



Press Release
LINC LIMITED
July 18, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	55.50	ACUITE A+ Stable Assigned	-
Bank Loan Ratings	4.50	-	ACUITE A1+ Assigned
Total Outstanding Quantum (Rs. Cr)	60.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of 'ACUITE A+' (read as ACUITE A plus) on the Rs. 55.50 Cr. bank facilities and short-term rating of 'ACUITE A1+' (read as ACUITE A one plus) on the Rs. 4.50 Cr. bank facilities of LINC Limited. The outlook is 'Stable'.

Rationale for Rating

The rating takes into cognizance long track record of operations, benefits derived from the experienced management, strong distributor network, established presence within and outside India, improving revenues and operating profitability, healthy financial risk profile, moderate working capital cycle and strong liquidity. However, these strengths are partly offset by intense competition in the industry and susceptibility of margins to volatility in raw material prices.

About the Company

Incorporated in 1994, Linc Limited is West Bengal based company which is into manufacturing (80.78% of revenue contribution in FY 25) and exports (19.22% of revenue contribution in FY 25) of writing instruments and stationery items. The company has two manufacturing units at Serakole, West Bengal and Umbergaon, Gujarat. It has manufacturing capacity of 60 crores pen per annum. The operation of the company are being managed by Mr Deepak Jalan, Mr Alope Jalan, Mr Rohit Jalan. The partners of the group are Mitsubhishi Pencil Co. Limited and Deli. The brands sold under the group are Linc, Pentonic, UniBall and Deli.

About the Group

Gelx Industries Private Limited (GIPL)- It is a subsidiary of Linc Limited since October 3rd, 2023 in India.

Morris Linc Private Limited (MLPL)-It is a Joint Venture since 28th June, 2023 in India.

Uni Linc Private Limited (UIPL)-It is a joint venture with Mitsubhi Pencil Co. since January 29th, 2025 in India.

Silka Linc Kirtasiye Urunleri Sanayi Anonim Sirketi (SLKUSAS) I-t is a joint venture since October 17th 2024 to be set up in Turkey.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has taken consolidated business and financial risk profile of Linc Limited and its subsidiary Gelx Industries

Private Limited due to operational and financial linkages. The consolidation with joint ventures namely Morris Linc Private Limited, Uni Linc Private Limited and Silka Linc Kirtasiye Urunleri Sanayi Anonim Sirketi is to the extent of profit sharing ratio.

Key Rating Drivers

Strengths

Benefits derived from experienced promoters and established presence within and outside India

The operations of the company are managed by Mr Deepak Jalan. The group is the 2nd largest writing instruments manufacturer in India. The group has strong distribution network across India catering to about 2.56 lakhs retailers. The group has PAN India presence across all regions and moving towards a more homogenous presence across India. The group also exports to Europe, North America, South East Asia, South America, Africa among others. The group holds long standing relationship with customers and suppliers. Acuite believes that the benefits derived from promoters and established presence will help the group going forward.

Revenues and operating profitability

The revenues of the group have increased to Rs. 543.48 Cr. as on March 31, 2025 as compared to Rs. 507.85 Cr. on account of increase in quantity sold and better realisations. The operating profitability has increased to 11.85 percent as on March 31, 2025 as compared to 11.81 percent as on March 31, 2024. Acuite believes that the scale of operations and operating profitability will improve in the near to medium term on account of capex plans for modernisation and expansion of existing plant and new ventures that the Company has entered into alongwith new brand and product launches.

Healthy Financial Risk Profile

The financial risk profile of the group is marked healthy by improving net worth, moderate gearing and debt protection metrics. The tangible net worth of the group stood at Rs. 234.95 Cr. as on March 31, 2025 as compared to Rs. 204.77 Cr. as on March 31, 2024 due to accretion to reserves. The group has a track record of paying dividends consistently other than the Covid year. The long term debt comprises of lease liabilities. The gearing of the company stood at 0.11 times as on March 31, 2025 as compared to 0.13 times as on March 31, 2024. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 0.43 times as on March 31, 2025 as compared to 0.49 times as on March 31, 2024. The debt protection metrics of the group remain moderate marked by debt service coverage ratio (DSCR) of 15.86 times for March 31, 2025. The net cash accruals to total debt (NCA/TD) stood at 1.99 times as on March 31, 2025 as compared to 1.90 times as on March 31, 2024. Acuite believes that the financial risk profile will remain healthy over the medium term, with steady cash accruals and absence of any major debt funded capex plans.

Moderate Working Capital Cycle

The working capital cycle of the group is moderate as reflected by Gross Current Assets (GCA) of 122 days for March 31, 2025 as compared to 125 days for March 31, 2024. The debtor period stood at 36 days as on March 31, 2025 as compared to 38 days as on March 31, 2024. Further, the inventory days of the group stood at 71 days as on March 31, 2025 as compared to 78 days in FY2024 considering high numbers of SKUs. The creditors stood at 64 days as on March 31, 2025 as compared to 68 days as on March 31, 2024. . Acuite believes that the working capital operations of the group will remain at the similar levels over the medium term.

Weaknesses

Exposure to intense competition

The market is highly competitive with large and organised players; further, the competition includes local and unorganised players in the same domain of business. As a result of stiff competition from other players in the market, the pricing power of entities remains limited.

Susceptibility of operating margin to fluctuations in raw material prices

The key raw material for the group is polymer which is a derivative of crude oil and is susceptible to price changes. The group may not be able to change its average selling realisation prices in tandem with such volatility since it is dealing in a price-sensitive market. Although, Lincs's margins have been healthy at 11.85 per cent in FY 25 and 11.81 per cent in FY 24, the same has been due to optimisation of cost structure and prudent working capital policies. Acuite believes that the susceptibility of operating margin to volatility in raw material pricing will be a key rating sensitivity factor.

Rating Sensitivities

Movement in revenues and operating profitability

Working Capital Cycle

Exposure to the group entities

Liquidity Position

Strong

The group has strong liquidity position marked by net cash accruals of Rs 52.93 Cr. as on FY2025 as against long term debt repayment of Rs. 0.58 Cr. over the same period. The group does not have any repayment obligations

other than lease liability repayments. The cash and bank balance stood at Rs. 25.05 Cr. as on March 31, 2025 and Rs. 14.56 Cr. as on March 31, 2024. Further, the current ratio of the company stood at 2.25 times as on March 31, 2025 as compared to 2.12 times as on March 31, 2024. The Company is undergoing capex plans of about Rs. 35 Cr. to be funded by internal accruals. There is minimal dependence on bank limits to fund working capital requirements of the group. Linc Limited has invested in a few joint ventures as a part of strategic business acquisition on overseas market, such investments are to the tune of Rs. 10.04 cr. Acuité believes that the liquidity of the group will remain strong in the near to medium term on account of steady cash accruals, absence of any debt repayment obligations, healthy current ratio, no dependency on bank limits to fund working capital and absence of any debt funded capex plans.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	543.48	507.85
PAT	Rs. Cr.	37.98	34.39
PAT Margin	(%)	6.99	6.77
Total Debt/Tangible Net Worth	Times	0.11	0.13
PBDIT/Interest	Times	23.51	24.73

Status of non-cooperation with previous CRA (if applicable)

CRISIL, vide its press release dated July 8th, 2025 had denoted the rating of Linc Limited as 'CRISIL BB+/Stable/A4+; DOWNGRADED AND ISSUER NOT CO-OPERATING'

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History: Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A1+ Assigned
IDBI Bank Ltd.	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.50	Simple	ACUITE A1+ Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A+ Stable Assigned
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A+ Stable Assigned
IDBI Bank Ltd.	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.50	Simple	ACUITE A+ Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A+ Stable Assigned
IDBI Bank Ltd.	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A+ Stable Assigned

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr No.	Companies
1	Linc Limited
2	Gelx Industries Private Limited
3	Morris Linc Private Limited
4	Uni Linc Private Limited
5	Silka Linc Kirtasiye Urunleri Sanayi Anonim Sirketi

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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