share (₹)	91.93	81.47	81.68	80.00	68.39	59.61	53.18	47.73	37.21	37.05
Debt Equity Ratio	0.33	0.51	0.54	0.43	0.31	0.20	0.42	0.43	0.88	0.85
Current Ratio	1.85	1.68	1.57	1.81	1.66	1.94	1.59	1.58	1.26	1.32
Return on Capital Employed %	15.3%	9.2%	9.0%	15.1%	19.4%	18.3%	15.1%	9.3%	6.6%	14.4%
Return on Equity %	14.1%	4.3%	6.5%	14.6%	18.1%	16.3%	14.6%	7.7%	3.6%	17.7%
Average Realisation/pen (₹)	4.32	3.96	3.65	3.90	3.90	3.86	3.78	3.17	3.49	3.29
Market Cap	198	286	611	431	279	216	83	55	69	74

Corporate Information

BOARD OF DIRECTORS

	Category
Mr. Anil Kochar	Independent, Non-executive
Ms. Supriya Newar	Independent, Non-executive
Mr. Naresh Pachisia	Independent, Non-executive
Mr. Sanjay Agarwal	Independent, Non-executive
Mr. Rohit Deepak Jalan	Whole Time Director
Mr. Alope Jalan	Whole Time Director
Mr. Deepak Jalan	Managing Director

CFO & COMPANY SECRETARY

Mr. 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 Pgnos.(S),
Pin - 743 513, West Bengal
Phone: 09051280300
Fax: (033) 2420 4441

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

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

AUDITORS

Singhi & Co.
Chartered Accountants
161, Sarat Bose Road,
Kolkata - 700 026

BRANCH OFFICES

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

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

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

REGISTRAR & SHARE TRANSFER AGENT

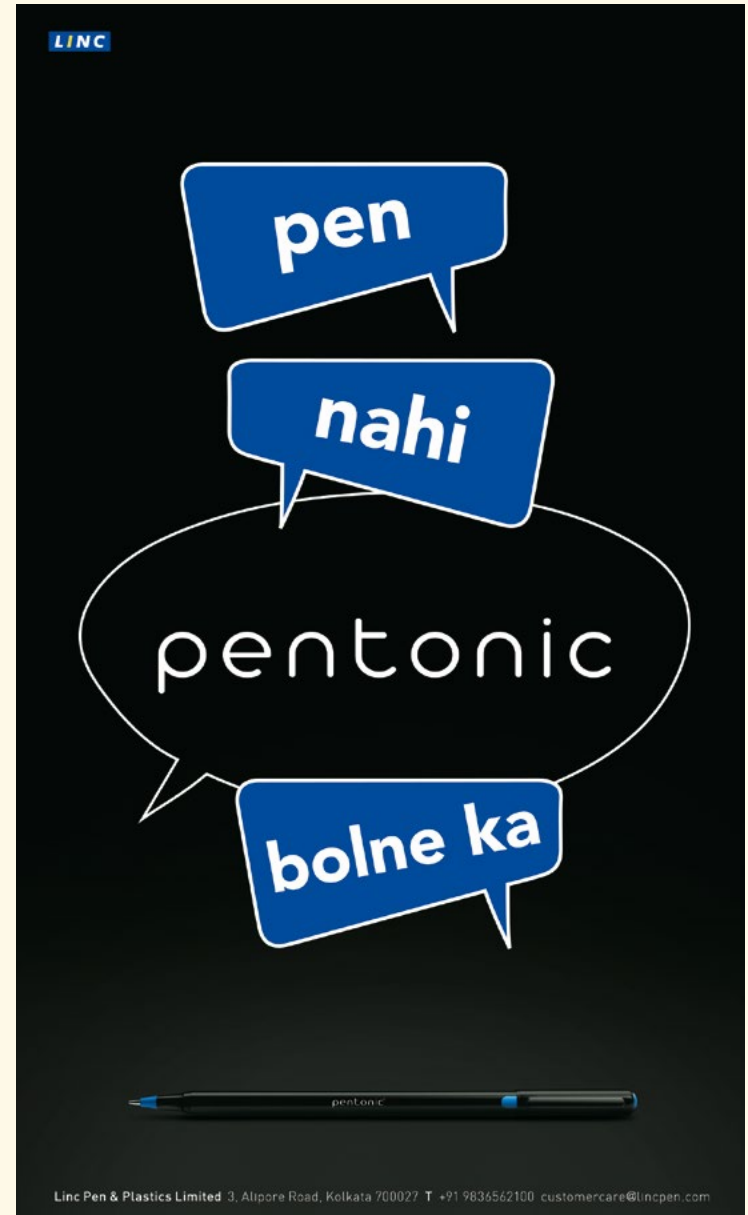
Maheshwari Datamatics Pvt. Ltd.
23, R.N. Mukherjee Road, 5th Floor
Kolkata - 700 001

BANKERS

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

NOTES

Lined area for notes, consisting of horizontal dotted lines.



Acknowledgement

Avidip Kundu belongs to the rare breed of artists who specialize in pen and ink. He sketches architecture and cityscapes - the lanes of Kumartuli to colonial structures to scenes of everyday street life. The sketches used in this Annual Report - using our Pentonic brand - are a tribute to his fine art of sketching.

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