



8th February, 2016

The Secretary
The Calcutta Stock Exchange Ltd.
7, Lyons Range
Kolkata – 700 001

Dear Sir,

Re : Quarterly Update (December – 2015)

Please find enclosed herewith the Quarterly Updated for quarter ended 31st December, 2015.

Thanking You

Yours faithfully

For LINC PEN & PLASTICS LTD.

N. K. DUJARI
Chief Financial Officer &
Company Secretary

Encl: as above

CC: 1. The Executive Director
The Stock Exchange, Mumbai

Stock Code - 531241

2. The Manager,
Listing Department,
National Stock Exchange of India Ltd.



CORPORATE DEVELOPMENTS AND UPDATES, Q3 FY16

Domestic markets

☞ Domestic sales growth was in double digit at 11.5% in Q3 of FY16 after a gap of few quarters. It would be pertinent to indicate that the Writing Instrument business being to a some extent seasonal, sales are usually higher in the Q2 and Q4, with Q4 being the best quarter

☞ As an inventory-monitoring company, Linc use to moderate production during the slow quarters and enhance to address peak demand in the other quarters. However, following a slight tweak in strategy, production was sustained through the sluggish months with the objective to build inventories that could address demand upturns whenever they transpired

☞ The company redesigned and re-launched an improved version of an existing pen (Linc Oil Flo), marked by extra-smooth writing and a superior price-value proposition; the relaunched version was favourably received

☞ The company launched "Linc Touch" in its Smart Pen Series towards the end of the quarter, a ball pen with a stylus, first of its kind at ₹20/-. The product is expected to emerge as a preferred choice for smartphone users. The product is being advertised in the print and electronic media (CNBC Awaaz and You Tube) as well multiplexes

Exports

☞ Linc's export performance was muted, translating into lower revenues on account of geopolitical instability in a number of the country's traditional sales regions and currency volatility. The export performance in Q3 of FY16 was lower by 8.3 per cent as compared to Q3 of FY15, although for the nine months of FY16 it is 2.3 per cent higher than in the corresponding period of the previous financial year

☞ In spite of balance of payment issues in some markets, resulting in reduced availability of US\$, we expects to mobilize adequate letters of credit to accelerate shipments

☞ The SA-8000 certification (received in Q1 of FY16) helped widen the global footprint and enhance order inflow, which should translate into launch of new international products (Linc Prime and Linc Signetta)

Results update



Overall revenues (₹ in lakhs)

Q3,15	6,905
Q2,16	8,771
Q3,16	7,221

PAT (₹ in lakhs)

Q3, FY16	Q2, FY16	Q3, FY15	Growth (Q3 FY16 over Q3 FY15)
327.29	501.35	313.86	4.30%

Inventory & Debtors (₹ in lakhs)

Q3, FY16	Q2, FY16	Q3, FY15	Growth (Q3 FY16 over Q3 FY15)
11,734 (135days)	10,908 (120days)	10,582 (129days)	4.7% in days

EBIDTA margin (%)

Q3, FY16	Q2, FY16	Q3, FY15	Growth (Q3 FY16 over Q3 FY15)
8.90%	9.10%	8.50%	40 bps

Domestic (₹ in lakhs)

Q3, FY16	Q2, FY16	Q3, FY15	Growth (Q3 FY16 over Q3 FY15)
5,334	6,180	4,784	11.5%

Exports (₹ in lakhs)

Q3,15	1,919
Q2,16	2,420
Q3,16	1,760

Advertisement Exps (₹ in lakhs)

Q3, FY16	Q2, FY16	Q3, FY15	Growth (Q3 FY16 over Q3 FY15)
129	153	86	50%



FROM THE MANAGING DIRECTOR'S DESK

THE word 'Linc' is derived from 'Link', signifying a connection between the word, thoughts and imagination.

The result is our relevant mission statement: "To deliver innovative, user friendly and better quality products at best value to the customers, keeping in mind prosperity of the Company and its Stakeholders."

The result is that our endeavor is to always offer the highest price-value proposition to consumers – through enhanced design and functionality.

This brings me to the pursuit of our growth target for the current financial year. At the start of the financial year under review, we had targeted ₹350 cr in revenues for FY16, a 10 per cent increase over the revenues achieved during FY15.

In the first three quarters of the financial year, Linc reported ₹239 cr in revenues, which represented a 5.9 per cent growth over the previous financial year. In view of the fourth quarter being one of our best for the year, we are hopeful of closing the year with a revenue of around ₹340 to 345 cr. The company selected to sustain production and build inventory to ensure that we do not face any supply issues in the

ensuing quarter, which we had faced in the past. Hence we feel, we are better positioned to achieve our revised revenue target for the year, the exports showdown notwithstanding.

A global brand with a presence in around

50

COUNTRIES

Linc's performance in this quarter was better, riding robust domestic growth of 11.5%, successfully tipping past double-digit growth. Our EBIDTA margin grew 40 bps from 8.5% in Q3 FY15 to 8.9% in Q3 FY16, which reiterates our strategic commitment to focus on profitable growth.

In line with our conviction to continually replenish our product mix and rejuvenate revenues, Linc launched innovative product: 'Linc Touch', a ball pen with a stylus and is the first in the industry at such competitive price.

In addition to make headway on the market front, the company continued to consolidate its product assembly units to reduce outsourcing dependence and also invest in machinery and equipment that will not only enhance capacities but operating efficiencies as well. Some benefit of these may start from the end of fourth quarter.

As a result, the fourth quarter of FY16 could represent our best-ever quarter and also lay the ground for additional capacity investments, strengthening our sustainability.

Best wishes,

Deepak Jalan
Managing director

About Linc

Linc Pen & Plastics Ltd. was established in 1994 and it is one of India's leading writing instrument brands. The Company is headquartered in Kolkata and its products are available across India as well as in over 50 countries around the globe.

