

**23<sub>RD</sub> ANNUAL  
REPORT  
2012-2013**



**INDIAN TONERS & DEVELOPERS LIMITED**



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Shri Sushil Jain Chairman & Managing Director  
 Shri Pawan Kumar Kanoria Director  
 Shri Vikram Parkash Director  
 Dr. Mauji Ram Jain Director  
 Shri Sanjeev Goel Director  
 Shri Kewal Krishan Dhiman Director  
 Shri Arun Kumar Garg 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

1223, DLF Tower - B,  
 Jasola,  
 New Delhi-110025.  
 Tel : (011) 45017000 (30 Lines)  
 Fax No. (011) 45017043  
 E-Mail : [info@indiantoners.com](mailto:info@indiantoners.com)  
 Website : <http://www.indiantoners.com>

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# NOTICE

## INDIAN TONERS & DEVELOPERS LIMITED

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Shareholders of **INDIAN TONERS & DEVELOPERS LIMITED** will be held on Monday, the 5<sup>th</sup> August, 2013, 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 Statement of Profit & Loss for the Year Ended March, 31<sup>st</sup>, 2013 and the Balance Sheet as at March, 31<sup>st</sup>, 2013 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 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. Gutgutia & Co. Chartered Accountants, (Firm Registration No. 304153E) are the retiring Auditors and are eligible for reappointment.

### **SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. Arun Kumar Garg, who was co-opted as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 holds office upto the date of this Annual General Meeting, in respect of whom the company has received a notice from a member under the provisions of Section 257 of the Companies Act, 1956 proposing the candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

#### **ITEM NO. 6**

**“RESOLVED THAT** pursuant to the provisions of section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, if any, (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 Shri Sushil Jain, as the Chairman & Managing Director of the Company for a period of 5 (five) years with effect from **16.08.2013** on the terms & Conditions including remuneration as set out in the explanatory statement, with liberty to the board of Directors (hereinafter referred to 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 limit as 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 Shri Sushil Jain.

**FURTHER RESOLVED THAT** the aforesaid remuneration of Shri Sushil Jain, Chairman & Managing Director of the Company as recommended by the remuneration Committee be treated as minimum remuneration to be paid to Shri Sushil Jain even if the Company has no profits or its profits are inadequate in any financial year.

**FURTHER RESOLVED THAT** the aforesaid minimum remuneration, 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 notwithstanding 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 the approval of the Central Government be obtained as per provisions and guidelines of the Companies Act, 1956.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised 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.**

Mr. Arun Kumar Garg, was appointed as an Additional Director of the Company w.e.f. 17.09.2012 at the Board Meeting held on 13.08.2012. The Company has received a notice in writing from a member alongwith a deposit of Rs. 500/- proposing the candidature of Mr. Arun Kumar Garg for the office of a Director under the provisions of Section 257 of the companies Act, 1956.

The Board considers it desirable to receive the benefit out of the experience of Mr. Arun Kumar Garg having regard to his qualifications and exposure in the industries. The Board recommends the resolution for approval of the members.

**SHRI ARUN KUMAR GARG** is a dynamic, Chartered Accountant of 55 years and is in practice. Mr. Arun Kumar Garg founded Arun K. Garg and Associates in the year 1985. The Principal offices of Arun K. Garg and Associates are at Delhi & Gurgaon and Associates all over the country. He has 30 years experience to his credit with exposure in all fields relating to Audit, Accounts, Finance, Taxation, Business Rehabilitation & Restructuring. He is also a Director in M/s. Styx Back Office Service Pvt. Ltd., M/s. Createum Serenity Estates Pvt. Ltd., M/s. Interium Line Esigns Private Ltd., M/s. Marius Risk Mfanagement Private Ltd., M/s. Elevate It Services Private Ltd., M/s. Bharat Bhushan Finance & Commodity Brokers Limited and M/s. Sirion Labs Private Ltd.

The Board recommends passing of the resolution.

**ITEM NO. 6**

The Board in its meeting held on 4.02.2013 has re-appointed Mr. Sushil Jain as Chairman & Managing Director of the Company for a period of 5 years.

The details of appointment and remuneration payable to Shri Sushil Jain are as under:

**Name** : Shri Sushil Jain

**Designation** : Chairman & Managing Director

**Period** : 5 years w.e.f. **16.08.2013** to **15.08.2018**

1. **Basic Salary** : Rs. 3,10,000/- (Rupees Three Lac ten thousand only) p.m.
2. **Personal Pay** : Rs. 1,55,000/- (Rupees One Lac fifty five thousand only) p.m.
3. **Management Allowance** : Rs.80,000/-(Rupees Eighty thousand only) p.m.
4. **Annual Increment** : Upto a maximum of 25% of the total gross salary as may be decided by the Board of Directors.
5. **Commission** : As may be decided by the Board of Directors from time to time but not more than 2% of the profits of the Company.
6. **Perquisites/Amenities** :

1. **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.
2. **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.
3. **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.
4. **Leave Encashment** - As per rules and policy of the Co. payable at the time of expiry of each service tenure. However, it will not be included in the computation of ceiling on perquisites.
5. **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.
6. **Personal Accident Insurance** - Premium not to exceed Rs. 12,000/- per annum.
7. **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.
8. **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 not taxable under the Income Tax Act, 1961.
9. **Gratuity** - Gratuity payable at the time of expiry of each service tenure and will not exceed half a month's salary for each completed year of service and this will not be included in the computation of the ceiling on perquisites. This will, however, be subject to ceiling prescribed under the Payment of Gratuity Act 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.

**Other Terms :**

Subject to the superintendence, control and direction of the Board, Shri Sushil Jain shall manage and conduct the business and affairs of the Company as Chairman & Managing Director. He shall not be paid any sitting fees for attending meeting of the Board or Committee thereof of the Company and its Subsidiary Company.

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 :

**I. General Information :**

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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 1992. During the current year, the Company has achieved revenues (including other income) of Rs.3020.22 lacs and has reported Profit After Tax of Rs. 230.18 lacs. During the year, the Company earned foreign exchange earnings of Rs.2670.83 lacs.

## **II. Information about the Appointee :**

Mr. Sushil Jain, aged 55 years, is a young and dynamic qualified engineer from Delhi College of Engineering, New Delhi and is associated with the Company from its inception. He has more than 31 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. and ITDL Imagetec Limited, Jain Tube Company Ltd. and Super Tube Company 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 the increase in the duties and responsibilities being performed by him.

## **III. Other information :**

The Company has grown during the last 10 years but is facing tough competition from the importers of toners in the unorganized sector. However, the Company has taken steps to deal with the situation and gone for various methods of cost control and reduction. Approximately 99% 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 item No. 6 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 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 thereof 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.



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Except Shri Sushil Jain and Shri Pawan Kumar Kanoria, being self and a relative of Shri Sushil Jain respectively, no other Director of the Company is in any way concerned or interested in the resolution

The above may also be treated as an abstract of the Memorandum of Interest of the Chairman & Managing Director, Shri Sushil Jain, pursuant to Section 302 of the Companies Act, 1956.

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 31<sup>st</sup> July, 2013 to 5<sup>th</sup> August, 2013 (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.
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.

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PLACE : New Delhi  
Dated : 17th May 2013

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

**INDIAN TONERS & DEVELOPERS LTD.**

1223, DLF Tower - 'B', Jasola, New Delhi-110025.

17<sup>th</sup> May, 2013

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](mailto: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](http://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.

To  
The Members,

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report alongwith the Accounts for the year ended March 31, 2013.

## Working Results

	Rs. in Lacs	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Turnover (including Excise Duty)	2794	2670
Operating Gross Profit	483	475
Less : Financial Charges	14	4
Depreciation & Other Amortisations	<u>96</u>	<u>90</u>
Profit/(Loss) before Tax & exceptional items	373	381
Less : Exception Items	19	17
Profit before tax	354	364
Less : Provision for tax - Current year & Previous Year Tax Adjustment	108	109
Net Profit before Deferred Tax	216	255
Add : Deferred Tax Liability	15	12
Surplus Available for appropriation	<u>231</u>	<u>267</u>

## OPERATIONS

During the year, your Company concentrated mainly on exports. Therefore out of the total turnover of Rs. 2794 lacs, more than 99% sales amounting to Rs. 2755 lacs were from exports. Exports were 4% higher during the year as against Rs. 2645 lacs in the previous year.

The consolidated financial results during the year including that of its Subsidiary Companies were better i.e. sales Rs. 6856 lacs, profit before tax Rs. 1251 lacs and profit after tax Rs. 1095 lacs.

## FUTURE OUTLOOK AND PLANS

Your Company foresees a good scope for the exports of its products. However, frequent and wide fluctuations in foreign currency and tough competition in the international market continues to be a challenge for your Company.

So far your Company's manufacturing plant in Rampur was running on Diesel Generators as there was no power connection in the Plant. During the year, your

Company was able to get Power Connection from UPPCL. It will substantially reduce the energy cost and have a positive impact on the profitability of the Company in the current year as well as in the years to come.

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.

Your company is always conscious for customers' satisfaction and strengthening and maintaining 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. 60.47 lacs in various heads in addition to Rs. 0.48 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 Vikram Prakash 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.

Shri Nirankar Saran Sharma, was a Whole Time Director of the Company upto 26.03.2013 who resigned w.e.f. 27.03.2013

## 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.

The Corporate Office has been shifted to 1223, DLF Tower 'B', Jasola, New Delhi-110025 w.e.f. 13th May, 2013.

## **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 : 17th May, 2013

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.<br><br>:: Re-sourcing of raw materials from other economical sources.<br><br>:: Import substitution of plant/machinery items by developing indigenous ones for economy in working.<br><br>:: Development of Colour Toner formulations as well as their packaging. |
| 4. Expenditure on R&D                                      | :: Charged under the respective head of accounts Rs. 60.47 lacs.  |

### 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. |

(c) Foreign Exchange Earnings / Outgo

1. **Activities Relating to Exports**

The Company has been able to increase its exports by 4% during the year ending 31st March, 2013 as compared to 31st March, 2012.

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

	<b>2012-2013</b>	<b>Rs. in Lacs 2011-2012</b>
a) <b>Total Foreign Exchange used</b>		
i) Import of Raw Materials	1184.17	1067.84
ii) Import of Stores & Spares and Packing material	3.79	2.36
iii) Foreign Travel	29.06	32.34
iv) Consultancy Charges	----	13.91
v) Others	19.71	20.59
<b>TOTAL</b>	<b>1236.73</b>	<b>1137.04</b>
b) Total Foreign Exchange earned (on FOB basis)	<b>2670.83</b>	2679.49

# MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

## INDUSTRY AND OUTLOOK

The Company manufactures Compatible Toners and Developers for Photocopiers, Laser Printers and Digital Multi-function printers. The Industry is continuously being affected by the clandestine import of Toners.

The long term aim of the 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 achieve this, the Company is committed to develop, produce and market products that cater continuously to the need and expectations of customers and giving the Company competitive advantage. The Pilot Plant installed by the Company is giving good results as the Company has developed several new products at competitive prices which helps in facing competition and boosting export.

The newly formed subsidiary, ITDL Imagetec Limited which set up a new project of 1200 MT capacity in Sitarganj (Utranchal) for the manufacturer of Toners & Developers is showing good results.

## RISKS & CONCERNS

Almost 100% of the Company's sales is through exports and hence the growth and profitability of the Company depends upon the demand of Company's products in the international market and stability of the foreign currency. Since 97% raw materials of the Company is imported, Foreign Exchange fluctuations, increase in oil prices and international freight etc. may have adverse impact on the cost of manufacture of the Co.'s products. The Company's ability to pass on the cost increase by corresponding increase in the selling prices of its products is constrained due to tough competition in the international market.

## OPPORTUNITIES

During the last year, the Company was awarded the status of an Export House by the Directorate General of Foreign Trade. It has made the Company eligible for various benefits available to export house.

Exports present the biggest opportunity for the Company for increasing the capacity utilisation and improving profitability. The Company has taken several steps to increase its presence in other countries and has been successful in increasing its exports.

In its efforts to go in for diversification / expansion, the Company was successful in setting up a new project in its subsidiary, ITDL Imagetec Ltd. in Uttarakhand which is working satisfactorily and giving good results.

## FINANCIAL PERFORMANCE

The sales (net of Excise Duty) for the year were Rs. 2794 Lacs. The Company earned a profit before tax of Rs. 353 Lacs. This does not include the sales and profit of the subsidiary Companies. However, the consolidated sales and profit before tax (including sales and profit of the subsidiary Companies) for the year are Rs. 6856 lacs and Rs. 1251 lacs respectively. The nearly debt free status of both the holding and subsidiary Companies and improved liquidity resulted in significantly lowering the interest cost.

The Company has been able to increase its exports by 4% during the year ending 31<sup>st</sup> March, 2013 as compared to 31<sup>st</sup> March, 2012.

## INTERNAL CONTROL SYSTEM

The Company has proper and adequate Internal Control System to ensure that its assets are safeguarded and that transactions are properly authorized, reported and recorded. The Company has also a system of internal audit and management reviews to ensure compliance with the prescribed procedures and authority levels.

## HUMAN RESOURCES

Industrial relations remained cordial during the year. The total number of employees as on 31.03.2013 were 90 Nos.



# CORPORATE GOVERNANCE REPORT

## (ANNEXURE TO THE DIRECTORS' REPORT)

As required under Clause 49 of the Listing Agreement of the Stock Exchange(s)

### A. MANDATORY REQUIREMENTS

#### 1. Company's Philosophy on Corporate Governance

Corporate Governance to Indian Toners & Developers Limited means not only compliance with the provisions of Company Law, allied Acts and listing agreement but also directors' responsibility to work with morality, ethics and accountability towards shareholders for their acts and decisions.

The Company aims at conducting its business efficiently, by following professionally acknowledged good governance policies, thus meeting its obligations to all stakeholders in a balanced and accountable manner and its policies are towards creation of Shareholders value in terms of long term sustainability of the Company's business.

#### 2. Composition of Board of Directors as on 31st March, 2013

- a). The Board of Directors has a mix of Executive and Non-Executive Directors. The Board comprises 2 Executive Directors (one upto 26.03.2013) and 6 Non-Executive Directors. Accordingly, the composition of the Board meets the stipulated requirements.

Name of the Director	Category	No. of Equity Shares held as on 31.03.2013	Attendance Particulars		No. of other Directorship and Committee Memberships / Chairmanships		
			Board Meeting	Last AGM	Other Director Ships*	Committees	
						Member Ships	Chairman Ships
Shri Sushil Jain	CMD#	666462	4	Present	5	----	----
Shri P.K. Kanoria	NED	NIL	1	Not Present	10	----	----
Shri Vikram Prakash	NED-I	NIL	4	Not Present	6	2	3
Shri Mauji Ram Jain	NED-I	NIL	4	Not Present	4	----	----
Shri Nirankar Sharma upto 26.03.2013	ED**	NIL	4	Present	1	----	----
Shri Sanjeev Goel	NED-I	2500	4	Present	2	----	----
Sh. Kewal Krishan Dhiman***	NED	NIL	1	Not Present	---	----	----
Shri Arun Kumar Garg upto 17.09.2012***	NED-I	NIL	2	NA	8	----	----

\* Directorship in Private Limited Companies are included in the above table

# Chairman & Managing Director

\*\* ED - Executive Director (Whole Time) , NED-I - Non Executive Director - Independent, NED - Non Executive Director

\*\*\* Appointed w.e.f. 17.09.2012

During the Year 2012 - 2013 the Board of Directors met 4 times on 29th May, 2012, 13th August, 2012, 30th October, 2012 and 4th February, 2013.

### 3. Committees of the Board

#### A. Audit Committee

The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure process, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters. The Audit Committee consists of three Directors, all of whom are Independent Directors:

Shri Sanjeev Goel is the Chairman of the Audit Committee. The other members of the Committee are Shri Vikram Prakash and Dr. Mauji Ram Jain.

The gist of terms of reference of the Audit Committee is as follows:

1. Regular review of accounts, accounting policies, disclosures, etc.
2. Review of the major accounting entries based on exercise of judgment by management and review of significant adjustments arising out of audit.
3. Qualifications in the draft audit report.
4. Establishing and reviewing the scope of the independent audit including the observations of the auditors and review of the quarterly, half yearly and annual financial statements before submission to the Board.
5. Conducting post audit discussions with the independent auditors to ascertain any area of concern.
6. Establishing the scope of and frequency of internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems.
7. To look into the matters pertaining to the Directors' Responsibility Statement with respect to compliance with Accounting Standards and accounting policies.
8. Compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable.
9. The Committee shall look into any related party transactions i.e., transactions of the Company of material nature, with promoters or management their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
10. Appointment and remuneration of Statutory and Internal Auditors.
11. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee

The Audit Committee met 4 times during the year on 29.05.2012, 13.08.2012, 30.10.2012 and 04.02.2013 to deliberate on the aforesaid matters. The Minutes of the meetings are placed before the Board at the succeeding Board Meeting for information.

Details of the attendance of Directors are given below:

Sr.No	Name of Members	Audit Committee	
		Held	Attended
1	Sh. Sanjeev Goel	4	4
2	Sh. Vikram Prakash	4	4
3	Dr. Mauji Ram Jain	4	4

### 4. Remuneration Committee (Non- Mandatory)

#### Brief Description of Terms of reference.

- To review, assess and recommend the appointment of Managing / wholtime Directors.
- To periodically review the remuneration package of working Directors and recommend suitable revision to the Board.

## INDIAN TONERS & DEVELOPERS LIMITED

### Composition and Attendance at the Meeting

The Remuneration Committee comprises of two independent Directors viz Shri Sanjeev Goel and Dr. Mauji Ram Jain who elect the Chairman between themselves in every meeting.

The Committee met on three times during the year 13.08.2012 & 04.02.2013 where all the members were present. The Remuneration paid to Executive Directors and relatives of Directors, if any is reviewed / recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at Annual General Meetings and as approved by the Central Government under the provision of the Companies Act, 1956. The remuneration package of Chairman and Managing Director and whole time Director comprises of salary, prerequisites and allowances and contributions to Provident and other Funds. The Remuneration Policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. Non-Executive Directors are not paid any remuneration except sitting fees.

Remuneration to Chairman & Managing Director and Whole - time Director is subject to review and recommendation by the Remuneration Committee to the Board and thereafter approved by shareholders in General Meeting.

Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

### Details of remuneration paid / payable during the period from 01.04.2012 to 31.03.2013 to Directors: Amount in Rs.

Name of Director	Salary including Personal Pay	HRA	Arrear	Commission	Perquisites + PF	Sitting Fee (Meeting)		Total
						Board	Committee	
Sh. Sushil Jain*	5969780	2104016	15630	-----	1005251	-----	-----	9094677
Sh. P.K. Kanoria	-----	-----	-----	-----	-----	5000	-----	5000
Sh. Vikram Prakash	-----	-----	-----	-----	-----	20000	14000	34000
Dr. Mauji Ram Jain	-----	-----	-----	-----	-----	20000	21000	41000
Sh. N. S. Sharma** upto 26.03.2013	540000	-----	-----	-----	-----	-----	-----	540000
Sh. Sanjeev Goel	-----	-----	-----	-----	-----	20000	24500	44500
Sh. Kewal K. Dhiman	-----	-----	-----	-----	-----	10000	-----	10000
Sh. Arun Kumar Garg	-----	-----	-----	-----	-----	10000	-----	10000

\* Chairman & Managing Director, \*\* Executive Director

### 5. Shareholder's / Investors' Grievances Committee

#### Terms of Reference

The Board constituted a Shareholders / Investors Grievance Committee on 31.05.2002 to look into redressal of Shareholders/ Investors' grievances like Transfer and Transmission of Shares, non-receipt of Balance Sheet and dematerialisation of shares and matters relating to share certificates, deletion of A name, splitting & consolidation of shares and also to delegate any of its responsibilities, oversee the performance of the Registrar and Share Transfer Agents as well as recommend suggestions to improve the Investors' Services.

During the year 2012-2013, only one meeting of the committee was held.

During the Year 2012- 2013, no complaints were received from Shareholders / Investors. There was no complaint pending as at 31.03.2013.

All valid share transfers received during the year 2012 -2013 have been acted upon by the Company.

There were no transfers pending as on 31st March, 2013.

#### Constitution, Meeting & Attendance thereat :-

The Shareholders' / Investors Grievance Committee Comprise of following Members:

Name of Members

Committee Meetings

	Category	Held	Attended
Shri Sanjeev Goel	N E D I *	1	1
Shri Sushil Jain	E D (CMD)**	1	1

\* Non Executive Independent Director, \*\* Executive Director (Chairman & Managing Director)

The Name and designation of the Compliance Officer is Sh. S. C. Singhal, Executive Director (not a member of the Board) & Company Secretary ; e-mail ID : investors@ indiantoners.com

#### 6. Share Transfer Committee

The Share Committee Meeting is in existence from the inception of the Company. It Comprise of following members:

Name of Members	Category	Held	Committee Meetings Attended
Shri Sushil Jain	CMD	12	10
Shri N. S. Sharma	Director	12	12
Shri S. C. Singhal	Co. Secretary	12	12

Every effort is made to clear share transfers/ transmissions and split / consolidation requests with in 15 days.

#### 7. General Body Meetings

Details of last three Annual General Meetings (AGMs) held are given below

Financial Year	Date	Time
2011 - 2012	16.08.2012	1.30 P.M.
2010 - 2011	18.08.2011	2.30 P.M.
2009 - 2010	16.08.2010	2.30 P.M.

All the aforesaid Annual General Meetings have been held at the Regd. Office of the Company. i.e. 10.5 km Milestone; Rampur - Bareilly Road; Rampur - 244901 (U.P.).

#### Postal Ballot

During the year ended 31st March, 2013, there have been no ordinary or special resolutions passed by the Company's shareholders through postal ballot.

#### 8. Information as to Directors who are to be respointed :

- (i) **SHRI VIKRAM PRAKASH** (85 years) is B.Sc. Engg. (Mech) and a Member of the Institute of Engineers (MIE). He held many senior positions of Central and State Govts. Such as Director, Haryana Concast Ltd., Director, Praga Tools, Hyderabad, Director, HMT International, Bangalore, Chairman & Managing Director, Spices Trading Corporation Ltd. and Chairman & Managing Director of Project & Equipment Corporation of India Ltd. besides being Advisor to the Chairman of Asian Games held in 1982. He joined the Board on 16.03.1990 as one of the first Directors of the Company and is continuing since then. He is also on the Board of M/s. ECE Industries Limited, M/s. Naihati Jute Mills Co. Limited, M/s. Noida Medicare Centre Limited, M/s. Pushpsons Industries Limited, M/s. Deepak Spinners Ltd., M/s. Rancanimpe Private Limited and is also the Chairman of the Audit Committee of M/s. ECE Industries Limited, M/s. Noida Medicare Centre Limited, M/s. Deepak Spinners Ltd., and member of Audit Committee of M/s. Pushpsons Industries Ltd., M/s. Naihati Jute Mills Co. Limited and M/s. Indian Toners & Developers Limited.

- (ii) **SHRI SANJEEV GOEL** is a young, dynamic, Chartered Accountant of 54 years and in practice since February 1982 as a Sr. Partner in M/s. Goel Garg & Co. He has 25 years experience to his credit with exposure in all fields relating to Audit, Accounts, Finance, Taxation, Business Rehabilitation & Restructuring. He is also a Director in M/s. Alankar Securities Private Limited and M/s. ITDL Imagetec Limited.

#### 9. Materially Non – listed Subsidiary :

The Company has one materially non – listed subsidiary, namely M/s. ITDL Imagetec Ltd. Mr. Sanjiv Goel, Independent Director has been appointed a director there also to comply with clause 49 of the Listed Agreement. The Minutes of the subsidiary is also put at the Board Meeting of this Company.

#### 10. Disclosures of Non-compliances, Related Party Transactions, if any

The Company has complied with the requirement of regulatory authorities on capital market and hence there was no question of penalties / strictures being imposed by SEBI or the Stock Exchange against the Company in the last three years.

Details only to Related party transactions have been disclosed in Note 42 of Notes to the Financial Statement.

**11. Means of Communication**

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the proforma and time prescribed by Clause 41 of the Listing Agreement.
- The approved financial results are forthwith sent to the Listed Stock Exchanges and are published in the news papers namely The Pioneer/Money Maker and Mahalaxmi Vyapaar within forty - eight hours of approval thereof.
- The results being sent to the Bombay Stock Exchanges Limited where the Shares of the company are listed, for putting, in their own web-site.
- No formal presentations were made to the institutional investors and analysts during the year under review.
- Management discussion and Analysis forms part of the Annual Report, which is posted to the Shareholders of the Company.

**12. CEO / CFO Certificate**

Certificate from CEO / CFO for the Financial Year ended March 31, 2013 has been provided elsewhere in the Annual Report.

**13. General Shareholders' information**

- a). Next Annual General Meeting : As indicated in the Notice to our Shareholders, the Annual General Meeting of the Company will be held on 5th August, 2013. The time and venue of the meeting is as indicated in the notice.
- b). Financial Year : April 1st, 2012 to March 31st, 2013.
- c). Date of Book Closure : 31.07.2013 to 05.08.2013
- d). Dividend payment : N.A.
- e). Listing on Stock Exchanges :
  - Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023
- f). Stock Code
  - Bombay Stock Exchange Limited, Mumbai 523586
  - ISIN Number for NSDL / CDSL INE826B01018
- g). Market Price Data : High, Low during each month in last financial year

Month	BSE	
	High (Rs.)	Low (Rs.)
April, 2012	14.49	12.51
May, 2012	14.20	11.75
June, 2012	18.80	12.10
July, 2012	16.50	14.32
August, 2012	16.14	13.30
September, 2012	18.40	13.79
October, 2012	18.15	13.30
November, 2012	16.90	14.40
December, 2012	17.00	15.00
January, 2013	17.50	15.15
February, 2013	18.95	14.70
March, 2013	16.55	13.80

[Source: www.bseindia.com]

- h) Share Transfer Procedure : Every effort is made to clear share transfers/ transmissions and split / consolidation requests with in 15 days.

Share Transfer Agents: Alankit Assignments Limited, 2E/8, Alankit House, Jhandewalan Extension, New Delhi - 110 055.

Ph. No. (011) 43541234, 42541234, Fax No. (011) 42541967

- i). **Distribution Schedule** : The distribution of Company's shareholding as on 31st March, 2013 was as follows:

No. of Equity Shares held			Shareholders No. (%)		No. of Shares	% of Total Shares
1	to	250	11811	86.826	1258495	15.616
251	to	500	961	7.065	399483	4.957
501	to	1000	438	3.220	381272	4.731
1001	to	2000	181	1.331	284409	3.529
2001	to	3000	68	0.500	171481	2.128
3001	to	4000	37	0.272	130963	1.625
4001	to	5000	22	0.162	101164	1.255
5001	to	10000	45	0.331	354208	4.395
10001	&	Above	40	0.294	4977425	61.763
			<b>13603</b>	<b>100.000</b>	<b>8058900</b>	<b>100.000</b>

Shareholding Pattern as on 31st March, 2013

Category Code	Category of Shareholder	Number of Shares Holders	Total No. of Shares	No. of Shares held in dema- terialized form	Total shareholding as per centage of total no. of shares	Share Pledged of otherwise encumbered Shares %
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(A) **Shareholding of Promoter & Promoter Group<sup>2</sup>**

(1) **Indian**

(a) Individuals/Hindu Undivided Family	7	1155662	1155662	14.34	14.34	-	-
(b) Central Govt. / State Government(s)	-	-	-	-	-	-	-
(c) Bodies Corporate	4	2828924	2828924	35.10	35.10	-	-
(d) Financial Institutions / Banks	-	-	-	-	-	-	-
(e) Any other (specify)	-	-	-	-	-	-	-
<b>Sub – Total (A)(1)</b>	<b>11</b>	<b>3984586</b>	<b>3984576</b>	<b>49.44</b>	<b>49.44</b>	<b>-</b>	<b>-</b>

(2) **Foreign**

(a) Individuals (Non-Resident Individuals /Foreign individuals)	-	-	-	-	-	-	-
(b) Bodies Corporate	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-
(d) Any Other (Specify)	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Total Shareholding of Promoter  
and Promoter Group

<b>A) = (A)(1)+(A)(2)</b>	<b>11</b>	<b>3984586</b>	<b>3984576</b>	<b>49.44</b>	<b>49.44</b>	<b>-</b>	<b>-</b>
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(B) **Public Shareholding<sup>3</sup>**

(1) **Institutions**

**INDIAN TONERS & DEVELOPERS LIMITED**

(a) Mutual Funds/UTI	2	3200	0	0.03	0.03	-	-
(b) Financial Institutions / Banks	-	-	-	-	-	-	-
(c) Central Govt. / State Govt.(s)	-	-	-	-	-	-	-
(d) Venture Capital Funds	-	-	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-	-	-
(f) Foreign Institutional Investor	-	-	-	-	-	-	-
(g) Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h) Any Other(Specify)	-	-	-	-	-	-	-
Sub-Total(B) (1)	2	3200	0	0.03	0.03	-	-
<b>(2) Non-Institutions</b>						-	-
(a) Bodies Corporate	116	416743	403943	5.17	5.17	-	-
(b) Individuals			-			-	-
i) Individual Shareholders holding nominal Share Capital up to Rs. 1 lakh	13302	2877854	1730373	35.71	35.71	-	-
ii) Individual shareholders holding nominal shares capital in excess of Rs. 1 lakh	22	661469	661469	8.20	8.20	-	-
(c ) Others							
(1) Directors	1	2500	2500	0.03	0.03	-	-
(2) N. R. I.	20	32846	32846	0.40	0.40	-	-
(3) Clearing Members	3	700	700	0.00	0.00	-	-
(4) H U F	126	79002	79002	0.98	0.98	-	-
<b>Sub-Total (B) (2)</b>	13590	4071114	2910833	50.51	50.51	-	-
Total Public Shareholding							
<b>(B) = (B) (1) + (B) (2)</b>	13592	4074314	2910833	50.55	50.55	-	-
<b>TOTAL (A) (B)</b>	13603	8058900	6895419	100.00	100.00	-	-
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>	-	-	-	-	-	-	-
<b>(1) Promoter and Promoter Group</b>	0	0	0	0.00	0.00	-	-
<b>(2) Public</b>	0	0	0	0.00	0.00	-	-
<b>GRAND TOTAL (A)+(B)+(C)</b>	13603	8058900	6895419	100.00	100.00	-	-
j) Dematerialisation of Shares : Approximately 85.56% of the total paid up share capital of the Company has been dematerialized upto March, 31, 2013							
k) Prevention of Insider Trading : The Company has taken necessary steps to prevent Insider Trading in terms of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time to ensure protection of general Shareholders rights and interests. The Executive Director & Company Secretary is the Compliance officer in this regard.							
l) Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity : The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.							
m) Plant Location : 10.5 K.M. Rampur-Bareilly Road, Rampur-224 901. UP.							
n) Plant Location of subsidiary : D – II, Phase – II, Eldeco – Sidcul Industrial Park, Sitarganj – 262405, Distt. Udham Singh Nagar, Uttarkhand							
o) Address for correspondence: Sh. S. C. Singhal, E. D. & Company Secretary, 1223, DLF Tower B, Jasola, New Delhi - 110025 Ph. No. (011) 45017000							

**B. Non-Mandatory Requirements :**

- (i) The Company has constituted a Remuneration Committee as pursuant to the Mandatory Requirements.
- (ii) The Executive Chairman of the company maintains an office at his residence for which company reimburses him.

**C. Code of Conduct:**

The Code of Conduct for Directors and Senior Management Personnel was approved and adopted by the Company in the Board Meeting held on 31.10.2005 and annual compliance certificate from all the Directors and Senior Personnel of the Company.

**CERTIFICATE**

The Annual Compliance Confirmation for compliance of the Code of Conduct for the year ending 31.03.2013 has been received from all the Directors and Senior management Personnel of the Company.

New Delhi

May 17.05.2013

Sushil Jain

Chairman & Managing Director

**D. Compliance Certificate from the Auditors :**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated vide clause 49 of the Listing Agreement. The Certificate is annexed.

**AUDITORS' CERTIFICATE**  
**ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**  
**TO THE MEMBERS OF INDIAN TONERS & DEVELOPERS LTD**

We have examined the compliance of conditions of corporate governance by INDIAN TONERS & DEVELOPERS LTD. for the year ended on 31st March, 2013, as stipulated in clause 49 of the listing agreements of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreements.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

FOR K.N.GUTGUTIA & CO.,  
(B.R.GOYAL)

PARTNER

CHARTERED ACCOUNTANTS

Membership No. 12172

ICAI's FRN 304153E

Date: 17th, May 2013

Place: New Delhi



**CEO / CFO Certificate**

**We certify to the Board that :**

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that they we evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of international controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that :
  - (i) there has not been any significant changes in internal control over financial reporting during the year under reference;
  - (ii) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (iii) there has not been any instances during the year of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

(Sushil Jain)  
Chairman & Managing Director

(S. C. Singhal)  
Executive Director & C. S.  
& Acting C.F.O

Date: 17.05.2013  
Place : New Delhi

# AUDITORS' REPORT

INDIAN TONERS & DEVELOPERS LIMITED

## TO THE MEMBERS OF INDIAN TONERS AND DEVELOPERS LIMITED

### Report on the Financial Statements

1. We have audited the accompanying financial statement of **INDIAN TONER & DEVELOPERS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
  - (b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
  - (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956 (the Act), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order to the extent applicable to the company.
8. As required by section 227(3) of the Act, we report that :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; &
  - e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;

FOR K.N.GUTGUTIA & CO.,  
CHARTERED ACCOUNTANTS

(B.R.GOYAL)  
PARTNER

Membership No. 12172  
ICAI'S FRN 304153E

Place : New Delhi  
Date: 17th May, 2013

# ANNEXURE TO THE AUDITORS' REPORT

## INDIAN TONERS & DEVELOPERS LIMITED

(Referred to in paragraph 7 of our report of even date to the members of Indian Toners & Developers Limited (the Company) on the Financial Statements for the year ended 31st March, 2013.)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanation given to us physical verification of fixed assets has been carried out by the Management during the year and no discrepancy was noticed on such verification.
- (c) During the year the Company has not disposed off any substantial/ major part of fixed assets.
- ii) (a) As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stock, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii) (a) The company has not granted unsecured loans during the year (there was opening balance of Rs. 1300 Lacs) to its subsidiary namely ITDL Imagetec Ltd., listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the years was Rs. 1327.89 Lacs and outstanding amount as at balance sheet date was Rs.700 Lacs. According to the information and explanations given to us, in our opinion, the terms and condition of the said loan are not prima facie prejudicial to the interest of the Company.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the companies Act, 1956 and hence the requirements of sub clauses (e) to (g) of clause (iii) of the Order are not applicable to it.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls in respect of these areas.
- v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year with its subsidiary, at such consideration which are reasonable having regard to the nature of strategic relationship with the company.
- vi) The Company has not accepted any public deposits. Accordingly, paragraph (vi) of the Order is not applicable to it.
- vii) In our opinion, the company has an internal audit system commensurate with the size of the company and the nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintained of cost records

has been prescribed under clause (d) of sub section (1) of Section 209 of the Act, and are If the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a details examination of the record with a view of determine whether they are accurate or complete.

- ix) (a) According to the information's and explanations given to us and records examined by us , the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund , employees state insurance, income tax , sales-tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues of the aforesaid nature were outstanding as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there was no dues as at 31<sup>st</sup> March,2013 of sales tax, income-tax, customs, wealth-tax, service tax, excise duty, cess which have not been deposited on account of disputes.
- x) There are no accumulated losses of the Company as on 31<sup>st</sup> March, 2013. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) Based on our audit procedures and the information given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions or banks.
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a Chit fund Company or nidhi /mutual benefit fund/ society.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report ) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank of financial institution.
- xvi) According to the information and explanations given to us, no term loan has been raised by the Company during the year.
- xvii) According to the information & explanation given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investments.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) During the year covered by our audit report the Company has not issued secured debentures.
- xx) The Company has not raised any money by public issues during the year covered by our report.

Based upon the audit procedures performed and the information and explanations given to us, by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

FOR K.N.GUTGUTIA & CO.,  
CHARTERED ACCOUNTANTS

(B.R.GOYAL)  
PARTNER

Place : New Delhi  
Date: 17th May, 2013

Membership No. 12172  
ICAI'S FRN 304153E

**Balance Sheet As At 31st March 2013**

(Rs. in Lacs)

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
a. Share Capital	2	805.89	805.89
b. Reserve & Surplus	3	3850.11	3349.94
<b>(2) Non Current Liabilities</b>			
a. Long Term Borrowings	4	5.64	15.94
b. Deferred Tax Liability (Net)	5	230.44	215.18
c. Long Term Provisions	6	15.66	12.06
<b>(3) Current Liabilities</b>			
a. Trade Payables	7	299.11	292.51
b. Other Current Liabilities	8	103.24	157.68
c. Short-Term Provisions	9	223.97	112.35
<b>TOTAL</b>		<u>5264.06</u>	<u>4961.25</u>
<b>II. ASSETS :</b>			
<b>(1) Non Current Assets</b>			
<b>a. Fixed Assets</b>	10		
i) Tangible Assets		1254.87	1004.82
ii) Intangible Assets		20.53	24.32
iii) Capital Work in progress		-	3.33
b. Non current investments	11	110.10	169.60
c. Long terms loans and advances	12	107.44	900.09
<b>(2) Current Assets</b>			
a. Current Investments	13	1501.57	887.74
b. Inventories	14	529.90	431.82
c. Trade receivables	15	568.72	440.83
d. Cash and Bank Balances	16	205.70	350.44
e. Short-term loans and advances	17	960.45	744.30
f. Other current assets	18	4.78	3.96
<b>TOTAL</b>		<u>5264.06</u>	<u>4961.25</u>
<b>Significant Accounting Policies</b>	1		
The Notes form an integral part of these Financial statements	1-45		

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**

Chartered Accountants  
ICAI's FRN 304153E

**(B.R.GOYAL)**

Partner

Membership No. 12172

11K, Gopala Tower,

25, Rajendra Place, New Delhi

The 17th Day of May 2013

**(S.C. SINGHAL)**

Executive Director

& Company Secretary

**(SANJEEV GOEL)**

Director

Chairman & Managing Director

**(SUSHIL JAIN)**

**Statement of Profit & Loss Account** for the year ended on 31st March, 2013

(Rs. in Lacs)

S.No.	Particulars	Note No.	For the year ended 31st March 2013	For the year ended 31st March, 2012
<b>INCOME</b>				
I	Revenue from operations (Net)		2813.66	2676.15
II.	Other Income	20	206.56	296.85
<b>III.</b>	<b>Total Revenue (I+II)</b>		<b><u>3020.22</u></b>	<b><u>2973.00</u></b>
<b>IV Expenses :</b>				
	Cost of materials consumed	21	1290.59	1236.86
	Other Manufacturing Expenses	22	558.15	613.13
	Changes in inventories of finished goods & work-in-progress	23	(-) 78.32	8.08
	Employee Benefit Expenses	24	389.37	334.40
	Financial Costs	25	13.71	3.91
	Depreciation & Amorisation Expenses	10	96.35	90.38
	Other Expenses	26	377.73	304.68
	<b>Total Expenses (IV)</b>		<b><u>2647.58</u></b>	<b><u>2591.44</u></b>
V	Profit before exceptional items and tax	(III-IV)	372.64	381.56
VI	Exceptional Items	27	19.21	17.24
VII	Profit before tax	(V-VI)	<b><u>353.43</u></b>	<b><u>364.32</u></b>
<b>VIII Tax expenses :</b>				
	(1) Current tax		(108.00)	(106.00)
	(2) Taxes in respect of earlier years			(3.36)
	(3) Deferred tax (charge)/credit		(15.26)	12.19
IX	Profit for the year	(V-VI)	<b><u>230.17</u></b>	<b><u>267.15</u></b>
X	Earning per equity share @ Rs. 10 per share			
	(1) Basic		2.86	3.31
	(2) Diluted		2.86	3.31
<b>Significant Accounting Policies</b>				
	The Notes form an integral part of these Financial statements	1 1-45		

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**

Chartered Accountants  
ICAI's FRN 304153E

**(B.R.GOYAL)**

Partner

Membership No. 12172

11K, Gopala Tower,

25, Rajendra Place, New Delhi

The 17th Day of May 2013

**(S.C. SINGHAL)**

Executive Director

& Company Secretary

For and on Behalf of the Board of Directors

**(SANJEEV GOEL)**

Director

**(SUSHIL JAIN)**

Chairman & Managing Director

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013****NOTE '1' SIGNIFICANT ACCOUNTING POLICIES****GENERAL INFORMATION**

Indian Toners & Developers Limited (hereinafter referred to as 'the Company') is a manufacturer of Toners only. The Company's manufacturing facilities are located at Rampur (Uttar Pradesh).

**1.1 BASIS OF ACCOUNTING**

The financial statements have been prepared on an accrual basis and under historical cost convention and in compliance in all material aspect, with the applicable accounting principles in India. The applicable accounting standards notified under Section 211(3C) and the other relevant provisions of the Companies Act 1956.

All the Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent the Company has ascertained its operating cycle to be less than 12 months.

**1.2 TANGIBLE AND INTANGIBLE FIXED ASSETS**

- a) Fixed Assets are stated at cost less accumulated Depreciation provided for.
- b) i) Depreciation is provided on straight line method treating the Plant as continuous process Plant (except R & D Plant), at rates and in the manner as per Schedule XIV to the Companies Act, 1956 as amended vide notification dated 16th December, 1993. Depreciation on assets added / deducted during the year is charged proportionate with reference to the date of additions / deductions.
- ii) Depreciation on R & D plants & machinery is charged, treating the same as non – continuous, in the same manner as mentioned above.
- c) Intangible assets, represented by product development are amortized over a period of five years from the quarter in which the same is put to its commercial use.
- d) Fixed assets individually costing up to rupees five thousand are depreciated at the rate of 100 percent.
- e) Software are amortised on straight line method over a period of three years.

**1.3 IMPAIRMENT OF ASSETS**

The carrying amount of fixed assets are revised at each Balance Sheet date if there is any indication of impairment based upon internal / external factors. Any impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**1.4 RESEARCH & DEVELOPMENT**

Research costs are expensed as incurred and presented under the natural heads of expenditure.

Development cost including regulatory cost and legal expenses leading to Product Registration/Market Authorization relating to the new and/or improved product is recognized as an intangible asset to the extent that it is expected that such asset will generate future economic benefits, adequate technical, financial and other resources required to complete the development and to use or sell the asset are available and the expenditure attributable to the asset during its development can be measured reliably.

Capital expenditure on Research & Developments is treated in the same manner as Fixed Assets. The Revenue expenditure on R & D (other than on product development) is charged off in the year in which the same are incurred. However, expenditure on development of new product is recognized as intangible asset to the extent it is expected that such asset will generate future economic benefits.

**1.5 EMPLOYEE BENEFITS**

- Contributions payable for provident fund and employee state insurance, which are defined contribution plans are charged to statement of profit & loss.
- Gratuity and leave encashment which are defined benefits plans are accrued, recognized and calculated on unit credit method, based on actuarial valuation, as at balance sheet date provided by L.I.C. and by an independent actuarial valuer respectively.

- The Company has opted for a group gratuity – cum Life Assurance Scheme of the Life Insurance Corporation of India for employees and the annual contribution for it is charged to the statement of profit & loss on the accrual basis.
- All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits such as salaries, wages and bonus etc. one recognized in the statement of profit & loss in the period in which the employee renders the related service.

## 1.6 INVESTMENTS

Investments that are readily and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. Current investments are carried at lower of cost and fair value. Non-current investments are carried at cost. However, provision of diminution is made to recognize as decline, other than temporary, in the value of investment, such reduction being determined and made for each investment individually.

## 1.7. INVENTORY VALUATION

Inventories are valued at lower of cost or net realizable value except scrap, which is valued at netestimated realizable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials, Stores & Spares, Power & Fuel and packing Materials	Weighted average method
Work-in -process and finished goods	Variable Cost at weighted average includingan appropriate share of variable and fixedproduction overheads. Fixed productionoverheads are included based on normalcapacity of production facilities.

Cost includes all direct costs, cost of conversion and appropriate portion of variable and fixed productionoverheads and such other costs incurred as to bring the inventory to its present location and conditioninclusive of excise duty wherever applicable. Cost formula used is based upon weighted average cost.

Net realizable value is the estimated selling price in the ordinary course of business, less theestimated costs of completion and the estimated costs necessary to make the sale.

## 1.8. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the exchange rate prevailing on / or closely approximating to the date of transaction. Current Assets and Liabilities are restated at the rate prevailing at the period end or at the forward rate where forward cover for specific asset / liability has been taken. The difference between the period end rate and the exchange rate at the date of the transaction is recognized as income or expense in the Statement of profit & loss. In respect of forward exchange contracts, the difference (being premium / discounts) between the contract rate and the rate on the date of transaction is recognized as income or expense in the Statement of profit & loss over the life of the contract.

## 1.9. TAXATION

Current tax is provided at the rates in force, on the taxable profits arrived at with reference to the provisions of Income Tax Act, 1961.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and is written – down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.



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### **1.10.BORROWING COST**

Borrowing Costs are charged to Statement of profit & loss, except when funds are specially borrowed to acquire fixed assets, in which case the same is capitalized till the date the subject assets are ready for the intended use.

**1.11.** The Company has the practice of providing for the liability on account of import duty on Raw material / Stores / Spares in transit or in Bonded Warehouse at the year end and providing for liability on account of Excise duty on stock of finished goods (other than stocks meant for Exports on which no Excise Duty is payable) lying in the factory premises.

### **1.12.PROVISIONS AND CONTINGENT LIABILITY**

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligations. A disclosure of the contingent liability, if determinable, is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. But where is a possible obligation, but the likelihood of outflow of resources is remote, no provision / disclosure is made.

### **1.13. REVENUE RECOGNITION**

- (a) Revenue from sale of goods is recognized when the goods are dispatched to the customers and is stated gross of excise duty and net of sales returns and sales tax.
- (b) Gain / Loss on investments in Growth / Dividend plans of Mutual Funds are accounted for on sale / redemption of units.
- (c) Dividend income is recognized when the right to receive the income is established.
- (d) Income from interest on deposits and loans is recognized on time proportionate method.

### **1.14.USE OF ESTIMATES**

In preparing Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the period the same is determined

### **1.15. EARNINGS PER SHARE**

Basics earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **1.16. LEASES**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Lease payment in respect of such leases are recognized as expenses in the Statement of profit & loss on a straight line basis over the lease terms or extended term.

**Notes to the financial statements for the year ended 31st March 2013****Note No. '2'****(Rs. in lacs)****Share Capital****As at 31st March 2013**    **As at 31st March 2012****AUTHORISED CAPITAL**

17000000 Equity Shares of Rs. 10/- each	<b>1700.00</b>	1700.00
(P.Y. 17000000 equity shares of Rs. 10/- each)	<b>1700.00</b>	1700.00

**ISSUED & SUBSCRIBED**

8058900 Equity Shares of Rs. 10/- each	805.89	805.89
(P.Y. 8058900 equity shares of Rs. 10/- each)		

**PAID UP**

8058900 Equity Shares of Rs. 10/- each, fully paid	805.89	805.89
(P.Y. 8058900 equity shares of Rs. 10/- each)		

**TOTAL****805.89**    **805.89**

2.1. During the current year and in the previous year, there have been no movements in the number of the equity shares outstanding.

2.2. The Company has only one class of equity shares, having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

2.3 Details of share held by shareholders holding more than 5% of the aggregate shares in the company :

<b>Name of the shareholders</b>	<b>As at 31st March 2013</b>	<b>As at 31st March 2012</b>
	<b>% of Holding</b>	<b>% of Holding</b>
ABC Commercial Co. Ltd. 474000 shares	5.9	5.9
(p.y. 474000 shares) @ 10 each		
Mahavir Phototech Pvt. Ltd.		
915561 shares (p.y. 915561 shares) @ Rs. 10 each	11.4	11.4
Alankar Securities Pvt. Ltd.		
807854 shares (p.y. 807854 shares) @ Rs. 10 each	10.0	10.0
Triveni Securities Pvt. Ltd.		
631509 shares (p.y. 631509 shares) @ Rs. 10 each	7.8	7.8
Sushil Jain 666462 shares (p.y. 391362 shares) @ Rs. 10 each	8.27	4.85

**Note No. '3'****(Rs. in lacs)****Reserve & Surplus****As at 31st March 2013**    **As at 31st March 2012****Surplus**

Opening Balance	3349.94	3082.79
Add: Net profit for the year	230.17	267.15

**TOTAL****3580.11**    **3349.94****Note No. '4'****(Rs. in lacs)****Long Term Borrowings****As at 31st March 2013**    **As at 31st March 2012**

Vehicle Loan (Secured)	5.64	15.94
<b>TOTAL</b>	<b>5.64</b>	<b>15.94</b>

Aggregating to Rs. 17.92 lac (p.y. 28.42 lac) are secured against specific vehicle.  
Repayment in 60 monthly instalments commencing from Nov. 2009



**Notes to the financial statements for the year ended 31st March, 2013**

**Note No. '10'**  
Fixed Assets

(Rs. in lacs)

S.No.	Particulars	Gross Block			Depreciation			Net Block			
		Balance as at 01.04.2012 Rs.	Additions during the Year	Disposal during the Year	Balance as at 31.03.2013	Upto 01.04.2012	For the year	Disposal during the Year	Upto 31-3-2013	Balance as at 31.03.2013	Balance as at 31.03.2012
<b>I Tangible Assets</b>											
1.	Land	3.50	-	-	3.50	-	-	-	-	3.50	3.50
2.	Building	184.17	21.91	-	206.08	90.12	6.41	-	96.53	109.55	94.05
3.	Plant & Equipments	2867.55	64.42	31.95	2900.02	2108.34	49.64	17.58	2140.40	759.62	759.21
4.	Electrical Installation	55.16	264.29	-	319.45	37.02	6.99	-	44.01	275.44	18.14
5.	Furniture & Fixtures	37.87	0.13	-	38.00	23.85	2.53	-	26.38	11.62	14.01
6.	Vehicles	127.92	-	-	127.92	34.62	12.15	-	46.77	81.15	93.30
7.	Office Equipments	94.33	1.83	-	96.16	72.22	9.95	-	82.17	13.99	22.61
<b>SUB TOTAL (A)</b>		<b>3370.50</b>	<b>352.58</b>	<b>31.95</b>	<b>3691.13</b>	<b>2366.17</b>	<b>87.67</b>	<b>17.58</b>	<b>2436.26</b>	<b>1254.87</b>	<b>1004.82</b>
<b>II Intangible Assets</b>											
Intangible R & D (Product Development)											
		34.85	-	-	34.85	12.20	6.97	-	19.17	15.68	22.65
	Software	18.66	4.38	-	23.04	16.49	1.71	-	18.20	4.84	1.67
<b>SUB TOTAL (B)</b>		<b>53.51</b>	<b>4.38</b>	<b>-</b>	<b>57.89</b>	<b>28.69</b>	<b>8.68</b>	<b>-</b>	<b>37.37</b>	<b>20.53</b>	<b>24.32</b>
<b>III Capital Work in progress</b>											
	Building	3.33	-	3.33	-	-	-	-	-	-	3.33
<b>SUB TOTAL (C)</b>		<b>3.33</b>	<b>-</b>	<b>3.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.33</b>
<b>Total [A+B+C]</b>											
<b>(Current Year)</b>		<b>3427.34</b>	<b>356.96</b>	<b>35.28</b>	<b>3749.02</b>	<b>2394.86</b>	<b>96.35</b>	<b>17.58</b>	<b>2473.62</b>	<b>1275.40</b>	<b>1032.48</b>
<b>(Previous Year)</b>		<b>3398.72</b>	<b>33.11</b>	<b>4.49</b>	<b>3427.34</b>	<b>2308.53</b>	<b>90.39</b>	<b>4.05</b>	<b>2394.86</b>	<b>1032.48</b>	<b>1098.89</b>
Note :- Building, Plant & Machinery and Electrical Installation include Rs. 28.18 lacs, Rs. 363.40 lacs, Rs. 10.09, Rs. 2.66 and Rs. .71 lacs respectively which includes computers of Rs. .48 lacs purchased during the year towards assets for R & D purposes											

**Note No. '11' Non Current Investment (at Cost) (Rs. in lacs)**

	As at 31st March 2013	No.	As at 31st March 2012
<b>1 Investment in Subsidiaries (Unquoted, Trade)</b>			
ITDL USA Inc.	-	50000	22.60
Equity Share of \$ 1 each)			
ITDL Imagetec Limited - Subsidiary Company	51.00	510000	51.00
(Equity Shares of Rs. 10 each)			
<b>2 Non Trade Investment in Associates (Unquoted, Trade)</b>			
Alankar Securities Private Limited	-	123000	36.90
(Equity Shares of Rs. 10 each)			
Triveni Securities Private Limited	30.00	100000	30.00
(Equity Shares of Rs. 10 each)			
Equity Share Mahavir Phototech Pvt. Ltd.	29.10	97000	29.10
(Equity Shares of Rs. 10 each)			
<b>TOTAL</b>	<b>110.10</b>		<b>169.60</b>

**Note No. '12' Long Term Loans & Advances (Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
<b>I) Capital Advances (unsecured considered goods)</b>		
Unsecured, considered goods	26.91	87.37
<b>II) Security Deposit</b>		
Security Deposit-Others (Unsecured considered goods)	34.86	11.84
<b>III) Loans &amp; Advance to related parties</b>		
Refer Note 41 (Unsecured considered goods)	-	800.00
<b>IV) Loan &amp; Advance to Employee (Unsecured considered goods)</b>		
		0.78
<b>V) Others : Fixed Deposit with banks with maturity period more than 12 months</b>		
	45.67	0.10
<b>TOTAL</b>	<b>107.44</b>	<b>900.09</b>

**Note No. '13' Current Investment (at the lower of cost and fair value) (Rs. in lacs)**

	No.	As at 31st March, 2013	As at 31st March, 2012
<b>1 Investment in Mutual Funds (unquoted)</b>			
Units of Rs. 10 each, unless otherwise specified)			
a) UTI Treasury Advantage Fund - Periodic Dividend Plan Payout (NAV Rs. 191.37 lacs units 18163.347) (P.Y. NAV Rs 182.53 lac, P.Y. Units 17452.741)	18163.347	191.37	182.53
b) UTI Floating Rate Fund - STP - Regular Plan - Growth (NAV Rs. 197.21 lacs, Units 10462.808) (P.Y. NAV Rs 89.26 lac, P.Y. Units 5157.491)	10462.808	189.25	89.56
c) UTI Treasury Advantage Fund - Growth Plan (NAV Rs. 432.97 lacs, Units 14643.474) (P.Y. NAV Rs 212.97 lac, P.Y. Units 7861.306)	14643.474	402.97	212.97
d) UTI Treasury Advantage Fund - Institutional Plan Growth (NAV Rs. 612.21 lacs, Units 38650.703) (P.Y. NAV Rs 264.81 lac, P.Y. Units 18313.703)	38640.703	579.81	264.81
e) UTI Floating Rate Fund - Short Term Plan - Institutional Growth Option (NAV Rs. 151.28 lacs, Units 11400.354) (P.Y. NAV Rs 138.17 lac, P.Y. Units 11400.354)	11400.354	138.17	138.17
<b>TOTAL</b>		<b>1501.57</b>	<b>887.74</b>

**Note No. '14' Inventories (Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
<b>1 Raw Material (including in transit Rs. 32.53 lacs)</b>		
(previous year 5.42 lacs)	279.18	251.87
<b>2 Work in Process (Toners)</b>	138.99	82.72
<b>3 Finished Goods (Toners)</b>	32.76	10.71
<b>4 Oil &amp; Lubricants</b>	26.17	28.02
<b>5 Stores &amp; Spares</b>	38.72	28.82
<b>6 Packing Material</b>	14.08	29.68
<b>TOTAL</b>	<b>529.90</b>	<b>431.82</b>

(For valuation, refer Note No. 1.7)

**INDIAN TONERS & DEVELOPERS LIMITED**
**Details of Raw Materials Inventory**

	As at 31st March 2013	As at 31st March 2012
1 Resin	163.05	92.38
2 Magnetite	6.28	27.00
3 Others	109.85	132.49
<b>TOTAL</b>	<b>279.18</b>	<b>251.87</b>

**Note No. '15' Trade receivables**
**(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1 <u>Outstanding for a period exceeding six months from the date they are due for payment :</u>		
Unsecured, Considered Goods :	-	31.61
2 <u>Others receivables :</u>		
Unsecured, Considered Goods :	568.72	409.22
(including Related Party refer Note 42)		-
<b>TOTAL</b>	<b>568.72</b>	<b>440.83</b>

**Note No. '16' Cash & Bank Balances**
**(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1 <u>Cash &amp; Cash equivalent</u>		
Cash on Hand		
Cash Balance	2.50	5.42
Cheque in Hand	1.25	
Sub Total (A)	<b>3.75</b>	<b>5.42</b>
2 <u>Bank Balance</u>		
Current Account	73.11	13.64
EEFC Account	107.52	226.01
Bank Deposits#	-	50.00
Sub Total (B)	<b>180.63</b>	<b>289.65</b>
3 <u>Other Bank Balance</u>		
Balance with Banks to the extended held as Marging Money*	21.32	55.37
Sub Total (C)	<b>21.32</b>	<b>55.37</b>
Total [A+B+C]	<b>205.70</b>	<b>350.44</b>

\*Pledged with banks against LC & Bank guarantee on behalf of the company

#Fixed deposits with banks with maturity period more than 3 months but upto 12 months

**Note No. '17' Short Terms Loans and Advances**
**(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1. Advances to Employees (Unsecured, considered goods)	1.38	4.36
2 Loans & Advances to related parties (Unsecured, considered goods) Refer Note 42	700.00	500.00
3 <b><u>Balance with Govt. Authorities</u></b>		
Custom Claim Receivables	-	4.05
Vat Credit	2.58	1.72
Balance with Excise / Sales Tax	42.45	115.51
Service tax Recoverable	2.48	13.20
4 <b><u>Security Deposit</u></b>		
Security Deposit Others (Unsecured considered goods)	-	0.69
5 <b><u>Others</u></b>		
Advance to Suppliers (unsecured considered goods)	5.10	17.98
Advance Income Tax (including TDS)	194.30	82.55
Prepaid Expenses	10.99	4.24
Others	1.17	
<b>TOTAL</b>	<b>960.45</b>	<b>744.30</b>

## Note No. '18' Other Current Assets

(Rs. in lacs)

	For the year ended 31st March 2013	For the year ended 31st March 2012
1 Interest Accrued (but not due) on Fixed Deposits	3.54	2.45
2 Interest Accrued (but not due) on Car Loan	0.04	0.06
3 Insurance Claim Receivables	0.14	1.45
4 Interest Accrued on Electricity Deposit	<u>1.06</u>	<u>-</u>
<b>TOTAL</b>	<b><u>4.78</u></b>	<b><u>3.96</u></b>

## Note No. '19' Revenue from Operations

(Rs. in lacs)

	For the year ended 31st March 2013	For the year ended 31st March 2012
<b>1 Sale of Products</b>		
Manufacturing Goods (Comparises of Toners)	2719.75	2619.06
Less : Sale Return	-	14.87
Less : Excise Duty	<u>0.99</u>	<u>0.24</u>
	<b><u>2718.76</u></b>	<b><u>2603.95</u></b>
<b>2 Other Operating Revenue</b>		
Export Incentives	73.05	65.17
Scrap Sales	1.83	1.03
Sale of Focus License	<u>20.02</u>	<u>6.00</u>
	<b><u>94.90</u></b>	<b><u>72.20</u></b>
<b>TOTAL</b>	<b><u>2813.66</u></b>	<b><u>2676.15</u></b>

## Note No. '20' Other Income

(Rs. in lacs)

	For the year ended 31st March 2013	For the year ended 31st March 2012
1 Interest Income :		
from Subsidiaries	95.87	143.51
from others	<u>19.77</u>	<u>3.98</u>
2 Dividend Income : on current investments assignments	13.91	39.43
: from subsidiaries	<u>10.20</u>	<u>10.20</u>
3 Short Term Capital Gain on Mutual Funds	-	0.10
4 Recovery Against assignment of Keyman Policy	-	31.51
5 Provision no longer required written back	<u>2.23</u>	<u>0.43</u>
6 Other Income (including insurance Claim recd Rs. .14 lacs, P.Y. Rs. 0.31 lacs)	23.64	15.26
7 Foreign Exchange Flutuations Gain (Net)	<u>40.94</u>	<u>52.43</u>
<b>TOTAL</b>	<b><u>206.56</u></b>	<b><u>296.85</u></b>

## Note No. '21' Cost of Material Consumed

(Rs. in lacs)

	For the year ended 31st March 2013	For the year ended 31st March 2012
<b>Raw Materials</b>		
Opening Stock	246.45	313.18
Add : Purchase	1290.79	1170.13
Less : Closing Stock	<u>246.65</u>	<u>246.45</u>
Consumed	<b><u>1290.59</u></b>	<b><u>1236.86</u></b>

## Imported & Indigenous Raw Material Consumed

(Rs. in lacs)

Raw Material	For the year ended 31st March 2013 (Rs.)	% of total consumption	For the yearended 31st March 2012 (Rs.)	% of total consumption
1. Imported	1246.35	96.57	1159.68	93.76
2. Indigenous	<u>44.24</u>	<u>3.43</u>	<u>77.18</u>	<u>6.24</u>
<b>TOTAL</b>	<b><u>1290.59</u></b>	<b><u>100.00</u></b>	<b><u>1236.86</u></b>	<b><u>100.00</u></b>

## Details of Raw Material Consumed

(Rs. in lacs)

1. Resin	833.75	786.13
2. Magnetitie	205.08	198.94
3. Others	<u>251.76</u>	<u>251.79</u>
<b>TOTAL</b>	<b><u>1290.59</u></b>	<b><u>1236.86</u></b>

**Note No. '22' Other Manufacturing Expenses (Rs. in lacs)**

	For the year ended 31st March 2013	For the year ended 31st March 2012
1 Packing Material Consumed	109.17	123.30
2 Stores and Spares Consumed	10.59	47.14
3 Electricity & Power Charges	373.22	399.54
4 Repair & Maintenance of Plant & Machinery	39.20	26.22
5 Repair & Maintenance of Building	18.29	10.90
6 Security Expenses	7.68	6.03
<b>Total</b>	<b>558.15</b>	<b>613.13</b>

**Imported & Indigenous Stores, Spares & packing Material Consumed (Rs. in lacs)**

	For the year ended 31st March 2013	% of total consumption	For the year ended 31st March 2012	% of total consumption
Imported	2.07	1.73		
Indigenous	117.69	98.27	170.44	100
<b>TOTAL</b>	<b>119.76</b>	<b>100.00</b>	<b>170.44</b>	<b>100</b>

**Note No. '23' Change in Inventories of Finished goods & work in progress (Rs. in lacs)**

	For the year ended 31st March 2013	For the year ended 31st March 2012
Inventories at the end of the year : Finished goods (Toners)	32.76	10.71
: Work-in-Process (Toners)	138.99	82.72
	<b>171.75</b>	<b>93.43</b>
Inventories at the beginning of the year : Finished Goods (Toners)	10.71	10.50
: Work-in-Process (Toner)	82.72	91.01
	<b>93.43</b>	<b>101.51</b>
Decrease/Increase during the year	<b>(78.32)</b>	<b>8.08</b>

**Note No. '24' Employee Benefit Expenses (Rs. in lacs)**

	For the year ended 31st March 2013	For the year ended 31st March 2012
1 Salaries, Wages, Bonus etc.	366.43	313.95
2 Contribution to Provident & Other Funds	17.44	14.51
3 Staff Welfare Expenses	5.50	5.94
<b>TOTAL</b>	<b>389.67</b>	<b>334.40</b>

**Note No. '25' Finance Cost (Rs. in lacs)**

	For the year ended 31st March 2012	For the year ended 31st March 2011
1 Interest Expenses	13.71	3.91
<b>TOTAL</b>	<b>13.71</b>	<b>3.91</b>

**Note No. '26' Other Expenses (Rs. in lacs)**

	For the year ended 31st March 2013	For the year ended 31st March 2012
1 Rent Account x	9.60	6.62
2 Rates & Taxes	19.09	8.62
3 Insurance Expenses	6.76	13.35
4 Repair & Maintenance to Computers x	3.14	5.15
5 Repair & Maintenance Office	4.49	1.94
6 Advertisement & Sales Promotion	24.11	21.54
7 Communication Expenses x	14.44	14.61
8 Travelling Expenses (including Foreign Travelling) & Conveyance	50.51	46.11
9 Vehicle Running & Maintenance Account	14.42	14.88
10 Staff Recruitment Expenses	1.42	1.72
11 Printing & Stationery Account	5.61	4.55
12 Electricity & Water Expenses x	5.39	4.95
13 Auditors Remuneration		
As Audit Fees	1.50	1.50
As Tax Audit Fees	0.25	0.25



**INDIAN TONERS & DEVELOPERS LIMITED**

For Other Services	0.22	0.13
14. Legal & Professional Expenses	12.35	27.05
15 Directors Sitting Fees	1.48	1.45
16 Freight Outward	93.20	90.65
17 Discount & Incentives	2.79	2.29
18 Bank Charges	17.58	19.23
19 Bed Debts	0.03	5.93
20 Other Maintenance	4.14	2.24
21 Loss on Sale of Fixed Assets	4.68	-
22 General Expenses	28.11	9.92
23 Loss on Sale of shares	20.91	-
24 Service Tax Adjustments	31.51	-
<b>TOTAL</b>	<b>377.73</b>	<b>304.68</b>

x Note : After adjustments of recoveries expenses from Subsidiary Company ITDL Imagetec include Rs. 39.50 lacs (P.Y. 36.38 lacs) related with R & D expenses (Refer Note No. 36)

**Note No. '27' Exceptional Items**
**(Rs. in lacs)**

	For the year ended 31st March 2013	For the year ended 31st March 2012
Rent Arrears (on account of disputed rent)	1.81	17.24
Loss on account of closure of Subsidiary Company in USA	17.40	-
<b>TOTAL</b>	<b>19.21</b>	<b>17.24</b>

**Notes to the Financial Statements**
**(in lacs)**

28. Contingent liabilities not provided for in respect of: For the year ended 31st March 2013 For the year ended 31st March 2012
- |  |        |        |
|--|--------|--------|
| a) Letters of credit established in favour of the suppliers                  | 356.96 | 426.07 |
| b) Guarantee issued by SBI on behalf of Company                              | 0.25   | 0.25   |
| c) Sales Tax / Trade Taxes demands against which appeals have been preferred | 0.82   | 46.92  |
| d) Export obligation against advance licenses                                | 250.25 | 266.73 |
| e) Rent  |        | 7.06   |
29. **Commitments :** As at 31st March 2013 As at 31st March 2012
- |  |       |        |
|--|-------|--------|
| Estimated amount of contract remaining to be executed on capital amount and provided for | 90.00 | 138.36 |
|--|-------|--------|
30. Balances in accounts of Sundry Debtors, Advances, Security deposits of dealers and creditors are subject to confirmations for the respective parties.
31. a) Trade payable includes (i) Rs. Nil (Previous Year Nil due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME).  
b) No interest is paid/payable during the year no any enterprises registered under MSME.  
c) The above information's have been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of supplied under MSME.
32. a) Accounting Standard as to Segment Reporting AS -17 is not applicable to the Company as it is engaged in the business of Toners which is the single reportable segment.  
However, disclosure as to secondary segment is as under :

**(Rs. in lacs)**

	For the year ended 31st March 2013	For the year ended 31st March 2012
Geographical Segment :		
i) Domestic Sale (including Excise Duty) :	39.78	25.39
ii) Export Sales (including Export benefits) :	2754.85	2645.00
	<b>2794.63</b>	<b>2670.39</b>

- b) Details of sales : (including Export Benefit on Export Sales) :

Sales	2794.63	2670.39
Excise Duty	(-) 0.99	(-) 0.24
<b>NET SALES</b>	<b><u>2793.64</u></b>	<b><u>2670.15</u></b>

33. a) Estimated benefits aggregating to Rs. 73.05 lacs (Previous Year Rs. 65.17 lacs) against export effected during the year has been taken into account for the year as incentive accounting in respect of duty free imports of Raw Material under Advance Licence Scheme and corresponding amount has been added to the cost of Materials.
- b) Service Tax amounting to Rs. 2.48 lacs (Previous Year Rs. 13.20 lacs) have been treated as recoverable and is subject to claim yet to be filed with Department.

34. Amount of Exchange difference debited to Profit & Loss Account amounted to Rs. 30.42 lacs (previous year Rs. 62.37 lacs) and credited to P & L a/c amounted to Rs. 71.36 lacs (Previous Year Rs. 114.80 lacs)

35. Lease :

Vehicles taken on lease :

The total future minimum lease payable at the Balance Sheet date is as under :

For a period not later than one year Rs.12.28lacs

For a period later than one year and not later than five yearsRs.5.64 lacs

For a period later than five yearsRs. NIL

Total lease expenses debited to Statement of profit & loss is Rs1.88 lacs Previous year 2.93lacs

36. R & D expenses included under various heads Rs.60.47lacs [Including Raw Material Consumption Rs. 1.99lacs& Depreciation Rs. 18.98lacs] (Previous year Rs.67.18 lacsRaw Material Consumption Rs.5.26 lacs& Depreciation Rs25.54lacs) respectively.

37. The Company has calculated the various benefits provided to employees as under:

- A) Defined Contribution Plans

Provident Fund

During the year the Company has recognized the following amounts in the Statement of Profit and Loss :

For the year ended 31st March 2013      For the year ended 31st March 2012

**(Rs. In. Lacs)**

Employers Contribution to Provident Fund	15.14	14.50
--	-------	-------

- B) State Plans

- a) Employee State Insurance

During the year the Company has recognized the following amounts in the Statement of Profit and Loss:

For the year ended 31st March 2013      For the year ended 31st March 2012

**(Rs. In Lacs)**

Employers Contribution to Employee State Insurance	0.28	0.48
--	------	------

- C) Defined Benefit Plans

- a) Gratuity

- b) Leave Encashment

The discount rate assumed is 9% which is determined by reference to market yield at the Balance Sheet date on government bonds. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market, Reconciliation of opening and closing balances of the present value of the defined benefit obligation is as under:

Particulars	(Rs. in lacs)			
	Gratuity (Funded)*		Leave Encashment (Unfunded)*	
	Current Year	Previous Year	Current Year	Previous Year
<b>The principal assumptions used in actuarial valuation as per below:</b>				
• Discount rate	9%	8%	8%	8%
• Expected rate of return on assets	—	—	—	—
• Expected rate of future salary increase	6%	6%	5%	5%
<b>Change in present value of obligations</b>	—	—	—	—
• Present value of obligations as at 01.04.2012	30.73	24.91	18.41	13.95
• Interest cost / Contribution	(0.96)	1.99	1.47	1.12
• Current service cost	9.65	3.16	5.27	3.90
• Benefits paid/transferred	(13.74)	(2.36)	—	—
• Actuarial Gain on Obligations	5.44	3.03	.48	.56
• Present value of obligation as at 31.03.2013	31.12	30.73	25.63	18.41
<b>Changes in fair value of plan assets</b>	Not Available	Not Available	Not Available	Not Available
<b>Liability recognized in the Balance Sheet</b>				
• Present value of obligations as at 31.03.2013	—	—	25.63	18.41
• Fair value of plan assets as at the end of the year	—	—	—	—
• Expenses as above	—	—	7.47	4.46
• Unrecognised Actuarial (Gain) / Loss	—	—	—	—
• Net (Assets) / Liability recognized in Balance Sheet	—	—	25.63	18.41
<b>Expenses recognized in Profit and Loss Account</b>				
• Current service cost	9.96	0.42	5.27	3.90
• Interest cost	—	—	1.47	1.12
• Expected return on plan assets	—	—	—	—
• Net Actuarial (Gain) / Loss recognized during the year	—	—	0.48	(0.56)
• Total Expense recognized in Statement of Profit and Loss	9.96	0.42	7.22	4.46

\*Funded with L.I.C.

<b>38. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS:</b>		<b>(Rs. in lacs)</b>	
	For the year ended 31st March 3	For the year ended 31st March 2012	
i) Raw Materials	1184.17	1067.84	
ii) Stores & Spares and packing materials	3.79	2.36	
<b>39. Expenditure in foreign currency :</b>		<b>(Rs. in lacs)</b>	
	For the year ended 31st March 2013	For the year ended 31st March 2012	
(i) Foreign Travels	29.06	32.34	
(ii) Consultancy Charges	0	13.92	
(iii) Others (Exhibition, Advertisement etc.)	19.71	20.59	
<b>40. Earning in Foreign Exchange :</b>		<b>(Rs. in lacs)</b>	
	For the year ended 31st March 2013	For the year ended 31st March 2012	
FOB Value of Exports	2670.83	2679.50	
<b>41. Calculating of Earning Per Share</b>		For the year ended 31st March 2013	
1. No. of Shares at the beginning of the year	8059000	8059000	
2. No of Shares at the close of the year	8059000	8059000	
3. Net Profit after Tax Rs.	230.18	267.15	
4. E. P. S. Rs.	2.86	3.31	

42. **Related Party Disclosure (Pursuant to Accounting Standard - 18)**

- |  |   |   |
|--|---|---|
| (a) Wholly and Subsidiary Companies  | - | (i) ITDL USA, Inc. (ii) ITDL Imagetec Limited   |
| (b) Key Management Personnel   | - | Shri Sushil Jain (CMD)  |
| (c) Relative of Key Management   | - | Shri Akshat Jain, (son of Sh. Sushil Jain)<br>Sr. Vice President (Corporate Affairs)  |
| (d) Enterprises over which Key Management Personnel and/or relative are able to exercise significant influence | - | Jain Bhawan<br>Shrilon India Ltd.<br>Alankar Securities Private Limited<br>Mahavir Phototech Private Limited<br>Triveni Securities Private Limited<br>Jain Tube Company Limited |

(ii) Detail of transactions with Related Parties during the year :

Particulars	Subsidiary Companies	Key Management Personnel	Relative of Key Management Personnel	Enterprises referred in (1) (d) above
Remuneration Paid	—	90.95 (95.68)	39.42 (24.03)	—
Advance to Subsidiary Co.	15.65 (27.89)	—	—	—
Rent Received	29.91 (29.08)	—	—	—
Expenses Recovered & Interest charged	144.92 (162.87)	—	—	—
Divident Receivable from Subsidiary co.	10.20 (10.20)	—	—	—
Loan recieved back	600.00 (600.00)	—	—	—
<b>i) Outstandings:</b>				
Balances as at year end (balances due from the Company)	700.00 (1300.00)	— —	— —	— —

Note :-

- i) Figures in the bracket are for the previous year.
- ii) In addition to above during the year, Company entered into an Agreement of High Seas Sale / Purchase with Subsidiary company (ITDL ImagetecLtd.) total sale & purchase made on high seas basis is Rs. NIL (Pervious Rs. 29.95 lacs) & Rs. Nil ( Previous Year Rs.54.01 lacs) Local Sale & Purchase Rs-14.49Lacs (Previous year Rs. Ni) & Rs-1.3Lacs (Previous Year Nil) respectively from subsidiary company. Also the company has sold Licenses under Focus scheme from the holding company of Rs-20.54 lacs (Previous Year Rs. 17.32 lacs)
43. Loans to subsidiary company, namely, ITDL Imagetec Ltd. Include accrued interest Rs. 95.87lacs (P.Y. 143.51lacs) . Maximum amount of loan/interest during the year Rs. 1300.00lacs (P.Y. Rs. 1961.38 lacs)
44. Previous year's figures have been regrouped / rearranged whenever necessary to make them comparable with those of the current year.
- 45 The Financial statements for the year ended 31<sup>st</sup> March 2012 had been prepared as per the then applicable Schedule VI to the Companies Act 1956. Consequent to the notification under the Companies Act 1956., the financial statements for the year ended 31<sup>st</sup> March 2013 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**

Chartered Accountants  
ICAI's FRN 304153E

**(B.R.GOYAL)**

Partner

Membership No. 12172

11K, Gopala Tower,

25, Rajendra Place, New Delhi

The 17th Day of May 2013

**(S.C. SINGHAL)**

Executive Director

& Company Secretary

**(SANJEEV GOEL)**

Director

**(SUSHIL JAIN)**

Chairman & Managing Director

For and on Behalf of the Board of Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>	<b>For the Year ended 31st March 2013</b>	<b>For the year ended 31st March 2012</b>
Net Profit/Loss before tax	<b>353.43</b>	364.32
<b>Adjustment for</b>		
Depreciation & Amortisation	<b>96.35</b>	90.38
Loss / (Profit) on sale of Fixed Assets	<b>4.68</b>	(0.06)
Finance Cost	<b>13.71</b>	3.91
Interest Income	<b>(115.64)</b>	(147.49)
Provision for Leave Encashment	<b>7.22</b>	4.46
Bad Debt	<b>0.03</b>	5.93
Liabilities / provisions no longer required written back	<b>(2.23)</b>	(0.43)
Short term capital gain on mutual fund	<b>-</b>	(0.10)
Loss/(profit) on Sale of Investments	<b>20.91</b>	-
Loss/(profit) on closure of Subsidiary	<b>17.40</b>	-
Service Tax Adjustment	<b>31.51</b>	-
Unrealised Foreign Exchange (Gain)/Loss - Net	<b>(1.89)</b>	(8.65)
Income from Current Investments (Non Trade) Dividend	<b>(24.11)</b>	(49.63)
<b>Operating Profit Before Working Capitals Changes</b>	<b>401.37</b>	262.64
<b>Adjustments For</b>		
(Increase) / Decrease in Inventories	<b>(98.09)</b>	128.72
(Increase) / Decrease in Trade receivables & other receivables	<b>2.38</b>	(18.81)
(Increase) / Decrease in Trade payables & other payables	<b>(45.30)</b>	(13.06)
<b>Cash Generated from Operations</b>	<b>260.36</b>	359.49
Direct Taxes including Wealth Taxes (net of refunds)	<b>(111.75)</b>	(106.00)
<b>Net Cash Inflow / (outflow) in course of Operating Activities (A)</b>	<b>148.61</b>	253.49
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets / Capital Advances & CWIP	<b>(380.54)</b>	(111.77)
Purchase of investments (Net of sales)	<b>(592.66)</b>	(887.74)
Loan recieved back from subsidiaries	<b>600.00</b>	600.00
Short term capital gain on mutual fund	<b>-</b>	0.10
Proceeds from sales of fixed assets	<b>9.68</b>	0.50
Movement in other Bank Balances	<b>(11.52)</b>	2.57
Interest Received	<b>115.64</b>	209.31
Dividend Received	<b>24.11</b>	49.63
<b>Net Cash Inflow / (outflow) in course of Investing Activities (B)</b>	<b>(235.28)</b>	(137.40)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from / (Payments of) long Terms Borrowing	<b>(10.30)</b>	(9.47)
Interest paid	<b>(13.71)</b>	(3.91)
Proceed from / (Payment of) Short Term Borrowings	<b>-</b>	(9.22)
<b>Net Cash Inflow / (outflow) from Financing Activities (C)</b>	<b>(24.01)</b>	(22.60)
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>(110.69)</b>	93.49
<b>Cash And Cash Equivalents at the beginning of the year</b>	<b>295.07</b>	201.58
<b>Cash &amp; Cash Equivalent At closing of the year</b>	<b>184.38</b>	295.07

Notes: (1) The Cash Flow Statements has been prepared under the 'Indirect Method' set out in Accounting

Standard - 3 Cash Flow Statement specified in the Companies (Accounting Standard) Rules, 2006.

(2) Previous Years figures have been regrouped / rearranged wherever considered necessary to confirm to make them comparable.

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**

Chartered Accountants

ICAI's FRN 304153E

**(B.R.GOYAL)**

Partner

Membership No. 12172

11K, Gopala Tower,

25, Rajendra Place, New Delhi

The 17th Day of May 2013

**(S.C. SINGHAL)**

Executive Director

& Company Secretary

**(SANJEEV GOEL)**

Director

**(SUSHIL JAIN)**

Chairman & Managing Director

For and on Behalf of the Board of Directors

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary	ITDL, (U.S.A.) Inc.	ITDLIMAGETEC LTD.
The Financial Year of the Subsidiary Company ended on	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2013
Holding Company's interest	NA	51%
Share held by the Holding Company in the subsidiary	NA	510000 Shares @ Rs. 10 each
Net aggregate amount of Profit / (Loss) of the subsidiary so far as it concerns the Members of the Holding Company and is not dealt with in the Accounts of the Holding Company.		
a. For the financial year ended on March 31, 2013 (Rs.)	NIL	Rs. 450.72 lacs
b. For the other previous financial years of the Subsidiary since it became a Subsidiary (Rs.)	NIL	Rs. 268.81 lacs
Net aggregate amount of Profit / (Loss) of the subsidiary so far as it concerns the Members of the Holding Company and is dealt with in the Accounts of the Holding Company.		
a. For the financial year ended on March 31, 2013 (Rs.)	NIL	NIL
b. For the other previous financial years of the Subsidiary since it became a Subsidiary (Rs.)	NIL	NIL

For and on Behalf of the Board of Directors

(S.C. SINGHAL)  
Executive Director  
& Company Secretary

(SANJEEV GOEL)  
Director

(SUSHIL JAIN)  
Chairman & Managing Director

Place : New Delhi  
Date: 17th May, 2013

To,

The Members,

Your Directors have pleasure in presenting the 7<sup>th</sup> Annual Report alongwith the Accounts for the year ended March 31, 2013.

## **OPERATIONS**

During the year your Company achieved a turnover of Rs. 4078 lacs as against Rs. 3532 lacs during the preceding year. The net profit (after tax) was Rs. 883 lacs (including provision of Rs. 181 lacs for Mat Credit Entitlement) during the year as against Rs. 527 lacs (including provision of Rs. 122 lacs for Mat credit Entitlement) in the previous year. The production during the year increased 807.27 MT as compared to 695.43 MT in the last year.

The market is growing and it is always the endeavour of your Company to grow as per the industry growth rate and more. However, clandestine import of toners by unethical means by traders and dumping by China is always a challenge for the Company but despite these odds, it will be able to manage and maintain its race to increase its turnover and profits by increasing its market share.

## **DIVIDEND**

The Board of Directors have recommended a dividend of 50%. The dividend for financial year 2012 – 2013 shall be in addition to Corporate Dividend tax to be paid by the Company. The total outflow on account of dividend for 2012 – 2013 is Rs. 58.50 lacs including dividend distribution tax.

## **PROSPECTS**

In view of the Excise and Income Tax exemptions / concessions available in Uttrakhand, your company has a more bright future. However, the increase in the Power Tariff and erratic power supply position may increase the cost of production and have adverse impact on the profits of the Company.

## **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 Sushil Jain**, a Director of your Company will retire by rotation at the forth coming Annual General Meeting and being eligible, offers himself for re-appointment.

**Shri Akshat Jain**, a Director of your Company will retire by rotation at the forth coming Annual General Meeting and being eligible, offers himself for re-appointment.

Shri Nirankar Saran Sharma, was a director of your Company upto 03.02.2013 and he resigned w.e.f. 04.02.2013.

## **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 judgments 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, the Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for appointment. The Requisite Certificate under Section 224(1B) of the Companies Act, 1956 has been received from them.

## PERSONNEL

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.

The Company has no employees in the category specified u/s 217 (2A) of the Companies Act, 1956 read with Companies (particulars of employees) rules, 1975 and Companies (Particulars of employees) (Amend) Rules, 2002.

## ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

The additional information as 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 as under :

(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, Adaption and Innovation** : The activities of the Company do not involve any foreign technology and consequently process of absorption and technology and its adaption does not arise. However, innovative methods of production are continuously under introduction suiting to the requirement of the jobs.

(c) **Foreign Exchange Earning and Outgo** :

	Rs. in Lacs	
I) Total Foreign Exchange Used	2012-13	2011-10
i) Import of Raw Materials	1477.42	1044.06
ii) Import of Stores & Spares and Packing Material	0.37	0.66
iii) Foreign Travel	13.51	8.75
<b>TOTAL</b>	<b>1491.30</b>	<b>1053.47</b>
(II) Total Foreign Exchange earned (on FOB basis)	NIL	NIL

## ACKNOWLEDGEMENT

Your Directors acknowledge the co-operation and assistance extended by various agencies of the Central and State Government, State Bank of India and customers

Place : New Delhi  
Date: 1st May, 2013

For and on Behalf of the Board of Director  
(SUSHIL JAIN)  
Director



# AUDITORS' REPORT

ITDL IMAGETEC LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ITDL IMAGETEC LTD.

### Report on the Financial Statements

1. We have audited the accompanying financial statement of **ITDL IMAGETEC LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
  - (b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
  - (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956 (the Act), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; &
  - e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;

FOR K.N.GUTGUTIA & CO.,  
CHARTERED ACCOUNTANTS  
(B.R.GOYAL)  
PARTNER  
Membership No. 12172  
ICAI'S FRN 304153E

Place : New Delhi  
Date: 1st May, 2013

# ANNEXURE TO THE AUDITORS' REPORT

## ITDL IMAGETEC LTD.

**Referred to in Paragraph 3 of our report of even date to the members of ITDL Imagetec Ltd. (the Company) on the Financial Statements for the year ended 31st March, 2013.**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanation given to us physical verification of fixed assets has been carried out by the Management at the close of the year and no discrepancy was noticed on such verification.
- (c) During the year the Company has not disposed off any substantial/ major part of fixed assets.
- ii) (a) As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stock, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account
- iii) (a) The Company had not granted any loans to companies, firm or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, therefore, the provisions of clause 4 (iii) (a) to (d) of the Companies (Auditors Report) order are not of applicable.
- (b) The Company has not taken unsecured loan during the year (there was opening Balance of Rs. 1300 Lacs) from its Holding Company listed in the register maintain under Section 301 of the Companies Act, 1956 and the maximum amount Rs. 1327.89 Lacs involved outstanding as at balance sheet date was Rs.700 Lacs. According to the information and explanations given to us, in our opinion, the terms and condition on which the said loan has been taken are prima facie not prejudicial to the interest of the Company. The Company is regular in the matter of payment of interest and the principal amount.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system in these areas.
- v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the year with its Holding Company, at such consideration which are reasonable having regard to the nature of strategic relationship with the company.
- vi) The Company has not accepted any public deposits. Accordingly, paragraph (vi) of the Order is not applicable to it.
- vii) In our opinion, the company has an internal audit system commensurate with the size of the company and the nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintained of cost records

has been prescribed under clause (d) of sub section (1) of Section 209 of the Act, and are If the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view of determine whether they are accurate or complete.

- ix) (a) According to the information and explanations given to us and records examined by us , the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund , employees state insurance, income tax , sales-tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues of the aforesaid nature were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there were no dues as at 31st March, 2013 of sale tax, income-tax, customs, wealth-tax, service tax, excise duty, cess which have not been deposited on account of disputes.
- x) As the company has been registered for a period of less than five years, hence 4(x) of the Order is not applicable to it.
- xi) Based on our audit procedures and the information given by the management, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institution/Bank
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a Chit fund Company or nidhi /mutual benefit fund/ society.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report ) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, Company has not given any guarantees for loans taken by others from bank or financial institutions.
- xvi) According to the information and explanations given to us, no term loan has been raised by the Company during the year.
- xvii) According to the information & explanation given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investments.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) During the year covered by our audit report the Company has not issued secured debentures.
- xx) The Company has not raised any money by public issues during the year covered by our report.
- xxi) Based upon the audit procedures performed and the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

FOR K.N.GUTGUTIA & CO.,  
 CHARTERED ACCOUNTANTS  
 (B.R.GOYAL)  
 PARTNER  
 Membership No. 12172  
 ICAI'S FRN 304153E

Place : New Delhi  
 Date: 1st May, 2013

**Balance Sheet As At 31st March 2013****(Rs. in Lacs)**

Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
a. Share Capital	2	100.00	100.00
b. Reserve & Surplus	3	2196.34	1371.07
<b>(2) Non Current Liabilities</b>			
a. Long Term Borrowings	4	-	800.00
b. Deferred Tax Liability (Net)	5	248.16	217.00
c. Other Long Term Liabilities	6	66.48	82.44
c. Long Term Provisions	7	7.39	8.28
<b>(3) Current Liabilities</b>			
a. Short Term Borrowings	8	702.25	500.00
b. Trade Payables	9	309.65	393.22
c. Other Current Liabilities	10	203.61	228.22
d. Short-Term Provisions	11	457.09	233.95
<b>TOTAL</b>		<b>4290.98</b>	<b>3934.18</b>
<b>II ASSETS</b>			
<b>(1) Non Current Assets</b>			
a. <b>Fixed Assets</b>	12		
i) Tangible Assets		2274.78	2339.59
ii) Intangible Assets		2.62	5.67
iii) Capital Work in progress		-	0.29
b. Long terms loans and advances	13	88.21	113.27
c. Other non-current assets	14	499.25	317.90
<b>(2) Current Assets</b>			
a. Inventories	15	385.09	338.87
b. Trade receivables	16	537.70	471.56
c. Cash and Bank Balances	17	58.95	89.48
d. Short-term loans and advances	18	431.36	252.48
e. Other current assets	19	13.02	5.07
<b>TOTAL</b>		<b>4290.98</b>	<b>3934.18</b>
<b>Significant Accounting Policies</b>	1		
The Notes form an integral part of these Financial statements	1-45		

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**  
Chartered Accountants  
ICAI's FRN 304153E  
**(B.R.GOYAL)**  
Partner  
Membership No. 12172  
11K, Gopala Tower,  
25, Rajendra Place, New Delhi  
The 1st Day of May 2013

For and on Behalf of the Board of Directors

**(SANJEEV GOEL)**  
Director

**(SUSHIL JAIN)**  
Director

**Statement of Profit & Loss Account** for the year ended on 31st March, 2013

(Rs. in Lacs)

S.No.	Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
I	Revenue from operations	20	4078.70	3532.08
II.	Other Income	21	38.47	16.41
<b>III.</b>	<b>Total Revenue (I+II)</b>		<b><u>4117.17</u></b>	<b><u>3548.49</u></b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	22	1584.63	1229.17
	Other Manufacturing Expenses	23	496.13	388.74
	Changes in inventories of finished goods & work-in-progress	24	(27.35)	28.62
	Employee Benefit Expenses	25	389.90	384.54
	Finance Costs	26	110.11	153.09
	Depreciation and amortization expenses	12	119.88	117.40
	Other Expenses	27	521.35	629.33
	<b>Total Expenses (IV)</b>		<b><u>3194.65</u></b>	<b><u>2930.89</u></b>
V	Profit before exceptional items and tax (III-IV)	(III-IV)	922.52	617.60
VI	Exceptional Items-Accrued Rent	28	5.44	6.06
VII	Profit before tax (V-VI)		<b><u>917.08</u></b>	<b><u>611.54</u></b>
<b>VIII</b>	<b>Tax expenses</b>			
	1. Current tax (MAT)		183.52	123.56
	2. Deferred Tax charge		31.16	82.78
	3. MAT Credit Entitlement		(181.35)	(121.86)
IX	Profit/(Loss) for the period		<b><u>883.77</u></b>	<b><u>527.06</u></b>
X	Earning per equity share of Rs. 10 each			
	1. Basic	43	88.38	52.71
	1. Diluted	43	88.68	52.71
	<b>Significant Accounting Policies</b>	1		
	The Notes form an integral part of these Financial statements	1-45		

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**  
Chartered Accountants  
ICAI's FRN 304153E  
**(B.R.GOYAL)**  
Partner  
Membership No. 12172  
11K, Gopala Tower,  
25, Rajendra Place, New Delhi  
The 1st Day of May 2013

For and on Behalf of the Board of Director

**(SANJEEV GOEL)**  
Director

**(SUSHIL JAIN))**  
Director

**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013****Note '1'****GENERAL INFORMATION**

ITDL Imagetec Limited ( hereinafter referred to as ' the Company ' ) is a manufacturer of Toners Only. The Company's manufacturing facilities are located at Sitarganj (Uttarakhand) .

**1.1 BASIS OF ACCOUNTING**

The financial statements have been prepared on an accrual basis and under historical cost convention and in compliance in all material aspect, with the applicable accounting principles in India. The applicable accounting standards notified under Section 211(3C) and the other relevant provisions of the Companies Act 1956.

All the Assets & Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI of the Companies Act, 1956.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent the Company has ascertained its operating cycle to be less than 12 months.

**1.2 TANGIBLE AND INTANGIBLE FIXED ASSETS :**

- a) Fixed Assets are stated at cost less Depreciation provided for.
- b) Depreciation on provided on straight line method treating the Plant as continuous process Plant at rates and in the manner as per Schedule XIV to the Companies Act, 1956 as amended vide notification dated 16th December, 1993. Depreciation on assets added / deducted during the year is charged proportionate with reference to the date of additions / deductions.
- c) Fixed assets individually costing up to rupees five thousand are depreciated at the rate of 100 percent.
- d) Software are amortised on straight line method over a period of three years

**1.3 IMPAIRMENT OF ASSETS**

The carrying amount of fixed assets are revised at each Balance Sheet date if there is any indication of impairment based upon internal / external factors. Any impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of asset but selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**1.4 EMPLOYEE BENEFITS :**

- Contributions payable for provident fund and employee state insurance which are defined contribution plans are charged to profit & loss account.
- Gratuity and leave encashment which are defined benefits are accrued, recognized and calculated on unit credit method, based on actuarial valuation, as at balance sheet date provided by L.I.C. and by an independent actuarial valuer respectively.
- The Company has opted for a group gratuity – cum Life Assurance Scheme of the Life Insurance Corporation of India for employees and the annual contribution for it is charged to the profit & loss account on accrual basis.
- All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits such as salaries, wages and bonus etc. one recognized in the statement of profit & loss in the period in which the employee renders the related service.

**1.5 INVESTMENTS**

Investments that are readily and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. Current investments are carried at lower of cost and fair value. Non-current investments are carried at cost. However, provision of diminution is made to recognize as decline, other than temporary, in the value of investment, such reduction being determined and made for each investment individually.

**1.6 INVENTORY VALUATION**

Inventories are valued at lower of cost or net realizable value except scrap, which is valued at net estimated realizable value.

The methods of determining cost of various categories of inventories are as follows:

Raw materials, Stores & Spares, Power & Fuel and packing Materials	Weighted average method
Work-in -process and finished goods	Variable Cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed productionoverheads are included based on normal capacity of production facilities.

Cost includes all direct costs, cost of conversion and appropriate portion of variable and fixed production overheads and such other costs incurred as to bring the inventory to its present location and condition inclusive of excise duty wherever applicable. Cost formula used is based upon weighted average cost.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### **1.7 FOREIGN CURRENCY TRANSACTIONS :**

Transactions in foreign currency are recorded at the exchange rate prevailing on / or closely approximating to the date of transaction. Current Assets and Liabilities are restated at the rate prevailing at the period end or at the forward rate where forward cover for specific asset / liability has been taken. The difference between the period end rate and the exchange rate at the date of the transaction is recognized as income or expense in the Profit and Loss Account. In respect of forward exchange contracts, the difference (being premium / discounts) between the contract rate and the rate on the date of transaction is recognized as income or expense in the Profit and Loss Account over the life of the contract.

### **1.8 TAXATION**

- (a) Current tax is provided at the rates in force, on the taxable profits arrived at with reference to the provisions of Income Tax Act, 1961.
- (b) Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and is written - down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.
- (c) Minimum Alternate Tax (Mat) credit is recognized as an assets only when and to the extent there is a convincing evidence that the company will pay normal income tax during the specified period. In the year in which MAT credit become eligible to be recognized as an asset in accordance with Guidance Note issued by the Institute of Chartered Accountants of India , the said asset is credited by way of a Credit to Profit & Loss Account and shown as MAT Credit Entitlement .

### **1.9 BORROWING COST :**

Borrowing Costs are charged to Statement of profit & loss, except when funds are specially borrowed to acquire fixed assets, in which case the same is capitalized till the date the subject assets are ready for the intended use.

### **1.10. PROVISIONS AND CONTINGENT LIABILITY**

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligations. A disclosure of the contingent liability, if determinable, is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. But where there is a possible obligation but the likelihood of outflow of resources is remote, no provision / disclosure is made.

### **1.11. REVENUE RECOGNITION**

- (a) Revenue from sale of goods is recognized when the goods are dispatched to the customers and is stated gross of excise duty and net of sales returns and sales tax.
- (b) Gain / Loss on investments in Growth / Dividend plans of Mutual Funds are accounted for on sale / redemption of units.
- (c) Dividend from the Units of Mutual Funds is accounted for when the Company becomes legally entitled to it
- (d) Income from interest on deposits and loans is recognized on time proportionate method.

### **1.12 USE OF ESTIMATES**

In preparing Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the period the same is determined.

### **1.13 EARNINGS PER SHARE**

Basics earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **1.14 GOVERNMENT GRANTS:**

Grant is in the nature of capital subsidy received against specific fixed assets are adjusted to the cost of the assets as the same is towards meeting cost of asset created.

### **1.15. LEASES**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Lease payment in respect of such leases are recognized as expenses in the Statement of profit & loss on a straight line basis over the lease terms or extended term.



**Notes to the financial statements for the year ended 31st March 2013****Note No. '2' Share Capital****(Rs. in lacs)****AUTHORISED CAPITAL**

	As at 31st March 2013	As at 31st March 2012
1000000 Equity Shares of Rs. 10/- each	<u>100.00</u>	<u>100.00</u>
(P.Y. 10,00,000 equity shares of Rs. 10/- each)	<u>100.00</u>	<u>100.00</u>

**ISSUED CAPITAL**

1000000 Equity Shares of Rs. 10/- each	<u>100.00</u>	<u>100.00</u>
(P.Y. 10,00,000 equity shares of Rs. 10/- each)	<u>100.00</u>	<u>100.00</u>

**SUBSCRIBED & PAID UP CAPITAL**

1000000 Equity Shares of Rs. 10/- each, fully paid	<u>100.00</u>	<u>100.00</u>
(P.Y. 10,00,000 equity shares of Rs. 10/- each, fully paid)	<u>100.00</u>	<u>100.00</u>
<b>TOTAL</b>	<u>100.00</u>	<u>100.00</u>

- During the current year and in the previous year, there have been no movements in the number of the equity shares outstanding.
- The Company has only one class of equity shares, having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors, if any is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of the shareholdings.

**3. Details of shares held by shareholders holding more than 5% as at 31st March & 31st March, 2012 is set out below:**

	As at 31st March 2013		As at 31st March 2012	
<u>Name of the shareholders</u>	<u>No. of</u>	<u>% of</u>	<u>No. of</u>	<u>% of</u>
	<u>Shares Held</u>	<u>Holding</u>	<u>Shares Held</u>	<u>Holding</u>
Indian Toners & Developers Ltd.	510000	51.00%	510000	51.00%
Mr. Sushil Jain	166950	16.69%	166950	16.69%
Mrs. Nandita Jain	133010	13.30%	133010	13.30%
Mr. Akshat Jain	100010	10.00%	100010	10.00%
Ms. Ashima Jain	90000	9.00%	90000	9.00%
<b>TOTAL</b>	<u>999970</u>	<u>99.99%</u>	<u>999970</u>	<u>99.99%</u>

**4. Details of shares held by holding company/associate company**

	As at 31st March 2013		As at 31st March 2012	
<u>Name of the shareholders</u>	<u>No. of</u>	<u>% of</u>	<u>No. of</u>	<u>% of</u>
	<u>Shares Held</u>	<u>Holding</u>	<u>Shares Held</u>	<u>Holding</u>
Indian Toners & Developers Ltd.	510000	51.00%	510000	51.00%
<b>TOTAL</b>	<u>510000</u>	<u>51.00%</u>	<u>510000</u>	<u>51.00%</u>

**Note No. '3'****Reserve & Surplus**

	As at 31st March 2013	As at 31st March 2012
<b>Surplus</b>		
Opening Balance	1371.07	867.25
Add: Net profit for the year	883.77	527.06
Amount available for Appropriation	<u>2254.84</u>	<u>1394.31</u>
Less : Appropriation		
i) Proposed Dividend on Equity Shares	(50.00)	(20.00)
ii) Dividend Distribution Tax	(8.50)	(3.24)
<b>TOTAL</b>	<u>2196.34</u>	<u>1371.07</u>

Dividend for 2012-13 proposed to be distributed to equity shareholders is Rs. 5/- (Previous Year Rs. 2/-) per equity share.



**Note No. '4'****(Rs. in lacs)****Long Term Borrowings****As at 31st March 2013**   **As at 31st March 2012****Loan Received from Related Party**

Unsecured Loans (Refer Note 44)	-	800.00
<b>TOTAL</b>	<u>-</u>	<u>800.00</u>

**Note No. '5'****(Rs. in lacs)****Deferred Tax Liabilities****As at 31st March 2013**   **As at 31st March 2012****1. Deferred Tax Liability on account of :**

Accelerated Depreciation	254.41	221.83
	<u>254.41</u>	<u>221.83</u>

**2. Deferred Tax Asset on account of :**

Provision for leave Encashment	6.25	4.83
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**NET DEFERRED TAX LIABILITY**

<u>248.16</u>	<u>217.00</u>
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**Note No. '6'****(Rs. in lacs)****Other Long Term Liabilities****As at 31st March 2013**   **As at 31st March 2012**

Trade Deposit from Dealers & Distributors	66.48	82.44
<b>TOTAL</b>	<u>66.48</u>	<u>82.44</u>

**Note No. '7'****(Rs. in lacs)****Long Term - Provisions****As at 31st March 2013**   **As at 31st March 2012**

Provision for Leave Encashment (Refer Note No. 36)	7.39	8.28
<b>TOTAL</b>	<u>7.39</u>	<u>8.28</u>

**Note No. '8'****(Rs. in lacs)****Short Term Borrowings****As at 31st March 2013**   **As at 31st March 2012****1. Loan Received from Related Party (The Holding Co.)**

Unsecured (Refer Note 44)	700.00	500.00
2. Cash Credit loan from Bank - repayable on demand (secured)	2.25	-

<b>TOTAL</b>	<u>702.25</u>	<u>500.00</u>
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**SECURITY:** Hypothecation of Company's entire current assets (Present & Future) including raw material, WIP, Consumables & finished goods and receivable by way of first charge, first charge on Fixed Assets (except land & building) of the company and EM of land and building in the name of Company situated at D-11, Phase-II, Eldeco-Sidkul Industrial Park, Sitarganj, Distt. Udham Singh Nagar.

Note : Unsecured Loan for the related party is repayable in terms with the Holding Co.

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**Note No. '9'****(Rs. in lacs)****Trade Payable****As at 31st March 2013**    **As at 31st March 2012**

1. Trade Payables*	309.65	393.22
(for micro and small enterprises refer note no. 34)		

**TOTAL**309.65393.22**Note No. '10'****(Rs. in lacs)****Other Current Liabilities****As at 31st March 2013**    **As at 31st March 2012**

1. Trade Advances	50.43	76.46
2. Statutory Dues Payable	14.60	19.75
3. <u>Other Payable -</u>		
a) Accrued Salaries & Benefits	49.82	49.61
b) Expenses Payable	75.60	47.56
c) Others	13.17	34.83

**TOTAL**203.62228.22**Note No. '11'****(Rs. in lacs)****Short Term Provisions****As at 31st March 2013**    **As at 31st March 2012****1. Employee Benefit**

Leave Encashment (Refer Note No. 36)	10.99	6.61
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**2. Others**

Provision for Dividend on Equity Shares	50.00	20.00
Provision for Dividend Distribution Tax	8.50	3.24
Provision for Taxation	387.60	204.10

**TOTAL**457.09233.95

## Notes to the financial statements for the year ended 31st March, 2013

## Note No. '12'

## Fixed Assets

(Rs. in lacs)

Gross Block					Depreciation			Net Block			
S.No.	Particulars	As at 01.04.2012	Additions	Disposal	Total upto 31.03.2013	As at 01.04.2012	Addition	Disposal	31-3-2013	As At 31.03.2013	As At 31.03.2012
<b>I Tangible Assets</b>											
1.	Land	327.29			327.29	-	-	-	-	327.29	327.29
2.	Building	571.09	-	-	571.09	57.10	19.07	-	76.17	494.92	513.99
3.	Plant and Equipments*	1608.36	28.85	2.21	1635.00	243.84	85.05	0.40	328.49	1306.51	1364.52
4.	Electric Installation	78.83	-		78.83	10.27	4.16	-	14.43	64.40	68.56
5.	Furniture & Fixtures	24.26	1.48	-	25.74	3.67	1.54	-	5.21	20.53	20.59
6.	Vehicles	31.32	43.67	26.14	48.85	4.39	4.51	2.69	6.21	42.64	26.93
7.	Office Equipment	15.70	0.82	-	16.52	1.73	0.86	-	2.59	13.93	13.97
8.	Computer	6.10	1.85	-	7.95	2.36	1.03	-	3.39	4.56	3.74
<b>SUB TOTAL (A)</b>		<b>2662.95</b>	<b>76.67</b>	<b>28.35</b>	<b>2711.27</b>	<b>323.36</b>	<b>116.23</b>	<b>3.09</b>	<b>436.49</b>	<b>2274.78</b>	<b>2339.59</b>
<b>II Intangible Assets</b>											
	Software	10.64	0.60	-	11.24	4.97	3.65	-	8.62	2.62	5.67
<b>SUB TOTAL (B)</b>		<b>10.64</b>	<b>0.60</b>	<b>-</b>	<b>11.24</b>	<b>4.97</b>	<b>3.65</b>	<b>-</b>	<b>8.62</b>	<b>2.62</b>	<b>5.67</b>
<b>III Capital Work in progress</b>											
	Office Equipment	0.29	0.03	0.32	-	-	-	-	-	-	0.29
	Building	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (C)</b>		<b>0.29</b>	<b>0.03</b>	<b>0.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.29</b>
<b>Total [A+B+C]</b>											
<b>(Current Year)</b>		<b>2673.88</b>	<b>77.30</b>	<b>28.67</b>	<b>2722.51</b>	<b>328.33</b>	<b>119.88</b>	<b>3.09</b>	<b>445.11</b>	<b>2277.40</b>	<b>2345.55</b>
<b>(Previous Year)</b>		<b>2695.94</b>	<b>11.25</b>	<b>33.31</b>	<b>2673.88</b>	<b>211.07</b>	<b>117.40</b>	<b>0.14</b>	<b>328.33</b>	<b>2345.55</b>	<b>2484.89</b>

Capital Subsidy of Rs. 30 lacs received during the F.Y. 2011-12 for the company's investment in its manufacturing facility at Sitarganj, (Uttarakhand) had been reduced from Plant & Machinery.

**Note No. '13' Long Term Loans & Advances****(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
I) Capital Advances	7.00	-
Unsecured, considered goods		
II) <u>Security Deposit</u>		
Security Deposit-Others (Unsecured considered goods)	32.83	31.65
III) <u>Other Loans &amp; Advance</u> (Unsecured & considered goods)		
Margin Money held with bank*	0.74	39.66
Fixed Deposit with banks having maturity more than 12 months	47.64	41.96
<b>TOTAL</b>	<b><u>88.21</u></b>	<b><u>113.27</u></b>

\*Pledged with banks against LC &amp; Bank guarantee on behalf of the company

**Note No. '14' Other Non Current Assets****(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1 Mat Credit Entitlement	499.25	317.90
<b>TOTAL</b>	<b><u>499.25</u></b>	<b><u>317.90</u></b>

**Note No. '15' Inventories****(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1 Raw Material (including in transit Rs. 51.99 lacs previous year 19.31 lacs)	173.35	154.04
2 Work in Process (Toners only)	41.67	36.59
3 Finished Goods (Toners only)	91.54	69.27
4 Stores & Spares	33.93	24.73
5 Fuel	15.81	18.26
6 Packing Materials (For valuation, refer Note No. 1.6)	28.79	35.98
<b>TOTAL</b>	<b><u>385.09</u></b>	<b><u>338.87</u></b>

**Details of Raw Materials Inventory**

1 Resin	42.59	10.41
2 Magnetitie	29.85	12.81
3 Others	100.91	130.82
<b>TOTAL</b>	<b><u>173.35</u></b>	<b><u>154.04</u></b>

**Note No. '16' Trade receivables****(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1 <u>Outstanding for a period exceedings six months from the date they are due for payment :</u>		
a) Unsecured, Considered Goods :	14.39	35.41
b) Doubtful (not provided for)	7.79	-
<b>TOTAL</b>	<b><u>22.18</u></b>	<b><u>35.41</u></b>
2 <u>Other receivables</u>		
a) Secured, Considered Goods :	72.48	88.45
b) Unsecured, Considered Goods :	443.04	347.70
c) Doubtful	-	-
<b>TOTAL</b>	<b><u>537.70</u></b>	<b><u>471.56</u></b>

**Note No. '17' Cash & Bank Balances****(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1. Cash & Cash Equivalents		
Cash on Hand		
Cash Balance	1.30	1.90
Sub Total (A)	<u>1.30</u>	<u>1.90</u>
Balance with banks	15.37	41.95
Sub Total (B)	<u>15.37</u>	<u>41.95</u>
With SBI, East Patel Nagar (Emp. Trust A/c)	0.07	0.63
2. Margin Money held with bank having maturity more than 3 months but upto 12 months*	42.21	45.00
<b>TOTAL [A+B+C]</b>	<u>58.95</u>	<u>89.48</u>

\*Pledged with Banks against LC &amp; Bank Guarantee on behalf of the company

**Note No. '18' Short Terms Loans and Advances****(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1. Advances to Employees (Unsecured, considered goods)	0.88	2.38
2. Balance with Govt. Authorities (With Sales Tax & Excise Deptt., Rampur)	10.95	20.75
3. Others		
Advance to Suppliers	3.62	24.85
Advance Income Tax (including TDS)	388.73	197.79
Prepaid Expenses	11.53	6.71
Other (Refer Note No. 44)	15.65	
<b>TOTAL</b>	<u>431.36</u>	<u>252.48</u>

**Note No. '19' Other Current Assets****(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1. Interest Accured on Fixed Assets	3.18	4.81
2. Insurance Claim Receivables	0.26	0.26
3. Focus Licence in hand	9.58	-
<b>TOTAL</b>	<u>13.02</u>	<u>5.07</u>

**Note No. '20' Revenue from Operations****(Rs. in lacs)**

	Year ended 31st March 2013	Year ended 31st March 2012
a) <u>Sale of Products</u>		
Manufacturing Goods (Comparises of Toners)	4318.16	3774.40
Less : Discounts nad Allowances	<u>(239.46)</u>	<u>(242.32)</u>
<b>TOTAL</b>	<u>4078.70</u>	<u>3532.08</u>

**Note No. '21' Other Income****(Rs. in lacs)**

	Year ended 31st March 2013	Year ended 31st March 2012
1. Interest Income on Fixed Deposit	10.74	8.50
2. Sundry Balances written back	5.05	14.71
3. Provision no longer required written back	5.79	15.00
4. Insurance Claim Received	-	2.22
5. Cash Discounts	5.24	5.00
6. Other Income	5.54	2.27
7. Foreign Exchange Fluctuation Gain / (Loss)	6.11	(31.29)
<b>TOTAL</b>	<u>38.47</u>	<u>16.41</u>

**Note No. '22' Cost of Material Consumed****(Rs. in lacs)**

	Year ended 31st March 2013	Year ended 31st March 2012
Raw Materials		
Opening Stock	134.73	265.82
Add : Purchase during the year	1571.26	1098.08
Less : Closing Stock	121.36	134.73
<b>TOTAL</b>	<u>1584.63</u>	<u>1229.17</u>

<b>Imported &amp; Indigenous Raw Material Consumed</b>				<b>(Rs. in lacs)</b>	
	Year ended 31st March 2013	%	year ended 31st March 2012	%	
1. Imported	1574.64	99	1218.17	99	
2. Indigenous	9.99	1	11.00	1	
<b>TOTAL</b>	<b>1584.63</b>	<b>100.00</b>	<b>1229.17</b>	<b>100.00</b>	

<b>Details of Raw Material Consumed</b>				<b>(Rs. in lacs)</b>	
	Year ended 31st March 2013		Year ended 31st March 2012		
1. Resin	940.57		690.82		
2. Magnetite	403.46		297.17		
3. Others	240.60		241.18		
<b>TOTAL</b>	<b>1584.63</b>		<b>1229.17</b>		

<b>Note No. '23' Other Manufacturing Expenses</b>				<b>(Rs. in lacs)</b>	
	Year ended 31st March 2013		Year ended 31st March 2012		
1. Packing Material Consumed	195.69		155.69		
2. Stores and Spares Consumed	37.36		28.02		
3. Power & Fuel	236.50		188.38		
4. Repair & Maintenance of Plant & Machinery	8.06		8.35		
5. Repair & Maintenance of Building	10.17		0.56		
6. Security Expenses	8.35		7.74		
<b>TOTAL</b>	<b>493.13</b>		<b>388.74</b>		

<b>Imported &amp; Indigenous packing Material Consumed :</b>				<b>(Rs. in lacs)</b>	
<u>Packing Material Consumed</u>	Year ended 31st March 2013	%	year ended 31st March 2012	%	
1. Imported	-	-	0	-	
2. Indigenous	195.69	100	155.69	100	
<b>TOTAL</b>	<b>195.69</b>	<b>100.00</b>	<b>155.69</b>	<b>100.00</b>	
<u>Imported &amp; Indigenous Stores &amp; Spares Consumed</u>					
1. Imported	0.04	0.10	0	-	
2. Indigenous	37.31	99.90	28.02	100	
<b>TOTAL</b>	<b>37.35</b>	<b>100.00</b>	<b>31.22</b>	<b>100.00</b>	

<b>Note No. '24' Change in Inventories</b>				<b>(Rs. in lacs)</b>	
	Year ended 31st March 2013		Year ended 31st March 2012		
<u>Inventories at the end of the year</u>					
1. Finished goods	91.54		69.27		
2. Work-in-Process	41.67		36.59		
	133.21		105.86		
<u>Inventories at the beginning of the year</u>					
3. Finished Goods	69.27		97.40		
4. Work-in-Process	36.59		37.08		
	105.86		134.48		
<b>TOTAL</b>	<b>(27.35)</b>		<b>28.62</b>		

<b>Note No. '25' Employee Benefits Expenses</b>				<b>(Rs. in lacs)</b>	
	Year ended 31st March 2013		Year ended 31st March 2012		
1. Salaries, Wages, Bonus etc.	366.20		360.95		
2. Contribution to Provident & Other Fund	17.52		18.37		
3. Staff Welfare Expenses	6.18		5.22		
<b>TOTAL</b>	<b>389.90</b>		<b>384.54</b>		

<b>Note No. '26' Finance Cost</b>				<b>(Rs. in lacs)</b>	
	Year ended 31st March 2013		Year ended 31st March 2012		
1. Interest to Holding Company	95.87		143.51		
2. Interest - Others	14.24		9.58		
<b>TOTAL</b>	<b>110.11</b>		<b>153.09</b>		

**Note No. '27' Other Expenses****(Rs. in lacs)**

	Year ended 31st March 2013	Year ended 31st March 2012
1 Rent*	32.03	29.91
2 Rates & Taxes	2.90	2.40
3 Insurance	8.99	6.19
4 Repair & Maintenance to Computers	0.35	0.94
5 Repair & Maintenance Office	8.93	13.08
6 Advertisement Expenses & Sales Promotion Exp.	19.98	36.66
7 Communication Expenses*	12.52	11.30
8 Travelling & Conveyance Expenses	106.61	117.40
9 Vehicle Running & Maintenance Account*	18.70	18.48
10 Recruitment Expenses & Seminar Exp.	4.09	0.37
11 Printing & Stationery	5.02	7.31
12 Electricity Expenses*	4.11	4.58
13 Auditors Remuneration		
As Audit Fees	1.40	0.88
As Taxation Matter	0.28	0.22
For Other Services (Inc. Service Tax)	0.95	0.05
14 Legal & Professional Expenses	9.58	22.22
15 Director's Sitting Fees	0.33	0.33
16 Freight, Clearing & Forwarding Expenses	110.54	93.57
17 Commission, Discount, Incentive & Samples	146.41	240.62
18 Bank Charges	8.61	8.89
19 Miscellaneous Expenses	13.42	10.80
20 Loss on Sale of Fixed Assets	5.60	3.13
<b>TOTAL</b>	<b>521.35</b>	<b>629.33</b>

\* Above Expenses include Rs.49.05 Lacs (previous year Rs. 39.99 lacs) paid to Holding Co.for sharing the Utilities.

**Note No. '28' Exceptional Items****(Rs. in lacs)**

	Year ended 31st March 2013	Year ended 31st March 2012
Rent Accured (on account of disputed rent settled during the year)	5.44	6.06
<b>TOTAL</b>	<b>5.44</b>	<b>6.06</b>

**Notes to the Financial Statments for the year ended 31st March, 2013****(in lacs)**

29.	Contingent liabilities not provided for in respect of:	<b>As at 31st March 2013</b>	As at 31st March 2012
a)	Letters of credit established in favour of the suppliers	<b>446.45</b>	517.80
b)	Guarantee issued by SBI on behalf of Company	<b>NIL</b>	1.65
c)	Sales Tax / Trade Taxes (the amount has been deposited and kept as advances)	<b>NIL</b>	19.92
30.	<b>Commitments :</b>	<b>As at 31st March 2012</b>	As at 31st March 2011
	Estimated amount of contract remaining to be executed on capital amount and provided for (net of advances)	<b>18.82</b>	Nil
31.	Balances in accounts of Sundry Debtors, Advances, Security deposits from dealers are subject to confirmations for the respective parties.		
32.	a) Accounting Standard as to Segment Reporting AS -17 is not applicable to the Company as it is engaged in the business of Toners and Developers which is the single reportable segment. However, disclusoure as to secondary segment is as under :		

	Year ended 31st March 2013	Year ended 31st March 2012
Geographical Segment :	(Rs. in lacs)	(Rs. in lacs)
i) Domestic Sale :	4078.70	3532.08

33. MAT Credit Entitlement (including for the previous year) amounting to Rs.499.25 lacs has been recognized in view of the company's current and future profitability projections.
34. a. Trade Payables includes Rs. Nil (Previous Year Rs. Nil) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME)  
b. No interest is paid/ payable during the year as no enterprises registered under msme.  
c. The above information's have been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of supplies under MSME. This has been relied upon by Auditor.
35. Amount of Exchange difference credited to statement of profit & loss amounted to Rs.6.11lacs (Previous Year debited Rs.31.29 lacs)
36. Disclosure as per AS 15 (revised):-  
The Company has calculated the various benefits provided to employees as under:

A) Defined Contribution Plans  
Provident Fund

During the year the Company has recognized the following amounts in the Profit and Loss Account :

	Year ended 31st March 2013	Year ended 31st March 2012
<b>For the year ended 31<sup>st</sup> March, 2013</b>	<b>(Rs. In. Lacs)</b>	
Employers Contribution to Provident Fund	12.65	12.83

B) State Plans

a) Employee State Insurance

During the year the Company has recognized the following amounts in the Profit and Loss Account:

	Year ended 31st March 2013	Year ended 31st March 2012
<b>For the year ended 31<sup>st</sup> March, 2013</b>	<b>(Rs. In Lacs)</b>	
Employers Contribution to Employee State Insurance	4.87	5.54

C) Defined Benefit Plans

a) Leave Encashment

b) Gratuity

The discount rate assumed is 8% which is determined by reference to market yield at the Balance Sheet date on government bonds. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market, Reconciliation of opening and closing balances of the present value of the defined benefit obligation is as under:

	(Rs. in lacs)			
Particulars	Gratuity (Funded)*		Leave Encashment (Unfunded)*	
	Current Year	Previous Year	Current Year	Previous Year
<b>The principal assumptions used in actuarial valuation are as under :</b>				
· Discount rate	9%	8%	8%	8%
· Expected rate of return on assets	—	—	—	—
· Expected rate of future salary increase	6%	6%	5%	5%
<b>Change in present value of obligations</b>	<b>—</b>			
· Present value of obligations as at 01.04.2012	23.92	19.28	14.90	14.40
· Interest cost	1.81	1.25	1.19	1.15



· Current service cost	4.77	3.54	4.83	4.56
· Benefits paid	0.69	2.04	-	-
· Actuarial (Gain)/loss on Obligations	(7.51)	1.89	(2.53)	(5.21)
· Present value of obligation as at 31.03.2013	22.30	23.92	18.38	14.90

**Changes in fair value of plan assets**

Not Available      Not Available      Not Available      Not Available

**Liability recognized in the Balance Sheet**

· Present value of obligations as at 31.03.2013	—	—	18.38	14.90
· Fair value of plan assets as at the end of the year	—	—	—	—
· Unfunded status	—	—	—	—
· Unrecognised Actuarial (Gain) / Loss	—	—	—	—
· Net (Assets) / Liability recognized in Balance Sheet	—	—	18.38	14.90

**Expenses recognized in Profit and Loss Account**

· Current service cost	4.77	2.88	4.83	4.56
· Post service cost	—	—	—	—
· Interest cost	—	—	1.19	1.15
· Expected return on plan assets	—	—	—	—
· Net Actuarial (Gain) / Loss recognized during the year	—	—	(2.53)	(5.21)
· Total Expense recognized in Profit and Loss Account	4.77	2.88	3.49	0.50

37. Loans from holding company include accrued interest amounting to Rs.95.87 lacs during the year (Previous Year 143.51 lacs). Maximum amount of loan / interest during the year Rs. 1327.89 lacs (Previous year Rs.1327.89 lacs)

38. Disclosure pursuant to AS-29 (Movement of provisions) (Rs. in lacs)

**DISCOUNTS & INCENTIVES**

	As at 31st March 2013	As at 31st March 2012
Opening Balance	10.13	22.69
Add Creations	2.90	6.00
Less		
(a) Utilizations	0.98	18.56
(b) Written Back	-----	-----
Closing Balance	<u>12.05</u>	<u>10.13</u>

**39. Particulars of unhedge foreign currency expenses as at 31.03.2013 (Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
Creditors for Import of Goods	300.41	347.89

**40. Expenditure in foreign currency : (Rs. in lacs)**

	Year ended 31st March 2013	Year ended 31st March 2012
(i) Foreign Travels	13.51	8.75

**41. Earning in Foreign Exchange : (Rs. in lacs)**

	Year ended 31st March 2013	Year ended 31st March 2012
FOB Value of Exports	Nil	Nil

**42. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS: (Rs. in lacs)**

	Year ended 31st March 2013	Year ended 31st March 2012
i) Raw Materials	1477.42	1044.04
ii) Stores & Spares and packing materials	0.37	0.66

**43. Calculation of Earning Per Share**

	Year ended 31st March 2013	Year ended 31st March 2012
1. No. of Shares at the beginning of the year	1000000	1000000
2. No of Shares at the close of the year	1000000	1000000
3. Net Profit after Tax Rs. (in lacs)	883.82	527.08
4. E. P. S. Rs.	88.383	52.71

**44. Related Party Disclosure (Pursuant to Accounting Standard - 18)**

## (i) RELATIONSHIP:

- (a) Indian Toners & Developers Ltd. (Holding Co.)
- (b) ITDL USA. Inc., (ii) ITDL Imagetec Limited (Fellow Subsidiary)
- (c) Key Management Personnel
  - Shri Sushil Jain (Director)
  - Shri Akshat Jain, (son of Sh. Sushil Jain)
  - Smt. Nandita Jain (Wife of Sh. Sushil Jain)
  - Ms. Aashima Jain (Daughter of Sh. Sushil Jain)
- (d) Enterprises over which Key Management Personnel and/or relative are able to exercise significant influence
  - Shrilon India Ltd.
  - Alankar Securities Private Limited
  - Mahavir Phototech Private Limited
  - Triveni Securities Private Limited
  - Jain Tube Company Limited

(ii) Detail of transactions with Related Parties during the year : (Rs. in lacs)

Transaction during the year with detail &amp; particulars

Name of the Company / Nature of transactions	For the Year 2012-13	For the Year 2011-12
<b>Indian Toners &amp; Developers Ltd.</b>		
Opening balance		
Loans & Advances	<b>1327.89</b>	1961.38
<b>Transactions during the year</b>	<b>(627.89)</b>	(633.49)
Loans & Advances received (Including interest Rs.95.87 lacs (Previous Year Rs. 143.59 lacs) and Sharing of expenses for office use and other facilities Rs.49.05 lacs (Previous Year Rs. 39.99 lacs)		
Advance to Holding Company against Expenses	<b>15.65</b>	NIL
Dividend Paid/Proposed	<b>25.50</b>	10.20
<b>Closing balance</b>		
Loan & Advances	<b>700.00</b>	1300.00
Advance to Holding Company against Expenses	<b>15.65</b>	(-) 27.89
Dividend Paid	<b>25.50</b>	10.20
Remuneration Paid to relative of Key Management	<b>6.59</b>	4.41

Note:

(1) In addition to above during the year Company entered into an agreement of High Seas Sale/Purchase with Holding Company (Indian Toners & Developers Limited). Total sale and purchase made on high seas basis is Rs.Nil (Previous Year Rs. 54.01 lacs) and Rs.Nil (Previous Year Rs.29.95 lacs) . Local Sales & Purchase Rs.1.30 Lacs (Previous Year Rs.Nil) & Rs.14.49 Lacs ( Previous Nil ) respectively from holding company. Also the company has purchased Licenses under Focus scheme from the holding company of Rs.20.54 lacs ( Previous Year Rs. 17.32 lacs)

**45.1** Previous year's figures have been regrouped / re arranged whenever necessary to make them comparable with those of the current year.

**45.2.** The Financial Statements for the year ended 31st March 2012 had been prepared as per the then applicable, Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March 2013 are prepared under Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification.

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**

Chartered Accountants

ICAI's FRN 304153E

**(B.R.GOYAL)**

Partner

Membership No. 12172

11K, Gopala Tower,

25, Rajendra Place, New Delhi

The 1st Day of May 2013

For and on Behalf of the Board of Director

**(SANJEEV GOEL)**

Director

**(SUSHIL JAIN))**

Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013****(Rs. in lacs)**

<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>	<b>For the Year ended 31st March 2013</b>	<b>For the year ended 31st March 2012</b>
Net Profit before tax	<b>917.08</b>	611.55
<b>Adjustment for</b>		
Depreciation & Amortisation	<b>119.88</b>	117.40
Loss / (Profit) on sale/disposal/discard of Fixed Assets/Intangibles	<b>5.60</b>	3.14
Finance Cost	<b>110.11</b>	153.09
Interest Income	<b>(10.74)</b>	(8.50)
Provision for Employee Benefits	<b>3.48</b>	0.50
Bad Debts/Irrecoverable Advances written off (net of write in)		
Liabilities / provisions no longer required written back & sundry balance written back	<b>(10.84)</b>	(29.71)
Short Term capital gain on mutual fund		
Unrealised Foreign Exchange (Gain)/Loss	<b>(11.18)</b>	10.09
<b>Operating Profit Before Working Capitals Changes</b>	<b>1123.39</b>	857.55
<b>Adjustments For</b>		
(Increase) / Decrease in Inventories	<b>(46.22)</b>	206.16
(Increase) / Decrease in Trade & other receivables	<b>(63.21)</b>	(148.00)
Increase / (Decrease) in Trade payables	<b>(102.11)</b>	12.23
<b>Cash Generated from Operations</b>	<b>911.85</b>	927.94
Direct Taxes Paid	<b>(190.94)</b>	(123.56)
<b>Net Cash Inflow / (outflow) in course of Operating Activities (A)</b>	<b>720.91</b>	804.38
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets / CWIP (incl. Capital Advances)	<b>(83.98)</b>	(11.25)
Capital Subsidy received against fixed assets	-	30.00
Sale Proceeds from fixed assets	<b>19.66</b>	0.04
Movement in bank deposits	<b>36.03</b>	(46.96)
Interest Received	<b>10.74</b>	5.94
<b>Net Cash Inflow / (outflow) in course of Investing Activities (B)</b>	<b>(17.55)</b>	(22.23)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of loan receiving from holding company	<b>(600.00)</b>	(600.00)
Dividend Paid	<b>(23.24)</b>	(23.24)
Interest paid	<b>(110.11)</b>	(214.47)
Proceed from / (payment of) Short Term Borrowings	<b>2.25</b>	-
<b>Net Cash Inflow / (outflow) from Financing Activities (C)</b>	<b>(731.10)</b>	(837.71)
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>(27.74)</b>	(55.56)
<b>Cash And Cash Equivalents at the beginning of the year</b>	<b>44.48</b>	100.04
<b>Cash &amp; Cash Equivalent At closing of the year</b>	<b>16.74</b>	44.48

Notes : (1) The Cash Flow Statements has been prepared under the 'In direct Method' set out in Accounting Cash Flow Statements specified in the Companies (Accounting Standard) Rules, 2006.

(2) Previous Years figures have been regrouped / rearranged wherever considered necessary to confirm to make them comparable.

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**

Chartered Accountants  
ICAI's FRN 304153E

**(B.R.GOYAL)**

Partner

Membership No. 12172

11K, Gopala Tower , 25, Rajendra Place, New Delhi

The 1st Day of May 2013

For and on Behalf of the Board of Directors

**(SANJEEV GOEL)**

Director

**(SUSHIL JAIN)**

Director

# AUDITORS' REPORT

INDIAN TONERS & DEVELOPERS LIMITED

## TO THE BOARD OF DIRECTORS OF INDIAN TONERS & DEVELOPERS LIMITED REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

### Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statement of **Indian Toners & Developers Limited** ("the Company") and its subsidiary (The Company and the subsidiary constitute Group) which comprises the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these Consolidated Financial Statement that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend

on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Groups preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 Consolidated Financial Statements notified under section 211 (3C) of the Companies Act, 1956.
7. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of our reports on the financial statements of the subsidiary, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:-
  - (a) in the case of the consolidated Balance Sheet of the state of affairs of the Group as at 31st March, 2013;
  - (b) in the case of consolidated Statement of Profit and Loss, of the Group of the Profit for the year ended on that date; and
  - (c) in the case of consolidated Cash Flow Statement of the Group, of the Cash Flows for the year ended on that date.

FOR K.N.GUTGUTIA & CO.,

(B.R.GOYAL)  
PARTNER  
CHARTERED ACCOUNTANTS  
Membership No. 12172  
ICAI'S FRN 304153E

Place : New Delhi  
Date: 17th May, 2013

# Consolidated Balance Sheet As At 31st March 2013 (Rs. in lacs)

S.No.	Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
<b>I EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Fund</b>				
a.	Share Capital	2	805.89	805.89
b.	Reserve & Surplus	3	4628.13	3997.46
			1188.11	755.03
<b>(2) Minority Interest</b>				
<b>(3) Non Current Liabilities</b>				
(a)	Long Term Borrowings	4	5.64	15.94
(b)	Deferred Tax Liabilities (Net)	5	478.60	432.19
(c)	Other Long Term Liabilities	6	66.48	82.44
(d)	Long Term Provisions	7	23.05	20.35
<b>(4) Current Liabilities</b>				
(a)	Short Term Borrowings	8	2.25	-
(b)	Trade Payables	9	608.76	657.53
(c)	Other Current Liabilities	10	291.21	386.84
(d)	Short-Term Provisions	11	681.06	346.31
	<b>TOTAL</b>		<b>8779.18</b>	<b>7499.96</b>
<b>II ASSETS</b>				
<b>(1) Non-Current Assets</b>				
<b>(a) Fixed Assets</b>				
		12		
i)	Tangible Assets		3529.65	3344.41
ii)	Intangible Assets		23.15	29.99
iii)	Capital Work in progress		-	3.63
(b)	Non current investments	13	59.10	96.00
(c)	Long terms loans and advances	14	195.65	213.36
(d)	Other non-current assets	15	499.25	317.90
<b>(2) Current Assets</b>				
(a)	Current Investments	16	1501.57	887.74
(b)	Inventories	17	914.99	770.69
(c)	Trade receivables	18	1106.42	884.50
(d)	Cash and Bank Balances	19	264.65	445.94
(e)	Short-term loans and advances	20	676.16	496.79
(f)	Other current assets	21	8.59	9.03
	<b>TOTAL</b>		<b>8779.18</b>	<b>7499.98</b>

## Significant Accounting Policies 1

The Notes form an integral part of these Financial statements 1 to 49

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**

Chartered Accountants  
ICAI's FRN 304153E

**(B.R.GOYAL)**

Partner

Membership No. 12172

11K, Gopala Tower , 25, Rajendra Place, New

Delhi

The 17th Day of May 2013

**(S.C. SINGHAL)**

Executive Director

& Company Secretary

**(SANJEEV GOEL)**

Director

**(SUSHIL JAIN)**

Chairman & Managing Director

For and on Behalf of the Board of Directors

# Consolidated Profit & Loss Account for the period ended on 31st March, 2013

(Rs. in lacs)

Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>Income</b>			
I. Revenue from operations (net)	22	6856.48	6203.77
II. Other Income	23	138.96	192.02
III. Total Revenue (I + II)		<u>6995.44</u>	<u>6395.78</u>
<b>IV. Expenses :</b>			
Cost of material consumed	24	2848.61	2460.81
Manufacturing & Operating Expenses	25	1054.28	1001.87
Change in inventories of finished goods & work in progress	26	(105.67)	36.70
Employee Benefit Expense	27	779.27	718.94
Finance Costs	28	27.95	13.49
Depreciation		216.21	207.79
Other Expenses	29	<u>899.06</u>	<u>966.16</u>
Total Expenses (IV)		<u>5719.71</u>	<u>5405.77</u>
V Profit before exceptional items and tax	(III-IV)	1275.73	990.02
VI Exceptional Items	30	<u>24.65</u>	<u>23.30</u>
VII Profit before tax		<u>1251.08</u>	<u>966.72</u>
<b>VIII Tax Expenses</b>			
1. Current Tax		(291.50)	(229.56)
2. Tax in respect of earlier years			(3.35)
3. Deferred Tax charges		(46.41)	(70.59)
4. Mat Credit Entitlement		<u>181.35</u>	<u>121.86</u>
IX Profit for the year		<u>1094.52</u>	<u>785.07</u>
X Minority Interest		<u>433.05</u>	<u>258.27</u>
XI Profit after Tax and Minority Interest		<u>661.47</u>	<u>526.80</u>
<b>XII Earning Per equity share of Rs. 10/- each</b>			
1. Basic	45	8.21	6.54
2. Diluted	45	8.21	6.54
<b>Significant Accounting Policies</b>	1		
The Note form an integral part of these financial statements	1 to 49		

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**

Chartered Accountants  
ICAI's FRN 304153E

**(B.R.GOYAL)**

Partner

Membership No. 12172

11K, Gopala Tower , 25, Rajendra Place, New Delhi

The 17th Day of May 2013

**(S.C. SINGHAL)**

Executive Director

& Company Secretary

**(SANJEEV GOEL)**

Director

**(SUSHIL JAIN)**

Chairman & Managing Director

For and on Behalf of the Board of Directors

**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 March 2013****NOTE:-1 – SIGNIFICANT ACCOUNTING POLICIES****GENERAL INFORMATION**

Indian Toners & Developers Limited (hereinafter referred to as 'the Company') is a manufacturer of Toners only. The Company's manufacturing facilities are located at Rampur (Uttar Pradesh) & Sitarganj (Uttarakhand).

**1.1 BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS.**

The accompanying consolidated financial statements include the accounts of ITDL (USA) Incupto closure and ITDL Imagetec Limited. The financial year end of the subsidiary is 31st March.

The consolidated financial statements have been prepared to comply in all material respect with the all mandatory Accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention and on accrual basis. The accounting policies have been consistently applied by the group and are consistent with those used during the previous year. The consolidation of accounts has been done on line to line basis.

The presentation of financial statements is in conformity with generally accepted accounting principles. All significant intercompany balances and transactions between the company and its subsidiaries have been eliminated in consolidation.

ITDL (USA) Inc. is 100% owned subsidiary of the Company and its country of incorporation is U.S.A. The activities of the Company are closed during the year under consideration.

ITDL Imagetec Ltd. is subsidiary of the Company and it is incorporated in India and the plant at Sitarganj, Uttarakhand has started commercial production from 10.04.2009. The Company has 51% shareholding interest in the Company. The plant manufactures the product 'Toners'.

The Company follows mercantile system of Accounting and recognizes all significant items of income and expenditure on accrual basis and these accounts have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountant of India as applicable to it.

All the Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent the Company has ascertained its operating cycle to be less than 12 months.

**1.2 TANGIBLE AND INTANGIBLE FIXED ASSETS :**

- a) Fixed Assets are stated at cost less Depreciation provided for.
- b) i) Depreciation is provided on straight line method treating the Plant as continuous process Plant (except R & D Plant), at rates and in the manner as per Schedule XIV to the Companies Act, 1956 as amended vide notification dated 16th December, 1993. Depreciation on assets added/deducted during the year is charged proportionate with reference to the date of additions / deductions.
- ii) Depreciation on R & D plant is charged, treating the same as non – continuous, in the same manner as mentioned above.
- c) Intangible assets, represented by product development are amortized over a period of five years from the quarter in which the same is put to its commercial use.
- d) Fixed assets individually costing up to rupees five thousand are depreciated at the rate of 100%
- e) Software are amortised on straight line method over a period of three years.

**1.3 IMPAIRMENT OF ASSETS**

The carrying amount of fixed assets are revised at each Balance Sheet date if there is any indication of impairment based upon internal / external factors. Any impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of asset but selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**1.4 RESEARCH & DEVELOPMENT**

Capital expenditure on Research & Developments is treated in the same manner as Fixed Assets. The Revenue expenditure on R & D (other than on product development) is charged off in the year in which the



same are incurred. However, expenditure on development of new product is recognized as intangible asset to the extent it is expected that such asset will generate future economic benefits.

#### 1.5 **EMPLOYEE BENEFITS**

- Contributions payable for provident fund and employee state insurance, which are defined contribution plans, are charged to statement of profit & loss.
- Gratuity and leave encashment which are defined benefits are accrued, recognized and calculated on unit credit method, based on actuarial valuation, as at balance sheet date provided by L.I.C. and by an independent actuarial valuer respectively.
- The Company has opted for a group gratuity – cum Life Assurance Scheme of the Life Insurance Corporation of India for employees and the annual contribution for it is charged to the statement of profit & loss on the accrual basis.

#### 1.6 **INVESTMENTS**

Investments that are readily and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. Current investments are carried at lower of cost and fair value. Non-current investments are carried at cost. However, provision of diminution is made to recognize as decline, other than temporary, in the value of investment, such reduction being determined and made for each investment individually

#### 1.7 **INVENTORY VALUATION :**

Inventories are valued at lower of cost or net realizable value except scrap, which is valued at net estimated realizable value.

The methods of determining cost of various categories of inventories are as follows:

Cost includes all direct costs, cost of conversion and appropriate portion of variable and fixed production overheads and such other costs incurred as to bring the inventory to its present location and condition inclusive of excise duty wherever applicable. Cost formula used is based upon weighted average cost.

Raw materials, Stores & Spares, Power & Fuel and packing Materials	Weighted average method
Work-in -process and finished goods	Variable Cost at weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### 1.8 **FOREIGN CURRENCY TRANSACTIONS:**

Transactions in foreign currency are recorded at the exchange rate prevailing on / or closely approximating to the date of transaction. Current Assets and Liabilities are restated at the rate prevailing at the period end or at the forward rate where forward cover for specific asset / liability has been taken. The difference between the period end rate and the exchange rate at the date of the transaction is recognized as income or expense in the Statement of profit & loss. In respect of forward exchange contracts, the difference between the contract rate and the rate on the date of transaction is recognized as income or expense in the Statement of profit & loss over the life of the contract.

##### **Representative offices**

In translating the financial statements of representative offices, the monetary assets and liabilities are translated at the rate prevailing on the balance sheet date; non monetary assets and liabilities are translated at exchange rates prevailing at the date of the transaction and income and expense items are converted on the date of transfer.

#### 1.9 **TAXATION :**

- (a) Current tax is provided at the rates in force, on the taxable profits arrived at with reference to the provisions of Income Tax Act, 1961.
- (b) Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or



substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and is written – down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

- (c) Minimum Alternate Tax (Mat) credit is recognized as an assets only when and to the extent there is a convincing evidence that the company will pay normal income tax during the specified period. In the year in which MAT credit become eligible to be recognized as an asset in accordance with Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is credited by way of a Credit to Statement Profit & Loss and shown as MAT Credit Entitlement .

#### **1.10. BORROWING COST:**

Borrowing Costs are charged to Statement of profit & loss, except when funds are specially borrowed to acquire qualifying fixed assets, in which case, the same is capitalized till the date the subject assets are ready for the intended use.

- 1.11. The Company has the practice of providing for the liability on account of import duty on Raw material / Stores / Spares in transit or in Bonded Warehouse at the year end and providing for liability on account of Excise duty on stock of finished goods lying in the factory premises.

#### **1.12. PROVISIONS AND CONTINGENT LIABILITY**

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligations. A disclosure of the contingent liability, if determinable, is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. But where there is a possible obligation but the likelihood of outflow of resources is remote, no provision / disclosure is made.

#### **1.13. REVENUE RECOGNITION**

- (a) Revenue from sale of goods is recognized when the goods are dispatched to the customers and is stated gross of excise duty and net of sales returns and sales tax.
- (b) Gain / Loss on investments in Growth / Dividend plans of Mutual Funds are accounted for on sale / redemption of units.
- (c) Dividend from the Units of Mutual Funds is accounted for when the Company becomes legally entitled to it.
- (d) Income from interest on deposits and loans is recognized on time proportionate method.

#### **1.14. USE OF ESTIMATES**

In preparing Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the period the same is determined.

#### **1.15. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **1.16. LEASES**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating leases. Lease payment in respect of such leases are recognized as an expense in the Statement of profit & loss on a straight line basis over the lease terms or extended term.

#### **1.17. Government Grant**

Grant in the nature of capital subsidy received against specific fixed assets are adjusted to the cost of the assets the same is towards meeting cost of asset created.

**Notes to the financial statements as at 31st March 2013****Note No. '2'****(Rs. in lacs)****Share Capital****As at 31st March 2013**    **As at 31st March 2012****AUTHORISED CAPITAL**

17000000 Equity Shares of Rs. 10/- each	<b>1700.00</b>	1700.00
(P.Y. 17000000 equity shares of Rs. 10/- each)	<b>1700.00</b>	1700.00

**ISSUED CAPITAL**

8058900 Equity Shares of Rs. 10/- each	805.89	805.89
(P.Y. 8058900 equity shares of Rs. 10/- each)		

**PAID UP**

8058900 Equity Shares of Rs. 10/- each, fully paid	805.89	805.89
(P.Y. 8058900 equity shares of Rs. 10/- each fully paid)		

<b>TOTAL</b>	<b>805.89</b>	<b>805.89</b>
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1. During the current year and in the previous year, there have been no movements in the number of the equity shares outstanding.

2. The Company has only one class of equity shares, having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of the shareholdings.

The Details of shareholders holding more than 5% shares as at 31st March, 2013 & 31st March 2012 is set out below :

<b><u>Name of the shareholders</u></b>	<b>As at 31st March 2013 % of Holding</b>	<b>As at 31st March 2012 % of Holding</b>
ABC Commercial Co. Ltd. 474000 shares (p.y. 474000 shares)	5.9	5.9
Mahavir Phototech Pvt. Ltd. 915561 shares (p.y. 915561 shares)	11.4	11.4
Alankar Securities Pvt. Ltd. 807854 shares (p.y. 807854 shares)	10.0	10.0
Triveni Securities Pvt. Ltd. 631509 shares (p.y. 631509 shares)	7.8	7.8
Sushil Jain 666462 shares (p.y. 391362 shares)	8.27	4.85

**Note No. '3'****(Rs. in lacs)****Reserve & Surplus****As at 31st March 2013**    **As at 31st March 2012****1. Surplus**

Opening Balance	4002.81	3489.05
Add : Adjustment on account of closure of subsidiary	12.15	
Add : Net profit for the year	661.47	526.80
Amount available for appropriation	4676.43	4015.85
Less : Appropriation		
Proposed Dividend	(39.80)	(9.80)
Dividend Distribution Tax	(8.50)	(3.24)
	<b>4628.13</b>	<b>4002.81</b>

**Foreign Currency transaction reserve**

Opening Balance	(5.35)	(5.51)
Add : Adjustment on account of closure of subsidiary	5.35	
Add : transaction during the year		0.16
<b>TOTAL</b>	<b>4628.13</b>	<b>3997.46</b>

**Note No. '4'****(Rs. in lacs)****Long Term Borrowings****As at 31st March 2013**   **As at 31st March 2012****Other Loans & Advances**

Vehicle Loan (Secured)	5.64	15.94
<b>TOTAL</b>	<b>5.64</b>	<b>15.94</b>

Aggregating to Rs. 17.92 lac (p.y. 28.22 lac) are secured against specific vehicle.

Repayment in 60 monthly instalments commencing from Nov. 2009

**Note No. '5'****(Rs. in lacs)****Deferred Tax Liabilities (net)****As at 31st March 2013**   **As at 31st March 2012**

Deferred Tax Liability on account of :

Accelerated Depreciation/amortisation	493.56	438.49
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Deferred Tax Asset on account of :

Provision for leave Encashment	(14.96)	(6.30)
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<b>NET DEFERRED TAX LIABILITY</b>	<b>478.60</b>	<b>432.19</b>
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**Note No. '6'****(Rs. in lacs)****Other Long Term - Liabilities****As at 31st March 2013**   **As at 31st March 2012**

Trade Deposits from Dealers & Distributors	66.48	82.44
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<b>TOTAL</b>	<b>66.48</b>	<b>82.44</b>
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**Note No. '7'****(Rs. in lacs)****Long Term Provisions****As at 31st March 2013**   **As at 31st March 2012****Employee Benefits**

Leave Encashment (Refer Note No. 41)	23.05	20.35
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<b>TOTAL</b>	<b>23.05</b>	<b>20.35</b>
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**Note No. '8'****(Rs. in lacs)****Short Term Borrowings****As at 31st March 2013**   **As at 31st March 2012**

Cash credit loan from Bank -repayable on demand (secure)	2.25	-
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<b>CLOSING BALANCE</b>	<b>2.25</b>	<b>-</b>
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Security: Hypothecation of Company's entire current assets (Present & Future) including raw material, WIP, consumables & finished goods and receivable by way of first charge, first charge on Fixed Assets (except land & building) of the Company and EM of land and building in the name of Company situated at d-11, Phase-II, Eldeco- Sidkul Industrial Park, Sitarganj, Distt- Udham Singh Nagar

## Note No. '9'

(Rs. in lacs)

### Trade Payable

As at 31st March 2013 As at 31st March 2012

Trade Payable	608.76	657.53
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(For micro and small enterprises Refer Note No. 36)

<b>TOTAL</b>	<b>608.76</b>	<b>657.553</b>
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## Note No. '10'

(Rs. in lacs)

### Other Current Liabilities

As at 31st March 2013 As at 31st March 2012

1. Current Maturities of long term debts (Secured) (refer note no. 4)	12.28	12.28
2. Deposits From Dealers	-	2.17
3. Trade Advances	50.62	98.74
4. Statutory Dues Payable	22.89	54.67

### Others Payable

Expenses Payable	104.37	63.33
Accured Salaries & Benefits Payable	82.19	77.34
Others	18.89	78.31
<b>TOTAL</b>	<b>291.21</b>	<b>386.84</b>

## Note No. '11'

(Rs. in lacs)

### Short Term Provisions

As at 31st March 2013 As at 31st March 2012

### Employee Benefit

Leave Encashment (Refer Note No. 41)	20.96	12.97
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### Others

Provision for Dividend on Equity Shares	50.00	20.00
Provision for Dividend Distribution Tax	8.50	3.24
Provision for Taxation	601.60	310.10
<b>TOTAL</b>	<b>681.06</b>	<b>346.31</b>

## Notes forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2013

### Note No. '12'

#### Fixed Assets as at 31st March, 2013

(Rs. in lacs)

S.No.	Particulars	Gross Block			Depreciation			Net Block		
		Balances as at 01.04.2012	Additions during the Year	Disposals during the Year	Balances as at 31.03.2013	As at 01.04.2012	Additions during the Year	Disposals during the Year	Total Upto 31-3-2013	Balances as at 31.03.2013
I <u>Tangible Assets</u>										
1.	Land	330.79	-	-	330.79	-	-	-	-	330.79
2.	Building	755.26	21.91	-	777.17	147.23	25.48	172.71	604.46	608.03
3.	Plant and Equipments	4475.92	93.27	34.16	4535.03	2352.18	134.69	2468.89	2066.14	2123.73
4.	Electric Installation	133.98	264.28	-	398.26	47.29	11.15	58.44	339.82	86.70
5.	Furniture & Fixtures	62.13	1.61	-	63.74	27.52	4.07	31.59	32.15	34.61
6.	Vehicles	159.17	43.66	26.14	176.69	39.01	16.66	52.98	123.71	120.16
7.	Office Equipment	116.70	4.51	-	121.21	76.80	11.84	88.64	32.57	40.39
SUB TOTAL (A)		6033.95	429.24	60.30	6402.89	2690.03	203.89	20.67	2873.25	3344.41
II <u>Intangible Assets</u>										
	Intangible R & D	34.85	-	-	34.85	12.20	6.96	19.16	15.69	22.65
	Software	29.30	4.98	-	34.28	21.46	5.36	26.82	7.46	7.34
SUB TOTAL (B)		64.15	4.98	-	69.13	33.66	12.32	45.98	23.15	29.99
III <u>Capital Work in progress</u>										
	Building	3.34	-	3.34	-	-	-	-	-	-
	Plant & Machinery	-	-	-	-	-	-	-	-	3.34
	Office Equipment	0.29	0.03	0.32	-	-	-	-	-	0.29
SUB TOTAL (C)		3.63	0.03	3.66	-	-	-	-	-	3.63
Total [A+B+C]										
(Current Year)		6101.73	434.25	63.96	6472.03	2723.69	216.21	20.67	2919.23	3378.04
(Previous Year)		6107.20	32.31	37.80	6101.72	2520.08	207.79	4.18	2723.69	3583.78
Note : Building, Plant & Machineries, Electrical Installations, Office Equipments and Computers includes Rs. 28.18, Rs. 363.40 , Rs. 10.09, Rs. 2.66 and Rs. .71 lacs respectively (includes Computers of Rs .48 lacs purchased during the year) towards, assets for R & D purposes.										

Note : Building, Plant & Machineries, Electrical Installations, Office Equipments and Computers includes Rs. 28.18, Rs. 363.40, Rs. 10.09, Rs. 2.66 and Rs. .71 lacs respectively (includes Computers of Rs. .48 lacs purchased during the year) towards, assets for R & D purposes.

**Note No. '13' Non Current Investment (at Cost) (Rs. in lacs)**

	No. of Shares	As at 31st March 2013	No. of shares	As at 31st March 2012
<b>Non Trade Investment in Associates (Unquoted)</b>				
Alankar Securities Private Limited (Equity Shares of Rs. 10 each)	-	-	123000	36.90
Triveni Securities Private Limited (Equity Shares of Rs. 10 each)	100000	30.00	100000	30.00
Mahavir Phototech Pvt. Ltd. (Equity Shares of Rs. 10 each)	97000	29.10	97000	29.10
<b>TOTAL</b>		<b>59.10</b>		<b>96.00</b>

**Note No. '14' Long Term Loans & Advances (Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1) Capital Advances		
Unsecured, considered goods	33.91	87.37
2) Security Deposit		
Security Deposit-Others (Unsecured considered goods)	67.69	43.49
3) Loan & Advance to Employee (Unsecured considered goods)	-	0.77
4) Others :		
Margin money held with bank*	0.74	39.66
Fixed Deposit with banks with maturity period more than 12 months	93.31	42.07
<b>TOTAL</b>	<b>195.65</b>	<b>213.36</b>

\*Pledged with banks against LC &amp; Bank guarantee on behalf of the company

**Note No. '15' Other Non Current Assets (Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
Mat Credit Entitlement	499.25	317.90
<b>TOTAL</b>	<b>499.25</b>	<b>317.90</b>

**Note No. '16' Current Investment (at the lower cost and fair value) (Rs. in lacs)**

	No. As at 31st March, 2013	As at 31st March, 2012
1 Investment in Mutual Funds (unquoted) Units of Rs. 10 each, unless otherwise specified)		
a) UTI Treasury Advantage Fund - Periodic Dividend Plan Payout (NAV Rs. 191.37 lacs units 18163.347) (P.Y. NAV Rs 182.53 lac, P.Y. Units 17452.741)	18163.347	191.37 182.53
b) UTI Floating Rate Fund - STP - Regular Plan - Growth (NAV Rs. 197.21 lacs, Units 10462.808) (P.Y. NAV Rs 89.26 lac, P.Y. Units 5157.491)	10462.808	189.25 89.56
c) UTI Treasury Advantage Fund - Growth Plan (NAV Rs. 432.97 lacs, Units 14643.474) (P.Y. NAV Rs 212.97 lac, P.Y. Units 7861.306)	14643.474	402.97 212.97
d) UTI Treasury Advantage Fund - Institutional Plan Growth (NAV Rs. 612.21 lacs, Units 38650.703) (P.Y. NAV Rs 264.81 lac, P.Y. Units 18313.703)	38640.703	579.81 264.81
e) UTI Floating Rate Fund - Short Term Plan - Institutional Growth Option (NAV Rs. 151.28 lacs, Units 11400.354) (P.Y. NAV Rs 138.17 lac, P.Y. Units 11400.354)	11400.354	138.17 138.17
<b>TOTAL</b>		<b>1501.57 887.74</b>

**Note No. '17' Inventories (Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1 Raw Material (including in transit Rs. 84.52 lacs) (previous year 24.73 lacs)	452.53	405.92
2 Work in Progress (Toners)	180.66	119.30
3 Finished Goods (Toners)	124.30	79.98
4 Oil & Lubricants	60.10	46.29
5 Stores & Spares	54.53	53.54
6 Packing Material	42.87	65.66
<b>TOTAL</b>	<b>914.99</b>	<b>770.69</b>

(For valuation, refer Note No. 1.7)

	As at 31st March 2013	As at 31st March 2012
<b>Details of Raw Materials Inventory</b>		
1 Resin	205.64	102.79
2 Magnetite	36.13	39.82
3 Others	210.76	263.31
<b>TOTAL</b>	<b>452.53</b>	<b>405.92</b>

**Note No. '18' Trade receivables****(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1 Outstanding for more than six months		
a) Unsecured, Considered Goods :	14.39	247.68
b) Doubtful not provided for	7.79	-
2 Others Receivable	22.18	-
a) Secured, Considered Goods :	72.48	88.45
b) Unsecured, Considered Goods :	1011.76	548.37
	1084.24	636.82
<b>TOTAL</b>	<b>1106.42</b>	<b>884.50</b>

**Note No. '19' Cash & Bank Balances****(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1. Cash & Cash Equivalents		
Cash in Hand		
Cash Balance	3.80	7.32
Cheque in Hand	1.25	
	5.05	7.32
Bank Balance		337.62
Current Account	88.48	0.62
EEFC Account	107.52	337.62
	196.00	338.24
2. Other Bank Balance		
SBI, East Patel Nagar (Emp. Trust A/c)	0.07	
Balance with banks to the extend held as Margin Money	63.53	55.38
With Fixed Deposit with bank having maturity upto 12 months	-	45.00
	63.60	100.38
<b>Total [A+B]</b>	<b>264.65</b>	<b>445.94</b>

**Note No. '20' Short Terms Loans and Advances****(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
(1) Advances to Employees (Unsecured, considered goods)	2.26	7.44
(2) <u>Balance with Govt. Authorities</u>		
Customer Claim Receivables	-	4.05
Vat Credit	2.58	1.72
Balance with Excise / Sales Tax	42.45	115.51
Service tax Recoverable	2.48	13.20
Balance with Govt. Authorities	10.95	20.75
(3) <u>Others</u>		
Advance to Suppliers (Unsecured, considered goods)	8.72	42.82
Advance Income Tax (includin TDS)	583.03	280.35
Prepaid Expenses	22.52	10.95
Others	1.17	-
<b>TOTAL</b>	<b>676.16</b>	<b>496.79</b>

**Note No. '21' Other Current Assets****(Rs. in lacs)**

	As at 31st March 2013	As at 31st March 2012
1 Interest Accured (but not due) on Fixed Deposits	6.74	7.25
2 Interest Accured (but not due) on Car Loan	0.04	0.06
3 Insurance Claim Receivables	0.40	1.72
4 Interest Accured on Electricity Deposits	1.06	-
5 Focus License in hand	0.35	--
<b>TOTAL</b>	<b>8.59</b>	<b>9.03</b>

**Note No. '22' Revenue from Operations****(Rs. in lacs)**

Year ended 31st March 2013 Year ended 31st March 2012

Sale of Products

Manufacturing Goods (Comparises of Toners)	7022.05	6394.60
Less : Sale Return		(14.87)
Less : Discounts & Allowances	(239.46)	(242.32)
Less : Excise Duty	(0.99)	(0.24)
	6781.59	6137.17
Other Operating Reveue		
Export Incentives etc.	73.05	65.16
Scrap Sales	1.83	1.44
	74.89	66.60
<b>TOTAL</b>	6856.48	6203.77

**Note No. '23' Other Income****(Rs. in lacs)**

Year ended 31st March 2013 Year ended 31st March 2012

1 Interest Income	30.51	12.47
2 Dividend Income on current investments	13.91	39.43
3 Short Term Capital Gain on Mutual Fund	-	0.10
4 Recovery Against assignment of Keyman Policy	-	31.51
5 Insurance Claim Received	-	2.53
6 Provision no longer required written back	8.02	15.43
7 Other Non Operating Income (insurance claim Rec. Rs. 14 lac P.Y. 0.31lac)	29.18	18.40
8 Sundry Balance written back	5.05	14.71
9 Cash Discount	5.24	5.00
7 Foreign Exchange Fluctuation Gain	47.05	52.43
<b>TOTAL</b>	138396	192.01

**Note No. '24' Cost of Raw Material Consumed****(Rs. in lacs)**Raw Materials

Year ended 31st March 2013 Year ended 31st March 2012

Opening Stock	381.18	592.50
Add : Purchase	2835.44	2249.50
Less : Closing Stock	368.01	381.19
Consumed	2848.61	2460.81

Includes Rs. 1.99 lacs (Previous Year Rs. 5.26 lacs) related with R &amp; D expenses (Refer note No. 39)

**Imported & Indigenous Raw Material Consumed****(Rs. in lacs)**

	For the year ended 31st March 2013		For the year ended 31st March 2012	
1 Imported	2794.38	98.09	2372.63	(96.42)
2 Indigenous	54.23	1.91	88.18	(3.58)
<b>TOTAL</b>	2848.61	100%	2460.81	100%

**Details of Raw Material Consumed****(Rs. in lacs)**

1 Resin	1754.32	1471.73
2 Magnetitie	601.93	496.11
3 Others	492.36	492.97
<b>TOTAL</b>	2848.61	2460.81

**Note No. '25' Other Manufacturing Expenses****(Rs. in lacs)**

As at 31st March 2013 As at 31st March 2012

1 Packing Material Consumed	304.86	278.99
2 Stores and Spares Consumed	47.95	75.16
3 Power & Fuel	609.72	587.92
4 Repair & Maintenance of Plant & Machinery	47.26	34.57
5 Repair & Maintenance of Building	28.46	11.47
6 Security Expenses	16.03	13.76
Total	1054.28	1001.87

**Imported & Indigenous Stores, Spares & packing Material Consumed****(Rs. in lacs)**

	For the year ended 31st March 2012		For the yearended 31st March 2012	
1 Imported	2.11	(0.6%)	0.28	(0.08%)
2 Indigenous	350.7	(99.4%)	353.87	(99.92%)
<b>TOTAL</b>	352.81	(100%)	354.15	(100%)



**Note No. '26' Change in Inventories**

**(Rs. in lacs)**

Year ended 31st March 2013 Year ended 31st March 2012

1	<u>Inventories at the end of the year</u>		
	Finished goods (Toners)	124.30	79.98
	Work-in-Process (Toners)	180.66	119.30
		304.96	194.28
2	<u>Inventories at the beginning of the year</u>		
	Finished Goods (Toners)	79.98	107.90
	Work-in-Process (Toner)	119.31	128.08
		199.29	235.98
	<b>DECREASE / (INCREASE) DURING THE YEAR</b>	105.67	36.70

**Note No. '27' Employee Benefit Expenses**

**(Rs. in lacs)**

Year ended 31st March 2013 Year ended 31st March 2012

1	Salaries, Bonus, PF & ESIC	732.63	674.89
2	Director's Remuneration	34.96	27.34
3	Staff Welfare Expenses	11.68	16.71
	<b>TOTAL</b>	779.27	718.94

**Note No. '28' Finance Cost**

**(Rs. in lacs)**

Year ended 31st March 2013 Year ended 31st March 2012

1	Interest Expenses	27.95	13.49
	<b>TOTAL</b>	27.95	13.49

**Note No. '29' Other Expenses**

**(Rs. in lacs)**

Year ended 31st March 2013 Year ended 31st March 2012

1	Rent	41.62	36.54
2	Rates & Taxes	21.99	11.04
3	Insurance Expenses	15.75	19.55
4	Repair & Maintenance to Computers	3.49	6.10
5	Repair & Maintenance Office	17.56	17.28
6	Advertisement & Sales Promotion	44.09	57.21
7	Communication	26.96	25.91
8	Travelling Expenses (including Foreign Travelling & Conveyance)	157.12	163.50
9	Vehicle Running & Maintenance	33.12	33.36
10	Staff Recruitment & Seminar Expenses	5.51	2.09
11	Printing & Stationery	10.63	11.86
12	Electricity & Water Expenses	9.50	9.54
13	Auditors Remuneration		
	As Audit Fees	2.90	2.30
	As Tax Audit Fees	0.53	0.45
	For Out of Pocket Expenses	1.17	0.28
14	Legal & Professional Expenses	21.93	49.26
15	Director's Sitting Fees	1.81	1.78
16	Frieght Outward	203.74	184.23
17	Commission, Discount & Incentives	149.20	242.91
18	Bank Charges	26.19	-
19	Bed Debts	0.03	5.93
20	Loss on Sales of Fixed Assets	10.28	3.13
21	General Expenses	41.52	22.50
22	Loss on Sale of shares	20.91	-
23	Service Tax Adjustments	31.51	
24	Foreign Exchange Fluctuations Loss	-	31.29
	<b>TOTAL</b>	899.06	966.16

Includes Rs.39.50 lacs (Previous Year Rs. 36.38 lacs)related with R & D expenses (Refer note No. 39)

**Note No. '30' Exceptional Items**

**(Rs. in lacs)**

Year ended 31st March 2013 Year ended 31st March 2012

	Rent Accured (on account of disputed rent)	7.25	23.30
	Loss on account of closure of subsidiary company in USA	17.40	
	<b>TOTAL</b>	24.65	23.30

**Notes to the Financial Statments for the year ended 31st March, 2013 (in lacs)**

31. Capital Commitments : Estimated amounts of contracts remaining to be executed on capital accounts [net of capital advance of Rs. 108.82 lacs (Previous Year - Rs. 138.36 lacs)]
32. Contingent liabilities not provided for in respect of: **For the year ended 31st March 2013** **For the year ended 31st March 2012**
- |  |               |        |
|--|---------------|--------|
| a) Letters of credit established in favour of the suppliers                  | <b>803.41</b> | 943.87 |
| b) Guarantee issued by SBI on behalf of Company                              | <b>0.25</b>   | 1.90   |
| c) Sales Tax / Trade Taxes demands against which appeals have been preferred | <b>0.82</b>   | 66.84  |
| d) Export obligation against advance licenses                                | <b>250.25</b> | 266.73 |
| e) Rent  | <b>NIL</b>    | 7.06   |
33. a) Accounting Standard as to Segment Reporting AS -17 is not applicable to the Company as it is engaged in the business of Toners and Developers which is the single reportable segment. However, disclusoure as to secondary segment is as under : (Rs. in lacs)
- For the year ended 31st March 2013** **For the year ended 31st March 2012**
- Geographical Segment :
- |   |   |                |                |
|---|---|----------------|----------------|
| i) Domestic Sale (including Excise Duty)                                  | : | 4118.48        | 3557.47        |
| ii) Export Sales (including Export benefits)                              | : | 2738.99        | 2646.54        |
|   |   | <b>6857.47</b> | <b>6204.01</b> |
| b) <u>Details of sales</u> : (including Export Benefit on Export Sales) : |   |                |                |
| Sales   |   | 6857.47        | 6204.01        |
| Excise Duty   |   | (-) 0.99       | (-) .24        |
| <b>NET SALES</b>  |   | <b>6856.48</b> | <b>6203.77</b> |
34. MAT Credit Entitlement (including the previous year) amounting to Rs. 499.25 lacs has been recognised in the view of the company's current and future profitability projections.
35. a) Estimated benefits aggregating to Rs.73.05lacs/-(Previous Year Rs65.16lacs) against exports effected during the year has been taken into account for the year as incentive accounting in respect of duty free imports of Raw Material & Packing Materials under Advance Licence Scheme and corresponding amount has been added to the cost of Materials.
- b) Service Tax amounting toRs.2.48lacs/-(Previous Year Rs.13.20lacs ) have been treated as recoverable is subject to claim yet to be filed with Department. The same has been grouped in Advance Recoverable.
36. a) Trade payable includes (i) Rs. Nil (Previous Year Nil due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME).
- b) No interest is paid/payable during the year no any enterprises registered under MSME.
- c) The above information's have been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of supplied under MSME.
37. Lease :
- Vehicles taken on lease :
- The total future minimum lease payable at the Balance Sheet date is as under :
- For a period not later than one year Rs. 12.28 lacs
- For a period later than one year and not later than five yearsRs. 5.64 lacs
- For a period later than five yearsRs. NIL
- Total lease expenses debited to Statement of profit & loss is Rs1.88 lacs Previous year 2.93lacs
38. Amount of Exchange difference credited to consolidated Statement of profit & loss amounted to Rs.47.05 lacs/-during the year (previous year Rs.21.14lacs).
39. R & D expenses included in various heads Rs60.47lacs[Including Raw Material Consumption Rs.1.99/ lacs-&DepreciationRs.18.98lacs] (Previous year Rs.67.18lacs Raw Material Consumption Rs.5.26& Depreciation Rs.25.54lacs) respectively.
40. **Minority Interest:** Minority interest represents that part of the net results of the operation and the net assets of ITDL Imagetec Limited, where 49% is owned by otherthan parent Company.
41. The Company has calculated the various benefits provided to employees as under:
- A) Defined Contribution Plans

Provident Fund

During the year the Company has recognized the following amounts in the Profit and Loss Account :

For the year ended 31st March 2013

For the year ended 31st March 2012

	(Rs. In. Lacs)	
Employers Contribution to Provident Fund	27.79	27.33
B) State Plans		
a) Employee State Insurance		

During the year the Company has recognized the following amounts in the Profit and Loss Account:

For the year ended 31st March 2013

For the year ended 31st March 2012

	(Rs. In Lacs)	
Employers Contribution to Employee State Insurance	5.15	6.02
C) Defined Benefit Plans		
a) Gratuity		
b) Leave Encashment		(Rs. in lacs)

The discount rate assumed is 9% which is determined by reference to market yield at the Balance Sheet date on government bonds. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market, Reconciliation of opening and closing balances of the present value of the defined benefit obligation is as under:

Particulars	Gratuity (Funded)*		Leave Encashment (Unfunded)*	
	Current Year	Previous Year	Current Year	Previous Year
<b>The principal assumptions used in actuarial valuation as per below:</b>				
• Discount rate	9%	8%	8%	8%
• Expected rate of return on assets	—	—	—	—
• Expected rate of future salary increase	6%	6%	5%	5%
<b>Change in present value of obligations</b>				
• Present value of obligations as at 01.04.2012	54.65	44.19	33.31	28.35
• Interest cost	.85	324	2.66	2.27
• Current service cost	14.42	6.70	10.10	8.46
• Benefits paid	(14.43)	(4.4)	—	(.56)
• Actuarial loss on Obligations	(2.07)	4.92	(2.06)	(5.21)
• Present value of obligation as at 31.03.2013	53.42	54.65	44.01	33.31
<b>Changes in fair value of plan assets</b>				
	Not Available	Not Available	Not Available	Not Available
<b>Liability recognized in the Balance Sheet</b>				
• Present value of obligations as at 31.03.2013	—	—	44.01	33.31
• Fair value of plan assets as at the end of the year	—	—	—	—
• Expenses as above	—	—	—	—
• Unrecognised Actuarial (Gain) / Loss	—	—	—	—
• Net (Assets) / Liability recognized in Balance Sheet	—	—	44.01	33.31
<b>Expenses recognized in Profit and Loss Account</b>				
• Current service cost	14.73	3.30	10.10	8.46
• Interest cost	—	—	2.66	2.77
• Expected return on plan assets	—	—	—	—
• Net Actuarial (Gain) / Loss recognized during the year	—	—	(2.06)	(5.77)
• Total Expense recognized in Profit and Loss Account	14.73	3.30	10.70	4.96

42. Disclosure pursuant to AS-29 (Movement of provisions) (Rs. in lacs)

	Discount & Incentive Rs.	Previous Year Closing Rs.	Excise Duty on Stock Rs.	Previous Year Rs.
Opening Balance	10.13	22.69		1.75
Add Creations	2.90	6.00		
Less : (a) Utilizations	.98	18.56		1.75
(b) Written Back				
Closing Balance	12.05	10.13		Nil

43. **Value of Import calculated on C.I.F Basis** For the year ended 31st March 2013 For the year ended 31st March 2012

i) Raw Material 2661.59 2111.91

**INDIAN TONERS & DEVELOPERS LIMITED**

ii)	Stores, Spares & Packing Material	14.16	2.96
44.	<b>Expenditure in Foreign Currency</b>	<b>For the year ended 31st March 2013</b>	<b>For the year ended 31st March 2012</b>
i)	Foreign Travel	42.57	41.09
ii)	Consultancy Charge	Nil	13.92
iii)	Others (Exhibition, Advertisement etc.)	19.71	20.59
45.	<b>Earning in Foreign Exchange</b>	<b>For the year ended 31st March 2013</b>	<b>For the year ended 31st March 2012</b>
	FOB Value of Export	2670.83	2679.50
46.	<b>Calculating of Earning Per Share</b>	<b>For the year ended 31st March 2013</b>	<b>For the year ended 31st March 2012</b>
1.	No. of Shares at the beginning of the year	8059000	8059000
2.	No of Shares at the close of the year	8059000	8059000
3.	Net Profit after Tax Rs.	1094.84	785.08
4.	E. P. S. Rs.	8.21	6.54
47.	<b>Related Party Disclosure (Pursuant to Accounting Standard - 18)</b>		

(i) Relationship :

(a)	Key Management Personnel	-	Shri Sushil Jain (CMD)
(b)	Relative of Key Management	-	Shri Akshat Jain, (son of Sh. Sushil Jain)
		-	Sr. Vice President (Corporate Affairs)
		-	Smt. Nandita Jain (Wife of Sh. Sushil Jain)
		-	Ms. Aashima Jain (Daughter of Sh. Sushil Jain)
(c)	Enterprises over which Key Management Personnel and/or relative are able to exercise significant influence	-	Jain Bhawan
		-	Shrilon India Ltd.
		-	Alankar Securities Private Limited
		-	Mahavir Phototech Private Limited
		-	Triveni Securities Private Limited
		-	Jain Tube Company Limited

(ii) Detail of transactions with Related Parties during the year :

Particulars	Key Management Personnel	Relative of Key Management Personnel	Enterprises referred in (1) (d) above
Remuneration Paid	97.54 (95.58)	46.01 (28.44)	—
Dividend Proposed / Paid	3.34 (3.34)	6.46 (6.46)	—

Figures in the bracket are for the previous year.

**48.** Balances in accounts of Sundry Debtors, creditors, Advances and Security deposits of dealers are subject to confirmations from the respective parties

**49.1** Previous year's figures have been regrouped / re arranged wherever necessary to make them comparable with those of the current year.

**49.2** The Financial statements for the year ended 31<sup>st</sup> March 2013 had been prepared as per the then applicable, Schedule VI to the Companies Act 1956. Consequent to the notification under the Companies Act 1956., the financial statements for the year ended 31<sup>st</sup> March 2013 are prepared under Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**

Chartered Accountants  
ICAI's FRN 304153E

**(B.R.GOYAL)**

Partner

Membership No. 12172

11K, Gopala Tower,

25, Rajendra Place, New Delhi

The 17th Day of May 2013

**(S.C. SINGHAL)**

Executive Director

& Company Secretary

**(SANJEEV GOEL)**

Director

Chairman & Managing Director

**(SUSHIL JAIN)**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013 (Rs. in lacs)**

<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES</b>	<b>For the Year ended 31st March 2013</b>	<b>For the year ended 31st March 2012</b>
Net Profit before tax	1251.08	966.72
<b>Adjustment for</b>		
Depreciation & Amortisation	216.21	207.78
Loss / (Profit) on sale/disposal/discard of fixed assets/intangibles	10.28	3.07
Loss / (Profit) on sale of investments	20.91	-
Finance Cost	27.95	13.49
Interest Income	(30.51)	(12.47)
Provision for leave encashment	10.70	4.97
Service Tax Adjustments	31.51	
Bad Debt	0.03	5.93
Liabilities no longer required written back & sundry balance written back	(13.07)	(30.14)
Short term capital gain on mutual fund	0.00	(0.10)
Loss/(profit) on closure of subsidiary	17.40	-
Unrealised Foreign Exchange (Gain)/Loss	(13.07)	1.44
Income from Current Investments (Non Trade) Dividend	(13.91)	(39.43)
<b>Operating Profit Before Working Capitals Changes</b>	<b>1515.51</b>	<b>1121.26</b>
<b>Adjustments For</b>		
(Increase) / Decrease in Inventories	(144.30)	348.35
(Increase) / Decrease in Trade & other receivables	(82.37)	(140.89)
(Increase) / Decrease in Trade & other payables	(129.22)	(36.08)
<b>Cash Generated from Operations</b>	<b>1159.62</b>	<b>1292.64</b>
Direct Taxes including Wealth Taxes	(302.69)	(229.56)
<b>Net Cash Inflow / (outflow) in course of Operating Activities (A)</b>	<b>(856.93)</b>	<b>(1063.08)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets / CWIP (incl. capital advances)	(464.52)	(123.02)
Purchase of investments (Net of sales)	(575.26)	(887.74)
Capital Subsidy received against Fixed Assets	0.00	30.00
Short term capital gain on mutual fund	0.00	0.10
Sale proceed from Fixed Assets	29.35	0.54
Movement in other bank balance	24.51	(44.39)
Interest Received	30.91	10.35
Dividend Received	13.91	39.43
<b>Net Cash Inflow / (outflow) in course of Investing Activities (B)</b>	<b>(941.52)</b>	<b>(974.73)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from / (Payments of) long Terms Borrowing	(10.30)	(9.47)
Dividend paid	(23.24)	(13.12)
Interest paid	(27.95)	(13.49)
Increase/(Decrease) in Short Term Borrowings	2.25	(9.21)
<b>Net Cash Inflow / (outflow) from Financing Activities (C)</b>	<b>(59.24)</b>	<b>(45.29)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>(143.83)</b>	<b>43.06</b>
<b>Cash And Cash Equivalents at the beginning of the year</b>	<b>344.95</b>	<b>301.89</b>
<b>Cash &amp; Cash Equivalent At closing of the year</b>	<b>201.12</b>	<b>344.95</b>

Notes : (1) The Cash Flow Statements has been prepared under the 'In direct Method' set out in Accounting Standard - 3. Cash Flow Statement specified in the Companies (Accounting Standard) Rules, 2006.

(2) Previous period's figures have been regrouped / rearranged wherever considered necessary to confirm to make them comparable. Significant Accounting Policies. The notes form an integral part of these financial statments

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**

Chartered Accountants  
ICAI's FRN 304153E

**(B.R.GOYAL)**

Partner

Membership No. 12172

11K, Gopala Tower,

25, Rajendra Place, New Delhi

The 17th Day of May 2013

**(S.C. SINGHAL)**

Executive Director

& Company Secretary

**(SANJEEV GOEL)**

Director

Chairman & Managing Director

**(SUSHIL JAIN)**

**PROXY**

**INDIAN TONERS & DEVELOPERS LIMITED**

**Regd. Office :** 10.5 KM, Rampur Bareilly Road, Rampur- 244 901 (U.P.)

**Corporate Office :** 1223, DLF Tower - 'B', Jasola, New Delhi - 110025

I/we \_\_\_\_\_

of \_\_\_\_\_

in the district of \_\_\_\_\_

being a member / members of the above-named Company, hereby appoint  
Mr./Miss/Mrs. \_\_\_\_\_

of \_\_\_\_\_ in the district \_\_\_\_\_

or failing him/her \_\_\_\_\_

of \_\_\_\_\_ in the district \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company  
to be held on Monday, the 5th August, 2013 at 2.30 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

No. of Shares held \_\_\_\_\_ L.F. NO./ Client I. D. No. \_\_\_\_\_

DPID No. \_\_\_\_\_

Signature (s) \_\_\_\_\_

Address : \_\_\_\_\_

One Rupee  
Revenue  
Stamp

Note : The proxy must be deposited at the Registered Office/Head Office of the Company not  
less than 48 hours before the time for holding the meeting.

**NO GIFT WILL BE DISTRIBUTED DURING THE MEETING**

TEAR HERE

**ATTENDANCE SLIP**

**INDIAN TONERS & DEVELOPERS LIMITED**

**Regd. Office :** 10.5 KM, Rampur Bareilly Road, Rampur- 244 901 (U.P.)

I hereby record my presence at the 23rd Annual General Meeting being held on Monday, the  
5th August, 2013 at 2.30 P.M. at the Registered Office of the Company at 10.5 KM, Rampur  
Bareilly Road Rampur-244 901 (U.P.)

Name of the Shareholder \_\_\_\_\_

(In block letters)

Folio No./Client I.D. No. \_\_\_\_\_ D.P.I.D. No. \_\_\_\_\_

Signature of the Shareholder/Proxy

Note : 1. Please complete this attendance slip and hand it over at the entrance of the  
venue of the meeting.

2. Please bring your copy of Balance Sheet at the time of Annual General Meeting.

**NO GIFT WILL BE DISTRIBUTED DURING THE MEETING**



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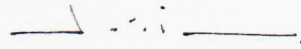
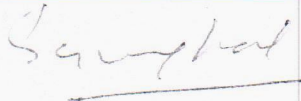

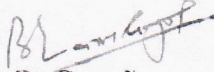
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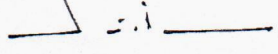
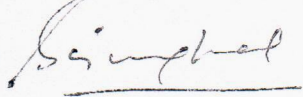

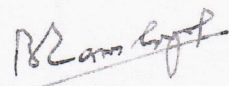
# FORM A

(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars		Details
1.	Name of the Company	::	Indian Toners & Developers Limited
2.	Annual <u>Standalone</u> Financial Statement for the year ended	::	31 <sup>st</sup> March, 2013
3.	Type of Audit Observation	::	NIL
4.	Frequency of observation	::	N.A.
5.	To be signed by:		
	• Managing Director	::	Mr. Sushil Jain 
	• Company Secretary & Acting CFO	::	Mr. S. C. Singhal 
	• Audit Committee Chairman	::	Mr. Sanjeev Goel 
	Auditors of the Company	::	for K.N. GUTGUTIA & CO. Chartered Accountants (ICAI'S FRN 304153E)   (B. R. Goyal) Partner (Membership No. 12172) New Delhi 17 <sup>th</sup> May, 2013

# FORM A

(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars		Details
1.	Name of the Company	::	Indian Toners & Developers Limited
2.	Annual <u>Consolidated</u> Financial Statement for the year ended	::	31 <sup>st</sup> March, 2013
3.	Type of Audit Observation	::	NIL
4.	Frequency of observation	::	N.A.
5.	To be signed by:		
	• Managing Director	::	Mr. Sushil Jain 
	• Company Secretary & Acting CFO	::	Mr. S. C. Singhal 
	• Audit Committee Chairman	::	Mr. Sanjeev Goel 
	Auditors of the Company	::	for K.N. GUTGUTIA & CO. Chartered Accountants (ICAI'S FRN 304153E)  (B. R. Goyal) Partner (Membership No. 12172) New Delhi 17 <sup>th</sup> May, 2013