

Linc Pen & Plastics Limited

Annual Report 2012-13

A red Linc pen is shown diagonally across the page. The pen has a silver clip and a silver tip. The brand name "LINC" and the tagline "Zindagi Ke Liye" are visible on the pen's body. The background is a light brown color with a faint, stylized cityscape at the bottom and a large, colorful, abstract shape on the left. A small butterfly is drawn near the pen's tip.

Global  
reach

### Forward-looking statements

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. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Despite several challenges and headwinds, India is fast-evolving in terms of its aspirations, consumption patterns and societal progress, especially on the back of its robust demographic dividend.

Even as this scenario unfolds, at Linc, we recognise that our way of doing business needs to continually evolve to ensure market relevance and sustainable value creation for all stakeholders.

The year 2012-13 was the one during which we engaged in fortifying our business, preparing ourselves for the future and rewriting our destiny to remain a

## Contents

### Business overview

02 Corporate identity

04 Growth so far

### Operational reviews

18 Management discussion analysis

21 Business drivers

23 Intellectual capital

24 Risk management

### Statutory part

26 Directors report

30 Corporate Governance

### Strategic review

10 From the MD's desk

14 Business strategy

16 Business model

### Financial statements

40 Auditors report

44 Balance sheet

45 Statement of profit and loss

46 Accounting policies to financial statements

68 Cash flow statement

70 Five year financial highlights

71 Performance US\$

72 Corporate information



# Linc

is one of the top-three players in the Indian writing instruments industry with a market share of over 10%

## Vision

To establish Linc as a global brand known for its values, assertiveness and the acumen to adapt to the ever-changing environment

## Mission

To deliver innovative, user-friendly and superior-quality products at the best value to customers, keeping in mind the prosperity of the Company and its stakeholders

### Core values

- ▶ We recognise that we are in business to primarily satisfy our customers
- ▶ Our performance must ultimately get reflected in the increased value for our shareholders
- ▶ We treat our employees and stakeholders with the utmost respect and dignity
- ▶ We observe and adhere to the highest standards of ethical corporate behaviour
- ▶ We work as a team to continuously enhance stakeholder value and serve our customers

### Inception

Linc was incorporated by Mr. S. M. Jalan in 1994. The Company went public through an IPO in 1995 with listings on the Bombay Stock Exchange and the Calcutta Stock Exchange.

### Business

Linc Pen & Plastics Limited is amongst a handful of Companies in India to offer the complete range of writing instruments.

### Manufacturing facility

Linc possesses two state-of-the-art manufacturing facilities at the Falta SEZ and Serakole (both in West Bengal).

### Presence

Linc is headquartered in Kolkata and enjoys a pan-India sales presence. The Company's products are also exported to over 40 countries.

### Accreditations

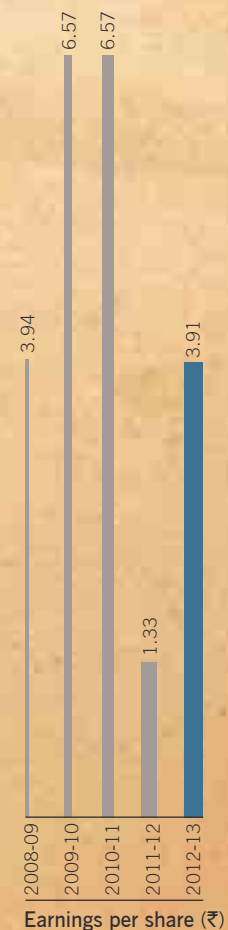
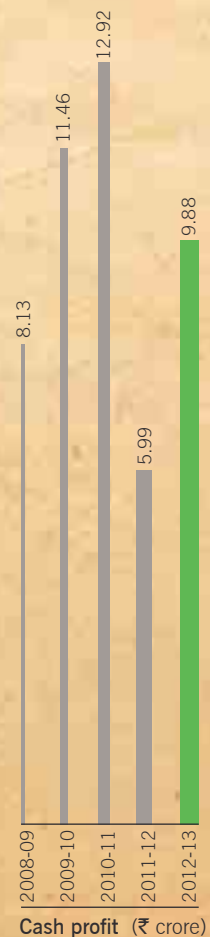
Linc's manufacturing facilities are accredited with the ISO-9001:2008 certification, ensuring superior product quality.

### Alliances

The Company entered into a strategic marketing alliance with Mitsubishi Pencil Company Ltd (Japan) and C. Joseph Lamy (Germany) to market their writing instruments across India.



# Scripting sustainable Financial Growth







# Global reach!

ON HOW YOU CAN'T REINVENT THE WHEEL... AND HOW WE HAVE BEEN CONSISTENTLY DOING SO

► Emerged as the first in the industry to launch the unique 'pack of three' offering, which includes an ensemble of three fast-moving pens, representing not just higher billing per transaction but also an enhanced traction in volume sales.

► Launched the breakthrough 'Twin' product comprising a pen on one side and a pencil on the other, strengthening user convenience.

► Launched products - Linc Tycoon, and Linc Maestro to cater to the semi-premium segment.

# Global reach!

ON HOW YOU CAN'T PEN DOWN  
SUCCESS IN THE WORLD ARENA...  
AND HOW WE HAVE BEEN CONTINUING  
TO SCRIPT GLOBAL TRIUMPH WITH A  
'MADE-IN-INDIA' BRAND



- ▶ We are one of the leading exporters of writing instruments in India with export turnover of ₹77 crore.
- ▶ We enjoy an export presence in over 40 countries.
- ▶ We have established a new manufacturing line at our Falta unit to exclusively cater to the export market.





“We

trumped the 7% growth of India’s organised writing instruments industry with a revenue growth of 11%, indicating the growing traction and preference for our brands in a competitive marketplace.”

Mr. Deepak Jalan, *Managing Director*

**Q** Were you happy with the performance of the Company during the year under review?

We fell short of our revenue target by about 7%, reporting a topline of ₹305 crore. I was not satisfied with this performance though we trumped the 7% growth of India’s organised writing instruments industry with revenue growth of 11%, indicating the

growing traction and preference for our brands in a competitive marketplace. We reported a net profit of ₹5.41 crore, despite a ₹3.14 crore loss suffered due to adverse currency movements, reflecting the solidity of our core business.

**Q** What were the factors that enabled the Company to counter increased competition?

There were a number of initiatives undertaken during the course of 2012-13 that made it possible for the Company to counter competition. Over the last five years, we invested over ₹50 crore

towards fortifying the Linc brand resulting in a stronger customer pull, increased brand preference and product assurance translating into a greater sales traction.

## Q What were some of the challenges faced during the year under review?

The principal challenge was the considerable supply overhang resulting out of the low entry barriers existing in the business. So each time the market appeared to grow in 2012-13, the unutilised capacities came into play and additional volumes capped probable price increases. Moreover, there was an increase in raw material

costs during the year as crude oil prices rose and the rupee weakened substantially causing price spikes which could not be fully passed on to the consumers. There was a 100 bps increase in the excise impact to 2%, which only widened the gap between the unorganised and organised trade, making the two segments more competitive.

## Q The Company performed credibly on the exports front. What were the reasons for this?

Over the last few years, we resolved to increase our international exposure for some valid reasons. There was an unmet need for a reliable writing instruments brand in countries that were demographically similar to India; the Linc brand had acquired the stability to expand internationally. The rupee was at a level where exports were remunerative and the Company had acquired the scale in manufacturing which resulted in growing output. This helps us tap the export markets and today we market products to over 40 countries across the globe. Interestingly, there is another factor driving exports

offtake. Over the last few years, there has been a growing respect for the 'Made in India' brand recognised as a good in-between product – not cheap, not expensive either.

During 2012-13, we booked ₹77 crore worth of exports, accounting for 26% of our topline, up from 22% in 2010-11. What was creditable is that the Company exported 90% of the products under its own brand to the SAARC nations, Africa and the Middle East where the brand is respected for its reliability and familiarity, translating into higher premium with a large pass through to the bottomline.

## Q In what ways did the Company strengthen its business model during the year under review?

There was a ₹20 crore capital infusion by Mitsubishi Pencil Co. Ltd, Japan, during 2012-13 with the multinational picking up a 13.5% stake through the acquisition of 20 lac shares at ₹100 each when the market price was around ₹47. While nothing has been spelt out as yet, we assume that this investment will help Mitsubishi counter the reality

of rising manufacturing costs in their country of origin. It would be relevant to indicate to our shareholders, that the Mitsubishi acquisition was independent of our position and can not be classified as the promoter's stake. The inflow of funds helped Linc reduce interest costs to ₹2.48 crore; strengthening the interest cover to 5.6.

## Q In a competitive business environment, what are the positive developments to have transpired over the last five years?

Principally, the government's decision to do away with the SSI limit has now made it possible for companies like ours to invest directly in capacity and achieve

attractive economies-of-scale. As an extension of this reality, we expanded capacity Falta SEZ which has a revenue potential of around ₹40 crore now.

## Q What is the Company's outlook for 2013-14 ?

One of the principal things that we expect to achieve during the current financial year is to create a new price segment. Over the last few years, we have increasingly felt a big gap between the volume-end of the market (sub-₹5) and the value-end (₹10-plus), with no products in between. Our objective will be to create products within this price band by introducing packs of three pens for ₹20, which we feel could

open up an entirely new segment, accelerating the growth of the industry. Besides, we expect to grow our exports in excess of ₹100 crore and increase automation across our manufacturing facilities to improve operational efficiencies.

As a result of these initiatives we expect double-digit growth in 2013-14 despite challenging market conditions.



# Business Strategy



## 1 MARKET LEADERSHIP

### Strategic intent

Emergence as the leading writing instruments manufacturer in India.

### Strategies

► Strengthen relationships with the dealers and the customer community.

► Introduce new and innovative products in the international markets.

► Enter into the semi-premium/premium segment, progressively shifting from the mass segment.

► Improve marketing initiatives aimed at dealers and end users by improving top-of-the-mind awareness and recall.

## 2 REACH

### Strategic intent

Facilitate the availability of the Company's products domestically and internationally and thereby emerge as a

global writing instruments brand.

### Strategies

► Improve presence abroad by penetrating untapped markets.

► Increase sales presence in domestic markets and expand and reach out to customers through improved marketing and distribution channels.

## 3 QUALITY

### Strategic intent

Manufacture superior quality products and establish industry benchmarks.

### Strategies

► Develop products with a

higher price-performance ratio.

► Establish trust and respect for our products by developing stronger brand equity.

► Conduct various tests

to check for quality and efficiency to minimise rejections.

► Deliver 'value-for-money' propositions to price-sensitive customers.

## 4 OPERATIONAL EXCELLENCE

### Strategic intent

Manage productivity systematically, leading to optimal usage of time and resources.

### Strategies

► Investing in production

capacities to achieve better economies-of-scale and strengthen competitiveness.

► Enhance operational productivity to create leaner cost structures.

► Ease the choke point in our production lines thereby, enhance output and improve average plant capacity utilisation.

## 5 BRANDING

### Strategic intent

Positioned ourselves as the most preferred brand domestically for writing instruments and stationery and also emerge as a respected international brand.

### Strategies

► Establish trust as well as respect for the brand domestically and internationally.

► Position ourselves to cater to retail as well as

institutional customers.

► Invest proactively in branding by allocating a fixed sum every year.

## 6 CUSTOMER FOCUSED

### Strategic intent

Appeal to price-sensitive customers by offering products at a better price-value proposition.

### Strategies

► Develop new products through ongoing research.

► Offer products that provide superior usage value.

► Cater to the niche mid-segment that lies between the premium and mass segments.

► Diversify into newer geographies.

# Our Business model



## BELIEF

Our business model is grounded in economies-of-scale, which can cover our investments and strengthen returns, creating value for our stakeholder universe.

## PRODUCT SELECTION

We have selected to manufacture products around a select criteria – the intended product must address lifestyle trends and possess characteristics reflecting a synergy that would make it possible to achieve the highest quality standards at the lowest costs in the shortest time across the widest number of grades translating into the highest price-value propositions.

## STRATEGIC INVESTMENTS

We believe in an alliance-led model and are continually on the lookout for creating strategic win-win partnerships. For instance, Mitsubishi of Japan possesses a minority stake of 13.5% in Linc, enabling us to strengthen our brand visibility and revenues.

## INTEGRATION

We are of the opinion that having an in-house assembling facility ensures superior quality control, quicker supply and a reduction in labour costs, helping us widen our arbitrage in a competitive marketplace.

## TECHNOLOGY

Our strategic alliances with Mitsubishi Pencil Ltd (Japan) and C. Joseph Lamy (Germany) enables us to incorporate the best practices in the world.

## DISTRIBUTION

We possess an efficient distribution network.

## MANUFACTURING

Our tightly-knit operations including assembling and moulding epitomise efficient cost control and enhanced quality, strengthening our competitive edge.

## GEOGRAPHIC FOCUS

We operate across a number of Indian and international locations and enjoy a distinct locational advantage being in the vicinity of major consumption markets. We leverage our strength to procure adequate cost-effective raw materials, enabling us to sustain operations across market cycles.



# Management discussion and analysis



The ₹2,750 crore >  
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organised sector.

## Indian writing instruments industry

The ₹2,750 crore worth Indian writing instruments industry is largely consolidated with 75% of the market in the hands of the organised sector. The industry has been witnessing an annual growth rate of around 7-8%. With a market share of about 10%, Linc is among the top-three players in the organised domestic writing instruments market and the largest player in the East.

## Indian stationery market

Stationery usually comprises paper and office supplies, writing instruments, colours, pins, glue and pencil cases, among others. A number of premium international brands are present in India either independently or through collaborations with Indian manufacturers and distributors such as Reynolds, Parker, Cross, Mont Blanc and Pierre Cardin, among others.

The domestic stationery industry is a heterogeneous group of businesses largely associated with schools,

colleges, and offices and plays a very crucial role in determining the profitability of the Company. It includes paper stationery comprising exercise books, note books, glues and tape pads, refill pads, flap-over pads, subject books and plastic cover books, among others.

Interestingly, the bulk of the market share in India is moving from the unbranded to the branded sector fuelled by the following target audience:

- ▶ Frequent users (students and the office workforce)
- ▶ Occasional users (housewives and literate manual workers)

India's literacy rate is a high 74%, catalysing the use of writing instrument.

Ball point pens dominate the market, accounting for around 72% of the total demand, followed by gel pens at 28%. Fountain pens have a negligible share which is used largely as a luxury option. Nearly 85% of users across the country use blue, black and red ink pens.

The pricing of pens and stationery

products is an important driver encompassing the following:

- ▶ A small segment of pens are priced between a band of ₹100-₹300
- ▶ The ultra premium segment (prices beyond ₹100,000) account for a tiny portion
- ▶ The market for lower-priced pens is growing annually at 7% while the mid-range market is growing at 10%

Some of the factors that influence the consumption of writing instruments in India include:

### Favorable demographics:

At 1.27 billion, India's population is the second largest in the world. Almost 65% of them fall below the age of 35 years. The potential market for companies providing educational services is thus immense, compared with other nations.

### India's literacy rate

Though the literacy rate in India stands at 74.04%, there has been substantial growth in per capita income to ₹68,748, up by 11.5% from last year,

ensuring higher offtake of stationery and writing instruments.

## Government expenditure on education

With the Government recognising the need for making education more inclusive, it has enhanced education outlays in the Union Budget 2012-13 to 4.97% of the GDP. As a share of the GDP, this allocation represents an increase from 0.69% of the total budget (in 2011-12) to 0.73 % in 2012-13.

## Government initiatives

### Rashtriya Madhyamik Shiksha Abhiyan (RMSA)

Outlays to the Rashtriya Madhyamik Shiksha Abhiyan (RMSA) have gone from ₹2,423 crore in 2011-12 to ₹3,124 crore in 2012-13. For the University Grants Commission (UGC), allocations in the 2012-13 Budget have increased from ₹8,927 crore in 2011-12 to ₹10,350 crore in 2012-13.

### Sarva Shiksha Abhiyan (SSA)

The Union Government outlay toward its flagship Sarva Shiksha Abhiyan (SSA) programme for universalising



# Business Drivers

quality elementary education has grown from ₹21,000 crore in 2011-12 to ₹25,555 crore in 2012-13.

## Kasturba Gandhi Balika Vidyalaya (KGBV)

Almost 2,578 KGBVs were sanctioned by the Government till date. Of these, 427 KGBVs have been sanctioned in Muslim concentration blocks, 612 in ST blocks and 688 in SC blocks. A total of 750 of such residential schools would be opened in educationally backward blocks. Almost 75% enrolment is reserved for girls from SC, ST, OBC and minority communities and the other 25% to girls from families below the poverty line.

## Rashtriya Uchhatar Shiksha Abhiyan (RUSA)

The proposed Rashtriya Uchhatar Shiksha Abhiyan (RUSA) is aimed at increasing enrollment in the higher education institutions to 30% by 2020 as against the present 12.4%. The government intends to subsume the current scheme of setting-up model degree colleges in 374 educationally-backward districts of the country

(Source: The Hindu). The Central Government has planned to provide state institutions ₹25,000 crore under

the Rashtriya Uchhatar Shiksha Abhiyan (RUSA) during 12th Five Year Plan. The government has already provided ₹500 crore under the scheme to each state.

## Sakshar Bharat

The Sakshar Bharat programme is being implemented to increase literacy levels among women.

## Budget 2012-13

The Budget proposes ₹61,427 crore in 2012-13 for education, representing only a 17% increase from the current fiscal estimates against an 18% hike in the budgetary spending last year and 24 % in FY12, declined by 1%.

Primary and secondary school education, with an enrollment of more than 220 million students, has been allocated ₹49,659 crore in 2012-13 against ₹45,969 crore last year. Higher education has received an outlay of ₹16,198 crore, up from ₹15,458 crore last year.

The total education outlay, including Plan and non-Plan allocation, has risen to only 7.3% to ₹79,451 crore in 2013-14 from ₹74,056 crore in 2012-13.

## 1 International

Success in the stationery industry is based on easy product availability and a strong distribution network. Linc has a significant domestic as well as an international distribution channel. Linc is amongst a handful of companies to export products from India

► Expanded presence in four new countries

### Outlook 2013-14

- Attain export sales of worth ₹100 crore
- To consolidate ourselves across products, countries and thereby entrenching our manufacturing presence
- To innovate and provide quality products

### Key highlights 2012-13

- Achieved 14.5% increase in exports from ₹67 crore in 2011-12 to ₹77 crore in 2012-13

## 2 Domestic

### Key highlights 2012-13

- Achieved 11% growth compared with 7% growth in the industry
- Phased out slow moving products
- Reduce the number of products to cater to the semi-premium segment of the market
- Catered to the semi-premium and premium segments, gradually reducing dependence on the mass segment

- Undertook cost-cutting initiatives and augmented operational efficiencies
- Strengthened the offtake of value-added pens

### Outlook 2013-14

- Launch few new products.
- Pioneer the 'Twin' concept of a pen with a pencil at the other end
- Reinforce the distribution network

## 3

## Operations

The business of writing instruments uses diverse raw materials and operational efficiency helps enhance procedural competence. Over the years, the Company has stressed on investing in the incorporation of world-class equipment towards enhancing automation and operational efficiency through training.

### Key highlights 2012-13

- Improved quality system via training and supply chain management in the assembly units

- Consolidated inventory locations to strengthen logistical advantage
- Purchased new machines to improve automated operations and improve operational efficiency
- Achieved better plant capacity utilisation

### Outlook 2013-14

- Improve operational efficiency
- Enhance efficiency by reducing clogging and improving delivery times

## 4

## Quality

Linc is renowned for delivering superior quality products, derived from a procedural disciplined that is vindicated by its ISO 9001:2008-certification. The discipline has translated into world-class products, growing international presence as well as cordial relationships with global retail giants.

### Key highlights 2012-13

- Use of AQL (accepted quality levels) for benchmarking the quality of its products
- Resolving quality issues by conducting ongoing meetings

### Outlook 2013-14

- Installed new machines at Falta

# Intellectual capital

At Linc, our aim is to not only increase employee capabilities but also to motivate them so that they grow and go beyond their capabilities and responsibilities.

We have upgraded our workforce planning, recruitment induction, on-the-job job training, payscale, employee benefits, administration and performance appraisal to ensure organisational development. Job satisfaction is brought about by combining functional responsibility with relevant skills.

We normally recruit via newspaper advertisements, professional consultants, campus recruitments and job portals to select the right talent. Recruits undergo rigorous need-based training, which helps develop and enrich skill sets. Deserving employees receive the right promotions at the right time as the appraisal system is transparent and well-structured.

Employees were provided various benefits during the year under review including:

- Personal accident coverage
- Special leaves for anniversaries and birthdays
- Educational allowance for up to two children of workers and support staff
- Compassionate leave in case of death or an immediate family emergency
- Group mediclaim policy with a ₹1 lac family floater coverage for each employee
- At Linc, our manpower base has increased from 488 in 2007-08 to 711 in 2012-13.



# Risk management

Risk is an integral factor in virtually all businesses. At Linc, risks are adequately measured, estimated and controlled. Irrespective of the type of risk or the activity that creates it, the Company's fundamental approach to risk management remains the same: identify and measure risks, leverage an in-depth knowledge of the business and competitors and respond flexibly in our risk understanding and management.

Over the years, the Company designed a structured risk management programme, evaluated the probable impact of risks on the business and countered them with ongoing control measures or developing new ones if necessary.

## 1 INDUSTRY RISK

A gradual decline in the pens and stationery industry can have an impact on the Company's overall growth.

### De-risking measures

- ▶ The Company is launching new products to cater to the semi-premium segment.
- ▶ It is also launching a new marketing strategy known as 'pack of three' where three pens will be sold in one pack.
- ▶ At Linc, robust quality control makes Linc among the top-three players in the writing industry in India.
- ▶ We have outperformed the industry growth by 4%.

## 2 GEOGRAPHIC RISK

Excessive dependence on any specific region could put pressure on revenues.

### De-risking measures

- ▶ The Company exports to over 40 countries across the globe
- ▶ It intends to emerge among the top-three brands in the countries to which it is exporting its products, over the next five years.
- ▶ Export earnings as a percentage of aggregate revenue have increased by 90 bps to 25.7% in 2012-13.
- ▶ Linc customises its products according to the demands of the customers from different countries.
- ▶ Split between domestic and export earnings have gradually altered to 74:26 in 2012-13, representing a fairly balanced sales mix.

## 3 COMPETITION RISK

Increase in the market share of the unorganised sector may threaten the organised sector.

### De-risking measures

- ▶ The Company possesses a large product portfolio including ball point and gel pens at price points starting from ₹5.
- ▶ It is the second largest player in the organised writing instruments industry with a market share of above 10% and the status of a market leader in Eastern India

## 4 PRODUCT PORTFOLIO RISK

Innovation is the key to success against business stagnation.

### De-risking measures

- ▶ The Company added four new products to its basket during 2012-13.
- ▶ It has targeted the semi-premium segment with products such as Maestro and Tycoon.
- ▶ It has developed a new sales strategy that targets selling pens in a pack of three, opening up a new segment in the market .
- ▶ It has also come up with a product which has a pen on one side and a pencil on the other under the 'Twin' brand.
- ▶ It has strategically planned to reduce the number of products to strengthen focus across its key selected products.

## 5 QUALITY RISK

Quality inconsistency might impact offtake and weaken brand equity.

### De-risking measures

- ▶ This Company's manufacturing facilities are ISO 9001:2008-certified, endorsing its quality practices .
- ▶ A batch-wise checking procedure is undertaken for every product batch at regular intervals to reinforce AQLs (accepted quality levels).
- ▶ The Company has invested in acquiring new machines to ensure enhanced automation and integration and thereby improving the quality.



# Directors' report

Dear Shareholders,

Your Directors have pleasure in presenting their 19th Annual Report together with the audited accounts of the Company for the year ended 31st March, 2013.

## Financial Highlights

(₹ in Lacs)

	2012 – 13	2011 – 12
Sales & Other Operational Income	30525.70	27504.89
Other Income	37.96	14.66
Profit before depreciation, interest and taxation	1398.98	1027.47
Finance Cost	248.31	378.04
Depreciation	446.88	430.21
<b>Profit before Tax</b>	<b>703.79</b>	<b>219.22</b>
Provision for Taxation – Current	150.00	43.90
– Deferred	12.36	3.92
– Income Tax for earlier years	–	1.78
<b>Profit after Tax</b>	<b>541.43</b>	<b>169.62</b>
Add: Credit Balance of the previous year	288.41	267.40
Amount available for Appropriation	829.84	437.02
Transfer to General Reserve	300.00	–
Proposed Dividend	207.90	127.87
Corporate Tax on Dividend	33.73	20.74
Balance carried to Balance Sheet	288.21	288.41

## Dividend

Your Directors recommend a Dividend of ₹1.50 per equity share (previous year ₹1.00 per equity share) for the year ended 31st March, 2013.

The 20,00,000 Equity Shares allotted during the year on preferential basis will be entitled to pro-rata dividend from the date of allotment.

## Financial Performance

Performance: During the year under review, the Company's Sales (incl. Other Operational Income) increased by 10.9% to ₹30525.70 Lacs as compared to ₹27504.89 Lacs during the preceding year. The Company spend ₹481.03 Lacs (1.6% of Sales) on Advertisement in 2012-13 as compared ₹1280.35 Lacs (4.7% of Sales) in 2011-12. The Profit after Tax during the year was ₹541.43 Lacs.

**Finance Cost:** The Finance cost was down by 34.3% at ₹248.31 Lacs in 2012-13 from ₹378.04 Lacs in 2011-12. The Finance Cost / Turnover was 0.8% in 2012-13 as compared 1.4% in 2011-12.

**Working Capital:** The year-end debtors are 53 days of the sales for the year as compared to 44 days in the previous year. The inventory holding is for 80 days' sales as compared to 84 days in the previous year.

**Fixed Assets:** The Company spent ₹676.40 Lacs on acquisition of Fixed Assets, mainly consisting of moulds and machines at existing facilities.

## Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards had been followed;
- appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit of the Company for the year ended on that date;

iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on a going concern basis.

## Corporate Governance

The Company had complied with the requirements of Corporate Governance in terms of clause 49 of the Listing Agreement with Stock Exchanges. A separate report each on Management Discussion and Analysis and Corporate Governance is attached to this report as Annexure – "A" and Annexure – "C" along with Auditors' Certificate on its due compliance.

## Listing

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

## Directors

During the year Shri Prakash Jalan, Promoter Director and Shri S. L. Kochar, Independent, Non-Executive Director of the Company, resigned from the Directorship with effect from 10th November, 2012 and 12th February, 2013 respectively. The Directors have placed on record their sincere

## Annexure-B

appreciation for the very valuable contribution made by Shri Prakash Jalan and Shri S. L. Kochar during their tenure as Director.

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Dr. Ranjan Das, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

A statement pursuant to section 217(1) (e) of the Companies Act, 1956, giving details of measures taken towards conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of particulars in

the report of Board of Directors) Rules, 1988 is annexed as Annexure - B.

### Particulars of Employees

The Company does not have any employee falling within the scope of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules, 1975.

### Auditors

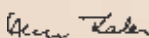
Your Directors request you to appoint Auditors for the Current Financial Year.

### 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

  
**Alope Jalan**  
Whole Time Director

Place: Kolkata  
Dated: 30th May, 2013

### A. Conservation of Energy

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

1. Regular preventive maintenance of all equipment for better efficiency.
2. Improvement of electrical power load factor.
3. 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 and cost. Regular participates in important international fairs / exhibitions held across the globe. 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:-  
₹3410.80 Lacs

Foreign Exchange Earned:-  
₹7595.30 Lacs



## Annexure - C

### 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 five, whose composition is given below:

- ▶ 2 Promoter, Executive Directors
- ▶ 3 Independent, Non-Executive Directors.

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

Name of the Director	Category	No. of Other Directorship*	No. of Membership/ Chairmanship of other Board Committee +
Shri Deepak Jalan	Promoter, Executive	1	Nil
Shri Alope Jalan	Promoter, Executive	Nil	Nil
Shri Naresh Pachisia	Independent, Non- Executive	8	6 (as Member)
Shri K. N. Ranasaria	Independent, Non- Executive	Nil	Nil
Dr. Ranjan Das	Independent, Non- Executive	1	2 (as Member)

\* Directorships in Private Companies are not included

+ Only covers membership / chairmanship of Audit Committee and Shareholder / Investor Grievance Committee.

Shri Prakash Jalan, Promoter Director and Shri S. L. Kochar, Independent, Non- Executive Director have been resigned from the Board w.e.f. 10th November, 2012 and 12th February, 2013 respectively.

There is no permanent Chairman in the Board. None of the Directors is a member of more than ten Committees or Chairman of more than five Committees across all Companies.

### Attendance of each Director at the Board Meetings and the Last Annual General Meeting

During the financial year ended March 31, 2013, six Board Meetings were held on 23rd April, 2012, 28th May, 2012, 7th August, 2012, 17th September, 2012, 10th November, 2012 and 12th February, 2013. 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 17.09.2012
Shri S. L. Kochar*	3	Present
Shri Naresh Pachisia	5	Present
Shri K. N. Ranasaria	6	Present
Dr. Ranjan Das	3	Present
Shri Deepak Jalan	6	Present
Shri Alope Jalan	3	Leave of Absence
Shri Prakash Jalan*	NIL	Leave of Absence

\*Shri Prakash Jalan, Promoter Director and Shri S. L. Kochar, Independent, Non- Executive Director have been resigned from the Board w.e.f. 10th November, 2012 and 12th February, 2013 respectively.

### 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](http://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. The Audit Committee was re-constituted with the induction of Shri Naresh Pachisia, Independent, Non-Executive Director in lieu of Shri S. L. Kochar. During the financial year ended March 31, 2013, four Audit Committee Meetings were held on 28th May, 2012, 7th August, 2012, 10th November, 2012 and 12th February, 2013. The attendance of the



Members were as under-

Members	No. of Meetings Attended
Shri S. L. Kochar	3
Shri K. N. Ranasaria, Chairman	4
Shri Deepak Jalan	4
Shri Naresh Pachisia	1

Shri Naresh Pachisia was inducted in the Audit Committee wef 12.02.2013

The role, powers, duties and terms of reference of the Audit Committee cover the matter specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, 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. 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 XIII to the Companies Act, 1956. 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	48,00,000	5,78,725	–	–	53,78,725	Terms of office valid upto 30.09.15. No notice period & severance fee.
Shri Aloke Jalan	Brother of Managing Director	42,00,000	5,19,000	–	–	47,19,000	-do-
Shri Prakash Jalan	- do -	–	–	–	–	–	
Shri S. L. Kochar	None	–	–	33,000	–		Retire by rotation
Shri Naresh Pachisia	None	–	–	52,750	2,00,000		-do-
Shri K. N. Ranasaria	None	–	–	64,000	2,00,000		-do-
Dr. Ranjan Das	None	–	–	30,000	2,00,000		-do-

Shri Prakash Jalan, Promoter Director and Shri S. L. Kochar, Independent, Non- Executive Director have been resigned from the Board w.e.f. 10th November, 2012 and 12th February, 2013 respectively.

## 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, 2013, 7 (seven) Share Transfer Committee Meetings were held. Number of Shares pending for transfers as on 31st March, 2013 were Nil.

### ii) Shareholder/Investor Grievances Committee:

The Shareholder / Investor Grievances Committee comprises of Shri K. N.

Ranasaria as the Chairman and Shri Deepak 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 5. There were no outstanding complaints as on 31st March, 2013.

### iii) Compliance Officer:

The Board has designated Shri N. K. Dujari, G. M. – Finance & Company Secretary as the compliance officer.

## 7. 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
2009 – 2010	15.09.10	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	3.30 p.m.
2010 – 2011	08.09.11	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	10.30 a.m.
2011 – 2012	17.09.12	Shripati Singhania Hall, 94/2, Chowringhee Road, Kolkata – 700 020	3.30 p.m.

One special resolution was passed at 16th Annual General Meeting of the Company held on 15.09.2010 and three special resolutions were passed at 18th Annual General Meeting of the Company held on 17.09.2012. No special resolution is proposed to be conducted through postal ballot at the forthcoming AGM to be held on 18th September, 2013.

## 8. Disclosures:

i) Details of related party transactions during the year have been set out under Note No. '27.5' of Notes on Accounts of the Annual Accounts. However, the Company does not have any 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.

ii) The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/strictures have been imposed against it during the last three years.

iii) The Company is regularly complying with all the mandatory requirements of Clause 49 of the Listing Agreement regarding Board Composition, Code of conduct, Audit Committee, quarterly and annual disclosures etc. The Company has adopted the non-mandatory requirement of remuneration committee.

iv) The Non – executive Directors does not hold any shares of the Company as on 31st March, 2013.

v) The particulars of directors seeking reappointment are given in the explanatory statement to the notice of Annual General Meeting.

vi) The Company had no subsidiary as on 31st March, 2013.

vii) 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.

## 9. Means of Communication

i) A half-yearly report was not sent to each household of the shareholders. Shareholders were intimated through the press and the Company's website – [www.lincpen.com](http://www.lincpen.com) about the quarterly performance and financial results of the Company.

ii) The quarterly and half yearly results are published in the leading newspapers in English and Bengali such as Financial Express, HT Mint, The Business Standard and Kalantar.

iii) As per the Listing Agreement with the stock exchanges, certain documents / informations such as quarterly / annual financial results, shareholding pattern and corporate governance are accessible on the website [www.corpfiling.co.in](http://www.corpfiling.co.in).

iv) The Company results and official news release are displayed on the Company's Website: [www.lincpen.com](http://www.lincpen.com).

v) No presentation have been made to institutional investors or analysts etc.

vi) Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

## 10. 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 : 18th September, 2013 at 3.30 p.m.  
 - Venue : Shripati Singhanian Hall,  
 94/2, Chowringhee Road  
 Kolkata – 700 020

### ii) Financial Calendar

Financial Year : 1st April to 31st March  
 Results : 1st Qtr – 2nd week of August, 2013  
 2nd Qtr – 2nd week of November, 2013  
 3rd Qtr – 2nd week of February, 2014  
 4th Qtr – end May, 2014

### iii) Book closure date

: 11.09.2013 to 18.09.2013 on account of AGM and Dividend.

### iv) Dividend payment date

: After 18th September, 2013

### 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

### vi) Listing Fees

: Listing fee for the year 2012 – 2013 has been paid to the above Stock Exchanges.

### vii) Stock Code

: Bombay Stock Exchange - 531241  
 Calcutta Stock Exchange – 10022035  
 Demat ISIN No. – INE 802B01019



viii) **Market Price Data** – High /Low during each month of the year ended 31st March, 2013, at the Bombay Stock Exchange.

Month	High (₹)	Low (₹)
April, 2012	56.00	49.15
May, 2012	52.50	43.75
June, 2012	50.45	44.50
July, 2012	51.00	42.00
August, 2012	45.75	40.90
September, 2012	54.10	42.50
October, 2012	51.90	45.00
November, 2012	57.20	44.00
December, 2012	58.45	46.50
January, 2013	53.85	45.30
February, 2013	48.10	40.70
March, 2013	49.80	35.55

ix) **Share Price performance in 2012-13 comparison to broad based indices – BSE Sensex**

<b>% Change in Linc's Share Price:</b> (-) 31.17%	<b>% Change in BSE Sensex</b> 8.23%
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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. Maheshwari Datamatics Pvt. Ltd, 6, Mangoe Lane, Kolkata-700 001.

xi) **Distribution of Shareholding:**

Distribution of Shareholding by Ownership:

Holding Pattern	No. of Shares	Shareholding %
1 Promoters & Associates	89,13,035	60.28
2 NRI, FIIs, etc.	21,66,522	14.66
3 Private Corporate Bodies	13,59,210	9.19
4 Indian Public	23,47,193	15.87
<b>Total</b>	<b>1,47,85,960</b>	<b>100.00</b>

Distribution of Shareholding by Size:

Range of Shares	Shareholders		Shares	
	Number	%	Nos.	%
1 to 500	4,852	86.01	5,34,902	3.62
501 to 1000	357	6.33	2,97,566	2.01
1001 to 5000	325	5.76	7,71,266	5.22
5001 to 10000	42	0.75	3,09,560	2.09
10001 & above	65	1.15	1,28,72,666	87.06
<b>Total</b>	<b>5,641</b>	<b>100.00</b>	<b>1,47,85,960</b>	<b>100.00</b>

xii) **Dematerialisation of Shares:**

Holding	No. of Holder	%	No. of Shares	%
Physical	830	14.71	22,21,335	15.02
Demat	4,811	85.29	1,25,64,625	84.98
<b>Total</b>	<b>5,641</b>	<b>100.00</b>	<b>1,47,85,960</b>	<b>100.00</b>

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 Parganas (South), West Bengal; and
- Falta SEZ, Sector II, Shed No.2, Falta, 24 Parganas (South), West Bengal

xv) **Address for Correspondence:**

For Share Transfer and related queries -  
 M/s. Maheshwari Datamatics Pvt. Ltd.  
 6, Mangoe Lane, 2nd Floor,  
 Kolkata – 700 001  
 Phone – 22435029/5809,  
 Fax – 2248 4787  
 e-mail – mdpl@cal.vsnl.net.in

For General Assistance  
 Mr. N. K. Dujari,  
 G. M. - Finance & 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 Clause 49 of the Listing Agreement with Stock Exchanges, all the Directors and Senior Management have affirmed compliance with the Companies Code of Conduct during the financial year ended 31st March, 2013.



**Deepak Jalan**  
 Managing Director

Kolkata, 30th May, 2013

## CEO / CFO CERTIFICATION

The Board of Directors  
**Linc Pen & Plastics Limited**  
Kolkata

### Re: Financial Statements for the financial year 2012-13 – Certification by MD and GM Finance

We, Deepak Jalan, Managing Director and N. K. Dujari, G. M.- Finance & Company Secretary, of Linc Pen & Plastics Limited, on the review of financial statements and cash flow statement for the year ended 31st March, 2013 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, 2013 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**

G. M. – Finance &  
Company Secretary



**Deepak Jalan**

Managing Director

Kolkata  
30th May, 2013

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

### To the Members of Linc Pen & Plastics Limited

We have examined the compliance of the conditions of Corporate Governance by Linc Pen & Plastics Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

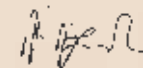
In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforementioned Listing Agreement.

We further 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 **G.P. AGRAWAL & CO.**

Chartered Accountants

Firm Registration No. 302082E



(CA Ajay Agrawal)

Membership No. 17643

Partner

7A, Kiran Shankar Ray Road  
Kolkata- 700 001  
Date: 30th May, 2013



## Independent Auditors' Report

To  
The Members of  
Linc Pen and Plastics Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Linc Pen and Plastics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.


### Report on other Legal and Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

### 2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For G.P. AGRAWAL & CO.  
Chartered Accountants  
Firm Registration No. 302082E



CA. Ajay Agrawal  
Membership No. 17643  
Partner

7A, Kiran Shankar Ray Road,  
Kolkata – 700001  
Dated: The 30th Day of May, 2013

## Annexure to the Auditors Report

Referred to in our report to the members of LINC PEN AND PLASTICS LIMITED on the accounts for the year ended 31st March 2013

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) The fixed assets have been physically verified during the year by the management. To the best of our knowledge, no material discrepancies were noticed on such verification.
- c) The Company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
- ii) a) The inventories have been physically verified during the year by the management at reasonable intervals. In respect of inventories lying with third parties, confirmation has been obtained from them.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) On the basis of our examination, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification of inventories by the management as compared to book records were not material and these have been properly dealt with in the books of account.
- iii) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- b) As the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act, the provisions of para (iii)(b) to (iii)(d) of the paragraph 4 of the said order are not applicable to the company.
- c) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- d) As the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act, the provisions of para (iii)(f) to (iii)(g) of the paragraph 4 of the said order are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system, commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system.
- v) a) In our opinion and according to the information and explanations given to us, particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanation given to us, these transactions made in pursuance of such contracts have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit within the meaning of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion, the internal audit system of the company is commensurate with the size of the company and the nature of its business.
- viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under section 209(1)(d) of the Companies Act,

1956 and we are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- ix) a) According to the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Custom Duty, Cess and

other statutory dues with appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.

- b) The disputed statutory dues aggregating to ₹374.57 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount (₹ lacs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	20.49	A.Y. 2002-03	ITAT
The Income Tax Act, 1961	Income Tax	37.48	A.Y. 2003-04	ITAT
The Income Tax Act, 1961	Income Tax	21.72	A.Y. 2004-05	ITAT
The Income Tax Act, 1961	Income Tax	27.91	A.Y. 2005-06	ITAT
The Income Tax Act, 1961	Income Tax	110.99	A.Y. 2006-07	Appellate order of CIT(A)
The Income Tax Act, 1961	Income Tax	5.57	A.Y. 2007-08	ITAT
The Income Tax Act, 1961	Income Tax	66.66	A.Y. 2008-09	ITAT
The Income Tax Act, 1961	Income Tax	83.75	A.Y. 2009-10	Appellate order of CIT(A)
	<b>Total</b>	<b>374.57</b>		

- x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debentures.

- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to this Company.
- xiv) According to the information and explanations given to us, the Company is not dealing or

trading in shares, securities, debentures or other investments. Therefore, the provisions of para (xiv) of the paragraph 4 of the said order are not applicable to the company.

- xv) According to the records of the Company and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

- xvi) According to the records of the Company and the information and explanations given to us, the term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.

- xvii) According to the records of the Company and according to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

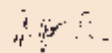
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

- xix) The Company has not issued any debenture. Therefore, the provisions of para (xix) of the paragraph 4 of the said order are not applicable to the company.

- xx) The Company has not raised any money during the year by public issue. Therefore, the provisions of para (xx) of the paragraph 4 of the said order are not applicable to the company.

- xxi) In our opinion and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements materially misstated.

For **G.P. AGRAWAL & CO.**  
Chartered Accountants  
Firm Registration No. 302082E

  
**CA. Ajay Agrawal**  
Membership No. 17643  
Partner

7A, Kiran Shankar Ray Road,  
Kolkata – 700001  
Dated: The 30th Day of May, 2013



## Balance Sheet as at 31st March, 2013

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	2	1,478.60	1,278.60
(b) Reserves and surplus	3	5,579.06	3,479.26
		7,057.66	4,757.86
(2) Non-current liabilities			
(a) Long-term borrowings	4	98.82	179.07
(b) Deferred tax liabilities (Net)	5	201.79	189.43
(c) Long-term provisions	6	84.38	66.68
		384.99	435.18
(3) Current liabilities			
(a) Short-term borrowings	7	2,930.80	3,987.51
(b) Trade payables	8	2,736.36	2,644.90
(c) Other current liabilities	9	1,432.43	1,232.30
(d) Short-term provisions	10	246.63	152.64
		7,346.22	8,017.35
<b>TOTAL</b>		<b>14,788.87</b>	<b>13,210.39</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		2,906.55	2,733.68
(ii) Intangible assets		19.64	25.97
(iii) Capital work-in-progress		35.32	64.49
		2,961.51	2,824.14
(b) Long-term loans and advances	12	234.36	262.54
(c) Other non-current assets	13	15.34	18.85
		3,211.21	3,105.53
(2) Current assets			
(a) Inventories	14	6,607.22	6,301.70
(b) Trade receivables	15	4,429.32	3,327.30
(c) Cash and bank balances	16	29.76	22.57
(d) Short-term loans and advances	17	477.64	418.46
(e) Other current assets	18	33.72	34.83
		11,577.66	10,104.86
<b>TOTAL</b>		<b>14,788.87</b>	<b>13,210.39</b>
Significant Accounting Policies	1		
Notes to Accounts	27		

The accompanying Significant Accounting Policies and Notes to Accounts are an integral part of the Financial Statements.

As per our report of even date attached.

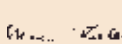
For G. P. Agrawal & Co.  
Chartered Accountants  
Firm Registration No. 302082E

(CA. Ajay Agrawal)  
Partner  
Membership No.17643

7A, Kiran Shankar Ray Road  
Kolkata - 700 001  
The 30th day of May, 2013

For and on behalf of the Board

  
Deepak Jalan  
Managing Director

  
Alokje Jalan  
Whole Time Director

  
N. K. Dujari  
G.M. - Finance &  
Company Secretary

## Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in Lacs)

Particulars	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>I. INCOME</b>			
Revenue from operations	19		
Sale of goods (Gross)		30,152.35	27,168.03
Less: Excise duty		178.46	67.31
Net Sale of goods		29,973.89	27,100.72
Other operating revenues		551.81	404.17
		30,525.70	27,504.89
II. Other incomes	20	37.96	14.66
<b>III. Total revenue (I + II)</b>		<b>30,563.66</b>	<b>27,519.55</b>
<b>IV. EXPENSES</b>			
Cost of materials consumed	21	11,170.71	7,332.03
Purchases of stock-in-trade	22	9,952.95	11,705.71
(Increase)/decrease in inventories of finished goods, work-in-progress and stock in trade	23	476.95	532.43
Employee benefits expense	24	1,560.16	1,527.47
Finance costs	25	248.31	378.04
Depreciation and amortization expense		446.88	430.21
Other expenses	26	6,003.91	5,394.44
<b>Total expenses</b>		<b>29,859.87</b>	<b>27,300.33</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		703.79	219.22
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		703.79	219.22
VIII. Extra ordinary items		-	-
<b>IX. Profit before tax (VII - VIII)</b>		<b>703.79</b>	<b>219.22</b>
<b>X. Tax expense:</b>			
Current tax		150.00	43.90
Deferred tax		12.36	3.92
Income tax for earlier years		-	1.78
		162.36	49.60
<b>XI. Profit for the year (IX-X)</b>		<b>541.43</b>	<b>169.62</b>
XII. Earnings per equity share - Basic and diluted (₹)	27.4	3.91	1.33
(Face value ₹10/- per equity share)			
Significant Accounting Policies	1		
Notes to Accounts	27		

The accompanying Significant Accounting Policies and Notes to Accounts are an integral part of the Financial Statements.

As per our report of even date attached.


For G. P. Agrawal & Co.  
Chartered Accountants  
Firm Registration No. 302082E

(CA. Ajay Agrawal)  
Partner  
Membership No.17643

7A, Kiran Shankar Ray Road  
Kolkata - 700 001  
The 30th day of May, 2013

For and on behalf of the Board

  
Deepak Jalan  
Managing Director

  
Alokje Jalan  
Whole Time Director

  
N. K. Dujari  
G.M. - Finance &  
Company Secretary

## Significant Accounting Policies to Financial Statements

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of accounting:

The Company prepares its accounts under the historical cost convention on accrual basis, except otherwise stated, in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. Based on the nature of operations and time between procurement of raw materials and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### 1.2 Use of Estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

#### 1.3 Revenue Recognition:

- i) Revenue from Sale of Goods is recognized upon passage of title to the customers.
- ii) Sales is exclusive of Sales Tax/Vat, rebate etc.
- iii) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- iv) All other incomes are accounted for on accrual basis.

#### 1.4 Expenses:

All the expenses are accounted for on accrual basis.

#### 1.5 Fixed Assets:

- i) All fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost include acquisition price, duties, taxes, incidental expenses, erection expenses and interest etc. up to date the asset is ready for intended use.
- ii) Intangible Assets expected to provide future enduring economic benefits are stated at cost less amortization and impairment, if any. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.
- iii) Capital Work-in-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.
- iv) Depreciation on Fixed Assets is provided on straight-line method at the rates specified in Schedule XIV to The Companies Act, 1956 (as amended).

## Significant Accounting Policies to Financial Statements

- v) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/ disposal.
- vi) Computer Software (Acquired) are amortised over a period of five years. Amortisation is done on straight line basis.

#### 1.6 Foreign Currency Transactions:

- i) Transactions in foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- ii) Monetary assets and liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rate.
- iii) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized in the Statement of Profit and Loss.

#### 1.7 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. The cost of Inventories is computed on weighted average basis except for Raw Material and Components which is computed on FIFO basis.
- ii) Scrap are valued at Net Realisable Value.

#### 1.8 Employee Benefits:

- i) Short-term employee benefits based on expected obligation on undiscounted basis are recognized as expenses in the Statement of Profit and Loss for the period in which the related service is rendered.
- ii) Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuations. Actuarial gains and losses in respect of post employment and other long-term employee benefits are recognized in the Statement of Profit and Loss.

#### 1.9 Taxes on Income:

Tax expense comprises both current and deferred taxes. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted at the Balance Sheet date. Deferred tax assets (including unrecognized deferred tax assets of earlier years) are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### 1.10 Borrowing Cost:

Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred. No borrowing costs were eligible for capitalisation during the year.



## Significant Accounting Policies to Financial Statements

### 1.11 Impairment of Assets:

Wherever events or changes in circumstances indicate that the carrying amount of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, the Company recognizes an impairment loss as the excess of the carrying amount over the recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the respective asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying amount after reversal is not increased beyond the carrying amount that would have prevailed by charging usual depreciation if there was no impairment.

### 1.12 Provisions, Contingent liabilities and Contingent Assets:

Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable.

Contingent Liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Re-imbursment expected in respect of expenditure to settle a provision is recognised only when it is virtually certain that the re-imbursment will be received.

Contingent Assets are not recognized in the Accounts.

### 1.13 Earnings per share:

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of any extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares.

### 1.14 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit 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 cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## Notes to Accounts

(₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March 2012	
	No. of shares	Amount	No. of shares	Amount
<b>Note 2 SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity shares of ₹10/- each	15,000,000	1,500.00	13,000,000	1,300.00
<b>Issued, subscribed and fully paid up</b>				
Outstanding at the beginning of the period	12,785,960		12,785,960	
Add: Shares Issued for cash	2,000,000		-	
Outstanding at the end of the period	14,785,960	1,478.60	12,785,960	1,278.60
		<b>1,478.60</b>		<b>1,278.60</b>

#### a. 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

- b. The company has issued an aggregate of 4,785,660 (previous year 4,785,660 upto 31.03.12) fully paid up equity shares of par value ₹10/- each without payment being received in cash in the last 5 years immediately preceeding the balance sheet date.

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

Equity shares of ₹10/- each fully paid up	31st March, 2013		31st March 2012	
	No. of shares	% of Holding	No. of shares	% of Holding
Mrs. Sarita Jalan	2,024,000	13.69	2,024,000	15.83
Mrs. Shobha Jalan	2,000,730	13.53	2,000,730	15.65
Mr. Suraj Mal Jalan	1,087,783	7.36	1,087,783	8.51
Mr. Alope Jalan	787,216	5.32	787,216	6.16
Mr. Deepak Jalan	783,520	5.30	778,520	6.09
M/s. Linc Writing Aids Pvt. Ltd.	1,590,109	10.75	1,590,109	12.44
M/s. Mitsubishi Pencil Co. Ltd.	2,000,000	13.53	-	-

## Notes to Accounts

(₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March 2012	
	No. of shares	Amount	No. of shares	Amount
<b>Note 3 RESERVES AND SURPLUS</b>				
<b>Securities premium account</b>				
Balance as per last account	296.94		296.94	
Add: Received during the year	1,800.00		-	
Closing Balance		2,096.94		296.94
<b>General reserve</b>				
Balance as per last account	2,893.91		2,893.91	
Add: Transfer from surplus as per statement of profit and loss	300.00		-	
Closing Balance		3,193.91		2,893.91
<b>Surplus in the statement of profit and loss</b>				
Balance as per last statement	288.41		267.40	
Add: Net profit for the year as per statement of profit and loss	541.43		169.62	
Amount available for appropriation	829.84		437.02	
Less: Appropriations				
Proposed dividend	207.90		127.87	
Tax on proposed dividend	33.73		20.74	
Transfer to general reserve	300.00		-	
Closing balance		288.21		288.41
		5,579.06		3,479.26

- a. General Reserve is primarily created to comply with the requirements of sec. 205(2A) of the Companies Act, 1956. This is the free reserve and can be utilised for any general purpose viz. issue of bonus shares, payment of dividend, buyback of shares etc.
- b. During the year ended 31st March, 2013, dividend ₹1.50/- per equity share was recognised as distribution to equity shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹241.63 lacs including corporate dividend tax of ₹33.73 lacs.
- c. During the year ended 31st March, 2012, dividend ₹1/- per equity share was recognised as distribution to equity shareholders. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹148.61 lacs including corporate dividend tax of ₹20.74 lacs.

Particulars	As at 31st March, 2013		As at 31st March 2012	
	No. of shares	Amount	No. of shares	Amount
<b>Note 4 LONG-TERM BORROWINGS</b>				
<b>Term loans (Secured)</b>				
- From banks				
Rupee loans		6.14		7.23
Foreign currency loans		74.24		158.17
<b>Vehicle Loans (Secured)</b>				
- From banks	6.82			
- From others	11.62	18.44		13.67
		98.82		179.07

## Notes to Accounts

Note 4 LONG-TERM BORROWINGS (contd.)

(₹ in Lacs)

	Non Current		Current	
	31st March, 2013	31st March 2012	31st March, 2013	31st March 2012
<b>Term Loans From Banks</b>				
Indian rupee loan from banks (Secured)	6.14	7.23	-	-
Foreign currency loan from banks (Secured)	74.24	158.17	100.00	100.00
	80.38	165.40	100.00	100.00
Amount disclosed under the head "other current liabilities" (Note No. 9)	-	-	(100.00)	(100.00)
<b>Net Amount</b>	<b>80.38</b>	<b>165.40</b>	<b>-</b>	<b>-</b>

### a. Nature of securities :

- Rupee term loan from banks carries interest @ 13.75 % p.a. & Foreign Currency loan from bank carries interest @ 06 mths. LIBOR plus 5.25%.
- Indian Rupee / Foreign Currency Loan from bank is secured by way of hypothecation of Plant and Machinery, Moulds and Current Assets of the company and by way of first charge on Immovable Properties and Other Fixed Assets of the company and is also guaranteed by the Managing Director, Whole Time Director and associate concern of the company.
- Interest @ 9.77% to 10.25% is charged on vehicle loan, which is secured by way of hypothecation of car of the Company.

### b. Terms of Repayment of Loans:

Name of Banks / Others	Amount outstanding as on the Balance Sheet date	Period of maturity w.r.t. Balance Sheet date	Number of instalments as on 31.03.13	Amount of each instalment
State Bank of India	180.38 (265.40)	18 months (30) months	6 (10)	25.00 (25.00)
		<b>As at 31st March, 2013</b>		<b>As at 31st March, 2012</b>
Rupee loan - Current *		-		-
Rupee loan - Non current		6.14		7.23
Foreign currency loans - Current *		100.00		100.00
Foreign currency loans - Non current		74.24		158.17
BMW India Financial Services Pvt. Ltd. #	13.67 (27.22)	11 months (23 months)	11 (23)	1.31 (1.31)
Kotak Mahindra Prime Ltd. #	17.74 (-)	32 months (-)	32 (-)	- (-)
HDFC Car Loan #	10.39 (-)	32 months (-)	32 (-)	- (-)
		<b>As at 31st March, 2013</b>		<b>As at 31st March, 2012</b>
Current- BMW India Financial Services Pvt. Ltd. *		13.67		13.55
Non current -BMW India Financial Services Pvt. Ltd.		-		13.67
Current -Kotak Mahindra Prime Ltd. *		6.12		-
Non current -Kotak Mahindra Prime Ltd.		11.62		-
Current -HDFC Car Loan *		3.57		-
Non current -HDFC Car Loan		6.82		-

\* Represents current maturities of long term debts shown under "Other current liabilities" (Note No.9)

# Instalment includes interest

Figure in brackets represents figures for the previous years



## Notes to Accounts

(₹ in Lacs)

Particulars	As at 31st March, 2013	As at 31st March 2012
<b>Note 5 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred tax liabilities :		
Depreciation	225.11	205.90
Less : Deferred tax asset		
Expenses allowable for tax purpose when paid	23.32	16.47
<b>Deferred tax liabilities (Net)</b>	<b>201.79</b>	<b>189.43</b>

### Note 6 LONG-TERM PROVISIONS

Provision for employee benefits		
- Leave encashment	84.38	66.68
	<b>84.38</b>	<b>66.68</b>

### Note 7 SHORT-TERM BORROWINGS \*

Loan Repayable On Demand		
- From banks (Secured)	2,805.80	3,477.51
Other loans and advances		
- From banks (Secured)	125.00	510.00
	<b>2,930.80</b>	<b>3,987.51</b>

\* Working capital loan from bank is secured by way of hypothecation of Plant and Machinery, Moulds and Current Assets of the company and by way of first charge on immovable properties and other fixed assets of the company and is also guaranteed by the mangaing director, whole time director and associate concern of the company.

	Non Current		Current	
	31st March, 2013	31st March 2012	31st March, 2013	31st March 2012
<b>Loans Repayable on Demand from Bank</b>				
Cash Credit from Banks (Secured)			1,193.52	1,736.53
Packing Credit from Bank (Secured)			1,612.27	1,740.98
Short Term Loan from Bank (Secured)			125.00	510.00
Foreign Currency Short Term Loan from Bank (Secured)				
			<b>2,930.80</b>	<b>3,987.51</b>
<b>Loans Repayable on Demand from Others</b>				
Indian Rupee Loan (Secured)	18.44	13.67	23.36	13.55
Amount disclosed under the head "other current liabilities" (Note No. 10)	-	-	(23.36)	(13.55)
	<b>18.44</b>	<b>13.67</b>	<b>-</b>	<b>-</b>

- Loans from Bank is secured by hypothecation of Plant & Machinery, Moulds & Current Assets of the Company and first charge by way of Equitable Mortgage of Immoveable Properties and other Fixed Assets of the Company and also guaranteed by Managing Director, Whole Time Director and associate concern of the Company. The loan from banks is repayable on demand and carries interest @ 10% to 13%.
- Details of Long Term Borrowings guaranteed by two of its Directors and others:  
Mr. Deepak Jalan & Mr. Alope Jalan: ₹5,225 Lacs; Linc Writing Aids Pvt. Ltd. ₹3,775 Lacs.

## Notes to Accounts

(₹ in Lacs)

Particulars	As at 31st March, 2013	As at 31st March 2012
<b>Note 8 TRADE PAYABLES</b>		
Total outstanding dues of Micro and Small Enterprises (Refer note no. 27.2)	220.21	154.04
Total outstanding dues of other than Micro and Small Enterprises	2,516.15	2,490.86
	<b>2,736.36</b>	<b>2,644.90</b>

### Note 9 OTHER CURRENT LIABILITIES

Current maturities of long-term debt#	123.36	113.55
Unpaid dividends *	11.09	11.60
Other payables		
Advance from customers	125.27	184.56
Statutory liabilities \$	120.56	65.73
Trade deposits	219.15	225.62
Unpaid salaries and other payroll dues	701.59	631.24
Accrued Expenses	131.41	-
# Refer note no. 4 for nature of securities and terms of repayment respectively.		
* There are no amount due and outstanding as at Balance Sheet date to be credited to the Investor Education and Protection Fund		
\$ Include excise duty and cess on closing stock ₹17.33 (PY ₹22.03)		
	<b>1,432.43</b>	<b>1,232.30</b>

### Note 10 SHORT-TERM PROVISIONS

Provision for employee benefits - unavailed leave	3.46		2.75
- Others			
Provision for taxation		306.00	
Less: Advance income tax	-	305.43	0.57
Provision for proposed dividend	207.90		127.86
Provision for tax on proposed dividend	33.73		20.74
Provision for wealth tax	1.54		0.72
	<b>246.63</b>		<b>152.64</b>

(₹ in Lacs)

Note 11 FIXED ASSETS

## Tangible Assets

Particulars	GROSS BLOCK			DEPRECIATION			NET CARRYING AMOUNT			
	Cost as on 01.04.2012	Additions during the year	Sale / disposal during the year	Total as on 31.03.2013	Upto 01.04.2012	For the year	Disposal/ deduction during the year	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
Freehold Land	147.10	-	15.30	131.80	-	-	-	-	131.80	147.10
Buildings	365.51	8.62	-	374.13	40.77	11.22	-	51.99	322.14	324.75
Plant & Equipment	1,308.32	175.06	34.09	1,449.29	531.95	118.67	20.12	630.51	818.78	776.37
Furniture & Fixtures	274.86	66.26	0.52	340.60	76.15	18.75	0.12	94.78	245.82	198.70
Vehicle	160.84	70.45	34.56	196.73	28.47	16.55	9.74	35.28	161.45	132.37
Other Equipment	3,174.55	352.38	16.22	3,510.71	2,020.16	271.73	7.74	2,284.15	1,226.56	1,154.39
TOTAL	5,431.18	672.77	100.69	6,003.26	2,697.50	436.93	37.71	3,096.71	2,906.55	2,733.68
Previous Year	4,863.36	591.50	23.68	5,431.18	2,289.96	417.20	9.66	2,697.50	2,733.68	-

## Intangible Assets

Particulars	GROSS BLOCK			Total as on 31.03.2013	AMORTISATION			NET CARRYING AMOUNT		
	Cost as on 01.04.2012	Additions during the year	Sale / disposal during the year		Upto 01.04.2012	For the year	Disposal/ deduction during the year	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
Computer Software	81.76	3.62	-	85.38	55.79	9.95	-	65.74	19.64	25.97
TOTAL	81.76	3.62	-	85.38	55.79	9.95	-	65.74	19.64	25.97
Previous Year	75.83	5.93	-	81.76	42.78	13.01	-	55.79	25.97	-

## Notes to Accounts

(₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March 2012	
Note 12 LONG-TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
Capital advances		95.49		54.29
Security deposits		68.48		63.93
Other loans & advances				
- Advance wealth tax		1.63		0.97
- Advance income tax	1,067.89		687.06	
Less: Provision for taxation	1,000.18	67.71	544.18	142.88
- Prepaid expenses		1.05		0.47
		<b>234.36</b>		<b>262.54</b>

LOANS AND ADVANCES	Non Current		Current	
	31st March, 2013	31st March 2012	31st March, 2013	31st March 2012
Capital Advances (Unsecured, Considered Good)	95.49	54.29	-	-
Security Deposits (Unsecured, Considered Good)	68.48	63.93	20.65	35.95
<b>Total (A)</b>	<b>163.97</b>	<b>118.23</b>	<b>20.65</b>	<b>35.95</b>
Advances recoverable in cash or kind				
Unsecured, Considered Good	-	-	205.78	206.67
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>205.78</b>	<b>206.67</b>
Other Loans & Advances (Unsecured, Considered Good)				
Prepaid Expenses	1.05	0.47	12.99	49.97
Export Benefit Receivable	14.64	6.83	206.81	143.29
<b>Total (C)</b>	<b>15.69</b>	<b>7.30</b>	<b>219.80</b>	<b>193.26</b>
<b>Total (A+B+C)</b>	<b>179.66</b>	<b>125.53</b>	<b>446.23</b>	<b>435.88</b>

\* Allowance for Bad & Doubtful Loans & Advances shall be disclosed under the relevant heads.

\* Loans & Advances due by Directors/ Other Officers/ Firms in which Directors are partners/ Private Companies in which Directors are Members to be separately disclosed.

Particulars	As at 31st March, 2013		As at 31st March 2012	
Note 13 OTHER NON-CURRENT ASSETS				
Fixed deposits with banks *		-		10.31
(Non current portion with original maturity period of more than 12 months)				
Fixed deposits with statutory authorities		0.45		0.45
(Non current portion with original maturity period of more than 12 months)				
Export benefit receivable		14.64		6.83
Interest accrued but not due		0.25		1.26
		<b>15.34</b>		<b>18.85</b>



## Notes to Accounts

(₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March 2012	
<b>Note 14 INVENTORIES *</b>				
(At lower of cost and net realisable value)				
Raw materials	3,987.95		3,197.86	
Goods in transit	-	3,987.95	2.94	3,200.80
Work-in-progress		59.29		90.98
Finished goods	1,127.68		794.10	
Goods in transit	0.32	1,128.00	-	794.10
Stock-in-trade		1,431.98		2,215.82
* Includes materials lying with other parties				
		<b>6,607.22</b>		<b>6,301.70</b>

### Note 15 TRADE RECEIVABLES

(Unsecured, considered good)

Trade receivables outstanding for a period exceeding six months from due date		93.12		99.07
Others		4,336.20		3,228.23
		<b>4,429.32</b>		<b>3,327.30</b>

### Note 16 CASH AND BANK BALANCES

Cash and cash equivalents				
Balance with banks				
In current accounts	3.49		2.77	
Cash on hand	15.18	18.67	8.20	10.97
<b>Other bank balances</b>				
Earmarked balances				
- Unpaid dividend accounts		11.09		11.60
		<b>29.76</b>		<b>22.57</b>

	Non Current		Current	
	31st March, 2013	31st March 2012	31st March, 2013	31st March 2012
<b>Cash &amp; cash equivalents</b>				
Balance with banks				
- On current accounts	-	-	3.49	2.77
- On unpaid dividend accounts	-	-	11.09	11.60
Cash in hand	-	-	15.18	8.20
	-	-	<b>29.76</b>	<b>22.57</b>
<b>Other Bank Balances</b>				
- Deposits with original maturity for more than 12 months	0.45	10.76	-	-
	<b>0.45</b>	<b>10.76</b>	-	-
Amount disclosed under non-current assets (note no. 16)	(0.45)	(10.76)	-	-
	-	-	<b>29.76</b>	<b>22.57</b>

## Notes to Accounts

(₹ in Lacs)

Particulars	As at 31st March, 2013		As at 31st March 2012	
<b>Note 17 SHORT-TERM LOANS AND ADVANCES</b>				
(Unsecured, considered good).				
Security deposits		20.65		35.95
Other loans and advances				
- Advances to suppliers and others		444.00		332.54
- Advance income tax	-	-	-	-
Less: Provision for taxation	-	-	-	-
- Prepaid expenses		12.99		49.97
		<b>477.64</b>		<b>418.46</b>

### Note 18 OTHER CURRENT ASSETS

Claims receivable		-		0.09
Taxes and duties refundable		33.72		34.74
		<b>33.72</b>		<b>34.83</b>

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
<b>Note 19 REVENUE FROM OPERATIONS</b>				
Sale of goods (Gross)				
Pens	22,573.92		19,828.81	
Refills	1,757.55		2,612.49	
Others	5,820.88		4,726.73	
	30,152.35		27,168.03	
Less: Excise duty	178.46		67.31	
Net sales of goods		29,973.89		27,100.72
Other operating revenues				
- Scrap sales	2.25		12.44	
- Export Incentive	525.30		385.17	
- Commission	24.26	551.81	6.56	404.17
<b>Revenue from operations (Net)</b>		<b>30,525.70</b>		<b>27,504.89</b>

### Note 20 OTHER INCOMES

Interest income (Gross)				
- Fixed deposits with banks		2.74		0.87
- Income tax refund		-		0.02
- Others		0.13		0.18
Other non operating income				
Insurance claim		2.04		1.71
Net gain/ (loss) on sale of Fixed Assets		27.36		-
Miscellaneous Income		5.69		11.88
		<b>37.96</b>		<b>14.66</b>

## Notes to Accounts

(₹ in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>Note 21 COST OF MATERIALS CONSUMED</b>		
Plastic powder	3,656.62	2,067.89
Ink	831.27	829.96
Tips	1,311.36	1,251.49
Others	5,371.46	3,182.69
	<b>11,170.71</b>	<b>7,332.03</b>

<b>Note 22 PURCHASE OF STOCK IN TRADE</b>		
Pens	7,242.50	8,578.51
Refills	221.25	553.00
Others	2,489.20	2,574.20
	<b>9,952.95</b>	<b>11,705.71</b>

<b>Note 23 (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>				
<b>Finished goods</b>				
Opening stock	794.10		923.07	
Less: Closing stock	1,128.00	(333.90)	794.10	128.97
<b>Work in progress</b>				
Opening stock	90.98		47.68	
Less: Closing stock	59.28	31.70	90.98	(43.30)
<b>Stock in trade</b>				
Opening stock	2,215.83		2,647.19	
Less: Closing stock	1,431.98	783.85	2,215.83	431.36
Add/(Less): Excise duty and cess on stock*	4.70	4.70	(15.40)	(15.40)
	<b>476.95</b>		<b>532.43</b>	

\* The amount of excise duty and cess on stock represents difference in excise duty and cess on opening and closing stock.

<b>Note 24 EMPLOYEE BENEFITS EXPENSE</b>			
Salaries and wages	1,413.36		1,367.94
Contribution to provident and other funds	88.41		79.66
Staff welfare expenses	58.39		79.87
	<b>1,560.16</b>		<b>1,527.47</b>

<b>Note 25 FINANCE COSTS</b>			
Interest expense			
- On long term borrowings	1.66		1.56
- On short term borrowings	217.24		345.47
- On others	17.26	236.16	17.47
Other borrowing costs		12.15	13.54
	<b>248.31</b>		<b>378.04</b>

## Notes to Accounts

(₹ in Lacs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>Note 26 OTHER EXPENSES</b>		
Consumption of stores and spares	74.34	52.65
Power and fuel	238.10	163.54
Processing charges	1,749.10	807.20
Rent	228.46	212.61
Repairs		
Building	14.95	0.52
Machinery	12.31	9.85
Others	24.45	16.24
Insurance	46.56	43.17
Rates and taxes	16.64	12.61
Payment to auditor		
- For statutory audit	2.92	2.87
- For tax audit	0.56	0.55
- For other services (limited review, certification etc)	2.80	2.77
Director sitting fees	1.80	1.70
Travelling & conveyance	290.53	301.31
Postage, telegram & telephone	72.20	69.92
Freight & transportation	447.31	413.42
Advertisement expenses	481.03	1,280.35
Sales promotion expenses	274.02	267.34
Incentives on sales	266.48	207.21
Commission on Sales	39.46	48.22
Discount allowed	627.44	616.67
Rebate, claim & other expenses	389.58	475.85
Bad debts	12.55	-
Loss on sale of fixed assets	-	6.77
Net loss on foreign currency transactions and translations	314.08	15.92
Miscellaneous expenses	376.24	365.18
	<b>6,003.91</b>	<b>5,394.44</b>

Particulars	As at 31st March, 2013	As at 31st March 2012
<b>Note 27.1 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)</b>		
a) Contingent Liabilities:		
Claims against the Company not acknowledged as debts:		
Income Tax demands under appeal	524.57	524.57
Income Tax Paid against demands	150.00	115.00

The amounts shown in (a) 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 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.

## Notes to Accounts

(₹ in Lacs)

Particulars	As at 31st March, 2013	As at 31st March 2012
Note 27.1 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
b) Commitments:		
i) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	256.84	127.73
ii) Advance paid against above	95.49	53.72

### Note 27.2

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company.

The disclosures relating to Micro and Small Enterprises are as under:

Sl. No.	Description	2012-13	2011-12
i)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	220.21	154.04
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 to the Micro and Small Enterprises	Nil	Nil

\* Included in the line item "Total outstanding dues of Micro and Small Enterprises" under Note No. 8

### Note 27.3 SEGMENT REPORTING

The business of the company falls under a single segment i.e. "Writing Instruments and Stationeries" therefore the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.

## Notes to Accounts

### Note 27.4 EARNINGS PER SHARE:

	2012-13	2011-12
The numerator and denominator used to calculate Basic/ Diluted Earnings Per Share		
a) Amount used as the numerator Profit after tax (₹ in lacs)	541.42	169.62
b) Basic / Diluted weighted average number of Equity Shares used as the denominator (Nos. in lacs)	138.60	127.86
c) Nominal value of Equity Shares (₹)	10	10
d) Basic / Diluted Earnings Per Share (a/b) (₹)	3.91	1.33

### Note 27.5 RELATED PARTY TRANSACTIONS:

Related party disclosure as per Accounting Standard 18 for the year ended 31st March 2013 are given below:

#### I) Names and description of relationship of related parties as on 31st March 2013:

Related Party	Relationship
<b>Associates:</b>	
Linc Retail Ltd.	Associate
<b>Key Managerial Personnel (KMP) :</b>	
Deepak Jalan	Managing Director
Aloke Jalan	Whole Time Director
<b>Enterprises in which KMP and their relatives have substantial interest :</b>	
Linc Writing Aids Pvt. Ltd.	Substantial interest of the relatives of M.D. and W.T.D.
<b>Relatives of KMP :</b>	
Mr. Deepak Jalan	Deepak Jalan (HUF) Mr. Deepak Jalan is Karta of HUF
	Mr. S.M. Jalan (Father)
	Mrs. Bimla Devi Jalan (Mother)
	Ms. Divya Jalan (Daughter)
	Mr Prakash Jalan (Brother)
	Smt. Bindu Jalan (Brother's Wife)
Mr. Aloke Jalan	Aloke Jalan (HUF) Mr. Aloke Jalan is Karta of HUF
	Mrs. Shobha Jalan (Wife)
	Mr. S.M. Jalan (Father)
	Mrs. Bimla Devi Jalan (Mother)
	Mr Prakash Jalan (Brother)
	Smt. Bindu Jalan (Brother's Wife)



## Notes to Accounts

Note 27.5 RELATED PARTY TRANSACTIONS: (contd.)

II ) Details of transactions with related parties. (₹ in Lacs)

Description	Associates ( A )	Key Managerial Personnel (KMP)	Enterprises in which KMP and their relatives have substantial interest	Relatives of KMP ( R )	Total
<b>Purchase of Goods</b>					
Linc Writing Aids Pvt. Ltd.	- ( - )	- ( - )	2,102.30 (1,025.49)	- ( - )	2,102.30 (1,025.49)
Linc Retail Ltd.	2.97 (0.87)	- ( - )	- ( - )	- ( - )	2.97 (0.87)
<b>Sale of Goods</b>					
Linc Retail Ltd.	125.89 ( - )	- ( - )	- ( - )	- ( - )	125.89 ( - )
Linc Writing Aids Pvt. Ltd.	- ( - )	- ( - )	2,589.40 (1,270.04)	- ( - )	2,589.40 (1,270.04)
<b>Receiving of Services (Remuneration)</b>					
Mr. Deepak Jalan	- ( - )	53.79 (50.55)	- ( - )	- ( - )	53.79 (50.55)
Mr. Alope Jalan	- ( - )	47.19 (40.47)	- ( - )	- ( - )	47.19 (40.47)
<b>Receiving of Services (Others)</b>					
Linc Writing Aids Pvt. Ltd.	- ( - )	- ( - )	12.72 (12.72)	- ( - )	12.72 (12.72)
Mr. Prakash Jalan	- ( - )	- ( - )	- ( - )	0.66 (0.72)	0.66 (0.72)
Ms. Divya jalan	- ( - )	- ( - )	- ( - )	4.11 (3.15)	4.11 (3.15)
M/s. Deepak Jalan (HUF)	- ( - )	- ( - )	- ( - )	4.14 (4.14)	4.14 (4.14)
Mrs. Shobha Jalan	- ( - )	- ( - )	- ( - )	12.45 (13.10)	12.45 (13.10)
M/s. Alope Jalan (HUF)	- ( - )	- ( - )	- ( - )	13.64 (12.18)	13.64 (12.18)
<b>Dividend Paid to Shareholders</b>					
Mr. Deepak Jalan	- ( - )	7.79 (14.01)	- ( - )	- ( - )	7.79 (14.01)
Mr. Alope Jalan	- ( - )	7.87 (14.17)	- ( - )	- ( - )	7.87 (14.17)
<b>Guarantees (Given for the Loans obtained by the Company)</b>					
Mr. Deepak Jalan	- ( - )	5,225.00 (4,781.00)	- ( - )	- ( - )	5,225.00 (4,781.00)
Mr. Alope Jalan	- ( - )	5,225.00 (4,781.00)	- ( - )	- ( - )	5,225.00 (4,781.00)
Linc Writing Aids Pvt. Ltd.	- ( - )	- ( - )	3,775.00 (4,781.00)	- ( - )	3,775.00 (4,781.00)

## Notes to Accounts

Note 27.5 RELATED PARTY TRANSACTIONS: (contd.)

II) Details of transactions with related parties. (contd.) (₹ in Lacs)

Description	Associates ( A )	Key Managerial Personnel (KMP)	Enterprises in which KMP and their relatives have substantial interest	Relatives of KMP ( R )	Total
<b>Balance Outstanding</b>					
<b>a) Accounts Receivable</b>					
Linc Retail Ltd.	289.30 (156.96)	- ( - )	- ( - )	- ( - )	289.30 (156.96)
Linc Writing Aids Pvt. Ltd.	- ( - )	- ( - )	869.74 (287.57)	- ( - )	869.74 (287.57)
<b>b) Amount outstanding against Guarantees given for Loans obtained by the Company</b>					
Mr. Deepak Jalan	- ( - )	3,111.30 (4,252.91)	- ( - )	- ( - )	3,111.30 (4,252.91)
Mr. Alope Jalan	- ( - )	3,111.30 (4,252.91)	- ( - )	- ( - )	3,111.30 (4,252.91)
Linc Writing Aids Pvt. Ltd.	- ( - )	- ( - )	3,111.30 (4,252.91)	- ( - )	3,111.30 (4,252.91)

- 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.
- VI) Figure in brackets pertains to previous year.

Note 27.6 EMPLOYEE BENEFITS :

As per Accounting Standard - 15, the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:

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 recognized as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognized as expense for the year is as under:

(₹ in Lacs)		
Defined Contribution Plan	2012-13	2011-12
Employers' Contribution to Provident Fund	71.00	67.86
Employers' Contribution to Employee State Insurance Scheme	25.94	26.37
<b>Total</b>	<b>96.94</b>	<b>94.23</b>

- b) Post employment and other long-term employee benefits in the form of gratuity and leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognized in the Balance Sheet represents the present value of the obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.

## Notes to Accounts

### Note 27.6 EMPLOYEE BENEFITS : (contd.)

Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the Statement of Profit and Loss for the year ended 31st March, 2013 in respect of Employees Benefit Schemes based on actuarial reports as on 31st March, 2013 is as follows:

(₹ in Lacs)

	2012 – 13		2011-12	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>I. Components of Employer Expense:</b>				
1. Current Service Cost	11.39	15.33	9.49	13.78
2. Past Service Cost	--	--	--	--
3. Interest Cost	5.66	5.11	4.27	4.04
4. Expected Return on Plan Asset	(8.24)	--	(6.66)	--
5. Actuarial (gain)/loss recognized in the year	9.49	20.80	4.70	16.06
6. Expense Recognized in the Statement of Profit and Loss	18.30	41.24	11.80	33.88
<b>II. Change in Present Value of Defined Benefit Obligation:</b>				
1. Present Value of Defined Benefit Obligation at the Beginning of the year	67.01	69.43	52.46	60.64
2. Interest Cost	5.66	5.11	4.27	4.04
3. Current Service Cost	11.39	15.33	9.49	13.78
4. Plan Amendments Cost/(Credit)	--	--	--	--
5. Actuarial Gain/(Losses)	8.79	20.80	4.08	16.06
6. Benefit Payments	(5.42)	(22.83)	(3.29)	(25.09)
7. Present Value of Obligation at the End of the year	87.43	87.84	67.01	69.43
<b>III. Change in Fair Value of Plan Assets during the year ended 31st March, 2013:</b>				
1. Plan Assets at the Beginning of the year	84.15	--	67.41	--
2. Expected Return on Plan Assets	8.24	--	6.66	--
3. Actual Company Contribution	17.13	--	13.99	25.09
4. Actuarial Gain/(Losses)	(0.70)	--	(0.62)	--
5. Benefit Payments	(5.42)	--	(3.29)	(25.09)
6. Plan Assets at the end of the year	103.40	--	84.15	--
<b>IV. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2013:</b>				
1. Present value of Defined Benefit Obligation	87.43	87.84	67.01	69.43
2. Fair Value on Plan Assets	103.40	--	84.15	--
3. Funded Status (Surplus/(deficit))	15.97	(87.84)	17.14	(69.43)
4. Net Asset/(Liability) recognized in Balance Sheet	15.97	(87.84)	17.14	(69.43)
<b>V Actuarial Assumptions</b>				
1. Discount Rate (per annum)	8.20 %	8.20%	8.80 %	8.80%
2. Expected Return on Plan Assets (per annum)	9.15 %	--	9.15 %	--
3. Salary Increases	5.50 %	5.50%	5.50 %	5.50%
4. Retirement/Superannuation Age	58	58	58	58
5. Mortality	Indian Assured Lives Mortality (2006 - 08)		LIC (1994 - 96)	

## Notes to Accounts

### Note 27.6 EMPLOYEE BENEFITS : (contd.)

#### 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. Disclosure related to previous years :

(₹ in Lacs)

As at 31st March,	Leave Encashment (Unfunded)			Gratuity (Funded)		
	2011	2010	2009	2011	2010	2009
1. Present value of Defined Benefit Obligation	(60.64)	(42.42)	(31.61)	(52.46)	(37.44)	(29.37)
2. Fair Value on Plan Assets	-	-	-	67.41	53.41	47.63
3. Funded Status [Surplus/(deficit)]	(60.64)	(42.42)	(31.61)	14.95	15.97	18.26

#### IX The history of experience adjustments for the funded post retirement plan of Gratuity are as follows:

As at 31st March,	2013	2012	2011	2010	2009
1. Defined Benefit Obligation at the end of the period	(87.43)	(67.01)	(52.46)	(37.44)	(29.37)
2. Plan Assets at end of the period	103.40	84.15	67.41	53.41	47.63
3. Funded Status	15.97	17.14	14.95	15.97	18.26
4. Experience Gain/(Loss) adjustment on plan liabilities	(1.17)	(8.44)	(9.34)	0.30	1.41
5. Experience Gain/(Loss) adjustment on plan assets	(0.70)	(0.62)	(2.39)	(1.09)	(0.33)
6. Actuarial Gain/(Loss) due to change on assumptions	(7.62)	4.36	(0.81)	(2.11)	(1.37)

#### X The history of experience adjustments for the unfunded plan of Leave Benefit Scheme are as follows:

As at 31st March,	2013	2012	2011	2010	2009
1. Defined Benefit Obligation at the end of the period	(87.84)	(69.43)	(60.64)	(42.42)	(31.61)
2. Plan Assets at end of the period	--	--	--	--	--
3. Funded Status	(87.84)	(69.43)	(60.64)	(42.42)	(31.61)
4. Experience Gain/(Loss) adjustment on plan liabilities	(13.28)	(20.57)	(12.53)	(6.14)	(8.07)
5. Experience Gain/(Loss) adjustment on plan assets	--	--	--	--	--
6. Actuarial Gain/(Loss) due to change on assumptions	(7.52)	4.51	(0.96)	(2.79)	(1.53)

#### XI Other Disclosures

- The Gratuity and Provident Fund Expenses have been recognized under "Contribution to provident and other funds" and Leave Encashment under "Salaries & wages" under Note no. 24.

## Notes to Accounts

### Note 27.7 INTANGIBLE ASSETS

The unamortised amount of Computer Software (Acquired) ₹19.62 lacs is to be amortised equally in the coming years as given hereunder:

Particulars	Amount (₹ in Lacs)	Years
Computer Software	3.57	Four
Computer Software	4.74	Three
Computer Software	9.11	Two
Computer Software	2.20	One

### Note 27.8 DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT:

There are no transactions which are required to be disclosed under Clause 32 of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed.

### Note 27.9

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary as required by Revised Schedule VI. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

### Note 27.10 CONSUMPTION OF MATERIALS

Particulars	Amount (₹ in Lacs)	Percentage
Imported	853.91 (544.04)	7.64% (7.42%)
Indigeneous	10,316.80 (6,787.99)	92.36% (92.58%)
<b>Total</b>	<b>11,170.71</b>	<b>100.00%</b>
Total (Previous Year)	(7,332.03)	(100.00%)

### Note 27.11 CONSUMPTION OF SPARE PARTS \*

Particulars	Amount (₹ in Lacs)	Percentage
Imported	1.18 (7.38)	1.59% (14.02%)
Indigeneous	73.16 (45.27)	98.41% (85.98%)
<b>Total</b>	<b>74.34</b>	<b>100.00%</b>
Total (Previous Year)	(52.65)	(100.00%)

\* Spare parts includes store items also.

## Notes to Accounts

(₹ in Lacs)

### Note 27.12 VALUE OF IMPORTS ON C.I.F. BASIS

	2012-13	2011-12
Raw Materials, Components	1,142.71	524.52
Trading Goods	1,925.34	2,384.84
Capital Goods	249.39	374.11
Spares	0.94	6.13

### Note 27.13 EXPENDITURE IN FOREIGN CURRENCY

I) Bank Interest & Commission	12.21	9.96
II) Travelling	28.92	20.67
III) Exhibition Expenses	32.96	22.83
IV) Commission on Exports	5.26	7.98
V) Product Designing, Testing Charges & Others	13.07	14.68

### Note 27.14 EARNINGS IN FOREIGN CURRENCY

Exports on FOB Basis	7,595.30	6,643.73
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### Note 27.15

Figures in brackets represents figures for the previous years.

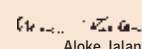
As per our report of even date attached.

For **G. P. Agrawal & Co.**  
Chartered Accountants  
Firm Registration No. 302082E  
  
**(CA. Ajay Agrawal)**  
Partner  
Membership No. 17643

7A, Kiran Shankar Ray Road  
Kolkata - 700 001  
The 30th day of May, 2013

For and on behalf of the Board

  
**Deepak Jalan**  
Managing Director

  
**Aloke Jalan**  
Whole Time Director

  
**N. K. Dujari**  
G.M. - Finance &  
Company Secretary



## Cash Flow Statement for the year ended 31st March, 2013

(₹ in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before tax		703.79		219.22
Adjustments for				
Depreciation	446.88		430.21	
(Profit) / Loss on sale/ Discard of Fixed Assets	(27.36)		6.77	
Interest Income	(2.88)		(1.07)	
Unrealised loss/(gain) on foreign exchange fluctuation (Net)	6.20		(45.97)	
Finance cost	248.31	671.15	378.04	767.98
<b>Operating profit before working capital changes</b>		1,374.94		987.20
(Increase) / Decrease in Trade receivables	(1,106.97)		(1,107.84)	
(Increase) / Decrease in Inventories	(305.52)		366.77	
(Increase) / Decrease in Long Term Loans & Advances	(46.33)		182.11	
(Increase) / Decrease in Other Non Current Assets	(7.81)		(0.29)	
(Increase) / Decrease in Short Term Loans & Advances	(59.18)		59.15	
(Increase) / Decrease in Other Current Assets	1.11		4.77	
Increase / (Decrease) in Long Term Provisions	17.70		7.93	
Increase / (Decrease) in Trade Payables	92.69		644.40	
Increase / (Decrease) in Other Current Liabilities	193.64		146.09	
Increase / (Decrease) in Short Term Provisions	0.71	(1,219.96)	0.86	303.95
Cash generated from operations		154.97		1,291.15
Less: Direct taxes paid		75.27		154.60
<b>Net Cash Generated / Used ~ Operating Activities</b>		<b>79.70</b>		<b>1,136.55</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Addition to Fixed Assets (Including Intangibles)	(647.24)		(648.52)	
Sale of fixed assets	87.89		7.25	
Fixed Deposit with Banks	10.31		(0.20)	
Interest Received	3.90		0.42	
		(545.14)		(641.05)
<b>Net Cash Generated / Used ~ Investing Activities</b>		<b>(545.14)</b>		<b>(641.05)</b>

## Cash Flow Statement for the year ended 31st March, 2013

(₹ in Lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Issue of Share Capital and Share Premium thereon	2,000.00			
Proceeds /(Repayment) of Long term borrowings	(80.25)		(94.90)	
Proceeds /(Repayment) of Short term borrowings (Net)	(1,056.71)		238.28	
Interest Paid	(253.45)		(384.46)	
Other borrowing cost	12.15		13.54	
Dividend Paid	(127.86)		(230.15)	
Dividend Tax Paid	(20.74)	473.14	(38.22)	(495.91)
<b>Net Cash Generated / Used ~ Financing Activities</b>		<b>473.14</b>		<b>(495.91)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>7.70</b>		<b>(0.41)</b>
Cash and cash equivalents -Opening balance		10.97		11.38
		<b>18.67</b>		<b>10.97</b>
Cash and cash equivalents - Closing balance (Refer note no. 16)		<b>18.67</b>		<b>10.97</b>

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement as specified in Companies (Accounting Standard) Rules 2006.
- Figures in bracket represent cash outflow.
- Additions to Fixed Assets include movement of Capital Work-in-Progress during the year.

- Cash and cash equivalent at the end of the year consist of : (₹ in Lacs)

Particulars	As at 31st March, 2013	As at 31st March, 2012
a) Cash on hand	15.18	8.20
b) Balances with Scheduled Banks in Current Accounts	3.49	2.77
	<b>18.67</b>	<b>10.97</b>

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

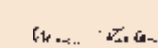
For **G. P. Agrawal & Co.**  
Chartered Accountants  
Firm Registration No. 302082E

  
**(CA. Ajay Agrawal)**  
Partner  
Membership No. 17643

7A, Kiran Shankar Ray Road  
Kolkata - 700 001  
The 30th day of May, 2013

For and on behalf of the Board

  
**Deepak Jalan**  
Managing Director

  
**Aloke Jalan**  
Whole Time Director

  
**N. K. Dujari**  
G.M.- Finance &  
Company Secretary

## Five Year Financial Highlights

(₹ in Lacs)

Year	2012-13	2011-12	2010-11	2009-10	2008-09
<b>Source of Funds</b>					
Share Capital	1478.60	1278.60	1278.60	1278.60	1278.60
Reserves & Surplus	5579.06	3479.26	3458.25	2886.64	2316.39
<b>Networth</b>	<b>7057.66</b>	<b>4757.86</b>	<b>4736.85</b>	<b>4165.24</b>	<b>3594.99</b>
Borrowings	3372.13	4505.75	4354.98	2284.02	2979.02
<b>Funds Employed</b>	<b>10429.79</b>	<b>9263.61</b>	<b>9091.83</b>	<b>6449.26</b>	<b>6574.01</b>
<b>Operating Results</b>					
Domestic Sales	22272.20	20377.28	19264.24	16987.70	14814.67
Exports	7701.69	6723.44	5550.21	5218.16	3943.37
<b>Total Sales</b>	<b>29973.89</b>	<b>27100.72</b>	<b>24814.45</b>	<b>22205.86</b>	<b>18758.04</b>
<b>P B I D T</b>	<b>1398.98</b>	<b>1027.47</b>	<b>1651.51</b>	<b>1631.99</b>	<b>1279.40</b>
Finance Cost	248.31	378.04	208.06	169.75	285.91
Depreciation	446.88	430.21	361.95	307.37	309.29
Profit before tax	703.79	219.22	1081.50	1154.87	684.20
<b>Profit after tax</b>	<b>541.43</b>	<b>169.62</b>	<b>839.97</b>	<b>839.51</b>	<b>503.82</b>
EPS	3.91	1.33	6.57	6.57	3.94
Cash EPS	6.68	4.69	9.40	8.97	6.36
<b>Dividend %</b>	<b>15</b>	<b>10</b>	<b>18</b>	<b>18</b>	<b>15</b>
Networth per Share (₹)	47.73	37.21	37.05	32.58	28.12

## Performance in US\$

(₹ in Millions)

Year	2012-13	2011-12	2010-11
<b>Source of Funds</b>			
Share Capital	2.89	2.50	2.86
Reserves & Surplus	10.91	6.81	7.74
<b>Networth</b>	<b>13.81</b>	<b>9.31</b>	<b>10.60</b>
Borrowings	6.60	8.81	9.75
<b>Funds Employed</b>	<b>20.40</b>	<b>18.12</b>	<b>20.35</b>
<b>Operating Results</b>			
Domestic Sales	43.57	39.86	43.18
Exports	15.07	13.15	12.42
<b>Total Sales</b>	<b>58.63</b>	<b>53.01</b>	<b>55.60</b>
<b>P B I D T</b>	<b>2.74</b>	<b>2.01</b>	<b>3.66</b>
Interest	0.49	0.74	0.43
Depreciation	0.87	0.84	0.81
Profit before tax	1.38	0.43	2.42
<b>Profit after tax</b>	<b>1.06</b>	<b>0.33</b>	<b>1.88</b>
Conversion Rate (INR per US\$)	54.47	51.12	44.69

## Corporate Information

### Board of Directors

Dr. Ranjan Das	Independent, Non-executive
Shri Naresh Pachisia	Independent, Non-executive
Shri Kedar Nath Ranasaria	Independent, Non-executive
Shri Aloke Jalan	Whole Time Director
Shri Deepak Jalan	Managing Director

### COMPANY SECRETARY

N. K. Dujari

### REGISTERED OFFICE

Satyam Towers,  
3, Alipore Road, Kolkata - 700 027  
Phone: (033) 30412100, 2479 0248  
Fax: (033) 2479 0253  
e-mail: investors@lincpen.com  
website: www.lincpen.com

### WORKS

Linc Estate  
Usthi Road, Serakole,  
24 Pgns. (S), Pin - 743 513  
West Bengal  
Phone: (033) 2420 4275/76  
Fax: (033) 2420 4441  
e-mail: production@lincpen.com

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

### AUDITORS

G. P. Agrawal & Co.  
Chartered Accountants  
7A, Kiran Sankar Ray Road  
Kolkata 700 001

### BRANCH OFFICES

**MUMBAI** - 403-404 Tanishka Bldg.  
Off Western Express Highway  
Kandivali (East), Mumbai - 400 101  
Phone: (022) 6692 4155 / 4255  
Fax: (022) 6694 2963  
e-mail: lincmumbai@lincpen.com

**DELHI** - B-34/10, G.T.K.Road  
Industrial Area, New Delhi - 110 033  
e-mail: lincdelhi@lincpen.com

**NOIDA** - D-42, Sector - 11,  
G.B.Nagar, Noida - 201 301, U.P.

**PATNA** - Shanti Niketan compound,  
Fraser road, Near Times of India  
Patna - 800 001, Bihar

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

**INDORE** - 45, Pandharinath Path,  
Indore - 452 004, Madhya pradesh

### BANKERS

State Bank of India  
IDBI Bank Ltd.  
HDFC Bank Ltd.

# LINC

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## Linc Pen & Plastics Limited

Regd Office: Satyam Towers, 3, Alipore Road, Kolkata - 700 027

### NOTICE

#### TO THE MEMBERS OF Linc Pen & Plastics Limited

NOTICE is hereby given that the 19th Annual General Meeting of the Members of the Company will be held at "Shripati Singhania Hall", Rotary Children's Welfare Trust, 94/2, Chowringhee Road, Kolkata – 700 020 on Wednesday, 18th September, 2013 at 3.30 P.M. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2013 and Profit & Loss Account for the year ended on that date together with the reports of the Auditors and Directors.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2013.
3. To appoint a Director in place of Dr. Ranjan Das, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to authorise the Board to fix their remuneration.  
M/s. G. P. Agrawal & Co., Chartered Accountants, Kolkata, (Registration No.302082E)  
Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting of the Company and have offered themselves for reappointment.

By order of the Board

**N. K. DUJARI**

*G. M. - Finance &  
Company Secretary*

Registered Office  
3, Alipore Road  
Kolkata – 700 027  
Dated: 13th August 2013

#### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the time for holding of the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company remain closed from 11th September, 2013 to 18th September, 2013 (both days inclusive) for the purpose of Annual General Meeting and for determining eligibility for dividend for the year ended 31st March, 2013. The Dividend, if declared at this meeting will be payable to those members whose names are in the Company's Register of Member after giving effect to the valid transfers in physical form lodged with the Company before 11th September, 2013. In respect of Shares held in electronic form (dematerialised shares), the dividend will be payable to such beneficial owners as per the list furnished by the Depositories as at the close of business on 10th September, 2013. The Dividend warrants will be posted on or after 18th September, 2013.

3. Members are requested to notify change in their address, if any, along with Pincode Number immediately to the Company's Registrar and Share Transfer Agents-M/s.Maheswari Datamatics Pvt. Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata-700001.
4. Members who have not yet encashed their dividend warrant for the financial years 2005-06 to 2011-12 are requested to lodge their claim with the Company.
5. Members / Proxies should bring the attendance slip duly filled in for attending the meeting. Members are requested to bring their copy of Annual Report. Additional Copies of the Annual Report will not be made available at the meeting.
6. Members desiring any information or having any query on the Accounts are requested to write to the Company 7 days before the meeting so that the information / answers may be readily available at the meeting.
7. **Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 and Listing Agreement.**

**Item No. 3** – Dr. Ranjan Das retire from the Board by rotation and being eligible offers himself for reappointment. He has been on Company's Board as an Independent Director since July, 2004. Dr. Das's age is 64 years. He is a professor on Strategic & International Management at Indian Institute of Management, Calcutta. He is also acts as an advisor in strategic planning and management with several corporates. Other company in which he holds Board Position is Tayo Rolls Ltd. He is also member of Audit Committee and Shareholders Committee of Tayo Rolls Ltd. He does not hold any share in our Company.

By order of the Board

**N. K. DUJARI**

*G. M. - Finance &  
Company Secretary*

Registered Office  
3, Alipore Road  
Kolkata – 700 027  
Dated: 13th August 2013



### Linc Pen & Plastics Limited

Regd Office: Satyam Towers, 3, Alipore Road  
Kolkata - 700 027

## PROXY FORM

I/We \_\_\_\_\_ of  
\_\_\_\_\_ in the district of  
\_\_\_\_\_ being a Member / Members of the above named Company, hereby  
appoint \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ in the district of \_\_\_\_\_ or  
failing him/her \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ in the district of \_\_\_\_\_ as my/our  
Proxy to vote for me/us on my/our behalf at the 19th ANNUAL GENERAL MEETING of the said  
Company to be held on Wednesday, 18th September, 2013 at 3.30 p.m. and at any adjournment  
thereof.



Signed this.....day of September, 2013

Member's Signature

Folio/Client ID No: \_\_\_\_\_

Note: The proxy and the Power of Attorney (if any) under which it is signed or notarially certified  
copy of that Power must be deposited at the Registered Office of the Company at Satyam Towers,  
3, Alipore Road, Kolkata – 700 027 not later than 48 hours before the time for holding of the  
Annual General Meeting.



### Linc Pen & Plastics Limited

Regd Office: Satyam Towers, 3, Alipore Road, Kolkata - 700 027

## ATTENDANCE SLIP

(To be handed over, duly filled in, at the entrance of the Meeting Hall)

Name & Address of the Member

Name of the attending Member/ Proxy\* (in block letters): \_\_\_\_\_

Member's Folio/Client ID No: \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

I hereby record my presence at the 19th Annual General Meeting of the Company on Wednesday,  
18th September, 2013 at 3.30 p.m. at "Shripati Singhania Hall", Rotary Children's Welfare Trust,  
94/2, Chowringhee Road, Kolkata – 700 020

Place: Kolkata

Member's / Proxy Signature\*\*

\* Please strike off whichever is not applicable

\*\* To be signed at the time of handing over this slip.

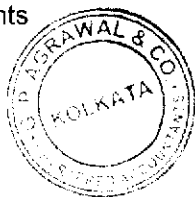


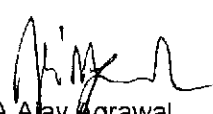
## FORM - A

Format of Covering letter of the annual audit report to be filed with the stock exchange:

1	Name of the Company	:	LINC PEN & PLASTICS LTD.
2	Annual financial statement for the year ended	:	31 <sup>st</sup> March, 2013
3	Type of Audit observation	:	Un-qualified / <del>Matter of Emphasis</del>
4	Frequency of observation	:	Not Applicable

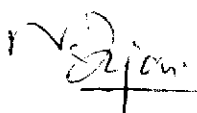
For G. P. Agrawal & Co.  
Chartered Accountants



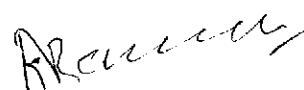
  
CA Ajay Agrawal  
Membership No.- 17643  
Partner

  
Deepak Jalan  
Managing Director

For Linc Pen & Plastics Ltd.



N. K. Dujari  
G. M.- Finance  
Company Secretary



K. N. Ranasaria  
Chairman,  
Audit Committee

Place: Kolkata  
Date: 30.05.2013