

**11TH ANNUAL
REPORT
2000-2001**

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INDIAN TONERS & DEVELOPERS LTD.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Sushil Jain Chairman & Managing Director
 Shri P.K. Kanoria
 Shri J.S. Varshneya
 Shri Vikram Parkash
 Dr. M.R.Jain
 Shri N.S. Sharma

EXECUTIVE DIRECTOR & COMPANY SECRETARY

Shri S. C. Singhal

BANKERS

State Bank of India

AUDITORS

K.N. Gutgutia & Co.
 Chartered Accountants
 11-K, Gopala Tower,
 25, Rajendra Place,
 New Delhi 110 008

REGISTERED OFFICE & WORKS

10.5 KM, Rampur-Bareilly Road,
 Rampur 224 901 (U.P.)
 Tel. : 0595 - 634148, 634174.

CORPORATE OFFICE & SHARE DEPARTMENT

5-E, Gopala Tower,
 25, Rajendra Place,
 New Delhi 110 008
 Tel : 5751420, 5742509
 5748160, 5763993
 Fax : 91-11-5751422
 E-Mail : itdl@vsnl.com
 Website : <http://www.indiantonners.com>

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NOTICE

INDIAN TONERS & DEVELOPERS LIMITED

NOTICE is hereby given that the Eleventh Annual General Meeting of the Shareholders of **INDIAN TONERS & DEVELOPERS LIMITED** will be held on Wednesday, 8th August, 2001 at 12.00 P.M. at the Registered Office of the Company at 10.5 KM. Rampur-Bareilly Road, Rampur 244 901 (U.P.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended March 31, 2001 and the Balance Sheet as at March 31, 2001 and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Vikram Prakash who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri J.S. Varshneya who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors to fix their remuneration and the mode of payment.

M/s K.N. Gutgutia & Co. Chartered Accountants, are the retiring Auditors.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT the Articles of Association of the company be altered in the following manner:

After Article 10, Insert the following Article as Article 10A:

10A(1) For the purpose of this article (Dematerialisation of Securities):

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange board of India Act, 1992;

'Security' means such securities as may be specified by SEBI from time to time.

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer

Securities in a dematerialised form pursuant to the Depositories Act, 1996.

- (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

- (4) All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Section 153, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

- 5(a) Notwithstanding any things to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owners.

- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company.

The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

- (6) Notwithstanding anything in the Act or these Articles to the contrary, where

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securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

- (7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- (8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- (10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act 1996, shall be deemed to be the Register and Index of Members and Securities holders for the purposes of these Articles.

NOTES :

1. Members entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member Proxies in order to be effective, must be received at the registered office/head office of the Company not less than

forty eight hours before the meeting. A proxy form is appended with the attendance slip.

2. The explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item 5 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 01.08.2001 to 08.08.2001(both days inclusive)
4. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during Office hours on all working days except Saturday and Holidays, between 11.00 a.m. to 1.00 pm upto the date of Annual General Meeting.
5. Member, who hold shares in de-materialised form are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.
6. Members are requested to notify immediately any change in their addresses to the Company and in case their shares are held in Dematerialised form, this information should be passed on to their respective depository participants without any delay.
7. In all correspondence with the Company, members are requested to quote their accounts / folio numbers and in case their Shares are held in the dematerialised form, they must quote their Client ID No. and their DP ID No.

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT**

(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

ITEM NO. 5

With the introduction of the Depositories Act, 1956, and the Depository System, some of the provisions of the Companies Act, 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding Securities in an electronic form is a far safer and more convenient method for holding and trading in the Securities of a Company. Your Company has also joined the depository system and therefore, propose that the Company's Article of Association be suitably altered, as set out in the Resolution at Item No.5 to reflect the provision introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the Securities in such system.

None of the Directors is concerned or interested in the said resolution.

By Order of the Board
For INDIAN TONERS & DEVELOPERS LTD.
(S. C. SINGHAL)
EXE. DIRECTOR
& COMPANY SECRETARY

PLACE : New Delhi
DATED : The 11th Day of June 2000

DIRECTOR S' REPORT

INDIAN TONERS & DEVELOPERS LIMITED

To the Members,

Your Directors have pleasure in presenting their 11th Annual Report alongwith the Accounts for the year ended March 31, 2001

Working Results

	Rs.in lacs	
	For the year ended 31st March, 2001	For the year ended 31st March, 2000
Turnover	2768	2558
Operating Gross Profit	557	651
Less : Financial Charges	127	302
Depreciation & Other		
Amortisations	124	118
	251	420
Profit/(Loss)before tax	306	231
Less : Provision for tax	23	21
Net Profit/(Loss)	283	210
Less : Adjustment relating to earlier Years.	2	4
Surplus Available for Appropriation	281	206

OPERATIONS

During the year under review, your company achieved a turnover of Rs. 2760 Lacs as against Rs. 2558 Lacs during last year registering an increase of 7.9%.

The production during the year also increased to 405 MT as against 366 MT during last year. Through the production and sales have increased in terms of quantity but due to tough competition in the market and import of toner by traders, the per unit sale realisation has fallen. However higher sales volume and low interest cost due to conversion of higher rate of interest loans into ECB loan resulted in increased profit. Your company's performance has been satisfactory specially keeping in view the prevailing recessionary trend in the overall economy of the country.

FUTURE OUTLOOK

The long term aim of your Company is to strengthen its established brand image by offering customers quality products at reasonable prices. The aim of the Quality Policy of the Company is to provide

satisfaction to its customers. To this end, your Company is committed to develop, produce and market products and services that cater continuously to the need and expectations of customers and succeed in giving the company competitive advantage. The distribution channels are continuously being expanded and are well positioned to provide greater market penetration, to take advantage of future customer requirements, to ensure faster services to customers and more effective distribution of products in the areas where the company is having lesser presence.

Your Company has decided to install a Pilot Plant to develop new, quality products at competitive prices. This is a step towards emphasis on cost and quality which is important in view of both foreign and domestic competition enjoying price advantage. Strict quality control and efficient cost management are two key factors which will help the Company to expand its business horizon over the years.

FIXED DEPOSITS

The Company has not invited any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

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DIRECTORS

Shri J.S. Varshneya and Shri Vikram Prakash, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm :-

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period.
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) that the directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s. K.N. Gutgutia & Co., Chartered Accountants, New Delhi, Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for reappointment. The requisite certificate under Section 224 (1) (b) of the Companies Act, 1956, has been received from them.

OTHER INFORMATION

Other information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure - "A" of this report.

PERSONNEL

Cordial Industrial relations continued to prevail thereby further strengthening employees' commitment to the growth of the Company.

The Board wishes to express its deep appreciation to all sections of the Employees for their whole hearted efforts, cooperation and outstanding contribution to the growth of the Company during the year.

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with Company (Particulars of Employees) Rules, 1975 form part of this Report.

However, this information is not being sent alongwith the Annual Report as per Section 219(1)(b)(iv) of the

Act. Any Shareholder interested in obtaining such particulars may write to the Company at its Corporate/Registered Office.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Additional information to the extent applicable on conservation of energy, technology, absorption, foreign exchange earning and outgo is required to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is annexed hereto and forms part of this report.

LISTING OF SECURITIES

The equity shares of the company are listed at, Ahmadabad, Delhi, Kolkata and Mumbai Stock Exchanges. The Company is regular in paying the listing fees on demand by the respective stock exchange.

DEMATERIALISATION OF SECURITIES

The shares of your Company have been included in the compulsory list for trading in dematerialisation form with effect from 30.10.2000. Your company has entered into necessary agreements with both the Depositories i.e. NSDL (National Securities Depository Limited) and CDSL (Central Depository Securities Limited). Shareholders can hereinafter trade in the securities of the company only in dematerialised form.

AUDIT COMMITTEE

As required under the provisions of Section 292 A of the Companies (Amendment) Act, 2000, your Board constituted an Audit Committee comprising of Shri Sushil Jain, Chairman & Managing Director, Shri Vikram Prakash and Shri M.R. Jain, Non-Executive independent Directors of the Company. The Statutory Auditors, the Internal Auditors and Director-in-Charge of Finance shall also attend and participate at Meetings of the Audit Committee but shall not have the right to vote.

CORPORATE GOVERNANCE

In terms of Clause 49 of the Listing Agreement entered into with Stock Exchange, the code of Corporate Governance will be applicable within the financial year 2002-2003. However the company is taking steps for an early implementation of the matters governed by the Code.

ACKNOWLEDGEMENT

Your Directors acknowledge the cooperation and assistance extended by various agencies of the Central Government, the Uttar Pradesh Government, Financial Institutions, State Bank of India and Customers. Your Directors also thank the shareholders for their continued support,

For & on behalf of the Board

(SUSHIL JAIN)

Chairman & Managing Director

Place : New Delhi

Dated : The 11th Day of June 2001