

**18<sup>TH</sup> ANNUAL  
REPORT  
2007-2008**



**INDIAN TONERS & DEVELOPERS LIMITED**

## INDIAN TONERS &amp; DEVELOPERS LIMITED

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

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

**EXECUTIVE DIRECTOR  
& COMPANY SECRETARY**

Shri. S. C. Singhal

**BANKERS**

State Bank of India

**AUDITORS**

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

**REGISTERED OFFICE & WORKS**

10.5 KM, Rampur - Bareilly Road,  
 Rampur 224 901 (U.P.)  
 Tel : (05960) - 228174, 228148

**CORPORATE OFFICE**

5E, Gopala Tower,  
 25, Rajendra Place,  
 New Delhi -110008.  
 Tel : (011) 25751420, 25742509  
 25748160, 25763993  
 Fax No. (011) 25751422  
 E-Mail : info@indiantoners.com  
 Website : http://www.indiantoners.com

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# NOTICE

## INDIAN TONERS & DEVELOPERS LIMITED

Notice is hereby given that the 18th Annual General Meeting of the Shareholders of **INDIAN TONERS & DEVELOPERS LIMITED** will be held on August, the 29th August, 2008 at 2.30 p.m. at the Registered Office of the Company at 10.5 K.M. Rampur – Bareilly Road, Rampur – 244901 (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, 31st, 2008 and the Balance Sheet as at March, 31st, 2008 and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of **Shri J. S. Varshneya** who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri Vikram Prakash** 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 authorize 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 remuneration of Shri Sushil Jain, Chairman & Managing Director of the Company as approved by the Shareholders of the Company in their Annual General Meeting held on 09.08.2005 be treated, subject to approval of the Central Government, if required, as minimum remuneration to be paid to Shri Sushil Jain for the tenure w.e.f. 01.08.2007 till 31.07.2010 even if the Company has no profits or its profits are inadequate in any financial year.

**FURTHER RESOLVED THAT** the aforesaid minimum remuneration as set out in the explanatory statement for the sake of clarification or removing any doubt, and the total of which may exceed the ceiling limit as specified in Part II section II (C) of schedule XIII of the Act is or will be payable to Shri Sushil Jain not with standing anything contained in any clause, section or part of Schedule XIII to the Companies Act, 1956 or any where-else and nothing will come in the way of the company for the payment of such minimum remuneration.

**FURTHER RESOLVED THAT**, subject to necessary approvals as required under the provision of the Companies Act, 1956, the Keyman Policy No. 114129761 taken by the Company in the name of Shri Sushil Jain, Chairman & Managing Director of Company be and is hereby approved to be assigned to Shri Sushil Jain at the guaranteed Surrender Value of Rs 18,34,542/- as per Surrender Value Quotation dated 29.05.2008 received from Life Insurance corporation of India (L.I.C.), New Delhi and be treated as perquisite to Shri Sushil Jain for all purposes.

**RESOLVED FURTHER THAT** the Board of Directors and / or the Company Secretary of the Company be and are hereby severally authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

**"RESOLVED THAT** pursuant to the Provisions of Section 314 and other applicable provision, if any of the Companies Act, 1956 and subject to any other approval, if any, required under other laws, consent of the Company be and is accorded to Shri Akshat Jain, a relative of Shri. P.K. Kanoria and Shri Sushil Jain, Directors of the Company, to hold an office or place of profit in the company w.e.f. 01.04.2008 as Vice President - Corporate Affairs, or on such designation as may be decided by the Management of the Company from time to time on the terms and conditions including Remuneration as set out in the explanatory statement, with liberty to the Board of Directors (herein referred to as "The Board" which term shall deemed to include any committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and to vary the terms and conditions of the said appointment and / or remuneration from time to time.

**FURTHER RESOLVED** THAT the Board of Directors and / or the Company Secretary of the Company be and are hereby severally authorized to take all such steps as may be necessary proper or expedient to give effect to this resolution

## ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

### ITEM NO. 5.

The Board in its meeting held on 31.05.2008 has revised the minimum remuneration of Shri Sushil Jain, Chairman & Managing Director of the Company on the recommendation of the Remuneration Committee for the remaining tenure of his reappointment w.e.f. 01.08.2007 to 31.07.2010 even if the Company has no profit or its profits are inadequate in any financial year.

While deciding the remuneration of Shri Sushil Jain, Chairman & Managing Director of the Company, the Remuneration Committee took into consideration the financial position of the Company, market trend, appointees qualification, experience, past performance, past remuneration and generally came to a consensus in bringing about objectivity in determining the remuneration package and tried their level best to strike a balance between the interest of the Company, its shareholders and the business environment specially in relation to the profoundly competitive market for the products of the Company and business environment in the Country. The Details of minimum remuneration payable to Shri Sushil Jain are as under:

<b>Name</b>	::	Shri Sushil Jain
<b>Designation</b>	::	Chairman & Managing Director
<b>Period</b>	::	w.e.f. 01.08.2007 to 31.07.2010
<b>Basic Salary</b>	::	Rs. 1,75,000/- (Rupees One Lac and Seventy Five Thousand only) p.m. with annual increment of 25% of basic salary.
<b>Personal Pay</b>	::	Rs. 1,00,000/- (Rs. One Lac only) p.m.
<b>Management Allowance</b>	::	Rs. 25,000/- (Rupees Twenty Five Thousand only) p.m.
<b>Commission</b>	::	As may be decided by the Board of Directors from time to time but not more than 2% of the profits of the Company.

### Perquisites/Amenities:

- i) Housing - Fully furnished Co.'s accommodation with water, gas and electricity. However, till Sh. Sushil Jain, does not avail/occupy the Co.'s accommodation, he will be entitled to House Rent Allowance @ 60% of the basic salary
- ii) Reimbursement of Medical Expenses - Reimbursement of medical expenses (including Mediclaim insurance premium) on self and his family subject to a ceiling of one month's basic salary in a year.
- iii) Leave Travel Concession - The expenses incurred on leave travel on self and his family shall be reimbursed once in a year equivalent to one month's basic salary.
- iv) Leave Encashment - As per rules and policy of the Co. payable at the time of expiry of each service tenure. Encashment of leave will not be included in the computation of the ceiling.
- v) Club Fees - Fees of clubs subject to a maximum of 2 clubs. The admission fees for 2 clubs will be allowed only once during all tenures of service with the Co. However, refundable security deposit in the name of the company, if any, will not be treated as a perquisite.
- vi) Personal Accident Insurance - Premium not to exceed Rs. 10,000/- per annum.
- vii) Car and Telephone - Free use of Co.'s two cars for official work as well as for personal purposes alongwith Driver and telephones, telefax and other communication facilities at residence.
- viii) Assignment of Keyman Policy : As and where approved by the Board, to assign Keyman Policy at Guaranteed Surrender Value as per L.I.C. norms
- ix) Provident Fund - Contribution to Provident Fund, Super Annuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are

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not taxable under the Income Tax Act, 1961.

- x) Gratuity - Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of the ceiling on perquisites. This will, however, be subject to ceiling prescribed by the Central Govt. from time to time.

**Explanation**

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such rules at actual cost.

A statement as required under the first proviso (sub-clause (iv) of Clause (C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is as follows :

**General Information :**

The industry falls under the Ministry of Chemicals and Petro-Chemicals and is engaged in the manufacture of compatible black toners for Photocopiers, Laser Printers, Digital Machines and Multi Function Printers. The Company started its commercial production in 1990. During the current year, your Company has achieved consolidated revenues (including other income) of Rs.4369.16 lacs and has reported Profit After Tax of Rs.279.17 lacs. During the year, your Company received foreign exchange earnings of Rs.1176.39 lacs.

**Information about the Appointee :**

Mr. Sushil Jain, aged 49 years, is a young and dynamic qualified engineer from Delhi School of Engineering, New Delhi and is associated with the Company from its inception. He was re-appointed as Chairman and Managing Director of your Company for a period of five years with effect from 01.08.2005. He has more than 24 years experience to his credit in managing the affairs of Industrial Undertakings at top management levels. He has very efficiently and suitably managed the affairs of the Company as its Chairman and Managing Director and under his guidance and supervision, the Company has become the leading Toner Company of the country. He is also a member of the Shareholders / Investors Grievance Committee of the Company. Mr. Sushil Jain is also on the Board of Directors of P.K. Business Enterprises Limited, Mahavir Phototech (Pvt.) Ltd., ITDL (USA) Inc. and ITDL Imagetec Limited. The remuneration payable to Mr. Sushil Jain as Chairman and Managing Director of the Company is given in the mentioned resolution. The recommended proposed revision in remuneration is in line with the trend and appropriate to the size of the Company and is also considering increase in the duties and responsibilities being performed by him.

**III. Other information :**

The Company has grown during the last 6-7 years but is facing tough competition from the import of toners in the unorganized sector. However, the Company has taken steps to deal with the situation and gone for various methods of cost reduction. Approximately 30% revenues of the Company are generated from exports. The profits of the company are expected to rise in future with the increase in revenues.

**IV. Disclosures :**

The remuneration payable to Mr. Sushil Jain as Chairman & Managing Director during the tenure of his appointment will comprise of salary, allowances, commission and other perquisites as mentioned in Resolution No. 5 of the Notice of the Annual General Meeting. The perquisites and allowance payable to Shri Sushil Jain will include company owned / leased accommodation or house rent allowance in lieu thereof, medical reimbursements, leave travel concession for self and family including dependents, medical insurance, car and telephone, club fees, assignment of Keyman Policy and such other perquisites and or allowances as specified in the resolution. The said perquisites and allowances shall be evaluated wherever applicable as per Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactments hereof for the time being in force). The Board or any committee thereof, subject to requisite approval(s), if necessary, is entitled and authorized to revise at any time, the salary, allowance and perquisite payable to the Chairman and Managing Director of the Company.

cept Shri Sushil Jain and Shri P.K. Kanoria, being self and a relative of Shri Sushil Jain respectively, no Director of the Company is in any way concerned or interested in the resolution

above may also be treated as an abstract of the Memorandum of Interest of the Chairman & Managing

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Director, Shri Sushil Jain, pursuant to Section 302 of the Companies Act, 1956.

The Board recommends passing of the Resolution.

**ITEM NO. 6.**

Shri Akshat Jain, son of Shri Sushil Jain, Chairman & Managing Director and a relative of Shri P.K. Kanoria a Director of the Company is a young dynamic person of 24 years.

He did his schooling from Saint Columbus School and American Embassy School in India and B.Sc in Business Administration from Pepperdine University, Malibu, CA.

Shri Akshat Jain worked in Identysafe, Inc. Los Angeles, CA, Bharti Televentures (Airtel), New Delhi, India and Merrill Lynch, New York, NY for short intervals to acquire experience of Corporate World.

Shri Akshat Jain, was appointed by the Board of Directors in their meeting held on 31.01.2005 as "Manager-Corporate Affairs" with effect from 01.3.2005 on a total monthly remuneration of Rs.25,000/- (Rupees Twenty Five Thousand Only) and the same was approved by the shareholders of the Company in the Annual General Meeting, held on 9th, August, 2005.

The Board in its meeting held on 29.05.2006 revised the upper limit of remuneration payable to Shri Akshat Jain from Rs. 25,000/- to Rs. 50,000/- p.m. with designation as General Manager - Corporate Affairs and the same was approved by the shareholder of the Company in the Annual General Meeting, held on 7th August, 2006.

After joining Shri Akshat Jain is doing extremely well. He has been instrumental in setting up a new project in the subsidiary of the Company and is directly responsible for the entire exports of the Company. There has been tremendous increase in the exports of the Company during his period.

Now on the recommendation of the Remuneration Committee, the Board of Director in their meeting held on 31.01.2008 considered the revision, subject to your approval, in the designation and remuneration of Shri Akshat Jain as under:

- 1) **Designation :** Vice President - Corporate Affair or such designation as may be decided by the management of the Company from time to time.
- 2) **Remuneration**
  - (i) **Basic Salary :** Rs.50,000.00 (Rs. Fifty thousand only) per month  
(Annual increase up to an extent of 40% of the basic salary, with such quantum and at such intervals, till disassociation, at the discretion of the Board of the Company)
  - (ii) **Housing :** The company may provide duly maintained rent-free accommodation together with furniture and furnishings that is needed to set up home such as electrical appliances, air conditioners, furniture and fittings.  
Or  
The company may give House Rent Allowance upto 60% of the Basic Salary.
  - (iii) **Car :** The company may provide a Chauffeur driven car, for official and limited personal use. All expenses on running and maintenance of the car may be borne by the company.
  - (iv) **Telephone :** The company may provide a fixed line telephone at the employee's residence and a mobile phone and may bear the monthly rental and call charges.
  - (v) **Medical :** The company may reimburse all medical expenses / premium amounts of any medi-claim policy etc. for self and family as per rules of the Company from time to time, which at present is equivalent to one month basic salary per year.
  - (vi) **Leave :** As per rules and policy of the Company.  
Encashment
  - (vii) **Leave Travel :** The Company may provide leave travel for self and family as per rules of the

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Assistance	company from time to time which at present is equivalent to one month basic salary per year.
(viii) Other Perquisites	: Other perquisites like CCA, Uniform Allowance, Special Allowance, Reimbursement of Helper Expenses, Reimbursement of Entertainment Expenses for official work, bonus (ex-gratia) or any other allowance / perquisites which may be introduced by the company will also be payable to Shri Akshat Jain as per policy of the company from time to time.
ix) Contributions	: As per Rules of the Company from time to time, to the extent these are not Provident to fund, taxable under the Income Tax Act, 1961, either singly or put together. Superannuating Fund or Annuity Fund
(x) Gratuity	: Gratuity as per rules of the Company from time to time which at present is as per payment of Gratuity Act.

Shri Akshat Jain, being a relative of Shri P. K. Kanoria and Shri Sushil Jain, Directors, his appointment / or Change in remuneration requires your approval Under Section 314(1) of the Companies Act, 1956.

No other Directors except Shri P. K. Kanoria and Shri Sushil Jain, being relatives of Shri Akshat Jain, are interested in the Resolution

The Board recommends passing of the Resolution.

**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 / 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 Register of Members and Share Transfer Books of the Company will remain closed from 25th August, 2008 to 29th August, 2008 (both days inclusive).
3. 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 p.m. up to the date of Annual General Meeting.
4. Members, 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.
5. Members are requested to notify immediately any change in their addresses to the Company or to their respective depository participants without any delay.
6. In all correspondence with the Company members are requested to quote their Account / Folio Numbers and in case their Shares are held in the dematerialized form they must quote their Client ID No. and their DP ID No.

PLACE: New Delhi  
Dated : 31st May 2008

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

**DIRECTORS' REPORT**

INDIAN TONERS &amp; DEVELOPERS LIMITED

To  
The Members,

Your Directors have pleasure in presenting the 18th Annual Report alongwith the Accounts for the year ended March 31, 2008.

**Working Results**

	Rs.in lacs			
	For the year ended 31st March, 2008		For the year ended 31st March, 2007	
Turnover (including Excise Duty)	4261		4710	
Operating Gross Profit	642		928	
Less : Financial Charges	49		51	
Depreciation & Other				
Amortisations	178	227	176	227
Profit/(Loss) before tax		415		701
Less : Provision for tax - current year		157		287
Net Profit/(Loss)				
before Deferred Tax		258		416
Add : Deferred Tax liability		21		26
Surplus Available for appropriation		279		440

**OPERATIONS**

The year under review was a tough and challenging year. Your Company achieved a turnover of Rs. 4262 lacs as against Rs. 4,710/- Lacs during last year showing a decrease of 9.51 %.

The production during the year also marginally decreased to 885 MT as against 897 MT of the last year. In addition to low production and sales in terms of quantity, the per unit sales realization has also fallen due to tough competition in the market, import of toner by traders and lesser export benefits. However, introduction of new products with the help of Pilot Plant, tight control on expenses and lower interest cost helped your Company to check further reduction in profits.

**FUTURE OUTLOOK AND PLANS**

Fluctuation in foreign currency and tough competition in the market specially from the import of Toners by the traders will continue to be a challenge for your Company. The only solution is to increase our market share by more production, development of new products including Toners for the upcoming new

generation and Digital Machines and Laser Printers.

The wholly owned subsidiary of the Company in USA by the name ITDL (USA) Inc, and the Representative Offices in Singapore and China have helped adding substantially to the exports of your Company and the results for the year would have been much better but for the strengthening of Indian rupee against \$.

The strengthening of the rupee had multiple adverse impact on your Company's performance.

- The export realization directly plummeted to the extent of the %age appreciation of rupee viz-a-viz dollar.
- The landed price of imported toner by the trader importers became less as a result of rupee appreciation and the toner selling prices came down as a result of which there was pressure on margins of your Company.
- The currency of import for raw materials

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was not always favourable to your Company as a result of which the raw material cost of your Company was not reduced in the same proportion.

- d) Due to increase in oil prices there has been an overall pressure on the prices of raw materials which are petroleum based. As such, input costs have been increasing.
- e) Imports from China though of poor quality is spoiling the market.

You are aware that during the last year, your Company formed a subsidiary by the name ITDL Imagetec Limited for setting up a project in Sitarganj (Uttarakhand) for the manufacture of Toners & Developers with a manufacturing capacity of 1200 MT. Construction at the project site is in full swing, most of the plant and machinery has already arrived at site and it is expected that the project will start commercial production by September, 2008.

The fight against clandestine import by unethical means is an ongoing process and your Company is quite hopeful that inspite of these odds, it will be able to manage and maintain its race to increase its turnover and profits by increasing its market share both in domestic and international markets.

Customers' satisfaction, strengthening the established brand image by offering customers quality products at reasonable prices is the continuing aim of your Company. Expansion of the distribution channels to ensure faster service, more effective distribution, better presence and greater market penetration is a continuous process.

The overall market is growing at the rate of around 15%. So there is scope of getting good share of the market with aggressive marketing strategy.

**RESEARCH AND DEVELOPMENT ACTIVITIES**

Research and Development has always been the cornerstone of your Company's success. With the help of the Pilot Plant, your Company has successfully developed new quality products at competitive prices to face the global competition and is very optimistic to develop many more products in the times to come.

Continuing recognition by the Department of Scientific and Industrial Research, Ministry of Science & Technology to your In - House R & D Unit is a moral boosting and an encouragement for the team of your Research & Development Centre.

During the year the Company has incurred R & D expenses of Rs.44.77 lacs in various heads (including

Raw Material Consumption of Rs. 2.31 lacs) in addition to Rs. 15.26 lacs for purchase of capital items. Your Company has exhaustive programme of R & D activities in the coming 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.

**DIRECTORS**

Shri J. S. Varshneya and Shri Vikram Prakash, Directors of your 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, with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- (I) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (II) the directors have selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit or loss of the company for that period;
- (III) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (IV) the directors have 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

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themselves for re-appointment. The Requisite Certificate Under Section 224 (1B) of The Companies Act, 1956 has been received from them.

The reports and accounts of the Subsidiary Companies (consolidated) along with the Statement pursuant to Section 212 of the Companies Act, 1956 are annexed.

**OTHER INFORMATION**

The other information required u/s 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 given in Annexure "A" of this report.

**PERSONNEL**

Cordial Industrial relations continue 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, co-operation 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, the information is not being sent along with 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.

**DISCLOSURES UNDER LISTING AGREEMENT**

Your Company is now listed only with Bombay Stock Exchange Ltd. The Company is regular in paying the listing fees on demand.

**DEMATERIALISATION OF SECURITIES**

As informed earlier, the shares of your Company were included in the compulsory list for trading in dematerialisation form with effect from 30.10.2000 and your company had entered into necessary agreements with both the Depositories i.e. NSDL (National Securities Depository Limited) and CDSL (Central Depository Securities Limited). It is, therefore, advisable to trade in the shares of the company in dematerialisation form which is convenient and safe.

**CORPORATE GOVERNANCE**

In terms of Clause 49 of the Listing Agreement, a Report on Corporate Governance along with a certificate from the Auditors of the Company on the compliance of the conditions of Corporate Governance is provided elsewhere in this Annual Report.

**ACKNOWLEDGEMENT**

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

Place : New Delhi  
Date : 31st May, 2008

For & on behalf of the Board  
(SUSHIL JAIN)  
Chairman & Managing Director