Q4 FY24 & FY 24 Earnings Webinar

of

Linc Limited

on **Friday, May 3, 2024**

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Mr. N.K. Dujari, Director Finance & CFO

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- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- Good day, ladies and gentlemen. It's been a pleasure to welcome you on behalf of Linc Limited and SKP Securities to Link Limited's Q4 FY24 and full year FY24 Earnings Webinar. We have with us Mr. Deepak Jalan - Managing Director and Mr. N. K Dujari -Director Finance and representatives of Uirtus Advisors Limited, LLP, the company's IR Advisors.

- This webinar is being recorded for compliance reasons and during the discussion there may be certain forward looking statements which must be viewed in conjunction with the risk that the company faces.

- I now hand over the webinar to Mr. Jalan for his opening remarks which will be followed by Q&A session. Thank you and over to you, Deepak ji.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Thank you. Good afternoon, ladies and gentlemen. Thank you for joining us today for the investor call of Linc Limited for the fourth quarter and the full fiscal year of 2024.

- We are pleased to share that FY24 has been a milestone year for us with our revenues crossing the significant ₹500 crore mark, although reflecting a modest year-on-year growth of 4%. The year has truly highlighted some of our strategic initiatives and the resilience of our business model. In Q4, we witnessed an increase in operating income up 14% quarter-on-quarter and 3% on a year-on-year basis.

- This growth has been driven largely by our flagship Pentonic range, which was in line with our expectations. Over the course of the year, the Pentonic range grew by over 21% in value and contributed approximately 34% to our total revenue. The final quarter saw even more impressive growth with a 32% increase quarter-on-quarter and a 30% rise year-on-year. This exceptional performance of the Pentonic portfolio underscores the success of our strategic focus on premiumization and high margin products.

- However, I would also like to address an important aspect of our product strategy. While our Pentonic portfolio has seen remarkable growth, we reckonize that some of our legacy products experienced a decline in volume. This was partly due to a strategic shift towards higher margin products. However, it is crucial to maintain a balanced approach to our product offerings to sustain our overall Market Share.

- Moving forward, we are committed to revitalizing these legacy products. We plan to enhance our focus on maintaining their volumes, ensuring that we continue to meet the diverse needs of our customers and maintain our strong position across all price segments in the market. This balanced approach will help solidify our market presence and drive sustainable growth.

- While our overall exports experienced a downturn compared to the previous year, we are encouraged by the strong recovery in Q4 showing a 34% growth quarter-on-quarter and a 10% increase year-on-year. The appointment of distributor in the North America has expanded our reach into key markets including Mexico and Canada and is already showing promising results. This is in line with our ongoing efforts to deepen our penetration in some of the neighboring countries as well as other significant markets like Brazil and East Africa through our subsidiary in Kenya.

- This year we've also been excited to introduce several new products including the Pentonic GRT at ₹40 which was launched in Q4 finally and the rollout of some new variants in the Pentonic brand portfolio. Although the response to some of these variants was mixed, we are optimistic about the upcoming launch of the Pentonic CLR Ball Pen at ₹20 and the Pentonic Evo Gel Pen at ₹30. Our commitment to innovation remains strong with a range of new products planned for the second half of this year.

- On the distribution front, we have refined our strategy to maximize revenue per touch point rather than merely expanding the number of touch points. This approach has helped us improve our market presence particularly in the southern and western regions of India where our revenue share has increased significantly over the past five years.

- Finally, I'm pleased to inform that our Board of Directors have announced a dividend of ₹5 per share maintaining our commitment to rewarding our shareholders. This represents a payout of about 22% pending approval at our upcoming AGM.

- In closing, although we faced challenges our strategic initiatives focused on premiumization, market expansion and product innovation have positioned us well for sustainable growth. We appreciate your continued support and look forward to another exciting year ahead.

- I would now like to hand over the call to Mr. Dujari to provide updates on financial numbers. Thank you.

- **Mr. N. K. Dujari - Director Finance & CFO, Linc Limited:**

- Thank you, Mr. Jalan. Good afternoon, ladies and gentlemen. I appreciate your presence at the FY24 Linc Limited Earnings Webinar.

- Before we proceed to the Q&A session, allow me to provide a concise overview of the financial figures for the year gone by.

- During FY24 the company's Revenue From Operations grew by 4.3% to 508 crores from 487 crores in FY23.

- Operating Income for the quarter stood at 141 crores, a 2.6% improvement over Q4 FY23 and 13.6% growth over Q3 of this Fiscal.

- Gross Profit for the current year stood at 159 crores increasing 4.7% over the previous year. The GP margin for the year remained stable at 31%. Q4 FY24 Gross Profit stood at 46 crores and the margin stood at 32.5%.

- The margin increased by 103 BPS over the previous quarter but fell by 178 BPS as compared to Q4 FY23. This fall was on account of rise in minimum wages in Gujarat leading to higher labor costs.

- FY24 EBITDA margin at 11.1% underwent a reduction of 150 BPS from FY23 levels. This contraction stemmed from an increase of over 13% in overhead expenses as compared with 4% growth in revenue.

- FY24 PAT stood at 6.6%.

- The company consistently utilized its free cashflow prudently resulting in substantial reduction of its Net Debt over the past five years. Net Debt stood at -8 crores as on 31st March, 2024.

- As we continue to strategically develop our operational infrastructure, I'm excited to announce our planned expansion in Kolkata adjacent to our existing facility. This expansion involves an investment of approximately 35 crores for the infrastructure. We plan to finance this expansion entirely through internal accruals underscoring our strong financial health and commitment to sustainable growth.

- In line with our strategic priorities, we have decided to defer the land expansion at our Gujarat facility by approximately 1-2 years. This decision allow us to focus on modernizing and enhancing our facilities in Kolkata first. The expansion here is designed to be modular, which will enable us to scale our capacity based on evolving market demand efficiently.

- Looking ahead, I would also like to reaffirm our revenue growth guidance. As previously stated, we expect to achieve a growth rate of 17%-20% in the medium term. However, we now use FY24 as our new base here for these projections. This guidance reflect our confidence in the strength of our business model and the effectiveness of our strategic initiatives.

- Thank you for your continued trust and partnership as we navigate these exciting developments.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Yeah, Navin, we are open for Q&A.
- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**
- Thank you, Deepak ji. Thank you, Dujari.
- Friends, anyone wishing to ask a question, request you to raise your hand. We will unmute you and take your question. Just wait for a couple of minutes while some questions line up.
- So, we have a question from Naitik Motha. Naitik, please unmute yourself and go ahead.
- **Mr. Naitik Motha – Participant:**
- Hi. Thanks for the opportunity. So, I have a couple of questions. My first question is, we have invested, we have bought a 60% stake in a Kenyan manufacturer. So, I just wanted to understand the exact amount that we have paid because the notification mentioned we have only paid $100. So, can you please clarify what exactly the payment we have done? And what is the nature of this transaction?
- **Mr. N. K. Dujari - Director Finance & CFO, Linc Limited:**
- The $100 is towards buying the 60% capital of the company and we have given a loan of $3,50,000 for revamping the operations.
- **Mr. Naitik Motha – Participant:**
- We've bought the company.
- **Mr. N. K. Dujari - Director Finance & CFO, Linc Limited:**
- So, we expect our overall investment of around $5 lakh; half a million dollars in this Kenyan subsidy, which will be in form of loans only. Capital is right now invested at $100.
- **Mr. Naitik Motha – Participant:**
- So, we got the 60% stake only for $100, if I'm getting this right.
- **Mr. N. K. Dujari - Director Finance & CFO, Linc Limited:**
- Yeah, there is some stamp duty also but that is not that significant.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- But, actually the loans part of that transaction, you know…
- **Mr. N. K. Dujari - Director Finance & CFO, Linc Limited:**
- It was structured in that manner.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Structured in that manner.

- **Mr. Naitik Motha – Participant:**

- Okay, got it. The second question is, if you could quantify in terms of the revenue potential that we have from the North American and African markets, both separately, because we have gotten recently a new distributor to increase our reach; one in the North American market and simultaneously in the African market if you could also just quantify in terms of the potential that we see?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- So, yeah, Motha, we may not like to, you know, share the exact numbers but we'll definitely give you some perspective and Rohit, who looks after exports, is here to explain to you the potential for these two territories.

- Rohit, can you?

- **Mr. Rohit Deepak Jalan - Whole Time Director, Linc Limited:**

- Yeah. So, for North America like we appointed a national distributor just last year. So, we are expecting, I would say, a multiplier growth over a period of next 3-5 years from where we are today. And this is purely our own brand, Pentonic brand, business that we're talking about and not any private label for any chain stores in U.S. And we are looking at well penetrated network across online and offline stores. So, that's the plan for U.S. And, of course, similar penetration we are looking into Canada and Mexico as well.

- About Africa, if we talk about the Kenya subsidiary plans, so there is a treaty called COMESA and Kenya is a member of the treaty. So, from Kenya our idea is to export to the East African markets. So, if we name it they would be Egypt, Ethiopia, Kenya, Tanzania, Uganda. These five countries put together has a 350 million population and our exports to this side of Africa is negligible as of today. So, given the population number, you can imagine the market size and potential and we are looking at significant growth in the near and the medium term.

- **Mr. Naitik Motha – Participant:**

- Sure. So, just to follow up on the same, the African market, like you mentioned, these countries like Egypt and Tanzania, Uganda, so I just wanted to know while the revenue potential I do understand but I would assume these countries would be very price sensitive. So, would we be that price competitive to gain or maintain our margins like we have on a company level?

- **Mr. Rohit Deepak Jalan - Whole Time Director, Linc Limited:**

- So, if we look at each of these countries, these five countries, actually they are very unique in its way. If we look at Egypt, so Egypt as a country cannot import goods from India or China because of antidumping. So, Egypt can only consume either local manufacturing or from COMESA. Now, if we export from Kenya to any one of the countries in the treaty, you're actually exporting without any duty and tariffs. So, which actually is in the range of 35% to, I would say, almost 80%-90%.

- If we are exporting from India, the landed cost will include the import duties and tariffs, which from Kenya will actually be negligible. So, that we will definitely be able to be more competitive when exporting out of Kenya.

- Of course, our manufacturing costs will be slightly higher as compared to India. But if we look at the duties and the tariffs, I think we'll be able to be more competitive from Kenya than from India.

- **Mr. Naitik Motha – Participant:**

- Okay. And on the America…

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**
- Naitik…Naitik, can you please rejoin the queue?
- **Mr. Naitik Motha – Participant:**
- Okay. Sure, I will come back. Sure, sure, sure, sure.
- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**
- Thank you. We take the next question from Bhavya Sonawala. Bhavya, please go ahead.
- **Mr. Bhavya Sonawala – Participant:**
- Hello? Can you hear me?
- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**
- Yes, Bhavya. Please, go ahead.
- **Mr. Bhavya Sonawala – Participant:**
- Yeah-yeah. Thank you for the opportunity. Just one question. I think in your opening remarks you had mentioned that there was a degrowth in Linc volumes due to a strategic initiative of prioritizing high margin products. So, can you just talk about how the future of Linc will be in the next 3-5 years? Will we continue with this thing? And where do we want to place Linc in the contribution of our sales? Currently about 40%, so what can we see in the next 3-5 years?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- So, Bhavya, of course, as I mentioned that this year we had a lack of focus on our legacy products and particularly some of those products where our margins were quite low. So, it's not that all the products had a decline. Some of them had significant decline, so we realized that even though we had lower margins in those products it was important for us to at least protect the volumes of those legacy products. So, that's why we decided that from now we will try to hold on to those volumes so that whatever…Actually what happened in the last year, whatever growth we got from Pentonic was negated by the decline in some of the legacy products.
- Yeah, so that was not a really very healthy situation. So, going forward, as I mentioned, that we are going to protect the volumes. And we are also of introducing not many products but at least one or two products in this year in Pentonic in Linc portfolio to compensate the loss which happened in the last year.
- So, yeah, having said Pentonic portfolio share is going to continue to grow in our overall revenues.
- **Mr. Bhavya Sonawala – Participant:**
- Understood. Have you set any kind of target for Pentonic let's say in the next 3 years? The contribution currently if it's at 35%, do we see it inching up to 50% of the portfolio?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- So, currently, as I mentioned that Pentonic, portfolio contributes about 34% to our overall revenue and going forward definitely in another 2-3 years' time it will easily cross 50% contribution.

- **Mr. Bhavya Sonawala – Participant:**

- Okay, sure. Thank you so much. I'll come back in the queue.

- **Mr. Navin. B. Agrawal – Head Institutional Equities, SKP Securities:**

- Thank you, Bhavya. We'll take the next question from Grisham Shah. Grisham, please unmute yourself and go ahead.

- **Ms. Grishma Shah -Participant:**

- Hi, good afternoon to the management team and thanks for the opportunity. Want to know how the markets have been in the entire pen category or the writing instrument? That is one. Curious to know how we performed vis-à-vis the market because this has been a quarter where it's an exam quarter and followed by the back-to-school quarter? Also, very intuitively want to know why do we have new launches in second half rather than in the first half of the calendar? You know it's a heavy quarter, right; the back-to-school quarter? So, that's one

- Second is, if you could elaborate more on the CapEx plans that should be interesting.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- All right, Grishma. Grishma, right?

- **Ms. Grishma Shah -Participant:**

- Yes, Sir.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- So, of course, the Q4, as I mentioned in my opening remark, historically Q4 is the highest quarter for us in view of the exam period. So, that's the reason you can see that this was our highest quarter. Although compared to last year's same water, the growth is moderate. But even having said that, this has been our highest ever quarter. So, there has been a 14% growth quarter-on-quarter, as I mentioned. So, that's about the exam period.

- Then coming to the new launches in the second half. So, of course, I already mentioned that we have at least three products ready for launch in the first quarter as well as in the second quarter. So, across these two quarters we'll have at least three products launched. And this first quarter, particularly June and July, are back-to-school season for us. So, it is important, as you rightly said, it is important to have new products during this period and we are ready for that.

- So, what I meant to say that we have a couple of launches in the second half also. So, as a strategy we like to launch at least one product, at least one winner product, every quarter. So, that is in line with our overall strategy that we have more products lined up for the second half also.

- **Ms. Grishma Shah -Participant:**

- Okay. And on the CapEx plan, I mean, if you could highlight?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Certainly. So, on the CapEx plan, as you can see our numbers, this year has been quite moderate in terms of both volume and value. So, the need for capacity expansion, I mean, inhouse capacity expansion was deferred by a year or so. And, of course, we have the flexibility of outsourcing from our dedicated vendors, so we decided to hold on to the new manufacturing facility at Umbergaon, Gujarat. And so, of course, we acquired the land and it's ready. So, whenever we feel the need of capacity expansion, we can start the construction. But in the meantime we had already acquired the land in Kolkata next to our existing facility and we thought that the Kolkata facilities needed some modernization because this was our first factory and there was an organic capacity expansion and so it needed the modernization. So, we thought that we will build the infrastructure at Kolkata, which will call for about 35 crores of CapEx just for the infrastructure. So, next year we will invest in plant and machinery to increase our capacities.

- But for the time being the growth plans which we have for this year, we already have capacities lined up, both inhouse capacity as well as from outsourcing. So, yeah, right now for this year the CapEx is going to be 35 crores for the infrastructure of Kolkata facility and one other 10 crores for our regular…

- **Mr. N. K. Dujari - Director Finance & CFO, Linc Limited:**

- Routine CapEx.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- …routine CapEx. And all of these would be from internal accruals.

- **Ms. Grishma Shah -Participant:**

- Okay. And can I ask one more question?

- **Mr. Navin. B. Agrawal – Head Institutional Equities, SKP Securities:**

- Grishma…Okay, go ahead.

- **Ms. Grishma Shah -Participant:**

- Yeah. So, Sir, what is the competitive intensity on the ground? I mean, curious to know the market.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Yes, Grishma, so in this category the intensity has been always very competitive. It is not that something which we are experiencing, I mean, experienced last year. So, it has been a competitive category, there is a low entry barrier. So, we are trying to overcome, which we have already done actually. So, we try to overcome these challenges or this scenario by innovating on our products. And all our products under the Pentonic portfolio are uniquely designed and so far we have received a good response from for most of our new products under Pentonic portfolio.

- So, yeah, I do agree and admit that it's a very competitive category and we have to navigate and I think with our experience we have learned how to navigate even in this scenario. But, of course, there's always a pressure on our margins and still we have tried to have better margins in our Pentonic portfolio particularly.

- **Ms. Grishma Shah -Participant:**

- Fine. Thank you and good luck.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Thank you.

- **Mr. Navin. B. Agrawal – Head Institutional Equities, SKP Securities:**

- Thank you, Grishma. We'll take the next question from Shubhankar Ojha. Shubhankar, please go ahead and unmute yourself. Yeah.

- **Mr. Shubhankar Ojha -Participant:**

- Good afternoon, Sir, and thanks for the opportunity. So, my question was with respect to competitive intensity basically and that has been answered mostly. Just one point over here, so we had a 5% growth for FY24. So, what was the industry growth for the financial year?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- So, the industry growth is estimated around that only; about 5%-6%. Yeah, so we are also waiting to have more clarity once our peers results are out but that is the estimate which we have.

- **Mr. Shubhankar Ojha -Participant:**

- So, we have more or less been able to retain the markets here basically across the markets?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- At least in terms of value, yes.

- **Mr. Shubhankar Ojha -Participant:**

- That's good, yeah. That's good. Secondly, with respect to you said that 3 years from now your Pentonic portfolio will be 50% and that is definitely a good news because that's a high margin business for us. So, what will be your target gross margin by then? Not asking for a number but you're doing a 32% right now, so 3 years from now this 34% Pentonic mix will be 50%. What will be your gross margin by then?

- **Mr. N. K. Dujari - Director Finance & CFO, Linc Limited:**

- Gross margin will not have that substantial impact because of Pentonic. The reason is that we have got Deli range also where it's a purely trading product and margins are not that significant and we have got aggressive targets for Deli. So, we expect the margin to go up by say around 5%. So, maybe around 35%-36% over the next 2-3 years.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- So, Mr. Ojha, as you see the intensity of the competition even though, as I have mentioned in my previous calls, that any product under Pentonic which we launch has nothing less than 40% gross margin. But as the intensity increases, we have to support some of our existing products so that eats away some of our margins. So, even though we have aspirations of having higher EBITDA margins like what our peers are delivering, we would like to be a little cautious on giving guidance on that. But, definitely, as you know that we achieved about 12% in the last financial year; 12% of EBITDA. Definitely, we believe that there is a room for improvement on that number given the revenue growth plans which we have.

- **Mr. Shubhankar Ojha -Participant:**

- Great-great. Thank you for this. And finally, Sir, so basically the medium term growth guidance of 17%-20% revenue growth, so what will basically be the driver for this? Will the Deli which is basically a…

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Yeah, let me explain to you. See, the main growth drivers, definitely the number one would be the premiumization. The second driver is going to be the adjacent categories, as I mentioned, that right now we are largely in the popular category like ball pen and gel pens but we are absent in categories like children's markers, permanent markers, highlighters, and some such adjacent categories. So, which we are going to launch in the first half itself, which I did not mention. So, adjacent categories are also going to help us achieve our objective. And thirdly, of course, the export business, as Rohit mentioned that the last year we appointed the distributor in North America and who is going to drive our export business particularly in that part of the world. So, we have very aggressive projections with our North American distributor.

- So, combined, these factors are going to help us grow, of course, the Deli business and the stationary business is also going to grow. So, yeah, so these are going to be majorly driving the growth.
- **Mr. Shubhankar Ojha -Participant:**
- Great, great. Thank you so much for this and best wishes, Sir.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Yeah, thank you.
- **Mr. Navin. B. Agrawal – Head Institutional Equities, SKP Securities:**
- Thank you, Subhankar. We'll take the next question from Shreyas Desai. Shreyas, please unmute yourself and go ahead.
- **Mr. Shreyas Desai -Participant:**
- Hello?
- **Mr. Navin. B. Agrawal – Head Institutional Equities, SKP Securities:**
- Yes, Shreyas, please go ahead.
- **Mr. Shreyas Desai -Participant:**
- Yeah-yeah. Congratulations for the results and thank you for the opportunity. So, my question is for Pentonic. So, Sir, what is the average shelf life at your marketplace and the stationery shop for Pentonic?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- I could not really understand your question but what I understood was that…Okay, let me explain to you that our classic Pentonic ball pen is priced at ₹10 and then we also have a gel pen at ₹10. So, these are end user prices. So, if you…
- **Mr. N. K. Dujari - Director Finance & CFO, Linc Limited:**
- Shelf life. Shelf life. How many days pen…
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Oh! You asked for the shelf life.
- **Mr. Shreyas Desai -Participant:**
- Yes-yes.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Okay. So, the shelf life of a ballpoint pen typically is 2-3 years. We guarantee 2 years but it can even go up to 3-4 years. And for a gel pen, typically, we guarantee 1 year but it can go up to 2 years. So, this is the shelf life.

- **Mr. Shreyas Desai -Participant:**

- No, Sir, actually you didn't get the question maybe. I will repeat it. Shelf life in the sense I'm asking for a stationery shop for how much time does he keep your Pentonic pen for a particular category? For how much time he keep it in his shelf life? So, let's say if your launches are too delayed, so for your every launches you take one month, two months, three months. So, it takes time. So, shelf life for Pentonic eventually get less and shelf life for the peers get more. So, in that sense I'm asking what is your shelf life for Linc or a Pentonic in marketplace and stationery shops in order to get the penetrations in market?

- **Mr. N. K. Dujari - Director Finance & CFO, Linc Limited:**

- I think he's talking about shelf space.

- **Mr. Shreyas Desai -Participant:**

- Yeah, shelf. Yeah-yeah.

- **Mr. Rohit Deepak Jalan - Whole Time Director, Linc Limited:**

- Shelf space or in how much time does a retailer move the stock, right?

- **Mr. Shreyas Desai -Participant:**

- Yeah-yeah. Yeah-yeah.

- **Mr. Rohit Deepak Jalan - Whole Time Director, Linc Limited:**

- Yeah. So, the rotation from a retailer. And Pentonic, say for example, our sales team they visit the retailers on a monthly basis, right. So, typically, it depends upon the category of outlet, right. So, if it's a big outlet, our frequency of visit is more. So, maybe the stock turnover happens every 15-20 days. For smaller outlets, if they have a monthly frequency it takes say about a month.

- I don't know if I've been able to answer.

- **Mr. Shreyas Desai -Participant:**

- Yeah. And, Sir, if the launches are so delayed and there are like less launches, so don't you think that shelf place will be occupied by your peers if you don't be aggressive on that side?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Yeah, that's one definitely a challenge. See, we already have a large portfolio, combined the Linc and Pentonic. So, even if the new launch is delayed, we try to occupy the shelf space with our existing products.

- And as you know every stationery outlet they have limited space, so of course our endeavor is always to keep maximum space occupied whether with the existing products or with the new products.

- So, let's say if a new product is launched, definitely the retailer will remove some products from the shelf. It could be a Linc product or it could be a competition product. So, yeah, this is the situation. But, nevertheless, we will make up our delayed launches in this financial year and we have very aggressive launch plan.

- **Mr. Shreyas Desai -Participant:**
- Thank you, Sir.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Yeah. Thank you, Mr. Desai.
- **Mr. Navin. B. Agrawal – Head Institutional Equities, SKP Securities:**
- Thank you, Shreyas. We take the next question from Mohammad Patel. Mohammad, please go ahead.
- **Mr. Mohammad Patel -Participant:**
- Hi. Sir, my question is, can you please elaborate on why the Q4 growth was slow, you know, the Q4 being the best quarter for us?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- So, Mr. Patel, I already clarified in my opening remark that while we had a decent growth in Pentonic portfolio, we had a significant decline in our legacy products where we had low margins. And that was, of course, due to the lack of focus at our end. So, whatever we gained by Pentonic growth was kind of neutralized by the decline in the low value products.
- Yeah, so that was the main reason. And, yeah, of course, as I mentioned that we believe that we also need to protect our legacy products.
- **Mr. Mohammad Patel - Participant:**
- Some part would also be attributable to the industry, if my understanding is correct. Industry slowdown.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Sorry, can you repeat?
- **Mr. Mohammad Patel - Participant:**
- I am saying the slow growth, some part of that will also be attributable to the industry, is what I am asking. Industry slowdown.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Well, you know, this is something we have been discussing internally, is there decline in the industry growth rate? But I believe, particularly in India, with the increase in the literacy and the population, I don't see any shift or any change in the category growth, at least as of now. But there is a feeling that this particular year has been quite modest for most of the pen companies. So yeah, there can be a little slowdown, but I don't really see any reason for that.
- **Mr. Mohammad Patel - Participant:**
- What could be the reason for this slowdown? Anything if you can share?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Oh, well, you know, 55% of the pen consumption is among the school and college students. So, I don't see any reason of decline in the demand or in the consumption on that front. And remaining 45% consumption is either in the offices or in the service sector or at the corporate level, I mean the corporate sales. So, there could be some decline in this space, but I don't see any steep decline even in this space. So yeah, there could be some decline here, this is our estimation.

- **Mr. Mohammad Patel - Participant:**

- Last question. So, are you expecting this industry growth of 4-5% to go to 8-9%,10% starting FY25?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Mr. Patel, I think that would be too ambitious to say that the industry growth rate can go up to 8-9%. I think that in terms of volume, the growth rate is going to be around 5% or anything between 4-6%. But definitely, with the premiumization, it is possible to achieve a higher growth in terms of value. So that's our take on the industry growth rate.

- **Mr. Mohammad Patel - Participant:**

- Thank you.

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- Thank you, Mohammad. We'll take the next question from Tanuj Jhabakh. Tanuj, please unmute yourself and go ahead.

- **Mr. Tanuj Jhabakh – Participant:**

- Hello, sir. Congratulations and thanks for the opportunity for this call. So, my question was regarding the industry growth that you had just mentioned. So, the industry growth in volume is going to be about 5% as what you foresee. But we are now focusing more on our value-added, higher margin products like the Pentonic. And you had mentioned that it would reach about 50% of your top line. So why is it that with lower volume growth and higher premiumization, our margins are only growing by about 4%, whereas the contribution from high margin products is going up by 15-16%? So if you could just throw some more light on that?

- **Mr. N. K. Dujari - Director Finance & CFO, Linc Limited:**

- As we mentioned in our opening remarks, this year the margin was affected by a wage hike in Gujarat, a minimum wage hike in Gujarat. This wage hike was deferred for about 3 years for the COVID-19 period. So suddenly, there was a sudden increase of around 30% in the minimum wages. So going forward, we don't expect this kind of increase in the minimum wages. So going forward, we should be able to show some better growth.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- So, as you can see from the numbers, there has been a steep increase in our employee benefits, which includes the wages, of course. So that's quite steep, in the range of 25-30%. A little more than 25%. So that's a kind of unusual increase. And that is the main reason of a subdued overall margin.

- **Mr. Tanuj Jhabakh – Participant:**

- Okay. And my other question was regarding the Ethiopian investment that you have made. So, can you just translate that in terms of revenue? In terms of some numbers, what kind of contribution we can expect?

- **Mr. N. K. Dujari - Director Finance & CFO, Linc Limited:**
- Pardon me, this is regarding the CapEx or this is regarding some investment we are making?
- **Mr. Tanuj Jhabakh – Participant:**
- Sorry, the Kenyan investment. Sorry, I had mentioned it.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- So Rohit will give you some...
- **Mr. Rohit Deepak Jalan - Whole Time Director, Linc Limited:**
- So currently, since we just acquired this company, so the operation scale is very small. But I don't want to put exactly a number to it. But we're looking at good multiplier growth again here as well, because as I mentioned, the population is about 350 million, and our revenue from this region has been negligible. So, we just made an entry. And I would also like to add that, we'll be having a decent product mix, not at the entry level, but at the mass segment and at the mass premium segment. So that should take care of the top line and also the bottom-line aspect of the subsidiary.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- And just to give you a number, our existing revenue from Kenya subsidiary is on an annualized basis. It is about 14 to 15 crores in terms of Indian rupees. So that's the current annual revenue.
- **Mr. Tanuj Jhabakh – Participant:**
- Okay. That's it from my side. Thank you all the best.
- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**
- Thank you, Tanuj. We'll take the next question from Sakshi Chhabra. Sakshi, please unmute yourself and go ahead.
- **Ms. Sakshi Chhabra – Participant:**
- Yeah. Hi. So I wanted to understand that what do you see the export contribution going to in the coming few years? And also, what would your export margins be?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Well, currently, as you know, that our exports are about 19% of our company revenue. And, the initiatives which we have taken in last couple of years with the markets like North America growing, we can look at at least a quarter…
- **Mr. Rohit Deepak Jalan - Whole Time Director, Linc Limited:**
- At about 25%.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- More than 25%, but atleast…

- Mr. Rohit Deepak Jalan - Whole Time Director, Linc Limited:
- 25% in 3 years' time.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- In the next 2-3 year's time.
- **Ms. Sakshi Chhabra – Participant:**
- Okay. And what about the export margins?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Export margins have clarified in all my previous calls, that the export margins are generally at least 5% more than the domestic margins. In some markets, it is even more, but in some markets, it is even at par with the domestic market. But in general, you can say that at least 5% more on average.
- **Ms. Sakshi Chhabra – Participant:**
- Okay. All right. And on the children's stationery, are you going to have an in-house production or will it be outsourced?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- So, at least at the initial stage, it is mostly outsourced.
- **Ms. Sakshi Chhabra – Participant:**
- Okay. But going forward, we would think of having our own production line as well.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Right. Yes, of course. Once we build decent volumes or optimum volumes, then we can look at our own manufacturing.
- **Ms. Sakshi Chhabra – Participant:**
- All right. Thank you so much.
- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**
- Thank you, Sakshi. We'll take the question from Jainam Vora. Jainam, please unmute yourself.
- **Mr. Jainam Vora – Participant:**
- I just wanted to understand, I'm looking at Slide number 12 of your presentation, and I see over the last three quarters, the share of corporate increasing from 5% to 18.2% in your trade channel mix. So, I just wanted some color as to what kind of sales contribution can we expect it to stabilize? And, are we seeing some growth prospects over there in the future as well? Thank you.
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- So, Jainam, the corporate sales, let me clarify, is quite erratic. Because, in some, let's say, a corporate decides to have some cross-promotion program for their products, and we grab the order. So, a single corporate order

can be in the range of a few crores of rupees. But it is not certain that we can get such orders every year. We've been fortunate this year that we had this large corporate order. And so, that is the reason that you can see a big jump compared to last year in this quarter. But typically, the contribution from corporate, we estimate anything between 5 to 10% i.e. on a long term or on a yearly basis, you will see it will range in between 5 to 10%. Although in this quarter, it has a significant contribution of 24%... Sorry, 18%.

- **Mr. Jainam Vora – Participant:**

- Understood. My second question is with respect to the average utilization… realization, sorry, per pen. So, I see in FY24, it is about Rs. 5.67 and Pentonic's realization is about Rs. 5.83. So, I just want to understand, in the medium term of about 2 to 3 years, where can we see the average utilization per pen to go? Because you talked about Pentonic being at least 50% of the product mix. So, I just wanted some color on that.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- So, Jainam, you can see the graph, which is steadily increasing over the years. I have really not calculated our future average selling price, but I think we will maintain similar momentum going forward, at least in the medium term.

- **Mr. Jainam Vora – Participant:**

- Okay. So, can we expect it to reach about 5.83, the number that we see in Pentonic 2 years from now? That could be...

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Yeah. I think definitely.

- **Mr. Jainam Vora – Participant:**

- Okay. Understood. Thank you so much.

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- Thank you, Jainam. We'll take the next question from Vaidik Bafna. Vaidik, please unmute yourself and go ahead. Vaidik, please unmute yourself and go ahead and ask your question. I guess there's some problem with the mic.

- We move to the next question. Prathamesh Dahake. Prathamesh, please unmute yourself and go ahead.

- **Mr. Prathamesh Dahake – Participant:**

- Hi, sir. I just wanted to ask the 35 crore CapEx that we're doing, what kind of pens that will be manufactured there? And is it safe to assume that each and every industry player is moving out of the 5 and sub 10 rupees category, given the fact that 55% of the users are still school and college going people? So, due to that, will there be a churn if that happens?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Prathamesh, if you have been following us, our focus is definitely on value-added products, or high value products with higher margin. So, that is our clear objective, that whatever new investment we make, whether… I mean, new investments we make, it will be largely higher value products and not anything below Rs. 10. So, that is, you know, very clear. But as I also mentioned that, we would like to protect our legacy products for which we don't need any new investment. So, that's the…

- **Mr. Prathamesh Dahake – Participant:**
- Understood. So, on the 35 crore investment, what max top line are we expecting? What are the asset turns?
- D:
- So, largely, you can say that… not largely, but partially, this investment is towards modernization of our old facilities at Kolkata because we started manufacturing at Kolkata. So, it has been an organic growth in the factory. So, partially, it will be modernization and partially, it will be for new products. But at least in this financial year, since it will take about a year's time to complete the construction, so we have not yet planned any CapEx plan for new capacities. So, that will be done towards the middle of this financial year.
- **Mr. Prathamesh Dahake – Participant:**
- Understood. My last question was, you've mentioned about average realization of premiumization. Does the industry undergo a drastic change and upward re-rating in realizations every 2-3 years, or is it a continuous change? Like, we've had a very steep change from FY21 to FY23, but FY2-24 has been modest. So, should we expect a bigger change or delta in the coming 2-3 years, let's say re-rating or in the next… Every 3years, does it increase drastically?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- So, let me give you one perspective, which could be very interesting. Before Pentonic was launched in 2018, the average realization for Linc was around 3.5 for at least 10 years, I would say. It was almost… for 10 years, it was around 3.5 only. But Pentonic set a new trend in the category or you can say in the industry of premiumization. And as a result, the average realization, not just for Linc, but for even our peers, started growing. So, I think, right now, the momentum is continuing and we feel that, yes, this will continue in similar fashion, maybe a little bit here and there. But yes, we are marching towards a better average realization every year.
- **Mr. Prathamesh Dahake – Participant:**
- Understood. That's all from my side. I wish you all the best, sir.
- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**
- Thank you, Prathamesh. We take the next question from Parth Jain. Parth, please go ahead. Parth, please unmute yourself and go ahead and ask your question.
- **Mr. Parth Jain – Participant:**
- Sir, in terms of the competition, has there been any shift in the market share?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Well, as per the feedback which we have in the last year, more or less, all the companies are maintaining their market share. So, there has not been a real shift as such.
- **Mr. Parth Jain – Participant:**
- Fair, sir. Sir, my second question would be on a capacity side. So, the capacity that we have for traditional Linc products, and the capacity for our Pentonic products, can you please provide a brief understanding on that? And does it remain fungible between the two, or these are exclusively allocated capacities that cannot be interchanged?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- So, there are two angles to the capacity. One is the mold capacity, which is not fungible. And the other is the injection molding capacity, or you can call it molding capacity, which is fungible. So, let's say, if we have a capacity of 1 crore Linc products, and if we have a capacity of 1 crore Pentonic products… I'm talking of mold capacity. And, if we have the molding capacity of, let's say, just 1.5 crores. So, we can make 1 crore Pentonic pens and 50 lakh Linc pens, or 1 crore Linc pens or 50 lakh Pentonic pens. So, if we have to increase our capacity of Pentonic, we have to increase our mold capacity. So, yeah… So, I hope I'm clear. Otherwise, I can explain again.

- **Mr. Parth Jain – Participant:**

- I understand. Sir, what would that realistic figure look like for our current capacity? How much of Pentonic plus Linc products can we produce?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Today… I am talking of purely mold capacity because the molding capacity is quite fungible and flexible. So, in terms of mold capacity for Pentonic portfolio, we can produce about 60 million per month, which is highly underutilized, let me clarify that. And insofar as Linc is concerned, we have a capacity of almost 50 to 60 million again. So, almost similar capacity, but yeah, more or less, yes.

- **Mr. Parth Jain – Participant:**

- This capacity remains non-fungible, right?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Yes, right.

- **Mr. Parth Jain – Participant:**

- Okay. Thank you so much.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- And of course, we are not utilizing 100% of both, yes.

- **Mr. Parth Jain – Participant:**

- Sir, what would this utilization figure look like for the current financial year? Any brief idea and not exact figure.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- So, briefly… so this year we sold about 72 crore… 73 crore pens of which 34% is Pentonic and the remaining is Linc. But that is in terms of value.

- **Mr. Parth Jain – Participant:**
- In terms of volumes.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Let me give you an exact figure. So, I have the exact number, Linc we sold 44 million pieces annually, and Pentonic we sold about 274 million. So, 441 million and 274 million. So, 274 million of Pentonic and Linc

441 million.

- **Mr. Parth Jain – Participant:**

- Okay, sir. That helps. Thank you so much, sir.

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- Thanks, Parth. I guess, we have enough time to take one more question from Pratik Dedia, and then we take a question on the Q&A. Pratik, please go ahead.

- **Mr. Pratik Dedia – Participant:**

- So, I wanted to just confirm. I think you mentioned revenue growth of around 17 to 20%. So, are we still on track for 750 crore revenue for FY26?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Pratik, as Mr. Dujari mentioned in his remarks, we are, of course, still looking at 17 to 20% revenue growth. It's just that the base year, which we were expecting to be FY23 or rather FY22, we would like to change the base to FY24. As you can see, that it has been quite moderate. So, it would not be really possible to have that kind of a growth as CAGR on our FY22 numbers. So, yeah, on FY24 numbers, we are hopeful of delivering that kind of a growth.

- **Mr. Pratik Dedia – Participant:**

- Okay, fair enough. Got it. All right. Second question I have is more in terms of strategic question on the business front. You mentioned that you are trying to protect your legacy product volume and which is on the lower margin side, and which will probably impact your margins going ahead also. So, just wanted to understand, would it not make sense to aggressively push for Pentonic rather than focusing on, say…

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Yes, you're right, Pratik. On a lighter note, I'm just telling you, I told my son Rohit, to take care of this below 10 rupee segment, to pay attention to this portfolio to protect the volumes. While I do not want to… I would like to rather continue to focus on growing the Pentonic portfolio. So, this is how we are looking at it. So, of course, the focus on Pentonic is definitely greater, given the kind of margins we earn on that, which is not really going to dilute any attention to the below 10 rupee product, which has lower margins. It's not really going to dilute any of our efforts on growing Pentonic.

- **Mr. Pratik Dedia – Participant:**

- Fair enough. Okay. All right. Can I squeeze in one more question?

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**
-
- Yeah, please.

- **Mr. Pratik Dedia – Participant:**

- Okay. On capacity expansion, I think you mentioned that your utilization, current utilization levels in terms of manufacturing, remain low. So, what is the rationale to go ahead with CapEx, given that your current capacity utilization are already at low levels?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- See, Pratik, I think, you know, we are a forward looking company and we believe that, yes, FY24 has been mediocre for us, but it's not going to be… the future is not going to be the same, and we want to keep ourselves prepared for a larger growth. So, that's why we are keeping the infrastructure ready. And the investment in product capacity would be done in a modular fashion as per the need. So, yeah, so that's the rationale.

- **Mr. Pratik Dedia – Participant:**

- Okay, fair enough. Thank you.

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- Thank you, Pratik. Deepakji, may I take a few questions that have been posted on the Q&A board?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Certainly, please do.

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- Dheeraj Lohia has asked, what is your view on domestic market? How is it shaping in the current year? This question is in context to our sales from general trade, which is sharply down from 89 crores to 72 crores.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Yes. So, Mr. Lohia, as I already explained, we got a hit in our legacy products, while Pentonic still grew. So, that's the main reason for this pulldown in our general trade sales. So, that is the entire effect of loss in the legacy products revenue.

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- Rahul Dhani - Just wanted to understand the reason for increase in other incomes. Is it a one-off? And what is the outsourced capacity versus in-house capacity?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- So, other income is definitely one-off. Large part of the other income is one-off. We got a refund… not refund exactly, we got some interest on the State VAT, which we had paid in excess to the department. And we had some write back of some excess provision of the previous year. We don't expect these to continue for the future. Definitely there will be some other income category can be there. So largely, a large part of it is one-off, right?

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- The second part was, what is the outsourced capacity versus in-house capacity?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- So, typically, I would say today… of course, I talked about the mold capacity of about Linc and Pentonic combined, 120 crore pence annually. So, molding capacity would be around 100 crores between outsourced and in-house, which is about 50-50, you know, 50% for both.

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- Rahul, I hope the questions are answered.
- Riddhesh Broker - From FY13 to FY19, our topline CAGR was about 3.3%. What was the reason for such subdued growth? And what gives us the confidence that the same will not happen in the future? What were our learnings?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Right. So, as I explained to one of the participants that, the average realization per pen prior to Pentonic, which was born in 2018… So for almost 10 years, our average realization per pen was hovering around Rs. 3.50, Rs. 3.60 only. And so, the industry was really not able to increase the prices because Rs. 5 and Rs. 10 were quite strong price points and there was no space for in-between price. So we were trying to develop products which would be differentiated and which could break this… I mean, we could really overcome this situation. But unfortunately, we could not really develop products which would be a breakthrough for us.
- So finally, after a few attempts in 2018, Pentonic was born, which was actually a breakthrough product for us, and which has been a game changer for Linc as well as for the industry. So it has given us a lot of confidence that we can upgrade our customers from 5 to 10 and 10 to 20 and so on. So, something which did not happen for almost 20 years, I mean, between 1998 and 2018, there was almost no price increase in our category. So, particularly, typically10 years prior to Pentonic was really very bad. But now the momentum has started and is going to continue.
- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**
-
- An anonymous attendee was asking, how is the feeling for Q1 as of today?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- So, Q1 so far has been… I mean, it's just been one month, which is typically a low month for us. So we have a double-digit growth in the first month. We have a good task for Q1 because last year it had a high base. But yes, we are confident that with the help of the new products and increase in our exports, we'll definitely be able to deliver a good Q1.
- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**
- The last two questions are both follow up questions.
- Shreyas Desai – In the past, you were having work with Mitsubishi, with some strategic partnership. What is the progress on that?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- So we are doing good with the Mitsubishi Pencil Company and we are trying to grow the brand to a hundred crore level in next two years. So that's about the Uni-Ball brand. And of course, we'd like to work closer with them, going forward. So, we are at discussion level with them on that front that, you know, what more we can do together. So right now, this is about it.
- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**
- Bhavya Sonawalla - We will look at diversifying aggressively into non-writing instrument segments, like how our peers have grown. Have you thought on these lines?
- **Mr. Deepak Jalan - Managing Director, Linc Limited:**
- Certainly not in the near future, because we believe that there is a lot of room for us to even get into the

adjacent categories. Like I mentioned, the marker range, the colour range for children, like crayons and modeling dough, etc. And then apart from that, we have a large range of stationery in Delhi, like calculators, desk organizers. So, we have a large range of stationery apart from pens now. So right now, at least in the medium term, our focus would be to increase penetration of those categories. So, we would not like to go for any unrelated diversification, at least as of now.

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- The last question for the afternoon. Pratik Dedia has a follow up one. Are we refocusing on Middle Eastern markets?

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Middle Eastern markets? Rohit, would you like to answer?

- Mr. Rohit Deepak Jalan - Whole Time Director, Linc Limited:

- Middle East used to be actually a good base for us. But over the years, because of economic and political disturbances, it has really affected. So, there is, of course, effort to reach our high… the base figures. But there is no strategic focus in Middle East for the time being.

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- Thanks Rohit. Friends, if there are any unanswered questions, request you to share them with me on my email. I have shared the email ID with you. I would like to hand over to Deepakji for any closing remarks.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Dear Navin, thank you for hosting us. And let me be very frank, that we are not really very happy with the numbers of FY24. Although we are disappointed by the numbers, but definitely we are quite excited and optimistic because we know the lineup of new products which we have. And so, yes, we are looking for a good FY25. That's what I would like to tell our participants.

- **Mr. Navin B. Agrawal – Head Institution Equities, SKP Securities:**

- On behalf of all of us at SKP Securities, thank you very much Deepakji, Dujariji and Rohit for taking the time out to interact with the investors. Thank you Sanjeev for joining us online. And friends, we look forward to having you and hosting the management of Linc Limited again for the next quarterly results. Thank you and have a wonderful evening.

- **Mr. Deepak Jalan - Managing Director, Linc Limited:**

- Thank you everyone.

END OF TRANSCRIPT