

21ST ANNUAL REPORT 2010-2011



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 : 09219410588

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

INDIAN TONERS & DEVELOPERS LIMITED

Notice is hereby given that the 21st Annual General Meeting of the Shareholders of **INDIAN TONERS & DEVELOPERS LIMITED** will be held on Thursday, the 18th August, 2011 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, 2011 and the Balance Sheet as at March, 31st, 2011 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 Sanjiv 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. 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 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 1 (one) year with effect from **27.03.2011 to 26.03.2012** 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 14.02.2011 has re-appointed Shri N.S. Sharma as a wholetime director for a period of 1 year w.e.f. 27.03.2011 upto 26.03.2012 as recommended by the Remuneration Committee on a total consolidated salary of Rs. 45,000/- (Rupees Forty Five Thousand only) per month which may be bifurcated by the Management of the Company in different head from time to time if so required. 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 79 years is B.Sc and B.Tech (Hons) from IIT, Khadagpur. He has accumulated 49 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 as mentioned above as minimum remuneration

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 14th August, 2011 to 18th August, 2011 (both days inclusive).

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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.
 7. Members, desirous of availing electronic form of delivery of balance sheet and other related documents are requested to update their E – mail address with the Registrar and Transfer Agents or with the Company by a written request.

PLACE : New Delhi
Dated : 30th May 2011

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

INDIAN TONERS & DEVELOPERS LTD.

5 E, Gopala Tower, 25, Rajendra Place, New Delhi – 110 008

30th May, 2011

Dear Shareholder,

DESPATCH OF DOCUMENTS TO YOU THROUGH THE ELECTRONIC MODE

The Ministry of Corporate Affairs ("MCA") has now expressly permitted companies to effect service of documents on shareholders through the electronic mode by giving each shareholder an opportunity to register with the Company his / her e-mail address.

We, therefore, plan to send documents such as the Annual Report, Notices of General Meetings, Circulars and Postal Ballot Notices by e-mail to those shareholders whose e-mail IDs are available with us.

The MCA has clarified that service of documents on shareholders through e-mail will constitute sufficient compliance with Section 53 of the Companies Act, 1956.

In view of the above, should you desire to receive documents from the Company through the electronic mode, please send us an e-mail at investors@indiantoners.com stating either your Folio No. or your DPID and Client ID Numbers. Shareholders holding shares in the dematerialized form should ensure that their e-mail ids appear in the records of their Depository Participant ("DP") also. You may, however, change your instructions at any time and request us to send you documents in the physical form only.

The documents that we propose e-mailing you will also be available for ready access on our website www.indiantoners.com

We trust as a responsible citizen you will join us in our initiative to conserve the environment through the curtailment of consumption of paper.

Thanking you,

Yours faithfully,
for **INDIAN TONERS & DEVELOPERS LTD.**
Secretarial Deptt.

DIRECTORS' REPORT

INDIAN TONERS & DEVELOPERS LIMITED

To
The Members,

Your Directors have pleasure in presenting the 21th Annual Report alongwith the Accounts for the year ended March 31, 2011.

Working Results

	Rs. in Lacs	
	For the year ended 31st March 2011	For the year ended 31st March 2010
Turnover (including Excise Duty)	2542	3187
Operating Gross Profit	385	543
Less : Financial Charges	9	26
Depreciation & Other Amortisations	148	186
Profit/(Loss) before Tax	228	331
Less : Provision for tax—Current Year & Previous Year Tax Adjustment	105	139
Net Profit before Deferred Tax	123	192
Add : Deferred Tax liability	27	30
Surplus Available for appropriation	150	222

OPERATION

During the year, your Company concentrated mainly on exports. Therefore out of the total turnover of Rs. 2542 lacs, more than 97% sales amounting to Rs. 2475 lacs were from exports. Exports were 20% higher during the year as against Rs. 2062 lacs in the previous year.

The consolidated financial results during the year including that of its Subsidiary Companies were better i.e. sales Rs. 6263 lacs, profit before tax Rs. 810 lacs and profit after tax Rs. 758 lacs.

FUTURE OUTLOOK AND PLANS

Your Company foresees a good scope for the exports of its products. However, fluctuation in foreign currency and tough competition in the international market will continue to be a challenge for your Company.

During the year, your Company was awarded the status of an Export House. It has strengthened the image of your company and made your Company eligible for various benefits available to Export Houses.

Last year, it was informed to you that your Company had planned to enter into the Colour

Toner Market and had started working on it by taking various positive and proactive steps with its R&D efforts in this direction. It gives me immense pleasure to inform you that your company has already started marketing its Colour Toner in the domestic market with a very good response. Efforts are going on to develop more and more products of Colour Toner and your Company is quite hopeful to achieve the desired results.

ITDL Imagetec Limited a subsidiary of your Company in Sitarganj (Uttarakhand) for the manufacture of Toners & Developers with a manufacturing capacity of 1200 MT. is doing very well and giving satisfactory results which are attached with the Annual Report.

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.

RESEARCH AND DEVELOPMENT ACTIVITIES

Your Company continued the research and development activities during the year in the key areas of product, process and material development. Your Company has always given prime importance to Research & Development which is the basis 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 including Colour Toner 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 encouraging feature for the team of your Research & Development Centre.

Your Company already started marketing of chemically prepared Colour toner and doing further R & D to develop mechanically prepared colour toners.

During the year the Company has incurred R & D expenses of Rs. 28.14 lacs in various heads (including Raw Material Consumption of Rs. 1.16 lacs) in addition to Rs. 2.88 lacs for purchase of capital items. Your Company has also capitalised Rs. 34.84 lacs as intangible assets for new product development. 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 Vikram Prakash and Shri Sanjiv 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 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 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 as well as consolidated accounts 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 alongwith the Annual Report as per Section 219 (I) (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 and it has paid fee upto the current financial year.

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, State Bank of India and Customers. Your Directors also thank the shareholders for their continued support

Place : New Delhi
Date : 30th May, 2011

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

ANNEXURE "A " TO DIRECTORS' REPORT

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 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. |