28th September, 2023

The Listing Department, The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata – 700001 Scrip Code- 022035	The Manager The Department of Corporate Services, BSE Limited, P. J. Towers, Dalal Street, Mumbai - 400001 Script Code- 531241	The Manager, The Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 Symbol- LINC

Dear Sir,

Sub: Submission of Transcript

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Investors / Analyst Meeting held on Friday, 22nd September, 2023 which is available on the website of the Company.

Further video recording of the Investors / Analyst Meeting uploaded on the website of the Company on 22nd September, 2023, (link https://s3.amazonaws.com/lincpen/documents/662/original/Meet_250923.pdf?1695647473) and intimated with Exchanges on 23rd September, 2023.

This is for your information and record.

Thanking You

Yours faithfully

For LINC LIMITED

KAUSHIK RAHA Digitally signed by KAUSHIK RAHA Date: 2023.09.28 12:27:54 +05'30'

KAUSHIK RAHA
Company Secretary

Encl: as above

"LINC Limited – Analyst Meet"

Friday, September 22, 2023

Management: Mr. Deepak Jalan Managing Director – Linc Limited

Mr. N.K. Dujari Director Finance – Linc Limited

Mr. Sanjeev Sancheti Uirtus Advisors Llp (Ir Advisors)

Host: Systematix Shares & Stocks (India) Limited

Himanshu: Linc is India's leading company. Linc is India's leading company in the writing instrument space with a wide portfolio, strong manufacturing presence, and a wide distribution presence both in India as well as 40 plus export markets. The key performance driver for the company has been the very strong performance over the last couple of years of Linc, Pentonic, which was the company's entry into the 10 rupees+ price point segment. That has been the key driver of a very strong FY 23, where the company saw 37% revenue growth and 165% EBITDA growth. That is a brief. Now I would like to welcome the management. We have Mr. Deepak Jalan, who is the Managing Director of the company, Mr. N K Dujari, Director, Finance and CFO, and Mr. Sanjeev Sancheti, who is the IR advisor. I would request the management, given that this is the first call, to give a brief presentation on the company, especially highlighting their entry into this 10-rupee price point, which has been the key driver. Post that, we'll take a few questions from the participants. Over to you, sir.

Deepak Jalan: All right. Thank you, Himanshu, and welcome to all. Just a quick brief about Linc Pen. Of course, it is a 45-years-old brand, but we went public in 1995 and then fast forward to 2000. In the year 2000, we consolidated all our operations into this listed company. At that point of time, our revenue was about 50 crores. From 2003 to 2005, we call it golden period of our company. In these two years, our revenue doubled from 60 crores to 120 crores. That was mainly because of two successful products which we had launched during that period. Now, fast forward to... Of course, that was our first milestone. Then we achieved 200 crores in a couple of years. Then we reached a revenue of 300 crores. Then post that, we were struggling between 300 to 350 crores, previous to launch of Pentonic, which was launched in FY 18-19. If you look at our performance, previous to 18-19 for about seven, eight years, they were really very, very mediocre. The reason I would say that the reason of such performance was that the industry was not able to increase the price. Even though the costs went up every year but because of the overcapacity, even Linc or any other company, we were not able to increase the price. Five Rupees was a very strong price point for Linc particularly. In our industry, there is no in-between price point between 5 and 10. It was really difficult to go straight away from 5 to 10, and the trade did not accept any price between these. They would not accept a price of 6 rupees or 7 rupees. We were just trying to develop products which would break this, I mean, we could overcome this challenge. In 18-19, we developed this product, pentonic. Even before that, we tried some products at 10 rupees, but they did not work. Finally, 18-19, pentonic was born. When we launched pentonic, our gross margins were about 50%. Whereas in our legacy products at that point of time, our gross margins were less than 25%. We saw big opportunity in this product and the product was accepted all over the country. So that was another breakthrough for us. Then we put all our focus or energies in making this brand bigger and bigger. If you see our performance of 19-20, that was the best performance of last 10 years. Then after the interruption of COVID, FY23 was our best ever year. We would say that this was all because of the growth of Pentonic portfolio. So to talk about Pentonic portfolio, our initial launch was a 10 rupee ball pen, and then we have a 10 rupee gel pen, then we have a 20 rupee retractable ball pen. Then we have recently launched a 40 rupee retractable gel pen. Then there are a few more products due for launch. This is more or less about the pentonic journey, I would say. To give you some idea of the market size, the domestic market size is about 6,500 to 7,000 crores, and our market share would be about 7%. The global market size is about $20 billion, which is a huge market and we have a very negligible market share. So far, the global market is concerned, so we can see a lot of opportunity in the global market. This is a brief summary and we can go through the presentation and then we can be open for question and answers.

Sanjeev Sancheti: We can go slide by side. We may skip some slides and focus largely on the strategic slides.

Himanshu: Yeah, we don't need to run through the whole presentation. You can just focus on a couple of the important slides and that should be it. Because I'm sure we'll have a lot of questions.

Deepak Jalan: I think can we go straight away to the question and answer? Because this will be too long. Okay, we can keep.

Sanjeev Sancheti: Please show the relevant- I think the problem is we can go to the relevant slides. Yeah, I think this is important slide because the whole build-up will start from here.

Deepak Jalan: This I think I've already briefed. Yes. You can move to the next slide. One of the initiatives which we have taken is to increase our touchpoints. In FY 19, you can see that we had about 50,000 touchpoints, and today we have about 240,000 touchpoints. Because of Pentonic, you could see that our contribution of Western region and Southern region, it has increased substantially, which was actually, before FY 19, it was less than it was about 27% and which is now 36% and growing every year. I'm not going too much into this. This is a large one. Yeah, so as I mentioned that because of our Pentonic portfolio is helping us improve our product mix and increase our average selling price. Our focus is on higher value products and higher margin products, which has helped us increase our GPM from about 20% to now more than 30%. Of course, Pentonic share in our overall revenue has gone up to 30%. We are also distributing stationary products, which we started just before COVID and we are targeting minimum revenue of 75 crores by FY 25. This is our image of our factory in Gujarat, which we started about seven,about six years back. This is ESG, so I'm not going much into this. I'm sure you know all these numbers. Just to sum up, the growth drivers which we expect to drive our revenues as well as profits is mainly to buy improvement in the product mix. Before Pentonic was born, we were, more than 80% of our revenue, or I would say 90% of our revenue was from products which were below 10 rupees a year. But after Pentonic, today our revenue from below 10 rupees has gone down to less than 50%. Basically, improvement in the product mix. Secondly, as I mentioned, that increase in touchpoints. We are in the process of increasing the touchpoints every quarter. Then so far, Exports is concerned. Our exports last year were about 100 crores. As I mentioned that there is a large global market, and so we have a good opportunity in exports. Pentonic is fortunately doing well in many countries. Wherever we have launched pentonic and is doing well. We are quite optimistic about the success of pentonic in many countries. Of course, as I mentioned that we have several products due for launch in pentonic portfolio. This is about it, and I would like to have the Q&A now.

Himanshu: Great. Thanks for this, sir. Participants, we can now start the Q&A. Anyone who has a question can use the Raise hand option, and please go ahead with your question. Sir, as we wait for people to ask, I'll maybe start. Firstly, can you explain, there's always a concern in this segment that it's somewhat commoditized and therefore it's difficult to differentiate. How different are the new products that we are creating, which will help us command a good premium over other local players in this segment? If you can just explain on the product side of it, and are consumers willing to pay a premium if we can convince them that the product genuinely is better or different than what is generally available in the market?

Deepak Jalan: Certainly, Himanshu. This is what we were really struggling with before Pentonic was born. What we did and what we are continuing to do is, whenever we used to develop products in our company, we would use some freelance designers in Korea, and that is the practice by all the other pen manufacturers. They charge about $1,500 to $2,000 to design a pen. They are given some reference products which are doing well in the market. They used to design products for us as well as for other competitors. We hired a top-class designer in Korea by paying 10 times more than we used to pay, and that designer is exclusive to Linc. The brief was that we want to develop products whose cost should be like a five rupee product. This is about when we designed the product in that year, but the perceived value of the product should be like a 10 rupee product. This is our brief to for every project, this is our brief. We set a minimum benchmark of 45% to 50%, whenever we launch a pentonic, that's our minimum benchmark now. But we invest heavily in the design which no other pen company is doing. Our designs, they are totally differentiated from the competition and actually competition is following us, of course, because it's not very difficult to copy a product in our industry. So, this is how we are trying to stay ahead of the competition. At any point of time, we have some project going on. We already have a couple of products in Pentonic, and as I mentioned that our gross margins are anything between 40-50 % in all the Pentonic products and we continue to command that kind of margin, despite competition copying us. I would also like to say that the Pentonic has also helped improve margins of the industry as well, not just a company's margin. Just to give you an idea, in the year 2000, we were selling, when we had launched our products at five rupees until 17-18, or 18-19, we were still selling those products at five rupees. In those almost 20 years, the price of a pen did not go up. I think it was a long due and no brand owner was able to do that. Luckily for Linc as well as for the industry, Pentonic was able to make a break. This is how we like to stay ahead of the competition and stand out in the commoditized category, as you rightly said. You would also notice that in last, ever since Pentonic is born, we have invested substantial amount in our brand, Pentonic. So, as you know that products can be copied, but brands cannot be copied. So, this is how we are trying to stay out of this commoditized space.

Himanshu: Okay, understood, sir. That was on the differentiation side. One more question has come up on the chat box from a client. What they want to understand is, again, there are concerns that the total addressable market for the pens industry doesn't seem to be very big. One, of course, is you are getting into adjacencies. But specifically for the pens industry, what's your view? What would be the longer term growth drivers for you as well as for the industry, specifically in pens?

Deepak Jalan: In value terms, definitely the industry has really not grown in many years, as I said, because the prices did not increase. Right now for us, the top priority is to upgrade the customer from 5 Rupees to 10 Rupees to 20 Rupees or from a 10 Rupees to 20, 30 or 40. We believe that this is something which is going to increase the market size in terms of value, at a better rate. Then apart from that, actually, frankly speaking, we are not just looking at the Indian market, we are looking at the global market. As I told you that, last year our exports were 100 crores, which if you look at the global market size, it is really bigger. So, Pantonic is almost available in almost 30 countries now. We have started getting repeat orders and it takes some time to build overseas markets. Our bigger bets are actually from exports where our margins are also better than the domestic market. Yes, number one is the increase in the average selling price, which will help increase the market size and secondly, the global market. For Linc, as I said that we were historically strong in the North and the East, and West and South were weaker markets for us. Our share from those regions is also growing, and there is still a lot of room to grow in those markets. This would be my explanation.

Himanshu: Got it, sir. I think we have a question from Mr. Vipul Sanghvi. You can unmute and please go ahead.

Vipul Sanghvi: Yeah, hi, sir. Am I audible?

Himanshu: Yes, yes.

Vipul Sanghvi: Sir, two questions. Basically, can you briefly tell us that how are we looking at going up in terms of our ASP, which is currently around five and a half. Say next two, three years, how you think this will move with rising contribution of pentonic and overall revenue? And what this would mean for our margins in the same period?

Deepak Jalan: Well, as I told you that, previous to Pentonic, in 15-20 years there was no price increase, which means the buying power of the consumer has grown substantially, but it's just that the pen prices did not increase. So I think, this was long due. Our focus changed from five rupees to ten rupees and now we are trying to make the next price points bigger. We have a pentonic BRT ball pen which is at 20 rupees and that is the next product which we are trying to make. We have products at 30 rupees which is due for launch and then 40 rupees. I believe that a consumer who used to pay 5 rupees 20 years back today, he can easily pay 30, 40 rupees if he gets a good pen. All our energies and efforts are in this direction.

Sanjeev Sancheti: Just to explain you that the contribution of Pentonic is expected to go to about 45% over the next two years, which in its own, it's going to improve our ASP by about 8-10% every year, and my GP margins could go by about 1.25-1.5 % over the next two three years, each year, as the share of pentonic goes up. That's the numbers which we have, we believe are.

Deepak Jalan: So just to give an idea.

Vipul Sanghvi: Basically, sir, what you are saying is 100 basis point improvement in our gross margin for next two, three years. Is that right way to understand?

Sanjeev Sancheti: Yes, but GP will go up to 100 basis points, probably each year over the next two, three years.

Deepak Jalan: So far the ASP is concerned, in 18-19, our ASP was 3.96 or let's say 4 rs, which is today 5.5. I think it's a good indication, in what direction we are going.

Vipul Sanghvi: All right, sir. Understood that point. And secondly, how big is the export opportunity? While we are currently at 100 crores, which all markets you think, I understand we have something going in Kenya currently. If you can tell us about overall market opportunity when exports are concerned, because I reckon that one of the, not exactly a competition, but in the similar space, we have Navneet Limited doing fair bit of exports in stationary side. I just wanted to understand that how big as an export opportunity we are looking at say, in the next three years time.

Deepak Jalan: Mr. Sanghvi, before Pentonic was born, we did not have a product which was universally accepted. We had products which would do well in local market and then export products were different. And we were trying to develop a product which would be universally accepted both in the domestic market across the regions, as well as in the export markets. Finally, we were able to crack with Pentonic, which is fortunately for us, accepted across the regions in India, as well as almost all the countries, wherever we have launched in the overseas markets. This is where we found the opportunity to grow Pentonic in the overseas markets. If we look at the regions, then Southeast Asia is our dominant market. Apart from that, of course, we export to almost 40 countries worldwide: North America, South America, then Middle East, Africa, and several African markets. I would say the future opportunities for us is the North America, which is a big market and we have in last five years we have invested heavily in that market to build our brand and distribution. Finally, we have grabbed it. That's about North America. Then there are neighbouring markets like Bangladesh, for example, which is a huge market. Recently we appointed a new distributor. We've started a good momentum there. Then there are certain markets in the Southeast Asia like Indonesia which is a big market, and we are trying to crack that market and our export representatives are based in Indonesia and working to crack that market. Likewise, we are very optimistic about our exports. Although there are always some challenges in the overseas markets. For example, Egypt used to be one of our big markets about 10 years back, but then there were some trade barriers against Indian and Chinese banks, so we lost that market. But we are trying to recapture that market from our Kenya factory. Then similarly, recently we lost two markets. We lost Sudan. Sudan was our very good market for Pentonic, but because of some war going on in Sudan, and our business is on hold there. We lost another market in Myanmar, which was our largest market. Even today it is our largest market, but we lost heavily in that market because of the political issues going on in that country. These are also some challenges, but then, as you know, it's overseas. There are hundreds of countries, so we are quite hopeful of increasing our market share in the global market.

Vipul Sanghvi: All right, sir, that was useful. I'll come back in the queue.

Himanshu: Thank you. Mr. Giriraj Daga, you have a question? You can please unmute and go ahead.

Giriraj Daga: Hello, team. My first questions like more of a data point. When you look at the net realization to company, I'm saying at the factory, excluding the transportation cost from factory to the dealer distribution margin, what is the net realization for the pen at price at 5 and for the pentonic, separately.

Deepak Jalan: Okay, so I'll give you for the pentonic. The end-user price is 10 rupees and cost to the retailer is 7.50, which means the retailer has 25% margin. In our industry, the retailer margin ranges between 20-30%. Some of our competitors, they are offering even better margin up to 30%. But Pentonic being the market leader, we are at 25% margin for the retailer. And then there is a distributor who supplies to the retailer. So, for distributor it is 8% markup. And then there is a super-stockist, or we call them channel partners. So, they sell to the distributor and for them it is a 5.5% markup. Then, to the company, the net realization for Pentonic after adjusting 18% GST, it is 5.55 or you can call it 5.50 paise. That's the waterfall.

Giriraj Daga: For the price below five rupees?

Deepak Jalan: Below five rupees, I don't even calculate because we are getting out of that price point. The margins would be much lower for us. All our efforts are going towards 10 rupees, 20 rupees, 30 rupees, 40 rupees. The waterfall for all these price points are similar. Maybe a little bit here and there, but they are similar.

Giriraj Daga: Okay. Second, you are mentioning big about the export thing. The way you mentioned on the stationary, like 25 crores can become 75 crores in two years. Is there any reason, to let's say export in three, four years, can these 100 crores become 300, 400 crores in four years? What is the reason there?

Deepak Jalan: Okay. When I was talking about the stationary, it was for the local market, right. 75 crores by FY 25, which was 25 crores last year. That was the stationary in the local market. For exports, yes, we are able to grow this stationary business from nothing to 75 crores by FY25 or 100 crores by FY26 because the base is small. Secondly, the stationary market size is huge and the price, the ticket size is also much bigger than pen. That is the reason that we are able to grow this stationary business more rapidly than the pen, because we already have some market share. But I get your point. So far, exports is concerned. Can we not replicate this growth in the export market, which is a large market? Yes, you are right. We are making efforts, a lot of efforts. But in overseas markets it takes a longer gestation time because of various challenges. But yeah, that is the ambition we have for export market that we are able to grow more rapidly than the local market.

Giriraj Daga: Let me put it this way. If you are not ready to give the number, let's say in four years, if you don't reach 300 crores, you will be disappointed with this performance. That's the outlook you're looking?

Deepak Jalan: Sorry, I couldn't get that.

Giriraj Daga: Let's say, as a thought process, if we don't make it 300 crores export in next four years, then you will consider this as a disappointing performance.

Deepak Jalan: Yes, you are right because the kind of efforts and investments we have made, ever since Pentonic was born in overseas markets. To develop US market, in last five years we have invested more than half million dollars for participating in the local trade shows. But the fruits are yet to come. I'm sure what you said that if we don't do 300 crores in 4-5 years, that would be disappointment. You are absolutely right.

Giriraj Daga: Last thing from my side on the capital allocation. We will come to the run rate of almost 50 crore PAT, let's say from this year or maybe next year. Our capex plan currently is like 50 crore for two years kind of a thing, the currently factory which we have planned, and which will give us sufficiently 20% headroom. We'll have sufficient cash to and we already repaid the debt. What is the out process and capital allocation? Is there any inorganic opportunity also being looked out or we will put something else, some other adjacenies where we will look to grow. What are thought process there?

Deepak Jalan: Of course, as you know, of course, a part of this goes towards the dividend and we have a policy of about 25% of our profits going towards dividend. Then of course, we are always eager to get some opportunity of acquisition. That would be something which we would be always looking for. Apart from that, of course, we can go for the manufacturing of some of the adjacent categories. That is another opportunity, and we are keeping the infrastructure ready. As you know that we are already building a new factory in Gujarat, but we don't need any capacity, to achieve our FY25 numbers. That infrastructure we are building only for future opportunities. This is how we would be allocating our capital.

Giriraj Daga: Just a follow-up here. Is writing note pad also part of the thought process that at some point of time, maybe one year, two year, we might enter there?

Deepak Jalan: Actually it's a large market and the classmate from ITC is doing very well. But it's a very commoditized category and we are always tempted to get into this category, and we are still keeping our options open. But we are not able to still crack that what kind of a differentiation we can make in a notebook. It took us many years to get some differentiation in the ball pen category. Likewise, we are always racking our brains that what different can we do in the notebook business which actually goes very well with our category, and we can leverage the same distribution. But until this point of time, we have not been able to really figure out that what difference can we make in this category.

Giriraj Daga: Thank you and all the best.

Deepak Jalan: Thank you.

Himanshu: This is one more question which has come up. You said that the current market size is 7,000 odd crores, but the relevant market for us, I believe, is the 10 rupee plus price point. Is there any data available as to what would be the current size of that 10 rupee plus category currently, sir?

Deepak Jalan: Frankly speaking, our industry, we are the only listed player in this category. As of now, of course, FLAIR is going to be there accompanying us in a couple of months. The data are really not authentic, but I can give you an estimate that below 10 rupee used to be the largest segment, which would be more than 60% before 18-19, which is now shrinking. It would today be anything around 40%. Then between 10-50 would be, before 18-19, it would be about 20-25%. I think it has grown to about 35-40% because most of the pen brands now have a strong 10 rupee product. Then the remaining would be about 100 rupees and the premium and the luxury segment where right now we are not present. That would be an estimate.

Himanshu: Okay, got it. One more point which someone asked was, I believe you also do some bit of outsourcing in addition to your own manufacturing capabilities. As a strategy, would you continue to maintain this balance between in-house manufacturing and outsourcing? Is there a significant margin implication of that as we grow going forward?

Deepak Jalan: Some of my friends in the investing community, they tell me that, Mr. Jalan, why do you need manufacturing? You should invest in your distribution and marketing and branding. There are people who are willing to make for you, so you don't need to invest in *Loha-Lakkar*. But we are treading a path of like a balanced path that, yes, in the entire value chain, manufacturing has very small margin. Actually, we have grown with the support of our supporting manufacturers. Currently there is a 50-50, 50% in-house and 50% outsourcing. We like to maintain this balance of this ratio of 50-50, which is a good balance. It gives us a lot of flexibility. Whenever, let's say there is a lean period, we can reduce our outsourcing. So that's the flexibility we get. And definitely, you have to share some margin when it comes to outsourcing, but which is not really significant. We can afford that. So yeah, this is about this.

Himanshu: And in terms of pricing power, do you think we have reached a stage where the raw material price movement or any other cost heads has stopped impacting us? I mean, we can, Because it might be tough to pass on any increase in cost given that the price point would be quite fixed, in your case at 10 rupee or 20 rupee now, right? So how do you take care of those commodity price or any other cost inflation?

Deepak Jalan: So as I said, definitely when the gross margins are squeezed, like as I mentioned that before Pentonic, we were only at about 25% gross margins. So, any price escalation in the inputs would immediately affect us significantly. But when you are playing in the range of 45%-50% gross margins, the impact is much lower and that is our endeavour. As I said that we want to be totally out of that below 10% price segment. We are not launching any new product here which is below 10 bucks. Only the legacy products we are continuing. We are trying to increase our average selling price, as I mentioned, from 10 to 20 rupees, 20 to 30, 40. That's the way to counter this input price fluctuations. I think we've created a good cushion. Of course, it may always affect a few hundred basis, maybe 100 basis points or 50 basis points, but it will not really significantly affect us.

Himanshu: Understood, sir. I think we have a question from Vivek Tulshyan. Vivek, you can unmute and please go ahead.

Vivek Tulshyan: Yeah, thanks a lot. Sir, I just wanted to understand, on the growth of the industry both in India as well as globally. Because there is this little bit of headwind that people talk about in terms of things getting digitized. With more and more digital usage, are you seeing the growth of pen as a market, reducing compared to what it used to be historically? And globally, how is that also playing out?

Deepak Jalan: I'm facing this question for last, more than 10 years, and still, I'm very bullish and very optimistic about our industry. Just to give you a perspective, definitely in the developed economies like Europe and the US, the growth rate has stunted. There is no negative growth, but there is no positive growth. It's a flat growth. But when you look at economies like developing economies like Africa or the Middle East or even Southeast Asia, there is a growth in the category which is estimated about 3 to 4%. Overall, there is a positive plus growth. As I mentioned that our hope for a better growth is because of the premiumisation in the category. That is our definitely hope. Secondly for us, as I mentioned that of the 20 billion global market, we are very very small. For us I believe that there is a lot of opportunity to grow for a long time. On a lighter note, today ChatGPT is very popular. I asked the question to ChatGPT, what is the future of the pen? I got a very, very optimistic answer that whatever be the digitalisation, a pen is going to co-exist. That's my hope. I don't foresee any challenge, at least in the foreseeable future. So yes, this is my take.

Vivek Tulshyan: Got it sir. This is helpful. The other question is if I look at our numbers on '22 and '23, our share of pentonic has gone up by 5%. But our gross margin has improved by 6-7% and our EBITDA margin has also improved considerably. Is there some raw material benefit that we've got during this period as well where the margins have shot up more than what it should have been had just pentonic share gone up?

Deepak Jalan: Yes, you're absolutely right. Luckily for us, 22-23, the polymer prices, which is our key input, to give you an idea, polymers, they constitute about 30% of the overall pen cost. If our pen cost is let's say, three rupees, almost 90 paisa is towards the polymer. The polymer prices were quite mellowed, and they stabilized at more realistic levels, which were really on the very high side in the previous year. That was one reason that our overall profitability improved. Secondly, we were able to increase prices of our legacy products, which we were not able to do for many years because of the fear of losing the market share. But after we had a support of Pentonic, we were able to increase the prices of the legacy products. That also helped us.

Sanjeev Sancheti: Which was done in FY23, actually. That also helped us improve the margin quite a bit.

Vivek Tulshyan: Got it. Sir, you had mentioned during the conversation that margins are higher on the exports versus domestic. Would you be able to tell us how different is the margin profile in exports?

Deepak Jalan: Yes. For example, pentonic is a 10-rupee product. I have this very beautiful benchmark for a price of pentonic ball pen. I tell my export team that, in India, a Bisleri or a water bottle costs us 10 rupees. That's why the price of pentonic is 10. Similarly, in all other countries, whatever is the popular price of a water bottle. That is our benchmark for pentonic ball pen. In most countries, the price is equivalent to 20 rupees, Indian rupees, and even more. We are able to sell pentonic at much higher price in those markets. That is the reason that we have better margins and exports. Let's say in terms of percentage, you can say that at least 4-5% more than our local markets.

Vivek Tulshyan: Got it, sir. This is very helpful. Thank you so much.

Himanshu: I would request anyone to please use the raise hand options in case you have a question for the management.

Himanshu: I don't think we have further questions to summarize. If you would want to give, maybe a short and medium term guidance on top line and profitability, and maybe you can end with that, sir.

Deepak Jalan: We've already given a guidance of 750 crores by the end of FY25, and of course it does not mean that we'll be able to deliver fixed growth every quarter. It could be a little lock-sided because there are several new products which we are launching in coming quarters. That's our guideline, which is I would say it is not very aggressive, it is not very conservative. Similarly on the margin side also, we have given a guidance of about 15% of EBITDA, which is quite achievable. I think these two are the most critical guidelines which we've already shared.

Sanjeev Sancheti: Of course, as you know, we are a negative debt company, so I think that's a very important focus that our debts are, so that we can get the maximum ROCs, etcetera.

Deepak Jalan: Yeah, of course. I think if we take care of these two, all other things will fall in place. My focus is only on these two numbers. As I said that international markets, while there is a big opportunity, there are also challenges. So exports, in some quarters, if we miss some shipments, then we don't even have growth. If we are able to ship all the shipments, then suddenly you can see a good jump. I would only say that let's not go quarter-wise numbers, but we are quite confident of achieving this number which we have guided.

Himanshu: Great, sir. We would hope that you outperform on these numbers, and we hope that your guidance turns out to be quite conservative that way.

Deepak Jalan: Absolutely, yes.

Himanshu: All the best, sir. Thank you so much for giving us the time and the valuable insight, sir, on the company.

Deepak Jalan: Thank you very much to all of you to follow our company and I can only say that we will not let you down and we have a long way to go, and we are very, very optimistic about our business. We can totally focus on this business. We have no other business.

Sanjeev Sancheti: Yeah, absolutely. Only this business and nothing else. And thanks alot to the Systematix team for organizing this call. Really appreciate that. Thanks to that. I see, Siddharth.

Siddharth: We are extremely positive on your company.

Deepak Jalan: Thank you