

3<sup>rd</sup> November, 2018

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

Dear Sir,

**Re : Press Release**

Please find enclosed herewith the Press Release relating to the Financial Results for the quarter / half year ended 30<sup>th</sup> September, 2018.

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.

## Press Release

### Salient Points on Financial Results for Q2 / H1 of FY2018-19

		Q2 - 18-19	Q2 - 17-18	Increase / (Decrease)
Total Revenue (Net)	₹ In Lacs	9,123	7,867	16.0%
Exports	₹ In Lacs	1,847	1,756	5.2%
Profit After Tax (PAT)	₹ in Lacs	172	162	6.2%
PAT (as % of Revenue)	In %	1.9%	2.1%	(20 bps)
EBITDA (in %)	In %	7.4%	8.9%	(150 bps)

		H1 - 18-19	H1 - 17-18	Increase / (Decrease)
Total Revenue (Net)	₹ In Lacs	17,469	14,616	19.5%
Exports	₹ In Lacs	3,473	2,889	20.2%
Profit After Tax (PAT)	₹ In Lacs	336	216	55.6%
PAT (as % of Revenue)	In %	1.9%	1.5%	40 bps
EBITDA (in %)	In %	7.6%	7.2%	40 bps
E P S	Per share	2.27	1.46	
Inventory & Debtors	₹ In Lacs	13,018	11,862	9.7%
	Days of sale	136	148	

The total revenue of the company in the September 2018 quarter was Rs. 9,123 lakh as against Rs. 7,867 lakh in the year ago period, an increase of 16%.

Net profit stood at Rs. 172 lakh as against Rs. 162 lakh in the year ago period. However, the EBITDA margin declined to 7.4% from 8.9% in the year ago period, which was mainly due to the steep increase in the polymer prices in the current quarter.

Since last couple of quarters, the writing instruments industry has been sharply hit by the unprecedented increase in the polymer prices, which is its key raw-material. More particularly, the quarter under review was the most hit with about 28% increase in various polymers prices on average. Our quarterly consumption of various polymers is about 1500 MT and the average polymer price increase was to the tune of about Rs. 30,000 per MT when compared with the same period last year, which severely impacted the gross margins of the company as well as the industry overall, stated Deepak Jalan, the Managing Director of Linc Pen.

He further explained the difficulty in passing on the entire cost increase to the trade and informed that they, for quite sometime, have been trying to develop products which would help the company insulate its margins from the polymer price volatility and secure the future top line as well as bottom line of the company and he was glad to inform that they were able to see a positive sign in this direction. Initial feedback of recently launched 'pentonic' ball pen has been very encouraging and a few more products are under development, which should help Linc achieve the objective of sustained performance despite raw-material price volatility.

The contribution of value added products increased to 25% in terms of volume and to 40% in terms of value as against 18% & 32% respectively in the last financial year in the domestic channel.

Going forward, Linc hopes to post more consistent results, in view of improved product mix, cost reduction initiatives, higher exports & favourable foreign exchange, despite the challenges of increase in the input costs.