

# **19<sup>TH</sup> ANNUAL REPORT 2008-2009**



**INDIAN TONERS & 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 Sanjeev Goel Director  
 Shri N. S. Sharma 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) 45017000 (30 Lines)  
 Fax No. (011) 25751422  
 E-Mail : info@indiantoners.com  
 Website : http://www.indiantoners.com

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Notice is hereby given that the 19th Annual General Meeting of the Shareholders of **INDIAN TONERS & DEVELOPERS LIMITED** will be held on Saturday, the 29th August, 2009 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, 2009 and the Balance Sheet as at March, 31st, 2009 and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of **Shri Pawan Kumar Kanoria** who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri Sanjeev Goel** 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. Gutgúta & 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** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) consent of the Company be and is hereby accorded to the re-appointment of Sh. N. S. Sharma, as a Whole time Director of the Company for the period from **01.08.2008 to 26.03.2009** on the terms & conditions including remuneration as set out in the explanatory statement herein, with liberty to the Remuneration Committee / Board of Directors (hereinafter referred as "The Board" which term shall be 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 & conditions of the said appointment and/or remuneration; within the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto; as may be agreed to between the Board and Sh. N. S. Sharma.

**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 or incidental 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 Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) consent of the Company be and is hereby accorded to the re-appointment of Sh. N. S. Sharma, as a Whole time Director of the Company for a period of 2 (Two) years with effect from **27.03.2009 to 26.03.2011** on the terms & conditions including remuneration as set out in the explanatory statement herein, with liberty to the Remuneration Committee / Board of Directors (hereinafter referred as "The Board" which term shall be 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 & conditions of the said appointment and/or remuneration; within the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that

behalf from time to time or any amendments thereto as may be agreed to between the Board and Sh. N. S. Sharma.

**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 or incidental 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 of Directors in its meeting held on 31.01.2007 appointed Shri N.S. Sharma as a wholetime director for a period of 2 years w.e.f. 27.03.2007 as recommended by the Remuneration Committee, which was further approved by the shareholders of the company in the Annual General Meeting held on 22.08.2007. Shri N.S. Sharma resigned from the wholetime Directorship w.e.f. 01.06.2008 which was accepted by the Board of Directors but Shri N.S. Sharma continued to remain as a Director of the Company.

In view of the work requirement of the Company, Shri N.S. Sharma was requested to again join the Company as a wholetime Director to which he agreed / consented. The Board of Directors on the recommendations of the Remuneration Committee re-appointed Shri N.S. Sharma as a wholetime Director of the Company for the remaining tenure of his Directorship from 01.08.2008 to 26.03.2009 on a total consolidated salary of Rs.81,000/- (Rupees Eighty One Thousand only) per month which may be bifurcated by the Management of the Company in different head from time to time if so required and further authority to the Chairman and Managing Director of the Company to consider revision in the salary of Mr. N.S. Sharma from time to time as per requirement of the Company. However, this reappointment of Shri N.S. Sharma was subject to the approval of the shareholders in the forth coming Annual General Meeting of the Company.

Shri N.S. Sharma aged 77 years is B.Sc and B.Tech (Hons) from IIT, Khadagpur. He has accumulated 47 years of extensive working experience in diverse industries such as Pulp and Paper, Steel PVC Pipes and Tubes and Toners in the capacity of Chief Engineer, Works Manager, General Manager and Director (Technical) respectively. His current responsibilities as Director (Technical) encompass mainly of the technical matters and the company benefits from the long, versatile and in-depth experience.

**Minimum Remuneration :** Notwithstanding anything hereinabove stated, where in any financial year during Sh. N. S. Sharma's tenure as Wholetime Director, the Company has no profits or its profits are inadequate, Sh. N. S. Sharma will be paid remuneration by way of salary, allowances, perquisites and any other allowances or as a consolidated salary not exceeding the maximum limits as prescribed under Section II of part II of Schedule XIII to the Companies Act, 1956 or within such ceiling as may be prescribed under Schedule XIII from time to time of the Companies Act or as may be re-codified.

The above may also be treated as an abstract of the memorandum of interest of the Wholetime Director, Sh. N. S. Sharma, pursuant to Section 302 of the Companies Act, 1956.

Except Sh. N. S. Sharma, none of the Directors of the Company is, in any way, concerned or interested in the resolution.

The Board recommends passing of the resolution.

### **ITEM NO. 6**

The Board of Directors in its meeting held on 31.01.2009 has re-appointed Shri N.S. Sharma as a wholetime director for a period of 2 years w.e.f. 27.03.2009 upto 26.03.2011 as recommended by the Remuneration Committee on a total consolidated salary of Rs.87,500/- (Rupees Eighty Seven Thousand Five Hundred

## INDIAN TONERS &amp; DEVELOPERS LIMITED

only) per month which may be bifurcated by the Management of the Company in different head from time to time if so required and further authority to the Chairman and Managing Director of the Company to consider revision in the salary of Mr. N.S. Sharma from time to time as per requirement of the Company. However, this reappointment of Shri N.S. Sharma was subject to the approval of the shareholders in the forth coming Annual General Meeting of the Company.

Shri N.S. Sharma aged 77 years is B.Sc and B.Tech (Hons) from IIT, Khadagpur. He has accumulated 47 years of extensive working experience in diverse industries such as Pulp and Paper, Steel PVC Pipes and Tubes and Toners in the capacity of Chief Engineer, Works Manager, General Manager and Director (Technical) respectively. His current responsibilities as Director (Technical) encompass mainly of the technical matters and the company benefits from the long, versatile and in-depth experience.

Minimum Remuneration : Notwithstanding anything hereinabove stated, where in any financial year during Sh. N. S. Sharma's tenure as Wholetime Director, the Company has no profits or its profits are inadequate, Sh. N. S. Sharma will be paid remuneration by way of salary, allowances, perquisites and any other allowances or as a consolidated salary not exceeding the maximum limits as prescribed under Section II of part II of Schedule XIII to the Companies Act, 1956 or within such ceiling as may be prescribed under Schedule XIII from time to time of the Companies Act or as may be re-codified.

The above may also be treated as an abstract of the memorandum of interest of the Wholetime Director, Sh. N. S. Sharma, pursuant to Section 302 of the Companies Act, 1956.

Except Sh. N. S. Sharma, none of the Directors of the Company is, in any way, concerned or 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 25<sup>th</sup> August, 2009 to 29<sup>th</sup> August, 2009 (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.

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

PLACE : New Delhi  
Dated : 30th May 2009

**DIRECTORS' REPORT**

INDIAN TONERS &amp; DEVELOPERS LIMITED

To,  
The Members,

Your Directors have pleasure in presenting the 19th Annual Report alongwith the Accounts for the year ended March-31, 2008.

**Working Results**

	Rs.in lacs	
	For the year ended 31st March, 2009	For the year ended 31st March, 2008
Turnover (including Excise Duty)	4759	4261
Operating Gross Profit Less :	687	607
Less : Financial Charges	26	14
Depreciation & Other Amortisations	181	178
Profit/(Loss) before Tax	480	415
Less : Provision for tax—Current Year	204	157
Net Profit/ (Loss)		
before Deferred Tax	276	258
Add : Deferred Tax liability	39	21
Surplus Available for appropriation	315	279

**OPERATIONS**

Despite, the year under review being a tough and challenging year, your Company was able achieve a turnover of Rs. 4759 lacs as against Rs. 4261 Lacs during last year showing an increase of 11.69%.

The production during the year also increased to 978 MT as against 885 MT of the last year showing an increase of 10.51%.

As the objectives for which the Singapore and China representative offices of your Company were set up were achieved, it was thought fit to discontinue the same.

**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 Company's market share by more production, development of new products including Colour Toners.

Your Company has planned to enter into the Colour Toner Market and has already started working on that by taking various positive and proactive steps.

ITDL Imagetec Limited a subsidiary of your Company which was set up in Sitarganj (Uttarakhand) for the manufacture of Toners & Developers with a

manufacturing capacity of 1200 MT, has started commercial production from April 2009 and is expected to give good results.

The fight against clandestine import by unethical means is an ongoing process and your Company is quite hopeful that despite 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.

Your company is always conscious for customers' satisfaction and strengthening its established brand image. Therefore, it is always the aim of your company to offer quality products at reasonable prices, develop more effective logistics, and expand the distribution channels so that customers' needs are catered by providing faster service through better presence and greater market penetration.

During the year, there was a drop of approximately 25 - 30% in the hardware shipments of OEMS which resulted in the slowdown in sales of consumables also. However in this adverse situation, there was



opportunity for after market toner suppliers like us to take the advantage.

### **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.

Your Company has also started R & D on Colour Toner and is quite hopeful to get the positive results within the stipulated time frame with the enthusiasm and whole hearted efforts of the R & D team.

During the year the Company has incurred R & D expenses of Rs.42.42 lacs in various heads (including Raw Material Consumption of Rs. 2.51 lacs) in addition to Rs. 1.74 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 Pawan Kumar Kanoria and Shri Sanjeev Goel, 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 along with 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 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 Mumbai Stock Exchange Limited. 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 alongwith 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 : 30th May, 2009

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



## ANNEXURE "A " TO DIRECTORS' REPORT

Information pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

### (A) Conservation of Energy

Regular Supervision and controls are being maintained in areas where steps have already been taken for the conservation of energy.

### (B) Technology Absorption

- |    |   |    |  |
|----|---|----|--|
| 1. | Specific areas in which R&D carried out by the Company. | :: | Development & Introduction of new Toners compatible for the upcoming Photocopiers, digital machines & laser printers.                                |
| 2. | Benefits derived as a result of the above R&D.          | :: | Availability of extended range of products, resulting in procurement & servicing of orders for additional products in the export & domestic markets. |
| 3. | Further plan of action                                  | :: | Development of more toner/developer formulations as well as their packaging  |
|    |   | :: | Re-sourcing of raw materials from other economical sources.  |
|    |   | :: | Import substitution of plant/machinery items by developing indigenous ones for economy in working.   |
|    |   | :: | Development of Colour Toner formulations as well as their packaging.   |
| 4. | Expenditure on R&D                                      | :: | Charged under the respective head of accounts.   |

### Technology Absorption, Adaption and Innovation

- |    |   |    |   |
|----|---|----|---|
| 1. | Efforts in brief  | :: | The technology & know-how given by the collaborator has been absorbed. The Company is in continuous touch with the developments taking place in the international field.  |
| 2. | Benefits derived  | :: | Efficient plant operation, achieving international product quality, self development of products and their packaging, substituting raw materials from economical sources. |
| 3. | In case of imported Technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished. |    |   |
|    | (a) Technology import   | :: | Augmenting Production capacity of Toners.   |

- (b) Year of import :: 2004-05, 2005-06, 2006-07
- (c) Has technology been fully absorbed? :: Yes
- (d) If not fully absorbed area where this has not taken place reason therefore and future plans of action :: Not applicable, since Technology is fully absorbed.

**(C) Foreign Exchange Earnings / Outgo****1 Activities Relating to Exports**

The Company has been able to increase its exports both quantity wise and value wise by 11.56% and 36.47% respectively during the year ending 31<sup>st</sup> March, 2009 as compared to 31<sup>st</sup> March, 2008.

**2. Total Foreign Exchange used and earned**

	Rs. in Lacs	
	2008-2009	2007-2008
<b>a) Total Foreign Exchange used</b>		
i) Import of Plant & Machinery	1.61	13.63
ii) Import of Raw Materials	1414.71	1226.86
iii) Import of Stores & Spares and Packing material	64.53	43.11
iv) Foreign Travel	9.85	10.76
v) Consultancy Charges	0.27	1.58
vi) Others	52.45	46.16
<b>TOTAL</b>	<b>1543.42</b>	<b>1342.10</b>
<b>b) Total Foreign Exchange earned (on FOB basis)</b>	<b>1561.96</b>	<b>1176.40</b>