



1<sup>st</sup> September, 2020

The Listing Department, The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700001	The Manager The Department of Corporate Services, BSE Limited, P. J. Towers, Dalal Street, Mumbai - 400001	The Manager, The Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
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Dear Sir,

**Sub: Quarterly Update — Q1 of FY 2020-21**

Please find enclosed herewith the quarterly update for Q1 of FY 2020-21.

Thanking You,

Yours faithfully,

For LINC PEN & PLASTICS LTD.

N. K. DUJARI  
Chief Financial Officer &  
Company Secretary



# LINC.

## An introduction



Among the three leading writing instrument manufacturers in India.

An extensive presence in India and 50 countries.

Linc brand synonymous with innovation and quality.

# THE BIG MESSAGE OF Q1 FY 2020-21

Linc's growth momentum was interrupted during Q1 FY 2020-21.

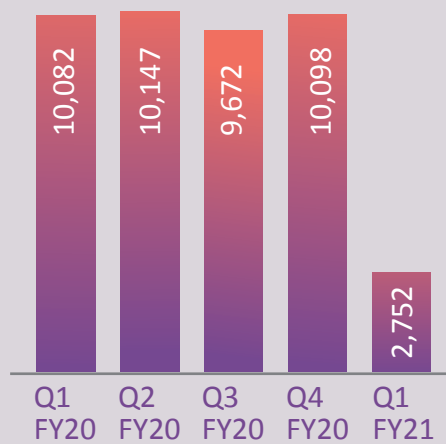
The Company reported a decline in revenues, margins and surplus.

This decline was largely on account of the pandemic-induced lockdown of the Indian economy.

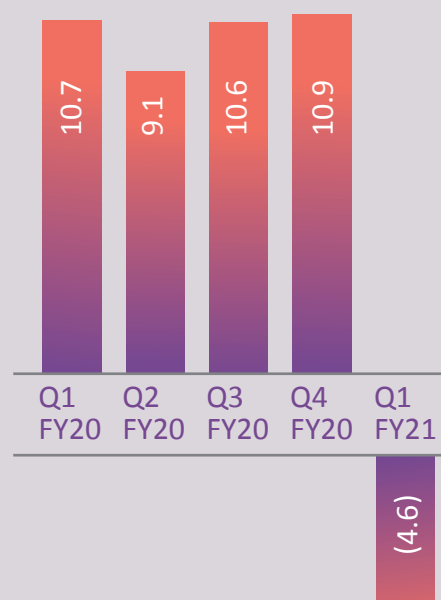
The worst seems to be behind; the Company expects to report a gradual rebound in the coming quarters.

# QUARTERLY UPDATE

REVENUES (in ₹ lakhs)



EBITDA MARGIN (in %)



PAT (in ₹ lakhs)



# DOMESTIC HIGHLIGHTS

## OF OUR PERFORMANCE IN Q1 FY 2020-21

- Linc generated ₹1,944 lakhs from domestic sales compared to ₹7,943 lakhs in Q4 FY 2019-20 and ₹8,596 lakhs in Q1 FY 2019-20.
- The Company's performance was affected because of the closure of educational institutions and commercial offices operating with lower physical attendance, following the COVID-19 pandemic.

# EXPORT HIGHLIGHTS

OF OUR PERFORMANCE IN Q1 FY 2020-21

- The global economy was affected by the COVID-19 pandemic, which resulted in weaker consumer sentiments across the world.
- Linc generated ₹770 lakhs from exports in Q1 FY 2020-21 compared to ₹2,019 lakhs in Q4 FY 2019 -20 and ₹1,537 lakhs in Q1 FY 2019-20.

Managing Director  
Deepak Jalan's

# MESSAGE

Following the outbreak of COVID-19 pandemic, the global economy reported trade disruptions and lockdowns in several countries

India's economy reported a 3.1% growth in Q4 FY 2019-20, the slowest growth in 40 quarters.

India's economy is estimated to have de-grown by 23.9% in Q1 FY 2020-21, lowest in 40 years.

Managing Director  
Deepak Jalan's

## MESSAGE



During this first quarter, the Company sustained its focus across its brand portfolio - Linc, Uni-ball, Pentonic and Deli.

The Company strengthened processes, trained employees and prepared for the 4x Pentonic expansion.

The Company continues to focus on increasing its proportion of revenues from the segment priced at ₹10 and above.





Managing Director  
Deepak Jalan's

## MESSAGE



### Performance overview

The total borrowings (Term Loan + Working Capital) in Q1 FY 2020-21 stood at ₹4,143 lakhs compared to ₹6,104 lakhs in Q1 FY 2019-20.

There was a 72.7% decline in topline in Q1 FY 2020-21 compared to Q1 FY 2019-20.

There was a 193.4% y-o-y decline in bottomline in Q1 FY 2020-21 compared to Q1 FY 2019-20.

There was a 1,520 bps decline in EBITDA margin in Q1 FY 2020-21 compared to Q1 FY 2019-20.

Managing Director  
Deepak Jalan's

## MESSAGE

### **The COVID-19 battle**

Owing to the nation-wide lockdown, the Company's operations remained fully shut for 28 days and thereafter gradual resumption started once lockdown was lifted in phased manner.

With the intention of sustaining operations, the Company took the following initiatives:

- Implemented work from home.
- Deferred manpower costs – making it semi-variable; moderated other costs.
- Implemented thermal screening of employees, sanitation of premises and social distancing in office and manufacturing facilities.
- Provided proper equipment and sanitisation material across all locations.
- Mandated the wearing of masks.

# OUTLOOK

While the educational institutions continued to remain closed, the Company's sales revenue for months of July and August 2020 stood at ₹3,701 lakhs compared to ₹6,493 lakhs in the corresponding period last year.

With the economy reviving and gradual opening of educational institutions, the Company is optimistic of strengthening the offtake of its products.

The Company intends to enhance the proportion of its portfolio priced at ₹10 and above with the objective to strengthen profitability.

# SUMMING UP

“I am optimistic of our revival in following quarters on the back of a revival in the global economy coupled with an increasing proportion of revenue-drivers in our portfolio”

– Deepak Jalan, Managing Director