

**27<sup>TH</sup> ANNUAL  
REPORT  
2016-2017**



**INDIAN TONERS & DEVELOPERS LIMITED**

## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	Shri Sushil Jain Shri Vikram Parkash Shri Sanjeev Goel Shri Arun Kumar Garg Shri Kewal Krishan Dhiman Smt. Neena Jain	Chairman & Managing Director Director Director Director Director Director
<b>COMPANY SECRETARY</b>	Shri. S. C. Singhal	
<b>BANKERS</b>	State Bank of India	
<b>AUDITORS</b>	K. N. Gutgutia & Co. Chartered Accountants 11-K, Gopala Towers, 25, Rajendra Place, New Delhi –110 008.	
<b>REGISTERED OFFICE &amp; WORKS</b>	10.5 KM, Rampur - Bareilly Road, Rampur - 244 901 (U.P) Tel.: 09219410588	
<b>CORPORATE OFFICE</b>	1223, DLF Tower - B, Jasola, New Delhi-110025. Tel : (011) 45017000 (30 Lines) Fax No. (011) 45017043 E-Mail : info@indiantoners.com Website : http://www.indiantoners.com	

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# NOTICE

INDIAN TONERS & DEVELOPERS LIMITED

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Shareholders of **INDIAN TONERS & DEVELOPERS LIMITED** will be held on **Monday, the 31<sup>st</sup> July, 2017**, at 2.30 p.m. at the Registered Office of the Company at 10.5 K.M. Rampur – Bareilly Road, Rampur – 244901 (Uttar Pradesh) to transact the following businesses:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt :
  - (a) the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2017, the Directors' Report and the Auditors' Report thereon and
  - (b) the Audited Consolidated Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2017.
2. To appoint a Director in place of **Shri Kewal Krishan Dhiman (DIN No. 05131602)** who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider the appointment of M/s. M.L. Garg & Co., Chartered Accountants, (Firm Registration No. 001604N) as Statutory Auditors of the Company in place of retiring Auditors, M/s K. N. Gutgutia & Co. Chartered Accountants, (Firm Registration No. 304153E), from the conclusion of this Meeting until the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company, subject to ratification of their appointment by members at every Annual General Meeting, at such remuneration as may be fixed by Board of Directors of the Company."

## **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Sushil Jain (DIN No. 00323952), as Chairman & Managing Director of the Company for a period of three years with effect from 16th August, 2017 on a remuneration and on the terms and conditions as set out in the Statement annexed to the Notice of AGM with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said re-appointment in such form and manner or with such modifications as the Board may deem fit and agreed to by Shri Sushil Jain.

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

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board  
for **INDIAN TONERS & DEVELOPERS LTD.**

PLACE: New Delhi  
DATED: 20<sup>th</sup> May, 2017

(S.C. SINGHAL)  
COMPANY SECRETARY

**IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer Books of the Company will remain closed from 27<sup>th</sup> July, 2017 to 29<sup>th</sup> July, 2017 (both days inclusive)
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.  
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution / authority, as applicable.
3. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible, Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holding should be verified.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
5. Details under Regulation 36(3) of SEBI (LODR) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
6. Electronic copy of the Annual Report for the year 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2016-17 is being sent in the permitted mode.
7. Electronic Copy of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting and e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e - voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
8. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2017 will also be available on the Company's website [www.indiantoners.com](http://www.indiantoners.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investors@indiantoners.com](mailto:investors@indiantoners.com)

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**INDIAN TONERS & DEVELOPERS LIMITED**

9. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the facility of voting through electronic means. The cut-off date for determining the eligibility to vote by electronic means or by ballot in the general meeting shall be 24th July, 2017. The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting in terms of notification issued by the Ministry of Corporate Affairs dated 19.03.2015.
10. Voting through electronic means (remote e-voting)
- I A. In case a Member receives an E-mail from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)]:
- (i) Open email and open PDF file viz; "ITDL E-voting.pdf" with your Client ID or Folio No. as pass word. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
  - (ii) Launch internet browser by typing the following URL <https://www.evoting.nsdl.com>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password in step (i) above. Click Login.
  - (v) After successful login, you can change the password with new password of your choice.
  - (vi) Home page of e-voting opens. Click on e-voting : Active Voting Cycles.
  - (vii) Select "EVEN" of **Indian Toners & Developers Ltd.**
  - (viii) Now you are ready for e-voting as Cast Vote Page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders(i.e. other than individuals, HUF, NRI etc.) are requested to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csvhari@gmail.com](mailto:csvhari@gmail.com) or [investors@indiantoners.com](mailto:investors@indiantoners.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM  
**EVEN (E Voting Event Number) USER ID PASSWORD/PIN**
  - (ii) Please follow all steps from Sl No. (ii) to Sl. No. (xii) above, to cast vote.
- II In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

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**INDIAN TONERS & DEVELOPERS LIMITED**

- III** If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
- NOTE: Shareholders who forgot the User Details/Password can use. Forgot User Details/Password? or Physical User Reset Password? option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).
- IV** You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s)
- V** The remote e-voting period commences on 28.7.2017 (9.00) (IST) and ends on 30.7.2017 (17.00) (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24.7.2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for remote e-voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI** The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut - off date of 24.7.2017.
- VII** Mr. Varanasi Hari (CP No. 8244), a practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting and voting process in a fair and transparent manner.
- VIII** The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the remote e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX.** The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.indiantoners.com](http://www.indiantoners.com) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
11. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 24th July, 2017, may obtain the User ID and password in the manner as mentioned below:
- If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.nsdl.com>, the member may click "Forgot User Details/Password?" or "Physical User Reset Password?" and enter Folio No. or DP ID Client ID and PAN to generate a password. Member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- If the member is already registered with NSDL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
12. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company
13. Members, who hold shares in de-materialized form, are requested to bring their client ID and DP ID Nos. for easier Identification of attendance at the Meeting.
14. In all correspondence with the Company members are requested to quote their Account /
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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.

15. 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.

### **ANNEXURE TO NOTICE CONVENING 27TH ANNUAL GENERAL MEETING**

#### **Explanatory statement pursuant to section 102 (1) of the Companies Act, 2013:**

##### **ITEM NO. 4**

On the recommendations of the Nomination & Remuneration Committee of Board of Directors of the Company, the Board in its meeting held on 20.5.2017 has re-appointed Shri Sushil Jain as Chairman & Managing Director of the Company for a period of 3 years.

The details of appointment and remuneration payable to Sh. Sushil Jain are as under:-

Name : **Sushil Jain**  
Designation : **Chairman & Managing Director**  
Period : **16.08.2017 to 15.08.2020**  
Remuneration :

1. **Basic Salary** : Rs. 7,50,000/- p.m.
2. **Annual Increment** : Upto a maximum of 30% of the total gross salary as may be decided by the Board of Directors.
3. **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.
4. **Perquisites/Amenities** :
  - a. **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.
  - b. **Payment of Medical Expenses** - Payment towards medical expenses (including Mediclaim insurance premium) for self and his family subject to a ceiling of one month's basic salary in a year.
  - c. **Leave Travel Concession** - Payment towards leave travel for self and his family shall be paid once in a year equivalent to one month's basic salary.
  - d. **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.
  - e. **Car and Telephone** - Free use of Co.'s two cars for official work as well as for personal purposes alongwith Driver and telephones, wifi/internet and other communication facilities at residence.
  - f. **Travelling Expenses** - While travelling on the Company's business purposes, the Chairman & Managing Director will be entitled to be accompanied by his wife, and the travelling and other incidental expenses incurred by his wife will also be borne/ reimbursed by the Company.
  - g. Personal Accident Insurance as may be required.
  - h. Any other perquisites/facility within the limits prescribed in Part II of Schedule V of the Companies Act, 2013.



**PERQUISITES NOT TO BE INCLUDED IN THE COMPUTATION OF THE CEILING ON REMUNERATION**

- i. **Provident Fund** - Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- j. **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.
- k. **Leave Encashment** - Encashment of leave at the end of the tenure.

**Explanation**

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

**Minimum Remuneration :**

In the absence or inadequacy of profits in any financial year, the total remuneration to Shri Sushil Jain, Chairman & Managing Director by way of salary, commission and perquisites shall be governed by the limits prescribed in Part II, Section II of Schedule V of the Companies Act, 2013.

**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 Section II of Part II of Schedule V of the Companies Act, 2013 is as follows :

**I. General Information :**

The industry falls under the Ministry of Chemicals and Petro-Chemicals and is engaged in the manufacturer of compatible black toners for Photocopiers, Laser Printers, Digital Machines and Multi Function Printers. The Company started its commercial production in 1992. During the year ended on 31st March, 2017, the Company has achieved revenues (including other income) of Rs.3920.64 lacs and has reported Profit After Tax of Rs.688.82 lacs. During the year, the Company earned foreign exchange earnings of Rs. 2797.02 lacs.

**II. Information about the Appointee :**

Mr. Sushil Jain, aged 58 years, is a dynamic qualified engineer from Delhi College of Engineering, New Delhi and is associated with the Company from its inception. He has more than 35 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 Stakeholders Relationship Committee of the Company. Mr. Sushil Jain is also on the Board of Directors of P.K. Business Enterprises Limited, Mahavir Phototech (Pvt.) Ltd., ITDL Imagetec Limited, Jain Tube Company Ltd.,

Super Tube Company Limited and Shrilon India 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 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 14 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. 4 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, personal accident 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, allowances and perquisites payable to the Chairman and Managing Director of the Company.

Except Shri Sushil Jain, no other Director and KMP of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at item No. 4.

The explanatory statement together with the accompanying notice may also be regarded as a disclosure under Section 190 of the Companies Act, 2013 and Regulation 36 of the SEBI (LODR) Regulations, 2015 with the Stock Exchange.

The Board recommends passing of the Resolution.

All the material documents referred to in the accompanying Notice shall be open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 a.m. to 05.00 p.m. excluding public holidays.

By Order of the Board  
for **INDIAN TONERS & DEVELOPERS LTD.**

PLACE : New Delhi  
DATED : 20th May, 2017

(S.C. SINGHAL)  
COMPANY SECRETARY

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LODR) REGULATIONS, 2015**

<b>Name of the Director</b>	<b>Mr. Kewal Krishan Dhiman</b>
DIN Number	05131602
Date of Birth	18.6.1961
Date of Appointment	29.10.2011
Qualification	M. Com, MBA-Finance, PGDM (DUAL) - Production and materials management, Diploma in Export Management and Diploma in Central Excise and Custom
Brief Resume and Experience / Expertise	He has accumulated 35 Years of extensive working experience in diverse industries such a Bulk drugs, textile and auto ancillary. He was also on the Board of Directors of M/s. Bhandari Hosiery Exports Limited from August, 2003 to March, 2005. He is, presently, the Senior General Manager Plant of the <b>"ITDL Imagetec Ltd."</b> , a subsidiary of the Company.
Disclosure of Relationships between Directors inter-se	N.A.
Directorship held in other Public Companies	NIL
Chairman / Membership of Committees in other Public Limited Companies	NIL
No. of Shares held on 31.03.2017	20

**ROUTE MAP OF THE VENUE FOR ANNUAL GENERAL MEETING**



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**INDIAN TONERS & DEVELOPERS LTD.**

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

20<sup>th</sup> May, 2017

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 the provisions of the Companies Act, 2013.

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's 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.

# DIRECTORS' REPORT

INDIAN TONERS & DEVELOPERS LIMITED

To  
The Members,  
Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report alongwith the Accounts for the year ended March 31, 2017.

## Working Results

Rs. in Lacs

	For the year ended 31 <sup>st</sup> March 2017		For the year ended 31 <sup>st</sup> March 2016	
	Standalone	Consolidated	Standalone	Consolidated
Turnover (net of Excise Duty)	3384	11897	3504	10913
Operating Gross Profit	925	3172	860	2572
Add/Financial Charges	(9)	(36)	(7)	(24)
(Less): Depreciation & Other Amortizations	(130)	(321)	(129)	(306)
Profit before tax	786	2815	724	2242
Add / Provision for tax—				
(Less) Current Year & MAT Cr. Ent.	(69)	(599)	(155)	(494)
Previous Year Tax Adjustment	(10)	(22)	13	13
Net profit before Deferred Tax	707	2194	582	1761
Deferred Tax Assets (Liabilities)	(18)	(26)	7	(93)
Surplus Available for appropriation	689	2168	589	1668
Less : Minority Interest	—	(812)	—	(604)
Transfer to General Reserve	689	1356	589	1064

## OPERATIONS

The turnover of your Company during the year was lower by Rs.120 Lacs than the previous year. More than 85.25% of sales amounting to Rs.2932.05 Lacs were from exports. However, exports were lower by 15.79% against the previous year exports of Rs.3482 Lacs. Net profit after deferred tax during the year was Rs.689 Lacs as against Rs.589 Lacs in the preceding year i.e. higher by 16.97%.

The consolidated financial results during the year including that of its Subsidiary Companies were better i.e. sales Rs.11897 Lacs, profit before tax Rs.2815 Lacs and profit after tax Rs.2168 Lacs as compared to Rs.10913 Lacs, Rs.2242 Lacs and Rs. 1668 Lacs respectively for the previous year.

## DIVIDEND

Your Directors do not recommend any dividend for the year under review considering the fund requirements for future business expansion.

## FUTURE OUTLOOK AND PLANS

Your Company foresees a good scope for the export of its products. In order to give a boost to the exports, during the year, your Company incorporated a Wholly Owned Subsidiary of the

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#### **INDIAN TONERS & DEVELOPERS LIMITED**

Company in Florida (USA) which has already become operational since June 2016. It will mainly cater to the needs of North and South America as these have been the untapped markets so far. However, frequent and wide fluctuations in foreign currency, unstable political/economical situation in some countries and tough competition in the international market continues to be a challenge for your Company. However, so far the results are not as per expectations but all out efforts are being made to improve the same.

Efforts are going on to develop more products of toner and your Company is hopeful to achieve the desired results with the help of the research team. Some other value added products have been introduced and upgraded during the year.

The Management of your Company is actively exploring opportunities to invest in some new projects and other activities as part of diversification plan.

#### **AMALGAMATION OF ITDL IMAGETEC LIMITED (A SUBSIDIARY CO.) AND OTHER GROUP COMPANIES WITH INDIAN TONERS & DEVELOPERS LTD.**

The Scheme of Arrangement for amalgamation of ITDL Imagetec Limited including four group companies with the Company has been approved by Hon'ble National Company Law Tribunal (NCLT), Allahabad and order has been reserved.

ITDL Imagetec Limited has filed 2<sup>nd</sup> motion petition with Hon'ble NCLT, Principal Bench, New Delhi which has been accepted and Hon'ble NCLT has passed the order with the instructions to serve the notice to ROC, RD, Income Tax Department and Official Liquidator. The next date of hearing has been fixed for 5.7.2017.

#### **WHOLLY OWNED SUBSIDIARY**

In order to cover the untapped markets of North and South America, your Company has incorporated a Wholly Owned Subsidiary of the Company in the State of Florida (USA) with an investment of upto \$2,50,000- only which has already become operational. However, so far the results are not as per expectations but all out efforts are being made to improve the same.

#### **EXPANSION PROGRAMME IN ITDL IMAGETEC LIMITED**

ITDL IMAGETEC LIMITED – a Subsidiary Company in Sitarganj (Uttarakhand) with the manufacturing capacity of 1800 MT of toner is doing very well and giving satisfactory results. The expansion in the Subsidiary Company will increase the manufacturing capacity from 1800 MT to 2400 MT which will better the performance of your subsidiary Company during the year.

#### **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 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.

#### **INDIAN TONERS & DEVELOPERS LIMITED**

During the year the Company has incurred R & D expenses of Rs. 55.23 Lacs in various heads in addition to Rs. 28.80 Lacs for purchase of capital items. Your Company has exhaustive programme of R & D activities in the coming years.

#### **SUBSIDIARY COMPANIES:**

The Company has one subsidiary viz. ITDL Imagetec Limited and having its manufacturing facility at D-11, Phase-II, Eldeco-Sidcul Industrial Park, Sitarganj – 262405, Distt. Udham Singh Nagar, Uttarakhand.

#### **WHOLLY OWNED SUBSIDIARY COMPANIES:**

The Company has one wholly owned subsidiary viz. Indian Toners USA Company and having its operational activities at 7401 Wiles Road Suite#123Coral Springs, FL 33067.

#### **CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in “Zero Tolerance” against bribery, corruption and unethical dealings/ behaviours of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company’s website [www.indiantoners.com](http://www.indiantoners.com).

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

#### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed as Annexure “1”.

#### **NUMBER OF BOARD MEETINGS HELD**

The Board of Directors duly met 5 times during the financial year from 1st April, 2016 to 31st March, 2017. The dates on which the meetings were held are as follows:

**25<sup>th</sup> May, 2016, 5<sup>th</sup> August, 2016, 27<sup>th</sup> August, 2016, 11<sup>th</sup> November, 2016 and 4<sup>th</sup> February, 2017.**

#### **DIRECTORS’ RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, based upon the management representation Directors of your Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) 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 of the company for that period;

- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

**REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report and also available on the Company website [www.indiantoners.com](http://www.indiantoners.com).

**PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code. Requirements of Regulation 8 (Code of Fair Disclosure) & Regulation 9 (Code of Conduct) of SEBI (Prohibition of Insider Trading) Regulations, 2015 have been noted and complied with by the Company.

**STATUTORY AUDITORS & AUDITORS' REPORT**

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. K.N. Gutgutia & Co. (Firm Registration No. 304153E), Chartered Accountants, New Delhi as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company.

The Board of Directors of the Company at their meeting held on 20th May, 2017, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s. M.L. Garg & Co., Chartered Accountants (Firm Registration No.001604N), as the Statutory Auditors of the Company by the Members at the 27th Annual General Meeting of the Company for an initial term of 5 years. Accordingly, a resolution, proposing appointment of M/s. M.L. Garg & Co., Chartered Accountants, as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the 27<sup>th</sup> Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.



The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The consolidated accounts along with the Statement pursuant to Section 129 of the Companies Act, 2013 are annexed.

#### **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Mukesh Agarwal & Co. (CP No.:3851, FCS: 5991), Company Secretaries to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed as Annexure "2".

#### **INTERNAL AUDIT & INTERNAL AUDITORS**

The Company has well-structured Internal Audit function. Pursuant to the provisions of Section 138 of the Companies Act, 2013 and other applicable provisions, if any, the Board of Directors on the recommendations of the Audit Committee have appointed M/s B.K. Shroff & Co., Chartered Accountants as Internal Auditors of the Company for the year 2017-18.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **RELATED PARTY TRANSACTIONS:**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There was no materially significant related party transactions with the Company's Promoters, Directors, Key Managerial Personnel or other designated persons or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its approval.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules framed thereunder and the listing regulations. This Policy as considered and approved by the Board has been uploaded on the website of the Company at [www.indiantoners.com](http://www.indiantoners.com).

#### **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:**

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of SEBI (LODR) Regulations, 2015, the Board of Directors of a listed Company are required to constitute Risk Management Committee. However, the provisions of this regulation are applicable to top 100 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. Our Company does not fall under this category.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

Your directors have already constituted the Corporate Social Responsibility (CSR) Committee comprising of **Shri Sanjeev Goel as the Chairman, Shri Sushil Jain and Shri Arun Kumar Garg** as other members.

**INDIAN TONERS & DEVELOPERS LIMITED**

As part of its initiatives under “Corporate Social Responsibility” (CSR), the company has contributed entire funds (calculated in terms of Section 198 of the Act) to the Prime Minister’s National Relief Fund.

The Annual Report on CSR Activities is annexed as Annexure “3”.

**BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the Chairman and the working of its Audit, Nomination & Remuneration, Corporate Social Responsibility and Stakeholders Committees. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour the company has adopted a vigil mechanism policy. This policy is posted on the website of company.

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 REMUNERATION RATIO OF THE DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP)/EMPLOYEES:**

- (i) The percentage increase in remuneration of each Director, Chief Executive Officer, Company Secretary and Chief Financial Officer during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

SL. NO.	NAME	DESIGNATION	REMUNERATION PAID IN FY 2016-17 (RS. IN LACS)	REMUNERATION PAID IN FY 2015-16 (RS. IN LACS)	% INCREASE IN REMUNERATION FROM PREVIOUS YEAR	RATIO/ TIMES PER MEDIAN OF EMPLOYEE REMUNERATION	COMPARISON OF THE REMUNERATION OF KMP AGAINST THE PERFORMANCE OF THE COMPANY
1.	SH. SUSHIL JAIN	CHAIRMAN & MANAGING DIRECTOR, CEO(KMP)	132.46	123.74	7.05	132.46: 2.15	Profit before tax increased by 8.57% and Profit after tax increased by 16.90% in FY 2016-17
2.	SH.S.C. SINGHAL	COMPANY SECRETARY(KMP)	24.54	20.65	18.83	N.A.	
3.	SH. N.K. MAHESHWARI	CHIEF FINANCIAL OFFICER(KMP)	10.29	8.34	23.38	N.A.	
			167.29	152.73	9.53		

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**INDIAN TONERS & DEVELOPERS LIMITED**

- ii) The median remuneration of employees of the Company during the financial year was Rs.2.15Lacs.
- iii) In the financial year, there was an increase of 10.26% in the median remuneration of employees;
- iv) There were 88 permanent employees on the rolls of the Company as on March 31, 2017;
- v) Relationship between average increase in remuneration and company performance:- The Profit before Tax for the financial year ended March 31, 2017 increased by 8.57% whereas the increase in median remuneration was 10.26%. The average increase in median remuneration was in line with the performance of the Company.
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:  
The total remuneration of Key Managerial Personnel increased by 9.53% from Rs.152.73 Lacs in 2015-16 to Rs.167.29 Lacs in 2016-17 whereas the Profit before Tax increased by 8.57% to Rs.786.01 Lacs in 2016-17 (Rs.723.92 in 2015-16).
- vii) a) Variations in the market capitalization of the Company : The market capitalization as on March 31, 2017 was Rs.126.93 Crores (Rs.111.45 Crores as on March 31, 2016).  
b) Price Earnings ratio of the Company was 8.55 as at March 31, 2017 and was 7.31 as at March 31, 2016.  
c) Percent increase over decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year- The closing share price of the Company at BSE Limited on 31st March, 2017 being Rs.162.25 per equity share of face value of Rs.10 each has grown more than 16 times since the last public offer by the Company, which was made in the year 1992.
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 9.60% whereas the increase in the managerial remuneration for the same financial year was 7.05%.
- ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)**

Sh. Sushil Jain, Sh. S.C. Singhal and Sh. Naresh Kumar Maheshwari are the Chief Executive Officer (CEO), Company Secretary and Chief Financial Officer (CFO) of the Company respectively.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Kewal Krishan Dhiman, Director, will retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The Company has received declaration from all the Independent Directors confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013.

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**INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION PROHIBITION & REDRESSAL) ACT, 2013**

The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The Company seeks to ensure that all such complaints are resolved within defined timelines. During FY 2016-17, the Company has not received any complaint. The Company is conducting workshops/awareness programs on prevention of sexual harassment from time to time.

**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 the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report. However, the information is not being sent alongwith the Annual Report as per proviso of the above rule. 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 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given as Annexure 'A' and forms part of this report.

**MANAGEMENT'S DISCUSSIONS AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review as stipulated under Regulation 34 of SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

**DISCLOSURES UNDER LISTING REGULATIONS**

Your Company is now listed only with BSE 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 dematerialization 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 dematerialization form which is convenient and safe.

**CORPORATE GOVERNANCE**

In terms of Regulation 4 of SEBI (LODR) Regulations, 2015, 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 its valued Customers. Your Directors also thank the shareholders for their continued support. You Directors thank all the dedicated employees including executives for all their services rendered to the Company.

For & on behalf of the Board

(SUSHIL JAIN)

Place : New Delhi

Date : 20<sup>th</sup> May, 2017

Chairman & Managing Director

## ANNEXURE "A " TO DIRECTORS' REPORT

### ANNEXURE "A " TO DIRECTORS' REPORT

Information pursuant to Rule 8 of Companies (Accounts) Rules, 2014

#### (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. 55.23 lacs and Rs. 28.80 lacs on capital items.  |

#### 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 world wide in this 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**

Exports were lower by 15.79% during the year ending 31<sup>st</sup> March, 2017 as compared to 31<sup>st</sup> March, 2016.

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

		<b>Rs. in Lacs</b>	
		<b>2016-17</b>	<b>2015-16</b>
<b>a) Total Foreign Exchange used</b>			
i) Import of Raw Materials		1290.68	1504.23
ii) Import of Stores & Spares and Packing material		1.52	1.98
iii) Foreign Travel		8.06	39.30
iv) Consultancy Charges		NIL	NIL
v) Others (Exhibition, Adv.)		37.29	19.67
		<hr/>	<hr/>
<b>TOTAL</b>		<b>1337.55</b>	<b>1563.20</b>
		<hr/>	<hr/>
<b>b) Total Foreign Exchange earned (on FOB basis)</b>		<b>2797.02</b>	<b>2979.66</b>

**ANNEXURE “1”****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31.03.2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I REGISTRATION AND OTHER DETAILS:**

i)	CIN	<b>L74993UP1990PLC015721</b>
ii)	Registration Date	<b>09.01.1990</b>
iii)	Name of the Company	Indian Toners & Developers Ltd.
iv)	Category / Sub-Category of the Company	Limited by Shares
v)	Address of the Registered office and Contact Details	10.5 km, Milestone, Rampur- Bareilly Road, Rampur – 244901 (U.P), India. Phone - 09219410588
vi)	Whether Listed Company Yes/ No.	Yes BSE Ltd.
vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	Alankit Assignments Limited, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi - 110 055. Phone : 011-43541234, 42541234

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

S. No.	Name and Description of main products / services	NIC Code of the Products / service	% to total turnover of the Company
1.	Toner for Photocopier and Photo Imaging	3090	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. No.	Name & Address	CIN/GLN	Holding/ Subsidiary/	% of Shares Held	Applicable Section
1.	ITDL Imagetec Limited 1224, DLF Tower-B, Jasola, New Delhi-110025	U93090DL2007PLC158393	Subsidiary	51%	2(87) of the Companies Act, 2013
2.	Indian Toners USA Co. 7401 Wiles Road Suite#123 Coral Springs, FL 33067	P16000051041	Wholly Owned Subsidiary	100%	2(87) of the Companies Act, 2013

**1) Share holding Pattern (Equity Share Capital Breakup as percentage of total equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares Held at the beginning of the year <b>01.04.2016</b>				No. of Shares held at the end of the year <b>31.03.2017</b>				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1178406	0	1178406	14.622	1178406	0	1178406	14.622	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2828924	0	2828924	35.103	2828924	0	2828924	35.103	0
e) Bank / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total(A)(1) :</b>	<b>4007330</b>	<b>0</b>	<b>4007330</b>	<b>49.725</b>	<b>4007330</b>	<b>0</b>	<b>4007330</b>	<b>49.725</b>	<b>0</b>

**INDIAN TONERS & DEVELOPERS LIMITED**

<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Bank / FI	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0
<b>Sub-Total(A)(2) :</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	4007330	0	4007330	49.725	4007330	0	4007330	49.725	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	3200	3200	0.040	0	3200	3200	0.040	0
b) Banks/ FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	10000	0	10000	0.124	0	0	0	0	(-)0.124
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1) :-</b>	10000	3200	13200	0.164	0	3200	3200	0.040	(-)0.124
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	587219	12800	600019	7.445	483729	12800	496529	6.161	(-)1.284
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual Shareholders holding nominal Share Capital upto Rs. 2 lakh	1510516	1061731	2572247	31.918	18402555	1040931	2881186	35.752	3.834
ii) Individual Shareholders holding nominal Share Capital in excess of Rs. 2 lakh	588949	0	588949	7.308	375992	0	375992	4.666	2.643
c) Other (Specify)									
1. Directors	2520	0	2520	0.031	2520	0	2520	0.031	0
2. Non Resident Indian	78210	0	78210	0.970	134762	0	134762	1.672	0.702
3. Clearing Members	24833	0	24833	0.308	12714	0	12714	0.158	(-)0.150
4. Hindu Undivided Families	171592	0	171592	2.129	144667	0	144667	1.795	(-)0.334
<b>Sub-total(B)(2)</b>	2963839	1074531	4038370	50.111	2994639	1053731	4048370	50.235	0.124
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	2973839	1077731	4051570	50.274	2994639	1056931	4051570	50.274	0.000
<b>C. Shares held by Grand Total (A+B+C)</b>	6981169	1077731	8058900	100.00	7001969	1056931	8058900	100.00	0.000
<b>(ii) Shareholding of Promoters</b>									
S.No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.17				
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total Shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	% change in share holding during the year	
1.	Sushil Jain/ Nandita Jain	6300	0.078	NIL	689106	8.550	NIL	0	
2.	Devanshi Jain	100	0.001	NIL	100	0.001	NIL	0	
3.	Sushil Jain	682806	8.473	NIL	0	0.000	NIL	0	
4.	Akshat Jain / Sushil Jain	100	0.001	NIL	0	0.000	NIL	0	
5.	Sushil Jain (HUF)	182600	2.266	NIL	182600	2.266	NIL	0	
6.	Aashima Jain	40000	0.496	NIL	40000	0.496	NIL	0	
7.	Nandita Jain	134000	1.663	NIL	134000	1.663	NIL	0	
8.	Akshat Jain	132500	1.644	NIL	132600	1.645	NIL	0	
9.	Mahavir Phototech Pvt. Ltd.	915561	11.361	NIL	915561	11.361	NIL	0	
10.	Triveni Securities Pvt. Ltd.	631509	7.836	NIL	631509	7.836	NIL	0	
11.	Alankar Securities Pvt. Ltd.	807854	10.024	NIL	807854	10.024	NIL	0	
12.	ABC Commercial Co. Ltd.	474000	5.882	NIL	474000	5.882	NIL	0	
	<b>Total</b>	<b>4007330</b>	<b>49.725</b>	<b>NIL</b>	<b>4007330</b>	<b>49.725</b>	<b>NIL</b>	<b>0.000</b>	



**INDIAN TONERS & DEVELOPERS LIMITED**

**(iii) Change in Promoter's Shareholding (Please specify, if there is no change)**

S.No.	Shareholding at the beginning of the year 01.04.2016	Shareholding at the end of the year 31.03.17
Shareholder's Name	No. of Shares      % of total shares of the company	No. of      % of total shares Shares      of the company

**THERE IS NO CHANGE IN THE PROMOTERS' SHARE HOLDING**

**(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S.No.	Shareholding at the beginning of the year 01.04.2016	Shareholding at the end of the year 31.03.2017
For each of the top 10 Shareholders	No. of Shares      % of total shares of the company	No. of      % of total shares Shares      of the company
1. Dinero Wealth Pvt. Ltd. IN302269 14503262		
At the beginning of the year.	245539      3.05	
At the end of the year		245539      3.05
2. Sangeetha S IN301313 – 20493057		
At the beginning of the year.	141460      1.76	
At the end of the year		0      0
3. Dotch Sales Pvt. Ltd. 1207100000058032		
At the beginning of the year.	68000      0.84	
At the end of the year		67000      0.83

## INDIAN TONERS & DEVELOPERS LIMITED

4.	Sathya S IN301313 - 20493049				
	At the beginning of the year.	65590	0.81		
	At the end of the year			0	0
5.	Savitha S IN301313 - 20493065				
	At the beginning of the year.	47790	0.56		
	At the end of the year			0	0
6.	Deo Hirawat (HUF) 11800 - 1201180000011710				
	At the beginning of the year.	39000	0.48		
	At the end of the year			9729	0.12
7.	Shaktiman Steel Casting Pvt. Ltd. IN302927 10182317				
	At the beginning of the year.	35000	0.43		
	At the end of the year			35000	0.43
8.	Siddhartha Bhaiya 47500 - 1204750000009836				
	At the beginning of the year.	31878	0.40		
	At the end of the year			31878	0.40
9.	Mahender Aggarwal IN300966 10704094				
	At the beginning of the year.	29400	0.36		
	At the end of the year			28500	0.35
10.	Amit Bhaiya IN303028-51011236				
	At the beginning of the year.	26000	0.32		
	At the end of the year			26000	0.32

### (v) Shareholding of Directors and Key managerial Personnel:

S.No.		Shareholding at the beginning of the year 01.04.2016		Shareholding at the end of the year 31.03.17	
	For each of the Director & KMP	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<u>Shareholding of Key Managerial Personnel</u>					
1.	Shri Sushil Jain				
	At the beginning of the year	689106	8.550		
	.At the end of the year			689106	8.550
<u>Shareholding of Directors:</u>					
1.	Shri Sanjeev Goel				
	At the beginning of the year	2500	0.031		
	.At the end of the year			2500	0.031
2.	Shri Kewal Krishan Dhiman				
	At the beginning of the year	20	0.0002		
	.At the end of the year			20	0.0002

## V. INDEBTENDNESS

### Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

**INDIAN TONERS & DEVELOPERS LIMITED**

Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and / Manager**

S.No.	Particulars of Remuneration	Name of MD/MTD/ Manager	Total Amount
1.	Gross Salary	<b>Sh. Sushil Jain</b>	
(a)	Salary as per provisions contained in section 17(1) of the Income – Tax Act, 1961	12097040	12097040
(b)	Value of perquisites u/s 17(2) Income – Tax Act, 1961	553200	553200
(c)	Profits in lieu of salary under section 17(3) Income – Tax Act, 1961	0	0
2.	Stock Option	---	---
3.	Sweat Equity	---	---
4.	Commission	---	---
	- As % of profit	---	---
	- Others, specify...	---	---
5.	Others, please specify (Employer's P.F. Contribution, LTA & Medical Reimbursement)	595848	595848
	Total (A)	<b>13246088</b>	<b>13246088</b>
	Ceiling as per the Act		*

\*The payments are as per schedule and as per Section 197 of Companies Act, 2013 and as approved by the Ministry of Corporate Affairs.

**B. Remuneration to other Directors:**

S.No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	<b>Sh. Vikram</b>	<b>Sh. Sanjeev</b>	<b>Sh. Arun</b>	<b>Smt. Neena</b>	
		<b>Prakash</b>	<b>Goel</b>	<b>Kr. Garg</b>	<b>Jain</b>	
	Fee for attending Board/ Committee meetings	105000	95000	110000	60000	370000
	Commission	--	--	---	--	---
	Other, Please specify	--	--	---	--	---
<b>Total (1)</b>		<b>105000</b>	<b>95000</b>	<b>110000</b>	<b>60000</b>	<b>370000</b>
2.	Other Non- Executive Directors				<b>Sh. Kewal Kishan</b>	
					<b>Dhiman</b>	
	Fee for attending Board/ Committee meetings	---	---	---	10000	10000
	Commission	--	--	---	---	---
	Other, Please specify	---	---	---	---	---
<b>Total (2)</b>		---	---	---	<b>10000</b>	<b>10000</b>
<b>Total (B)=(1+2)</b>		<b>105000</b>	<b>95000</b>	<b>110000</b>	<b>60000</b>	<b>380000</b>

Total Managerial Remuneration **13246088**  
Overall Ceiling as per the Act \*

\*The payments are as per schedule and as per Section 197 of Companies Act 2013 and as approved by the Ministry of Corporate Affairs.

**INDIAN TONERS & DEVELOPERS LIMITED**

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		<b>CEO</b>	<b>Company Secretary</b>	<b>CFO*</b>	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	12097040	2273620	975394	<b>15346054</b>
	(b) Value of perquisites u/s 17(2) Income	553200			<b>553200</b>
	(c) Profits in lieu of salary under section 17(3) Income – Tax Act, 1961	0	---	---	---
2.	Stock Option	---	---	---	---
3.	Sweat Equity	---	---	---	---
4.	Commission	---	---	---	---
	- as % of profit	---	---	---	---
	- others, specify...	---	---	---	---
5.	Others, please specify (Employer's P.F. Contribution, LTA & Medical Reimbursement)	595848	180600	53808	<b>830256</b>
<b>Total</b>		<b>13246088</b>	<b>2454220</b>	<b>1029202</b>	<b>16729510</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
<b>C. Other Officers in Default</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---

**Annexure – “2”**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT**

**MUKESH AGARWAL & CO.**

**(COMPANY SECRETARIES)**

3029, Sant Nagar, Rani Bagh, Opp. M2K Pitampura, Delhi-110034  
Tel. No. : 011-42458279, 47060535 Email : magarwalandco@gmail.com

Ref. No.

Dated: .....

**Form No. MR-3**

*Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31<sup>st</sup> March, 2017

To,  
**The Members,**  
**INDIAN TONERS AND DEVELOPERS LIMITED**  
**10.5 KM MILESTONE, RAMPUR-BAREILLY ROAD,**  
**RAMPUR-244901**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indian Toners And Developers Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Indian Toners and Developers Limited** for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) Reserve Bank of India Act, 1934 and Rules, Regulations and Guidelines issued by the Reserve Bank of India
- (iii) The Securities Contracts (Regulation) Act, 1956("SCRA") and the rules made thereunder.
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



(vi) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

(vii) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulation, 2011;

(viii) The Securities and Exchange Board of India (Prohibition of Insider Trading), 2015

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India effective from 01.07.2015.
- (ii) The Listing Agreement /LODR (Listing Obligation Disclosure Requirements 2015) entered into by the Company with Bombay Stock Exchange Limited (where the shares of the Company is listed).

During the period under review the Company has duly complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

**OBSERVATIONS**

1. The Company has subsidiary companies named ITDL IMAGETEC LIMITED and INDIAN TONERS U.S.A COMPANY and the company has properly prepared the Consolidated Final Accounts of the Company to be laid down to the shareholders as and when required.

2. The company has duly complied with the Companies Act 2013 compliances in respect of Investment and Loan Transactions.

3. The Company has done Postal Ballot for the consent of shareholder for merger with group companies. The Postal Ballot Resolution has been passed and carried accordingly.

4. The Related Party Transactions held in each quarter were duly approved by the Audit Committee and the board of directors of the company.

5. No shareholder complaint was received during the year under review.

6. Requests for the share transfer were duly approved by the share transfer committee and it was further approved by the Board.

7. The Company has properly complied with the Prohibition of Insider Trading Regulations issued by the SEBI and properly closed the Trading window before the board meetings.

8. No show cause notice has been received by the company under the Act and all the applicable laws to the company.

9. The Company has regularly complied with the Listing Agreements/LODR-2015 and filed all the disclosures to the stock exchanges on time.



10. The company is duly complying with the retirement benefits laws and company is duly contributing towards the provident fund for the benefits of the employees.

11. The Company is properly maintaining the statutory registers and minutes book and any changes regarding these are entered in time.

12. There were no transactions under Securities Contract (Regulation) Act, 1956('SCRA) and the rules made thereunder

13. The company duly complied with the provisions of Foreign Exchange Management Act, 1999 and rules & regulations made thereunder while entering into related transaction/transactions.

14. There were no transactions that are covered under Depositories Act, 1996 and the regulations and bye laws framed thereunder.

15. The company has duly constituted the CSR Committee and duly spend the amount required to spend under CSR.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent reasonably in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried through majority and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has

(i) Not done any public /right/preferential issue of shares/debentures/sweat equity, etc

(ii) Not done redemption/buyback of securities.

(iii) Not taken any major decision that is required to be reported in this report.

Place: Delhi

Date: 16.05.2017



For Mukesh Agarwal & Company  
(Company Secretaries)

Mukesh Kumar Agarwal  
M No-F5991  
C P No.3851

## Annexure - 3 to Directors' Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- 1. A brief outline of the company's CSR policy, including purpose or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and details of CSR spending.**

CSR policy of the Company was approved by the Board of Directors on 21.05.2014.

Corporate Social Responsibility (CSR) is a concept which integrates the company's business objectives with social and environmental concerns while interacting with their stakeholders.

To pursue these objectives we will continue:

- To lay down guiding principles to ensure strong corporate culture which emphasizes on integrating CSR values with Business Objectives.
- To do business by adding value to the community and society on a sustainable basis through dedicated policies, institutional setup and engagement process to promote inclusive growth.
- To practice the Company's corporate values through its commitment to grow in a socially and environmentally responsible manner.

The Company shall give preference to the local area and areas around it where it operates.

**Web Link:**

<http://indiantoners.com/investorrelations/companycode&policies/corporatesocialresponsibilitypolicy.pdf>

- 2. Composition of CSR committee**

Name of the Member	Designation
Sh. Sanjeev Goel	Chairman
Sh. Sushil Jain	Member
Sh. Arun Kumar Garg	Member

- 3. Average net profit of the company for last three financial years:**

Average net profit: Rs.616.04 Lakhs

- 4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above)**

The company was required to spend Rs.12.32 Lakhs during the year

- 5. Details of CSR spent for the financial year :**

- a) Total amount spent for the financial year : Rs.12.32 Lakhs/-
- b) Amount unspent if any : Nil
- c) Manner in which the amount spent during the financial year: Contribution to Prime Minister National Relief Fund

For Indian Toners & Developers Limited

(Sushil Jain)  
Chairman & Managing Director



## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

### INDUSTRY AND OUTLOOK

The Company manufactures Compatible Toners 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 R & D team of 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.

ITDL Imagetec Limited (subsidiary of ITDL) which set up a project of 1200 MT capacity and increased its capacity to 1800 MT in 2015 and again to 2400 MT during the year in Sitarganj (Uttarakhand) for the manufacturer of Toners & Developers is showing good results.

### RISKS & CONCERNS

Around 90% 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 more than 95% 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. The impact of GST expected to be implemented in the coming year is yet to be analysed.

### OPPORTUNITIES

The Company is maintaining its status of an Export House awarded by the Directorate General of Foreign Trade which has made the Company eligible for various benefits as are available to an 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 many countries and has been successful in increasing its exports.

In order to cover the untapped markets of North and South America, your Company has incorporated a Wholly Owned Subsidiary of the Company in the State of Florida (USA) with an investment of upto \$2,50,000- only during the year. However, so far the results are not as per expectations but all out efforts are being made to improve the same.

### FINANCIAL PERFORMANCE

The sales (net of Excise Duty) for the year were Rs. 3384 Lacs. The Company earned a profit before tax of Rs. 786 Lacs. This does not include the sales and profit of the subsidiary Company. However, the consolidated sales and profit before tax for the year are Rs. 11897 Lacs and Rs. 2815 Lacs respectively. The nearly debt free status of both the holding and subsidiary Companies and improved liquidity resulted in significantly lowering the finance cost.

### 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 and compliance with all rules, regulations and guidelines of the various Authorities.

### HUMAN RESOURCES

Industrial relations remained cordial during the year. The total number of employees as on 31.03.2017 were 88 Nos.

**CORPORATE GOVERNANCE REPORT****(ANNEXURE TO THE DIRECTORS' REPORT)**

As required under Regulation 34 of SEBI (LODR) Regulations, 2015

**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 regulations but also directors' responsibility to work with morality, ethics, transparency and accountability towards all the stakeholders for their acts and decisions.

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

**2. Composition of Board of Directors as on 31<sup>st</sup> March, 2017**

- a). The Board of Directors has a mix of Executive and Non-Executive Directors. The Board comprises of 1 Executive Director, 1 Non-Executive Director, 4 Non-Executive Independent Directors including a woman director. Accordingly, the composition of the Board meets the stipulated requirements.

Name of the Director	Category	No. of Equity Shares held as on 31.03.2017	Attendance Particulars		No. of other Directorship and Committee Memberships / Chairmanships		
			Board Meeting	Last AGM	Other Director Ships*	Member Ships	Chairman Ships
Sh. Sushil Jain	CMD#	689106	5	Present	6	–	–
Sh. Vikram Prakash	NED-I	NIL	5	Not Present	4	2	3
Sh. Sanjeev Goel	NED-I	2500	4	Present	2	–	–
Sh. Arun Kumar Garg	NED-I	NIL	5	Not Present	5	–	–
Ms. Neena Jain	NED-I	NIL	5	Not Present	1	–	–
Sh. Kewal Krishan Dhiman	NED	20	1	Present	–	–	–

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

# Chairman & Managing Director

NED Non Executive Director

NED-I Non Executive Director - Independent,

During the Year 2016 - 2017 the Board of Directors met 5 times on **25<sup>th</sup> May, 2016, 5<sup>th</sup> August, 2016, 27<sup>th</sup> August, 2016, 11<sup>th</sup> November, 2016 and 4<sup>th</sup> February, 2017.**

### 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 Shri Arun Kumar Garg.

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

1. Regular review of accounts, accounting policies, disclosures, etc. and to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation for Appointment and fixation of remuneration of Statutory and Internal Auditors.
3. Review of the major accounting entries based on exercise of judgment by management and review of significant adjustments arising out of audit.
4. To review qualifications, if any, in the draft audit report.
5. 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.
6. Conducting post audit discussions with the independent auditors to ascertain any area of concern.
7. Establishing the scope of and frequency of internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems.
8. To look into the matters pertaining to the Directors' Responsibility Statement with respect to compliance with Accounting Standards and accounting policies.
9. Compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable.
10. To review the 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 and are at arm's length.
11. Evaluation of internal financial controls and risk management systems
12. 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 such as Whistle Blower Policy or complaints thereunder.

The Audit Committee met 4 times during the year on **25.05.2016, 05.08.2016, 11.11.2016 and 04.02.2017** 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	3
2	Sh. Vikram Prakash	4	4
3	Dr. Arun Kumar Garg	4	4

Sh. S.C. Singhal, Company Secretary acts as the Secretary to the Audit Committee.

**4. Nomination and Remuneration Committee****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 Senior Management Personnel and recommend suitable revision to the Board.

**Composition and Attendance at the Meeting**

The Nomination and Remuneration Committee comprises of three independent Directors viz. Shri Sanjeev Goel, Shri Vikram Prakash and Shri Arun Kumar Garg. Shri Sanjeev Goel is the Chairman of the Nomination and Remuneration Committee.

Sh. S.C. Singhal, Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Committee met **one** time during the year on **24.05.2016** where all the members were present. The Remuneration paid to Executive Directors and relatives of Directors, if any is reviewed / recommended by the Nomination and Remuneration Committee, approved by the Board and is within the limits set by the shareholders at Annual General Meetings and/or as approved by the Central Government under the provisions of the Companies Act, 2013. The remuneration package of Chairman and Managing Director comprises of salary, perquisites 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 is subject to review and recommendation by the Nomination and 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.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (LODR) Regulations, 2015, a separate exercise was carried out to evaluate the performance of the Board by every director. The performance evaluation of all the Directors individually was carried out by the entire Board. The performance evaluation of the Chairman was carried out by the Independent and Non-independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration, Corporate Social Responsibility and Stakeholders Relationship Committees. The Directors expressed their satisfaction with the evaluation process.

**Details of remuneration to Directors paid / payable during the period from 01.04.2016 to 31.03.2017 to Directors:****Amount in Rs.**

Name of Director	Salary including Personal Pay	HRA	Arrear	Commis-sion	Perquisites & Contribution to PF	Sitting Fee (Meeting)		Total
						Board	Commit-tee	
<b>Sh. Sushil Jain*</b>	9188978	2904242	----	-----	1152868	-----	-----	13246088
<b>Sh. Vikram Prakash</b>	-----	-----	-----	-----	-----	50000	55000	105000
<b>Sh. Sanjeev Goel</b>	-----	-----	-----	-----	-----	40000	65000	95000
<b>Sh. Arun Kumar Garg</b>	-----	-----	-----	-----	-----	50000	60000	110000
<b>Ms. Neena Jain</b>	-----	-----	-----	-----	-----	50000	10000	60000
<b>Sh. Kewal K. Dhiman</b>	-----	-----	-----	-----	-----	10000	-----	10000

\* Chairman & Managing Director

**5. Stakeholders' Relationship Committee****Terms of Reference**

The Board constituted a Shareholders / Investors Grievance Committee on 31.05.2002 which was renamed as Stakeholders' Relationship Committee with effect from 21.05.2014 to comply with the provisions of Section 178 of Companies Act, 2013 to look into redressal of Shareholders/ Investors' grievances like Transfer and Transmission of Shares, non-receipt of Balance Sheet and dematerialization of shares and matters relating to share certificates, deletion of 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 **2016-2017**, only **one** meeting of the committee was held on **31.3.2017**. During the Year **2016-2017**, **two** complaints were received from Shareholders/Investors which were replied suitably to their satisfaction. There was no complaint pending as at **31.03.2017**.

All valid share transfers received during the year **2016-2017** have been acted upon by the Company. There were no transfers pending as on **31<sup>st</sup> March, 2017**.

**Constitution, Meeting & Attendance thereat:**

The Stakeholders' Relationship Committee Comprises of following Members with Shri Sanjeev Goel as Chairman of the Committee:

Name of Members	Category	Committee Meetings	
		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)

Sh. S.C. Singhal, Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee.

**6. Share Transfer Committee**

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

Name of Members	Category	Committee Meetings	
		Held	Attended
Shri Sushil Jain	CMD	22	22
Shri S. C. Singhal	Co. Secretary	22	22
Shri Kewal K. Dhiman	Director	22	22

Sh. S.C. Singhal, Company Secretary also acts as the Secretary to the Share Transfer Committee.

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

## 7. Corporate Social Responsibility (CSR) Committee

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board constituted the Corporate Social Responsibility (CSR) Committee on 21.05.2014 comprising of Shri Sanjeev Goel as the Chairman and Shri Sushil Jain and Shri Arun Kumar Garg as other members.

The said committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

Name of Members	Category	Committee Meeting	
		Held	Attended
Shri Sushil Jain	E D (CMD)*	1	1
Shri Sanjeev Goel	N E D I**	1	1
Shri Arun Kumar Garg	N E D I**	1	1

During the year **2016-2017**, only **one** meeting of the committee was held on **10.02.2017**.

\* Executive Director (Chairman & Managing Director),

\*\* Non-Executive Director-Independent,

Sh. S.C. Singhal, Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.

## 8. Independent Directors Meeting:

During the year under review, the Independent Directors met on **10.02.2017**, inter alia, to discuss:

1. Review the performance of non-independent directors and the Board as a whole.
2. Review the performance of the Chairman of the company, taking into account the views of executive directors and non-executive directors.
3. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

## 9. General Body Meetings

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

Financial Year	Date	Time
2015 – 2016	30.08.2016	2.30 P.M.
2014 – 2015	31.08.2015	2.30 P.M.
2013 – 2014	30.08.2014	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 (Uttar Pradesh)**.

Following Special Resolutions were passed by the shareholders in the last three Annual General Meetings of the Company:-

**24th Annual General Meeting held on 30<sup>th</sup> August, 2014**

- (1) Approval for payment of remuneration to Sh. Sushil Jain, Chairman & Managing Director
- (2) Approval to borrow money in excess of the aggregate of the paid-up capital and free reserves of the Company pursuant to Section 180 (1) (c) of the Companies Act, 2013.

**25th Annual General Meeting held on 31<sup>st</sup> August, 2015**

- (1) Approval for entering into contracts with related parties
- (2) Approval for keeping the Registers and Returns required to be maintained by the Company under Section 88 & 92 of the Companies Act, 2013 at a place other than Registered Office of the Company.

**26th Annual General Meeting held on 30<sup>th</sup> August, 2016**

No special resolution was passed.

During the year, following resolution with requisite majority was passed through postal ballot.

Approval for the Scheme of arrangement for amalgamation between ITDL Imagetec Limited (Transferor Company 1), ABC Commercial Company Limited (Transferor Company 2), Alankar Securities Private Limited (Transferor Company 3), Triveni Securities Private Limited (Transferor Company 4), Mahavir Phototech Private Limited (Transferor Company 5) with Indian Toners & Developers Limited (Transferee Company).

Approval for the Scheme of arrangement for amalgamation between ITDL Imagetec Limited (Transferor Company 1), ABC Commercial Company Limited (Transferor Company 2), Alankar Securities Private Limited (Transferor Company 3), Triveni Securities Private Limited (Transferor Company 4), Mahavir Phototech Private Limited (Transferor Company 5) with Indian Toners & Developers Limited (Transferee Company).						
	Votes in favour			Votes in against		
Type of Voting	Number of members voting	Number of votes cast by them	% of total number of valid votes cast	Number of members voting	Number of votes cast by them	% of total number of valid votes cast
Voting through Postal Ballot	69	35178	100.00	0	0	0
Voting through Electronic Means	10	18047	100.00	0	0	0
Total	79	53225	100.00	0	0	0
The above resolution was duly approved with requisite majority by the public shareholders of the Company.						



Approval for the Scheme of arrangement for amalgamation between ITDL Imagetec Limited (Transferor Company 1), ABC Commercial Company Limited (Transferor Company 2), Alankar Securities Private Limited (Transferor Company 3), Triveni Securities Private Limited (Transferor Company 4), Mahavir Phototech Private Limited (Transferor Company 5) with Indian Toners & Developers Limited (Transferee Company).						
	Votes in favour			Votes in against		
Type of Voting	Number of members voting	Number of votes cast by them	% of total number of valid votes cast	Number of members voting	Number of votes cast by them	% of total number of valid votes cast
Voting through Postal Ballot	69	35178	100.00	0	0	0
Voting through Electronic Means	20	4025377	100.00	0	0	0
Total	89	4060555	100.00	0	0	0
The above resolution was duly approved with requisite majority by the shareholders of the Company.						

The Board had appointed Mr. Varanasi Hari, Practicing Company Secretary as Scrutinizer for conducting the postal ballot and e- voting process in a fair and transparent manner.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require special resolution through postal ballot.

**10. Information as to Directors who are to be appointed/re-appointed :**

**Mr. Kewal Krishan Dhiman** aged 55 Years is M. Com, MBA-Finance, PGDM (DUAL) - Production and materials management, Diploma in Export Management and Diploma in Central Excise and Custom. He has accumulated 35 Years of extensive working experience in diverse industries such a Bulk drugs, textile and auto ancillary. He was also on the Board of Directors of M/s. Bhandari Hosiery Exports Limited from August, 2003 to March, 2005. He is, presently, the Senior General Manager Plant of the "ITDL Imagetec Ltd.", a subsidiary of the Company.

He holds 20 shares of the Company in his name.

**11. Materially Non – listed Subsidiaries :** The Company has one materially non – listed subsidiary, namely M/s. ITDL Imagetec Ltd. Mr. Sanjeev Goel, Independent Director of the Company has been appointed a director there also to comply with Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The minutes of the subsidiary is also put at the Board Meeting of this Company. The company has also one wholly owned subsidiary namely Indian Toners USA Company in Florida (USA).



**12. Disclosures of Non-compliances, Related Party Transactions, if any**

The company has not entered into any transaction of a material nature with the Promoters, the Directors or the Management, their relatives etc. that may have any potential conflict with the interests of the company.

The company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed nor any structures issued on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.

Details of Related Party transactions are disclosed in Note **No. 38** of notes to the Financial Statements.

**13. 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 Regulation 33 of SEBI (LODR) Regulations, 2015.
- The approved financial results are forthwith sent to the Listed Stock Exchanges and are published in the newspapers namely Financial Express & Jansatta within forty - eight hours of approval thereof.
- The results are sent to the BSE Limited where the Shares of the company are listed by uploading the results on its website at [www.listing.bseindia.com](http://www.listing.bseindia.com).
- 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.

**14. CEO / CFO Certificate**

Certificate from CEO / CFO for the Financial Year ended March 31, 2017 has been provided elsewhere in the Annual Report.

- 15.** The Name and designation of the Compliance Officer is Sh. S. C. Singhal, Company Secretary ; e-mail ID : [investors@indiantoners.com](mailto:investors@indiantoners.com)

**16. 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 **31<sup>st</sup> July, 2017**. The time and venue of the meeting is as indicated in the notice.
- b). Financial Year : April 1<sup>st</sup>, 2016 to March 31<sup>st</sup>, 2017.
- c). Date of Book Closure : 27.07.2017 to 29.07.2017.
- d). Dividend payment : NIL
- e). Listing on Stock Exchanges :  
BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023  
Annual Listing Fee for the year 2017-18 has been paid to BSE Limited.
- f). Stock Code  
Bombay Stock Exchange Limited, Mumbai 523586  
ISIN Number for NSDL / CDSL INE826B01018

## INDIAN TONERS & DEVELOPERS LIMITED

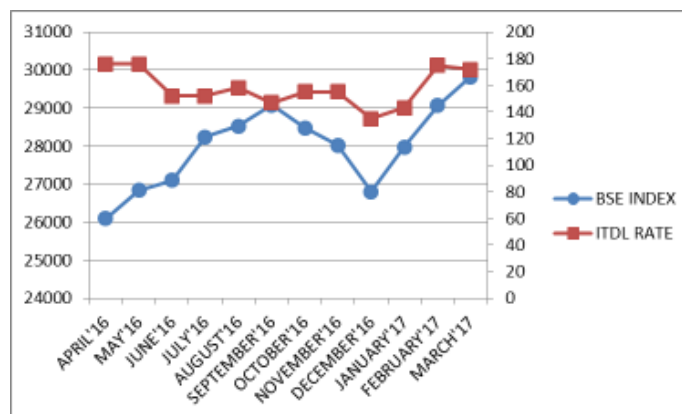
- g) Market Price Data : High, Low during each month in last financial year

The monthly high and low quotations of Indian Toners' equity shares traded on BSE during each month in the previous financial year ended March 31, 2017 in comparison with BSE Sensex, are as follows

Month	Share Price at BSE		Bse Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2016	176.60	153.00	26100	24523
May, 2016	176.00	139.00	26837	25057
June, 2016	152.00	128.15	27105	25911
July, 2016	152.45	128.30	28240	27034
August, 2016	158.70	130.05	28532	27627
September, 2016	147.80	132.00	29077	27716
October, 2016	155.00	133.25	28477	27488
November, 2016	155.00	117.05	28029	25717
December, 2016	135.45	120.25	26803	25753
January, 2017	143.50	121.00	27980	26447
February, 2017	175.45	127.70	29065	27590
March, 2017	172.00	143.00	29824	28716

[Source: [www.bseindia.com](http://www.bseindia.com)]

Performance in comparison to broad-based indices such as BSE Sensex.



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

Share Transfer Agents: Alankit Assignments Limited, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi - 110 055.

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

**INDIAN TONERS & DEVELOPERS LIMITED**

- i) **Distribution Schedule** : The distribution of Company's shareholding as on 31<sup>st</sup> March, 2017 was as follows :

No. of Equity Shares held			Shareholders No. (%)		No. of Shares	% of Total Shares
1	to	250	12198	86.942	1249512	15.505
251	to	500	1015	7.234	410677	5.096
501	to	1000	415	2.958	342904	4.255
1001	to	2000	192	1.368	284877	3.535
2001	to	3000	75	0.535	186480	2.314
3001	to	4000	31	0.221	110354	1.369
4001	to	5000	26	0.185	121059	1.502
5001	to	10000	40	0.285	297141	3.687
10001	&	Above	38	0.271	5055896	62.737
			<b>14030</b>	<b>100.000</b>	<b>8058900</b>	<b>100.000</b>

Shareholding Pattern as on 31<sup>st</sup> March, 2017

Category of Shareholder	Number of Shares	%age of Total Shares
<b>Promoter and Promoter Group (A)</b>	<b>4007330</b>	<b>49.73</b>
<b>Public Shareholding (B)</b>		
Mutual Funds/ UTI	<b>3200</b>	<b>0.04</b>
Foreign Institutional Investors	<b>0</b>	<b>0.00</b>
Bodies Corporate	<b>496529</b>	<b>6.16</b>
Individuals	<b>3259698</b>	<b>40.45</b>
Any Other		
- NRIs	<b>134762</b>	<b>1.67</b>
- Clearing Members	<b>12714</b>	<b>0.16</b>
- HUF	<b>144667</b>	<b>1.79</b>
<b>Total Public Shareholding (B)</b>	<b>4051570</b>	<b>50.27</b>
<b>Total Shareholding (A + B)</b>	<b>8058900</b>	<b>100.00</b>

- j) Dematerialization of Shares : Approximately **86.88** % of the total paid up share capital of the Company has been dematerialized upto March, 31, 2017.
- 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, 2015 as amended from time to time to ensure protection of general Shareholders rights and interests. The 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-244 901. Uttar Pradesh.
- 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, Company Secretary, 1223, DLF Tower 'B', Jasola, New Delhi –110 025. Ph. No. (011) 45017000

**17. Disclosure of web links for Company's Policies pursuant to Listing Regulations**

- i) The company has familiarized the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes. The details of such familiarisation programmes have been disclosed on the Company website at [www.indiantoners.com](http://www.indiantoners.com) under the heading "Familiarisation Programmes for Independent Directors" on the page "**Investor Relations**".
- ii) The Company has formulated a policy for determining 'material subsidiaries and such policy has been disclosed on the Company website at [www.indiantoners.com](http://www.indiantoners.com) under the heading "Company Codes & Policies" on the page "**Investor Relations**".
- iii) The Company has disclosed the policy on materiality of Related Party Transactions on its website at [www.indiantoners.com](http://www.indiantoners.com) under the heading "Company Codes & Policies" on the page "**Investor Relations**".

**B. Non-Mandatory Requirements :**

The Executive Chairman of the company maintains an office at his residence for which the necessary expenses are reimbursed to 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 Management Personnel of the Company is obtained.

**CERTIFICATE**

**The Annual Compliance Confirmation for compliance of the Code of Conduct for the year ending 31.03.2017 has been received from all the Directors and Senior management Personnel of the Company.**

Place: New Delhi

Date: 20.05.2017

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 in Schedule V of SEBI (LODR) Regulations, 2015. 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 31<sup>st</sup> March, 2017, as stipulated in Schedule V of SEBI (LODR) Regulations, 2015 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 nor 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: 20.05.2017

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 for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal 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.

Date: 20.05.2017

Place: New Delhi

(Sushil Jain)

Chairman & Managing Director

(N.K. Maheshwari)

Chief Financial Officer

# AUDITORS' REPORT

INDIAN TONERS & DEVELOPERS LIMITED

## TO THE MEMBERS OF INDIAN TONERS & DEVELOPERS LIMITED

### Report on the Financial Statements

1. We have audited the accompanying Standalone financial statements of **INDIAN TONERS & DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, 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 which we have signed under reference to this report.

### Management's responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013. 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 misstatements.
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 the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the 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, the Financial Statements give the information required 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:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017;
  - ii) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
  - (iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirement

7. As required by the Companies (Auditor's Report) Order, 2016 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we enclose in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the said Order.
8. As required by Section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper Books of Accounts as required by the law have been kept by the Company, so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts;
  - d. In our opinion, the aforesaid Financial Statements dealt with by this report comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013;
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2017, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as director in terms of section 164(2) of the Companies Act, 2013 ;
  - f. With respect to the adequacy of the Internal Financial Controls over the financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statement Refer Note 26 (b) to the financial statement;
    - ii. The Company did not have any foreseeable losses on long term contracts and had no derivative contracts outstanding as at 31<sup>st</sup> March 2017;
    - iii. The Company did not have any dues on account of Investor Education and Protection Fund;
    - iv. Accordingly to the information and records of the company, the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note no 41 of the financial.

FOR K.N.GUTGUTIA & CO.,  
CHARTERED ACCOUNTANTS  
ICAI'S FRN 304153E

(B.R.GOYAL)  
PARTNER

Membership No. 12172

Place of Signature : New Delhi  
Date: 20th May, 2017

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure "A" referred to in paragraph 7 of our report of even date to the members of **Indian Toners & Developers Limited** on the Financial Statements for the year ended 31<sup>st</sup> March, 2017.

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of fixed assets has been carried out by the Company and no material discrepancies were noticed on such verification. In our opinion the frequency of verification is reasonable, having regard to- the size of the Company and nature of its business.
- (c) Title deeds of immovable properties of the company are held in the name of the Company.
- ii) (a) The inventories (Except Goods in Transit )have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion, no material discrepancies were noticed on physical verification of stocks.
- iii) According to the information and explanations given to us during the year, the Company has not granted any loans, secured or unsecured to companies firm, Limited liability partnerships firms or other parties covered in the register maintained under section 189 of the companies Act, 2013 in respect of investment & guarantees.
- iv) According to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of investments & guarantees
- v) The Company has not accepted any deposits during the year and hence paragraph 3(v) of the Order is not applicable to the Company.
- vi) The Central Government has not prescribed maintenance of cost accounts for the type of activities of the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under clause (d) of Sub Section (1) of Section 148 of the Companies Act, 2013
- vii) (a) According to the records examined by us , the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax , sales tax , service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues wherever applicable.  
According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as on the last date of the financial year 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 in respect of Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory duties which have not been deposited on account of disputes. However, in respect of income tax, there is demand of Rs. 25,66,329 related to the Assessment year 2013-14 and the appeal is pending with Commissioner of Income Tax.
- viii) Based on our audit procedures and according to the information given by the management, the company has not defaulted repayment in respect of any loans or borrowings from any financial institution, bank, government or dues to debentures holders during the year.
- ix) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the financial year and has not done any initial public offer or further public offer (including debt instrument) or term loans and hence paragraph 3(ix) of the Order is not applicable to the Company.
- x) Based upon the audit procedures performed and to the best of our knowledge and according to the information and explanations given to us by the management, we report that no fraud by the Company or any fraud on the company by its officer or employees has been noticed or reported during the course of our audit.



**INDIAN TONERS & DEVELOPERS LIMITED**

- xi) The Company has paid managerial remuneration in compliance with the provisions of Section 197 read with schedule V to the Companies Act, 2013 and obtained necessary approval of the Central Government to comply with the aforesaid provision.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii) As explained to us and as per the records of the company, in our opinion the transactions with the related parties are in Compliance with Section 177 and Section 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv) According to the records of the company, it has not made any preferential allotment of shares or private placement of shares or fully/partly convertible debentures during the year under report. Accordingly paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv) During the year, the Company has not entered into any non-cash transaction with Director or person connected with him. Hence paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and hence paragraph 3 (xvi) of the Order is not applicable to the Company.

**PLACE OF SIGNATURE : NEW DELHI**  
**DATE: 20<sup>th</sup> May, 2017**

**FOR K.N. GUTGUTIA & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FRN 304153E**

**(B.R. GOYAL)**  
**PARTNER**  
**M.NO. 12172**

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
FINANCIAL STATEMENTS OF INDIAN TONERS & DEVELOPERS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of  
Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Indian Toners & Developers Limited** ("the Company") as at **31<sup>st</sup> March, 2017** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and



## **INDIAN TONERS & DEVELOPERS LIMITED**

deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial Controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

**PLACE OF SIGNATURE: NEW DELHI**

**DATE: 20<sup>th</sup> May, 2017**

**FOR K.N. GUTGUTIA & COMPANY**

**CHARTERED ACCOUNTANTS**

**FRN 304153E**

**(B.R. GOYAL)**

**PARTNER**

**M.NO. 12172**

**Balance Sheet As At 31st March 2017**

(Rs. in Lakhs)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	805.89	805.89
(b) Reserves and Surplus	3	5,819.38	5,130.56
<b>(2) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	4	190.97	172.39
(b) Long Term Provisions	5	20.71	26.06
<b>(3) Current Liabilities</b>			
(a) Trade Payables to Micro Enterprises and small Enterprises	27	---	---
-Trade Payable to others	6	284.65	381.92
(b) Other Current Liabilities	7	169.41	117.00
(c) Short-Term Provisions	8	100.33	171.33
<b>TOTAL :</b>		<b><u>7,391.34</u></b>	<b><u>6,805.15</u></b>
<b>II. ASSETS :</b>			
<b>(1) Non Current Assets</b>			
<b>(a) Fixed Assets</b>	9		
(i) Tangible Assets		1,101.64	1,059.29
(ii) Intangible Assets		1.30	0.46
(iii) Capital Work in progress		4.95	-
(b) Non-Current Investments	10	4,075.80	2,543.93
(c) Other Non Current Assets	11	51.45	50.71
<b>(2) Current Assets</b>			
(a) Current Investments	12	361.51	1,375.00
(b) Inventories	13	598.20	668.34
(c) Trade Receivables	14	541.79	304.31
(d) Cash and Bank Balances	15	410.07	482.39
(e) Short-term Loans and Advances	16	173.38	236.92
(f) Other Current Assets	17	71.25	83.80
<b>TOTAL</b>		<b><u>7,391.34</u></b>	<b><u>6,805.15</u></b>

**Significant Accounting Policies**

1

The Notes form an integral part of these Financial statements

(01-42)

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

Chartered Accountants  
ICAI's FRN 304153E

**(B.R.GOYAL)**

Partner

**(S.C. SINGHAL)**  
Company Secretary**(N.K.MAHESHWARI)**  
C.F.O.**(SANJEEV GOEL)**  
Director**(SUSHIL JAIN)**  
Chairman &

Membership No. 12172  
11K, Gopala Tower,  
25, Rajendra Place, New Delhi  
The 20th Day of May 2017

DIN: 00044850  
Managing Director  
DIN : 00323952

For and on Behalf of the Board of Directors

**Statement of Profit & Loss Account** for the year ended 31st March, 2017

(Rs. in Lakhs)

S.No.	Particulars	Note No.	as at 31st March 2017	as at 31st March, 2016
I	Revenue from Operations (Net)	18	3,383.96	3,503.51
II	Other Income	19	536.68	271.82
<b>III</b>	<b>Total Revenue (I +II)</b>		<b>3,920.64</b>	<b>3,775.33</b>
<b>IV</b>	<b>Expenses:</b>			
	Cost of Materials Consumed	20	1,417.71	1,579.33
	Others Manufacturing Expenses	21	493.54	537.91
	Changes in Inventories of Finished goods & Work-in-Process	22	61.37	(99.39)
	Employee Benefit Expenses	23	606.62	562.33
	Finance Costs	24	8.87	6.64
	Depreciation and Amortization Expense	9	130.41	129.47
	Others Expenses	25	416.11	335.13
	<b>Total Expenses (IV)</b>		<b>3,134.63</b>	<b>3,051.42</b>
V	Profit before Exceptional items and tax (III-IV)		<b>786.01</b>	<b>723.92</b>
VI	Exceptional items		--	--
VII	Profit before extraordinary items and tax (V-VI)		<b>786.01</b>	<b>723.92</b>
VIII	Extraordinary Item		--	--
IX	Profit before tax (VII-VIII)		<b>786.01</b>	<b>723.92</b>
<b>X</b>	<b>Tax expense:</b>			
	(1) Current tax		(69.00)	(155.00)
	(2) Taxes in respect of earlier years		(9.61)	13.14
	(3) Deferred tax (charge)/Credit		(18.58)	7.18
XI	Profit for the year (VII-VIII)		<b>688.82</b>	<b>589.23</b>
XII	Earning per share @Rs.10 per share			
	(1) Basic	37	8.55	7.31
	(2) Diluted	37	8.55	7.31

**Significant Accounting Policies** 1  
The Notes form an integral part of these Financial statements 01-42

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 20th Day of May 2017

**(S.C. SINGHAL)**  
Company Secretary

**(N.K.MAHESHWARI)**  
C.F.O.

For and on Behalf of the Board of Directors

**(SANJEEV GOEL)**  
Director

DIN: 00044850

**(SUSHIL JAIN)**  
Chairman &

Managing Director  
DIN : 00323952

## INDIAN TONERS & DEVELOPERS LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017

### 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 PREPARATION & PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared on an accrual basis and under historical cost convention and in compliance with all material aspect, with the applicable accounting principles in India, and comply with the applicable accounting standards notified under Section 133 and the other relevant provisions of the Companies Act 2013 and the rules made there under.

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 III of the Companies Act, 2013. 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 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.

#### **1.3 PROPERTY, PLANT & EQUIPMENT (FIXED ASSETS)**

- a) Tangible Assets are stated at cost net of recoverable taxes, trade discounts less accumulated depreciation provided for. The cost of tangible assets comprises its purchase price, and any cost attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from foreign exchange rate variations attributable to the assets. Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.
- b) Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. The cost comprises of purchase price, and any cost directly attributable to bringing the assets to its working condition for the intended use.
- c) With effect from the current year (F.Y. 2016-17) pursuant to the amendment in AS-10 Property, Plant & Equipment, Spares parts having life more than 12 months are capitalized at their respective carrying amount with the main asset and are being depreciated over remaining life to the main asset prospectively.

#### **1.4 DEPRECIATION AND AMORTIZATION OF FIXED ASSETS**

##### TANGIBLE ASSETS

- a) Depreciation is provided on tangible assets on straight line method on all assets based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- b) Plant & Machinery is depreciated treating it as continuous process Plant (except R & D Plant), at rates and in the manner as per Part-C of Schedule II to the Companies Act, 2013 (as amended). Depreciation on assets added / deducted during the year is charged on proportionate basis with reference to the date of additions / deductions.
- c) Depreciation on R&D Plant & Machinery is charged, treating the same as non-continuous, in the same manner as mentioned above.
- d) Fixed assets individually costing up to rupees five thousand are depreciated at the rate of 100 percent.

##### INTANGIBLE ASSETS

Softwares are amortized on straight line method over a period of three years.

**1.5 IMPAIRMENT OF ASSETS**

The carrying amount of fixed assets are reviewed 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.

**1.6 LEASES**

**Operating Leases:** There is only one operating lease i.e. the Company's corporate office at Jasola, New Delhi and rentals of the same are expensed out on accrual basis.

**1.7 RESEARCH & DEVELOPMENT**

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

Capital expenditure on Research & Developments is treated in the same manner as Fixed Assets. The Revenue expenditure on R&D is charged off in the year in which the same are incurred.

**1.8 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. and recognized in the statement of profit & loss in the period in which the employee renders the related service.

**1.9 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.

**1.10 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 Production overheads are included based on normal capacity of production facilities.
Goods In Transit	At Cost of Purchase

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.

**1.11 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 closing rate or at the forward rate where forward cover for specific asset / liability has been taken. The difference between the closing 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.

**1.12 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.

**1.13 BORROWING COST**

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

**1.14 EXCISE DUTY PROVISION ON CLOSING STOCKS OF FINISHED GOODS.**

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.

**1.15 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.

**1.16 REVENUE RECOGNITION**

- (a) Revenue from sale of goods is recognized when the goods are dispatched to the customers and is stated at 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.

**1.17 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.

**Notes to the financial statements as at 31st March, 2017****Note no. : 2****(Rs.in Lakhs)****Share Capital**

<b>Sr.No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	<b><u>AUTHORIZED CAPITAL</u></b>		
	17,000,000 Equity Shares of Rs. 10/- each.	1,700	1,700
	(P.Y. 17,000,000 Equity Shares of Rs.-10/- each)	<u>1,700</u>	<u>1,700</u>
2	<b><u>ISSUED &amp; SUBSCRIBED</u></b>		
	8058900 equity shares of Rs 10 each	805.89	805.89
	(P.Y. 8058900 equity shares of Rs. 10 each)		
3	<b><u>PAID UP</u></b>		
	8058900 Equity Shares of Rs. 10/- each, fully paid up	805.89	805.89
	(P.Y. 8058900 equity shares of Rs. 10 each, fully paid up)		
	<b>Total</b>	<u>805.89</u>	<u>805.89</u>

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 shareholders holding more than 5% shares as at March 31, 2017 & March 31, 2016 is set out below:

<b>Sr.No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
	<b>Name of the shareholders</b>	<b>% of Holding</b>	<b>% of Holding</b>
a	ABC Commercial Co Ltd 474000 shares (P.Y 474000 shares)	5.9	5.9
b	Mahavir Phototech Pvt Ltd 915561 shares (P.Y. 915561 shares )	11.4	11.4
c	Alankar securities Pvt Ltd 807854 shares (P.Y. 807854 shares)	10.0	10.0
d	Triveni Securities Pvt Ltd 631509 shares (P.Y.631509 shares)	7.8	7.8
e	Sushil Jain 689106 shares (P.Y. 689106 shares)	8.6	8.6

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

<b>Sr.No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	<b>Surplus</b>		
	Opening Balance	5,130.56	4,541.33
	Less: Adjustments on account of depreciation (net of DTA)		-
	Add: Net profit for the year	688.82	589.23
	<b>Closing Balance</b>	<u>5,819.38</u>	<u>5,130.56</u>
	<b>Total</b>	<u>5,819.38</u>	<u>5,130.56</u>

**Note no. : 4****Deferred Tax Liabilities (net)**

<b>Sr. No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	Deferred Tax Liability on account of : Accelerated Depreciation/amortisation	208.17	186.40
2	Deferred Tax Asset on account of : Provision for leave Encashment	(17.20)	(14.01)
	<b>Net deferred tax liability</b>	<b>190.97</b>	<b>172.39</b>

**Note No. : 5****Long Term Provisions**

<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>Employee Benefits</b>		
Provision for Leave Encashment (Refer Note No.32)	20.71	26.06
<b>Total</b>	<b>20.71</b>	<b>26.06</b>

**Note No. : 6****Trades Payables**

<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
Trade Payables	284.65	381.92
<b>Total</b>	<b>284.65</b>	<b>381.92</b>

**Note No. : 7****Other Current Liabilities**

<b>Sr. No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	Trade Advances	0.90	0.21
2	Statutory Dues Payable	15.32	10.85
3	Accrued Salaries & Benefits Payable	57.81	68.22
4	Other Payable	95.38	37.72
	<b>Total</b>	<b>169.41</b>	<b>117.00</b>

**Note No. : 8****Short Term Provisions**

<b>Sr. No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	<b>Employee Benefits</b>		
	Provision for Leave Encashment (Refer Note No.32)	31.33	16.33
2	Provision for Income Tax	69.00	155.00
	<b>Total</b>	<b>100.33</b>	<b>171.33</b>



**Note No. '9'**  
**Fixed Assets**  
**Notes to the financial statements for the year ended 31st March 2017**

Rs. in lakhs

Sr. No	Particulars	Gross Block			Depreciation		Net Block	
		Balance As at April 01, 2016	Addition during the Period	Deduction during the Period	Balance As at March 31st, 2017	Up to March 31st, 2017	Balance As at March 31, 2016	
<b>I Tangible Assets</b>								
1	Land	2.62	-	-	2.62	-	2.62	
2	Building	262.05	1.57	-	263.62	119.03	136.82	
3	Plant and Equipments	2,961.54	132.75	-	3,094.29	2,330.91	702.92	
4	Electrical Instalations	319.45	0.89	-	320.34	134.97	157.24	
5	Furnitures & Fixtures	12.87	0.69	-	13.56	6.40	6.19	
6	Vehicles	108.63	28.63	87.16	50.10	75.61	35.55	
7	Office Equipments	17.99	11.53	-	29.52	8.03	18.25	
8	Computer	17.52	2.11	-	19.63	14.54	3.62	
9	Improvement of Leasehold Property Jasola	69.16	-	-	69.16	23.05	30.73	
SUB TOTAL (A)		3,771.83	178.17	87.16	3,862.84	2,712.54	1,101.64	
							1,059.29	
<b>II Intangible Assets</b>								
	Software	23.58	1.19	-	24.77	23.12	1.30	
SUB TOTAL (B)		23.58	1.19	-	24.77	23.12	1.30	
<b>III Capital Work In Progress</b>								
	Plant & Machinery	-	4.95	-	4.95	-	4.95	
Total [A + B] (Current Year)		3,795.41	184.31	87.16	3,892.56	2,735.66	1,107.89	
(Previous Year)		3,779.77	52.58	36.96	3,795.41	2,631.45	1,059.75	
							1,148.34	

Note : Building, Plant & Machineries, Electrical Instalations, Office Equipments, Computers and Furniture includes Rs. 29.66, Rs. 408.61, Rs. 10.09, Rs. 21.64 Rs.5.62 and Rs. 1.15 lacs respectively which includes Office Equipments Rs. 10.29, Plant & Machinery Rs.16.95 & Computers of Rs 1.22 purchased respectively during the year towards, assets for R &D purposes.

**INDIAN TONERS & DEVELOPERS LIMITED**

Note No. : 10 Non Current Investment (At Cost)		(Rs. in lakhs)		
No	Particulars	No.of Shares	As at March 31st, 2017	As at March 31st, 2016
1	<b><u>Investment in Mutual Funds (unquoted) (Units of Rs. 10 each, unless otherwise specified)</u></b>			
a	UTI Treasury Advantage Fund Institutional Growth Plan (Pre.year Units:2912.642)		-	45.50
b	UTI Floting rate Fund -Short Term Plan -Regular plan Growth (NAV Rs.2655.0462 Units: 54952.741) (Pre.year Units:101684.623)		1,140.89	2,037.13
c	UTI-Fixed Income Interval Fund-VI Quartely Interval Plan-Retail Option-Direct Plan-Growth (NAV Rs. 20.022 Units: 334813.208) (Pre.year Units: 334813.208)		50.00	50.00
d	UTI-Treasury Advantage Fund - Institutional Plan Direct Plan-Growth (NAV Rs. 2255.3818 Units: 20096.542) (Pre.year Units: 20096.542)		340.00	340.00
e	RELIANCE FIXED HORIZON FUND (NAV Rs. 10.7863 Units:1000000 )		100.00	-
f	BIRLA SUN LIFE TREASURY OPTIMIZER PLAN (NAV Rs. 208.1873 Units:125577.026 )		250.00	-
g	ICICI COPROPATE BOND FUND (NAV Rs. 25.3684 Units:1036939.949 )		250.00	-
h	ICICI PRUDENTIAL BANKING & PSU DEBT FUND (NAV Rs. 18.7590 Units:3562499.786 )		650.00	-
i	ICICI PRUDENTIAL SHORT TERM PLAN (NAV Rs. 34.1221 Units:1956382.175 )		650.00	-
j	KOTAK INCOME OPPORTUNITIES FUND - GROWTH (NAV RS.17.9441 Units:561860.884)		100.00	-
k	BIRLA SUN LIFE SHORT TERM PLAN (NAV Rs. 62.2718 Units:647030.374 )		400.00	-
2	<b>ITDL Imagetec Limited - Subsidiary Company</b> (Equity shares of Rs. 10 each)	510,000	51.00	51.00
	ITDL USA CO.-WOS company (Equity shares of USD. 10 each)	11,000	73.61	-
3	<b>Others</b>			
	NHAI Taxable Bond (Series XV)		20.30	20.30
	<b>Total</b>		<b>4,075.80</b>	<b>2,543.93</b>

\* Market value of non current investment in mutual fund for FY 2016-2017 is Rs. 4451.31 Lakhs

**Note No.: 11 Other Non current Assets**

<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>Security Deposit</b>		
Security Deposit-Others (Unsecured considered good)	51.45	50.71
<b>Total</b>	<b>51.45</b>	<b>50.71</b>

**Note No. :12 Current Investment (At the lower of cost and fair value)**

<b>No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>1</b>	<b><u>Investment in Mutual Funds (unquoted) (Units of Rs. 10 each, unless otherwise specified)</u></b>		
a	SBI ARBITRAGE OPP.FUND-RP DVD (Pre.year Units:8057355.833)	-	1,060.00
b	KOTAK EQUITY ARBITAGE FUND - Dividend Monthly Reinvest (NAV RS.10.7471 Units:3361591.924) (Pre.year Units: 2932036.391)	361.51	315.00
	<b>Total</b>	<b>361.51</b>	<b>1,375.00</b>

\* Market value of current investment in mutual fund for FY 2016-2017 is Rs. 361.27 Lakhs

**INDIAN TONERS & DEVELOPERS LIMITED**

**Note No. : 13 Inventories**

**(Rs. in lakhs)**

No	Particulars	As at March 31st, 2017	As at March 31st, 2016
1	Raw Material (Including in transit Rs.636329/-(P.Y. 9397959/-)	354.23	360.11
2	Work-in-Process (Toners)	116.38	145.81
3	Finished Goods (Toners)	58.63	90.57
4	Oil & Lubricants	11.10	11.64
5	Stores & Spares (Including in transit Rs. NIL,P.Y 61381/-)	37.25	36.87
6	Packing Material	20.61	23.34
	<b>Total</b>	<b>598.20</b>	<b>668.34</b>

(For valuation, refer note no 1.3)

**Note No. : 14 Trade receivable**

No	Particulars	As at March 31st, 2017	As at March 31st, 2016
1	<b>Outstanding for a period exceeding six months from the date they are</b> Due for payment Unsecured, Considered Good :	46.89	-
2	<b>Others receivable</b> Unsecured, Considered Good : (including related party refer note 38 )	494.90	304.31
	<b>Total</b>	<b>541.79</b>	<b>304.31</b>

**Note No. : 15 Cash & Bank Balances**

No	Particulars	As at March 31st, 2017	As at March 31st, 2016
1	<b>Cash &amp; Cash equivalent</b> <b>Cash-on-Hand</b> Cash Balance Cheque in Hand Sub Total (A)	2.77 - -	3.60 - -
		<b>2.77</b>	<b>3.60</b>
2	<b>Bank Balances</b> Current account EEFC account Bank Deposits # Sub Total (B)	53.16 115.77 85.00 253.93	53.39 210.85 100.00 364.24
3	<b>Other Bank Balances</b> Balance with banks to the extend held as Margin Money * Fixed Deposits with banks with maturity period more than 12 months)* Sub Total (C)	153.37 - 153.37	114.55 - 114.55
	<b>Total [A + B + C]</b>	<b>410.07</b>	<b>482.39</b>
#	<b>Pledged with banks against LC &amp; Bank guarantee on behalf of the company</b> Fixed deposits with banks with maturity period more than 3 months but upto 12 months		

**Note No. :16 Short Terms Loans and Advances**

No	Particulars	As at March 31st, 2017	As at March 31st, 2016
1	Advances To Employees (Unsecured,considered good)	0.76	0.75
2	<b>Balances with Govt. Authorities</b> Balance with Excise/ Sales Tax Service tax Recoverable	32.33 5.99	25.62 19.36
3	<b>Others</b> Advance to Suppliers (Unsecured considered good) Advance Income Tax (including TDS) Prepaid Expenses Others	8.49 81.36 21.78 22.67	3.16 151.23 25.11 11.69
	<b>Total</b>	<b>173.38</b>	<b>236.92</b>

**INDIAN TONERS & DEVELOPERS LIMITED**

**Note No.: 17 Other Current Assets**

**(Rs. in lakhs)**

No	Particulars	As at March 31st, 2017	As at March 31st, 2016
1	Interest Accrued on Fixed Deposits & Others	15.27	8.66
2	Focus License in hand	55.98	75.14
	<b>Total</b>	<b>71.25</b>	<b>83.80</b>

**Note No. : 18 Revenue from Operations**

No	Particulars	As at March 31st, 2017	As at March 31st, 2016
1	<b><u>Sale of Products</u></b>		
	Manufactured goods (Comprises of Toners )	3,319.37	3,327.59
	Less : Trade Discount	-	0.07
	Less :Excise Duty	55.54	3.43
		3,263.83	3,324.09
2	<b><u>Other Operating Revenue</u></b>		
	Export Incentives	119.47	177.95
	Scrap sale	0.66	1.47
		120.13	179.42
	<b>Total</b>	<b>3,383.96</b>	<b>3,503.51</b>

**Note No. : 19 Other Income**

No	Particulars	As at March 31st, 2017	As at March 31st, 2016
1	Interest Income:	18.44	14.64
2	Dividend income on current investments from subsidiary	36.80 102.00	60.75 153.00
3	Provision no longer required written back	8.58	-
4	Other Income(Including Insurance Claim Recd Rs.Nil P. Y. Rs.70380/- )	1.10	11.33
5	Foreign Exchange Flutuations Gain (Net)	-	8.62
6	Profit on Sale of Fixed Assets	9.50	-
7	Profit on Sale of Mutual Fund	360.26	23.48
	<b>Total</b>	<b>536.68</b>	<b>271.82</b>

**Note No. : 20 Cost of Material Consumed**

No	Particulars	As at March 31st, 2017	As at March 31st, 2016
	<b><u>RAW MATERIALS</u></b>		
	Opening stock	266.13	280.13
	Add: Purchases	1,465.30	1,565.33
	Less: Closing Stock	313.72	266.13
	<b>Consumed</b>	<b>1,417.71</b>	<b>1,579.33</b>

**Imported & Indigenous Raw Material Consumed**

No.		For the year ended 31st March 2017	% of total consumption	For the yearended 31st March 2016	% of total consumption
1	Imported	1,299.19	91.64%	1520.74	96.29%
2	Indeginous	118.52	8.36%	58.59	3.71%
		1,417.71	100.00%	1579.33	100.00%

**Details of Raw Materials Consumed**

Details of Raw Materials Consumed		For the year ended 31st March 2017	For the yearended 31st March 2016
1	Resin	905.19	991.95
2	Magnetitie	244.42	297.43
3	Others	268.10	289.95
	<b>Total</b>	<b>1,417.71</b>	<b>1,579.33</b>

**INDIAN TONERS & DEVELOPERS LIMITED**

<b>Note No. : 21 Other Manufacturing Expenses</b>		<b>(Rs. in lakhs)</b>	
<b>No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	Packing Material Consumed	128.42	131.05
2	Stores and Spares Consumed	19.32	17.25
3	Power & Fuel	305.95	333.06
4	Repair & Maintenance of Plant & Machinery	23.64	41.63
5	Repair & Maintenance of Building	5.43	4.42
6	Security Expenses	10.78	10.50
	<b>Total</b>	<b>493.54</b>	<b>537.91</b>

**Imported & Indigenous Stores, Spares & Packing Material Consumed**

<b>No.</b>	<b>For the year ended 31st March, 2017</b>	<b>% of total</b>	<b>For the yearended 31st March, 2016</b>	<b>% of total</b>
Imported	1.86	1.26%	1.98	1.34%
Indigenous	145.88	98.74%	146.32	98.66%
<b>Total</b>	<b>147.74</b>	<b>100.00%</b>	<b>148.30</b>	<b>100.00%</b>

**Note No. : 22 Change in Inventories**

<b>No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	Inventories at the end of the year		
	Finished Goods (toners)	58.63	90.57
	Work-in-Process (toners)	116.38	145.81
		175.01	236.382
	Inventories at the beginning of the year		
	Finished Goods (toners)	90.57	54.61
	Work-in-Process (toners)	145.81	82.38
		236.38	136.99
	<b>Decrease/Increase during the year :</b>	61.37	(99.39)

**Note No. : 23 Employee Benefit Expenses**

<b>No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	Salaries, Wages, Bonus etc.	572.67	532.40
2	Contribution to Provident & Other Fund	27.97	24.10
3	Staff Welfare Expenses	5.98	5.83
	<b>Total</b>	<b>606.62</b>	<b>562.33</b>

**Note No. :24 Finance Cost**

<b>No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
	Interest Expenses	8.87	6.64
	<b>Total</b>	<b>8.87</b>	<b>6.64</b>

**INDIAN TONERS & DEVELOPERS LIMITED**

**Note No. : 25 Other Expenses**

**No Particulars**

(Rs. in lakhs)

	As at March 31st, 2017	As at March 31st, 2016
1 Rent Account*	18.03	15.96
2 Rates & Taxes	4.44	6.50
3 Insurance Expenses	10.74	12.07
4 Repair & Maintenance -Computers	1.94	2.10
5 Repair & Maintenance Office	0.67	1.23
6 Advertisement & Sales Promotion	37.91	29.03
7 Communication Expenses*	21.85	18.49
8 Travelling Expenses (Including Foreign Travelling) & Conveyance	38.68	51.28
9 Vehicle Running & Maintenance Account*	20.50	19.06
10 Staff Recruitment Expenses	0.35	0.21
11 Printing & Stationery Account	6.95	5.56
12 Electricity & water Expenses*	3.39	3.27
13 <u>Auditors Remuneration</u>		
As Audit fees	1.75	1.50
As Tax Audit fees	0.50	0.50
Others	0.25	
14 Legal & Professional Expenses	44.40	23.75
15 Director Sitting Fees	3.84	4.46
16 Freight Outward	86.63	78.46
17 Discount and Commission	28.48	0.04
18 Bank Charges	29.96	21.75
19 Office Maintenance	4.31	6.87
20 Loss on Sale of Fixed Assets		3.81
21 Corporate Social Responsibility	12.32	9.77
22 General Expenses	19.77	19.46
23 Foreign Exchange Flutuations Gain (Net)	18.45	
<b>Total</b>	<b>416.11</b>	<b>335.13</b>

\*Note : After adjustments of recoveries expenses from Subsidiary Company ITDL Imagetec Limited.

**No Particulars**

	As at March 31st, 2017	As at March 31st, 2016
1 Raw Materials Consumed	2.19	2.98
2 Employees Benefit Expenses	17.38	19.85
3 Other Manufacturing Expenses	8.68	10.17
4 Other Expenses (Including Dep.)	26.98	22.41
<b>Total</b>	<b>55.23</b>	<b>55.41</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

(Rs in lakhs)

**26. Contingent liabilities not provided for in respect of**

**No Particulars**

	As at March 31st, 2017	As at March 31st, 2016
a) Letters of credit established infavour of the suppliers	476.34	556.58
b) Income- tax demand related to AY 2013-14 against which appeals have been filed	30.19	30.19
c) Export obligation against advance licenses	471.71	334.65

**INDIAN TONERS & DEVELOPERS LIMITED**

27. (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 to 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 supplies under MSME.
- 28 (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:

**Geographical Segment:**

Particulars	(Rs. In lakhs)	
	As at March 31st, 2017	As at March 31st, 2016
i) Domestic Sale (Including Excise Duty)	506.78	23.50
ii) Export Sales (including Export Benefits)	2932.05	3481.97
	3438.83	3505.47
(b) Details of Sales (Including Benefits on Export Sales)	3438.83	3505.47
Sales	(-) 55.54	(-) 3.43
Excise Duty		
<b>Net Sales</b>	<b>3383.29</b>	<b>3502.04</b>

- 29 a) Estimated benefits aggregating to **Rs.119.46Lakhs**(Previous Year Rs.161.18Lakhs) against exports effected during the year has been taken into account for the year as incentive in respect of duty free imports of Raw Material under Advance License Scheme and corresponding amount has been added to the cost of Materials.  
 b) Service Tax amounting to **Rs.5.99Lakhs**(Previous Year Rs.19.36Lakhs) have been treated as recoverable and are subject to claim yet to be filed with Department.
30. Amount of Exchange difference debited to the Statement of Profit & Loss Account amounted to **Rs.29.23Lakhs**(previous year Rs.29.62Lakhs) and credited to the statement of Profit & Loss Account amounted to **Rs.10.78Lakhs** (Previous Year Rs.38.24Lakhs)
31. R & D expenses included under various heads **Rs. 55.23Lakhs** Including Raw Material Consumption **Rs. 2.19Lakhs**& Depreciation **Rs. 22.79Lakhs** (Previous year R & D expenses amounting to Rs.55.41Lakhs includes Raw Material Consumption Rs.2.98Lakhs& Depreciation of Rs.19.13Lakhs) respectively.
32. **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 & loss:

	(Rs. In lakhs)	
	As at March 31st, 2017	As at March 31st, 2016
Employers Contribution to Provident Fund State Plans	27.86	22.43

- (B) State Plans  
     Employee State Insurance (ESI)

During the year the Company has recognized the following amounts in the Statement of profit & loss:

	(Rs. In lakhs)	
	As at March 31st, 2017	As at March 31st, 2016
Employers Contribution to ESI	.11	0.06

- (C) Defined Benefit Plans  
 a) Gratuity  
 b) Leave Encashment

**INDIAN TONERS & DEVELOPERS LIMITED**

The discount rate assumed is 7.83% (Previous Year 7.38%) 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)*				Rs. in lakhs Leave Encashment (unfunded)	
	Current Year (Policy No. 103000250)	Current Year (Policy No. 304782)	Previous Year (Policy No. 103000250)	Previous Year (Policy No. 304782)	Current Year	Previous Year
<b>The principal assumptions used in actuarial valuation as per below:</b>						
• Discount rate	7.55%	8.25%	8.00%	8.35%	7.83%	7.38%
• Expected rate of return on assets	--	--	--	--	5%	5%
• Expected rate of future salary increase	--	--	--	--	5%	5%
<b>Change in present value of obligations</b>						
• Present value of obligation as at 01-04-2016	1.27	86.04	0.61	75.18	42.69	34.13
• Interest cost/Contribution	0.12	7.43	0.07	6.37	3.34	2.72
• Current service cost	0.83	14.65	0.61	6.85	7.08	5.88
• Benefits paid/transferred	(0.07)	(7.77)	(0.02)	(2.36)	-	-
• Actuarial gain on Obligations	--	--	--	--	(1.07)	(.04)
• Present value of obligation as at 31.03.2017	2.15	100.35	1.27	86.04	52.04	42.69
<b>Changes in fair value of plan assets</b>						
	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
<b>Liability recognized in the Balance Sheet</b>						
• Present value of obligations as at 31.03.2017	-	-	-	-	52.04	42.69
• Fair value of plan assets as at the end of the year	-	-	-	-	--	--
• Unfunded Status	-	-	-	-	--	--
• Unrecognized Actuarial (Gain) / Loss	-	-	-	-	--	--
• Net (Assets) / Liability recognized in Balance Sheet	-	-	-	-	52.04	42.69
<b>Expenses recognized in Statement of profit &amp; loss</b>						
• Current service cost	0.83	14.65	0.61	6.85	7.08	5.88
• Interest cost	--	--	--	--	3.34	2.73
• Expected return on plan assets	--	--	--	--	--	--
• Net Actuarial (Gain) / Loss recognized during the year	--	--	--	--	(1.07)	(.04)
• Total Expense recognized in Statement of profit & loss	0.83	14.65	0.50	15.81	9.35	8.57

\*Funded with L.I.C.

**33.Particulars of unhedged foreign currency expenses as at 31.03.2017:**

	For the Year ended 31st March, 2017	(Rs. In lakhs) For the Year ended 31st March, 2016
Creditors for import of Goods in USD	692609	748356
Creditors for import of Goods in JPY	4680000	9390000
Debtors for export of Goods in USD	598238	426992



**INDIAN TONERS & DEVELOPERS LIMITED**

<b>34. Value of Imports calculated on C.I.F. Basis:</b>		<b>(Rs. In lakhs)</b>
	<b>For the Year ended 31st March, 2017</b>	<b>For the Year ended 31st March, 2016</b>
Raw Materials	1347.52	1507.21
Stores & Spares and packing materials	1.52	1.98
<b>35. Expenditure in foreign Currency:</b>		<b>(Rs. In lakhs)</b>
	<b>For the Year ended 31st March, 2017</b>	<b>For the Year ended 31st March, 2016</b>
(i) Foreign Travels	8.06	21.61
(ii) Others (Exhibition, Advertisement etc.)	37.29	19.67
<b>36. Earning in Foreign Exchange:</b>		<b>(Rs. In lakhs)</b>
	<b>For the Year ended 31st March, 2017</b>	<b>For the Year ended 31st March, 2016</b>
FOB Value of Exports	2797.02	2991.02
<b>37. Calculation of Earnings per Share</b>		<b>(Rs. In lakhs)</b>
	<b>For the Year ended 31st March, 2017</b>	<b>For the Year ended 31st March, 2016</b>
No. of Shares at the beginning of the year	8058900	8058900
No of Shares at the close of the year	8058900	8058900
Net Profit after Tax .(Rs. In Lakhs)	688.82	589.23
E. P. S. (Rs.)	8.55	7.31

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

Description of Relationship	Name of the Related Party
(a) Wholly and Subsidiary Companies	- a) ITDL Imagetec Limited & Indian Toners USA Company
(b) Key Management Personnel	- b) Shri Sushil Jain (CMD) - c) Shri S.C. Singhal (Executive Director Cum Company Secretary) - Shri N.K. Maheshwari (CFO)
(c) Relative of Key Management Personnel	- Shri Akshat Jain, (son of Sh. Sushil Jain)
(d) Enterprises over which Key Management Personnel and/or relative who are able to exercise significant influence	- a) Jain Tube Company Limited - b) Shrilon India Ltd. - c) Alankar Securities Private Limited - d) Mahavir Phototech Private Limited - e) Triveni Securities Private Limited

Particulars	Subsidiary Companies	Key Management Personnel	Relative of Key Management Personnel	(Rs. in lakhs) Total Amount
	ITDL Imagetec Limited	Indian Toners U.S.A. Company	Sh. Akshat Jain	
Remuneration paid	----	----	----	232.94 (201.56)
Rent Received	48.23 (42.18)	----	----	48.23 (42.18)
Expenses Recovered	16.90 (18.70)	----	----	16.90 (18.70)
Dividend / Interim Dividend Received	102.00 (102.00)	----	----	102.00 (102.00)
High Seas Purchase	32.77(NIL)	----	----	32.77 (NIL)
High Seas Sales	NIL (35.75)	----	----	NIL (35.75)
Local Sales	8.22 (12.62)	----	----	8.22 (12.62)
Local Purchase	18.40(1.45)	----	----	18.40(1.45)
Focus License Purchased	39.77(30.81)	----	----	39.77 (30.81)
Sale	46.89 (NIL)	----	----	46.89 (NIL)

\*Figures in the bracket are for the previous year.

**39. Corporate Social Responsibility**

As per the requirements of Section 135 of Companies Act, 2013 company is liable to spend 2% of its average net profits of three preceding years as an Expense on Corporate Social Responsibility. Average Net profits (calculated as per the provisions of Sec. 198 of Companies Act 2013) of Last three years is Rs.616.04Lakhs and 2% of which is Rs. 12.32Lakhs and this whole amount was donated to Prime Minister National Relief Fund as a CSR initiative.

**40. Scheme of Amalgamation :**

Earlier, the company has filed petition to Honorable High Courts for amalgamation of its subsidiary, namely, ITDL Imagetec Limited and other four company w.e.f.1st April,2016.As per new Rule 3 of companies(Transfer of Pending Proceedings) Rules,2016,effective from 15th December,2016,the company has filed 2nd motion application with the National Company Law Tribunal (NCLT),at Allahabad . Pending the final outcome of the said motion application, no effect of the said scheme for amalgamation has been given in these results. Further, the subsidiary, ITDL Imagetec Limited and four other group companies have filed 2nd petition with (NCLT), Principal Bench, at New Delhi which has been accepted and NCLT has passed the order with the instruction to serve the notice to ROC,RD,Income Tax Department and official Liquidator.

**41. Disclosure required pursuant to Notification no.G.S.R.308 (E) dated 30.03.2017 Issued by Ministry of Corporate Affairs.**

Details of specified Bank Notes(SBN's) held and transaction during the period from 08.11.06 to 30.12.16 as provided in the table below:

	SBNs		Other Denominations notes	Total
	500	1000		
Closing cash in hand as on 8-11-2016	26500	300000	2333	328833
(+) Permitted receipts	---	---	220681	220681
(-) Permitted payments	---	---	83326	83326
(-) Amount deposited in Banks	26500	300000	---	326500
Closing cash in hand as on 30-12-2016	---	---	139688	139688

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

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 20th Day of May 2017

**(S.C. SINGHAL)**

Company Secretary

**(N.K.MAHESHWARI)**

C.F.O.

**(SANJEEV GOEL)**

Director

DIN: 00044850

**(SUSHIL JAIN)**

Chairman &

Managing Director

DIN : 00323952

**INDIAN TONERS & DEVELOPERS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017** **(Rs. in lakhs)**

	<b>For the Year ended 31st March 2017</b>	<b>For the year ended 31st March 2016</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	<b>786.01</b>	723.92
<b>Adjustment for :</b>		
Depreciation & Amortisation	<b>130.42</b>	129.47
Loss/(profit) on sale of Fixed Assets	<b>(9.50)</b>	3.81
Loss/(profit) on sale of Investments	<b>(360.26)</b>	(23.48)
Interest Expenses	<b>8.87</b>	6.64
Interest income	<b>(18.44)</b>	(14.64)
Provision for Leave Encashment	<b>9.66</b>	8.26
Liabilities / provisions no longer required written back/ Sundry Balances write off/ back	<b>(8.58)</b>	(5.80)
Unrealised Foreign Exchange (Gain ) / Loss	<b>(2.23)</b>	(0.25)
Income from Current Investment (Non Trade) Dividend	<b>(138.80)</b>	(213.75)
<b>Operating Profit before Working Capital Changes</b>	<b>397.15</b>	<b>614.18</b>
<b>Adjustment for :</b>		
(Increase)/Decrease in Inventories	<b>70.14</b>	(150.41)
(Increase)/Decrease in Trade Receivables & Other Receivables	<b>(240.03)</b>	212.06
Increase/(Decrease) in Trade Payables & Other Payables	<b>(34.00)</b>	30.92
<b>Cash Generated from Operations</b>	<b>193.26</b>	706.75
Direct Taxes Paid/Refund (Net)	<b>(86.76)</b>	(147.32)
<b>Net Cash Inflow /(Outflow) from Operating Activities (A)</b>	<b>106.50</b>	<b>559.43</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets / Capital Advances & Capital Work-in-Progress	<b>(184.31)</b>	(45.27)
(Purchase) / Sale of Investments	<b>(158.12)</b>	(733.97)
Proceeds from Sale of Fixed Assets	<b>15.25</b>	7.88
Movement in Other Bank Balances	<b>(38.82)</b>	(32.30)
Interest Received	<b>18.44</b>	14.64
Dividend Received	<b>138.80</b>	213.75
<b>Net Cash Inflow/(outflow) from Investing Activities (B)</b>	<b>(208.76)</b>	<b>(575.27)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest Paid	<b>(8.87)</b>	6.64
<b>Net cash Inflow/(outflow) from financing activities (C)</b>	<b>(8.87)</b>	<b>6.64</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(111.13)</b>	(22.48)
<b>Add: Cash and Cash Equivalents at the Beginning of the year</b>	<b>367.82</b>	390.31
<b>Cash and Cash Equivalents at the Closing of the year</b>	<b>256.69</b>	<b>367.83</b>

**Notes :**

- (1) The Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard - 3 "Cash Flow Statements" as notified by the Central Government of India.
- (2) Previous period's figures have been regrouped / rearranged wherever considered necessary to confirm to make them comparable.

As per our Report of Even Date attached

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 20th Day of May 2017

**(S.C. SINGHAL)**

Company Secretary

**(N.K.MAHESHWARI)**

C.F.O.

**(SANJEEV GOEL)**

Director

DIN: 00044850

**(SUSHIL JAIN)**

Chairman &

Managing Director

DIN : 00323952

# AUDITORS' REPORT

INDIAN TONERS & DEVELOPERS LIMITED

## TO THE MEMBERS OF INDIAN TONERS & DEVELOPERS LIMITED

### Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated financial statements of **INDIAN TONERS & DEVELOPERS LIMITED** (the Company), (hereinafter referred to as the Holding Company), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, 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 (hereinafter referred to as "the Consolidated Financial Statements").

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

2. The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated Financial position, consolidated financial performance and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit while conducting the audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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.
5. 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design the audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Holding company Board of the Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required 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, of the consolidated state of affairs of the Group, as at 31<sup>st</sup> March, 2017, and their consolidated profit and their consolidated cash flow for the year ended on that date.

### Report on Other Legal and Regulatory Requirement

8. As required by Section 143 (3) of the Act, we report that :
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;
  - b) in our opinion proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
  - c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
  - d) in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the Directors of the Holding Company as on March 31<sup>st</sup>, 2017, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31<sup>st</sup>, 2017, from being appointed as a Director of the company in terms of Sub section 2 of section 164 of the Act.
  - f) With respect to the adequacy of the Internal Financial Controls over the financial reporting of the Group and operating effectiveness of such controls, refer to our separate Report in "Annexure - A" which is based on the Auditor's Report of the company and its subsidiary company incorporated in India.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Consolidated Financial Statements disclose the possible impact of pending litigations on the consolidated financial position of the Group. Refer Note 29 (c) to the Consolidated Financial Statements.
    - ii. The Group did not have any long-term contracts including derivative contracts for which there any material foreseeable losses.
    - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.
    - iv. Accordingly to the information and records of the company, the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note no 50. of the financial.

FOR K.N.GUTGUTIA & CO.,

CHARTERED ACCOUNTANTS

ICAI'S FRN 304153E

(B.R.GOYAL)

PARTNER

Membership No. 12172

Place : New Delhi

Date: 20th May, 2017

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE  
FINANCIAL STATEMENTS OF INDIAN TONERS & DEVELOPERS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of  
Section 143 of the Companies Act, 2013 (“the Act”)**

In Conjunction with our audit of the consolidated financial statements of the Company as of an for the year ended 31<sup>st</sup> March, 2017, we have audited the Internal financial controls over financial reporting of **Indian Toners & Developers Limited** (“the Holding Company”) and its subsidiary company which are companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India” (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanation given to us, Company and its subsidiary company, incorporated in India, have in all material respects an adequate internal financial system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”

**.PLACE OF SIGNATURE: NEW DELHI**

**DATED : 20<sup>TH</sup> MAY, 2017**

**FOR K.N. GUTGUTIA & COMPANY**

**CHARTERED ACCOUNTANTS**

**FRN 304153E**

**(B.R. GOYAL)**

**PARTNER**

**M.NO. 12172**

**Balance Sheet As At 31st March 2017**

Particulars	Note No.	As at 31st March 2017	(Rs. in lakhs) As at 31st March 2016
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
(a) Share Capital	2	805.89	805.89
(b) Reserves and Surplus	3	8,830.78	7,613.09
<b>(2) Minority Interest</b>		3,775.81	2,964.22
<b>(3) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	4	560.53	535.06
(b) Other Long Term Liabilities	5	69.87	72.20
(c) Long Term Provisions	6	43.92	46.18
<b>(4) Current Liabilities</b>			
(a) Trade Payables to (i) Micro Small & Medium Enterprises (ii) Others	7	1,187.71	1,289.87
(b) Other Current Liabilities	8	352.00	377.10
(c) Short-Term Provisions	9	580.49	526.77
<b>TOTAL</b>		<b>16,207.00</b>	<b>14,230.38</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		3,969.65	4,120.06
(ii) Intangible Assets		1.30	0.45
(iii) Capital Work in progress		786.32	--
(b) Non-Current Investments	11	4,997.29	2,939.03
(c) Long term Loans and Advances	12	46.00	26.77
(d) Other Non Current Assets	13	803.76	830.22
<b>(2) Current Assets</b>			
(a) Current Investments	14	1,346.30	2,305.00
(b) Inventories	15	1,158.76	1,339.60
(c) Trade Receivables	16	1,415.93	1,064.90
(d) Cash and Bank Balances	17	909.00	812.09
(e) Short-term Loans and Advances	18	666.27	684.92
(f) Other Current Assets	19	106.42	107.34
<b>TOTAL</b>		<b>16,207.00</b>	<b>14,230.38</b>

**Significant Accounting Policies**

1

The Notes form an integral part of these Financial statements 1-50

As per our Report of Even Date  
For **K.N. GUTGUTIA & COMPANY**  
Chartered Accountants  
ICAI's FRN 304153E

For and on Behalf of the Board of Directors

**(B.R.GOYAL)**

Partner

**(S.C. SINGHAL)**  
Company Secretary**(N.K.MAHESHWARI)**  
C.F.O.**(SANJEEV GOEL)**  
Director**(SUSHIL JAIN)**  
Chairman &

Membership No. 12172  
11K, Gopala Tower,  
25, Rajendra Place, New Delhi  
The 20th Day of May 2017

DIN: 00044850 Managing Director  
DIN : 00323952



**INDIAN TONERS & DEVELOPERS LIMITED**

**Consolidated Statement of Profit & Loss Account** for the year ended on 31st March, 2017

Particulars	Note No.	For the year ended 31st March, 2017	(Rs. in lakhs) For the year ended 31st March, 2016
<b>REVENUE</b>			
Revenue from Operations (Net)	20	11,896.72	10,913.26
Other Income	21	558.28	214.33
<b>Total Revenue</b>		<b>12,455.00</b>	<b>111,27.59</b>
<b>EXPENSES:</b>			
Cost of Materials Consumed	22	4,998.30	4,751.30
Other Manufacturing Expenses	23	1,522.49	1,414.70
Change in Inventories of Finished goods & Work-in-process	24	41.20	(136.61)
Employee Benefit Expenses	25	1,263.12	1,169.43
Finance Costs	26	36.09	24.04
Depreciation and Amortization Expense	10	321.36	306.22
Other Expenses	27	1,457.78	1,355.98
<b>Total Expenses</b>		<b>9,640.34</b>	<b>8,885.06</b>
<b>Profit before Exceptional and Extraordinary items and Tax</b>		<b>2,814.66</b>	<b>2,242.53</b>
Exceptional items		-	-
<b>Profit before Extraordinary items and Tax</b>		<b>2,814.66</b>	<b>2,242.53</b>
Extraordinary Items		-	-
<b>Profit before Tax</b>		<b>2,814.66</b>	<b>2,242.53</b>
<b>Tax expense:</b>			
(1) Current Tax		(598.95)	(504.62)
(2) Taxes in respect of earlier years		(21.93)	12.83
(3) Deferred Tax		(25.47)	(92.95)
(4) Mat Credit Entitlement		-	11.16
(5) Excess/ Short Provision adjusted		-	(0.49)
<b>Profit for the year (Before adjustment for Minority Interest)</b>		<b>2,168.31</b>	<b>1,668.46</b>
Minority Interest		811.57	604.12
<b>Profit for the year (After adjustment for Minority Interest)</b>		<b>1,356.74</b>	<b>1,064.34</b>
Earning Per equity share of Rs. 10/- each			
1. Basic (in Rs.)	43	16.84	13.21
2. Diluted (in Rs.)	43	16.84	13.21

**Significant Accounting Policies**

1

The accompanying notes form an integral part of these financial statements 01-50

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 20th Day of May 2017

**(S.C. SINGHAL)**  
Company Secretary

**(N.K.MAHESHWARI)**  
C.F.O.

For and on Behalf of the Board of Directors

**(SANJEEV GOEL)**  
Director

DIN: 00044850

**(SUSHIL JAIN)**  
Chairman &

Managing Director  
DIN : 00323952



**INDIAN TONERS & DEVELOPERS LIMITED (CONSOLIDATED) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2017**
**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 OF PREPARATION & PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying consolidated financial statements include the accounts of ITDL Imagetec Limited & Indian Toner USA Company. The financial year end of the Subsidiary is 31<sup>st</sup> March, 2017.

The accounts of the Group are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the other relevant provisions of the Companies Act, 2013 (including provisions of Companies Act, 1956 which continue to remain in force, to the extent applicable, pronouncements of the Institute of Chartered Accountants of India, and the guidelines issued by the Securities and Exchange Board of India ("SEBI") to the extent applicable. The Consolidated Financial Statements are presented as per Schedule III to the Companies Act, 2013 and in Indian rupees rounded off to the nearest Lakhs.

The Consolidated financial statements of the Company and its subsidiary companies have been combined substantially on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transaction and unrealized profits. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 (AS-21) "Consolidated Financial Statements notified by the Central Government of India and using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements. 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 III of the Companies Act, 2013. 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.

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

Indian Toners U.S.A Company is the wholly owned Subsidiary of the company and it is incorporated in U.S.A in March 2017. The company has been formed for the purpose of marketing and distribution of Toners to customers based in U.S.A.

**1.2 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.

**1.3 PROPERTY, PLANT AND EQUIPMENT (FIXED ASSETS)**

- a) Tangible Assets are stated at cost net of recoverable taxes, trade discounts less accumulated depreciation provided for. The cost of tangible assets comprises its purchase price and any cost attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from foreign exchange rate variations attributable to the assets. Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.
- b) Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. The cost comprises of purchase price, borrowing costs, any cost directly attributable to bringing the assets to its working condition for the intended use.
- c) With effect from Financial Year 2016-17, pursuant to the amendments in AS-10 Property, Plant & Equipment, spare parts having life more than 12 months are capitalized at their respective carrying amount with the main assets and are being depreciated over remaining life of the main asset prospectively.

**1.4 DEPRECIATION AND AMORTIZATION OF FIXED ASSETS TANGIBLE ASSETS**

- Depreciation is provided on tangible assets on straight line method on all assets based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- Plant & Machinery is depreciated treating it as continuous process Plant (except R & D Plant), at rates and in the manner as per Part-C of Schedule II to the Companies Act, 2013 (as amended). Depreciation on assets added / deducted during the year is charged proportionate with reference to the date of additions / deductions.
- Depreciation on R&D Plant & Machinery is charged, treating the same as non-continuous, in the same manner as mentioned above.
- Fixed assets individually costing up to rupees five thousand are depreciated at the rate of 100 percent.

**INTANGIBLE ASSETS**

Software's are amortized on straight line method over a period of three years.

**1.5 IMPAIRMENT OF ASSETS**

The carrying amount of fixed assets are reviewed 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.

**1.6 LEASES**

**Operating Leases:** There is only one operating lease i.e. the Company's corporate office at Jasola, New Delhi and rentals of the same are expensed out on accrual basis.

**1.7 RESEARCH & DEVELOPMENT**

Research costs are expensed as incurred and presented under the respective heads of expenditure. Capital expenditure on Research & Developments is treated in the same manner as Fixed Assets. The Revenue expenditure on R&D is charged off in the year in which the same are incurred.

**1.8 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. and recognized in the statement of profit & loss in the period in which the employee renders the related service.

**1.9 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.

**1.10 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 overheads & fixed production overheads are included based on normal capacity of production facilities.
Goods In Transit	At cost of Purchase

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.

**1.11 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.

**1.12 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.

**1.13 BORROWING COST**

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

**1.14 EXCISE DUTY PROVISION ON CLOSING STOCKS OF FINISHED GOODS.**

The Company has the practice of providing for the liability on account of import duty on Raw Material / Stores and Spares and goods 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.

**1.15 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.

**1.16 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.

**1.17 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.

**Notes to the consolidated financial statements as at 31st March, 2017****Note No. : 2****(Rs.in lakhs)****Share Capital**

<b>Sr.No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	<b><u>AUTHORIZED CAPITAL</u></b>		
	17,000,000 Equity Shares of Rs. 10/- each.	1,700	1,700
	(P.Y. 17,000,000 Equity Shares of Rs.-10/- each)	<u>1,700</u>	<u>1,700</u>
2	<b><u>ISSUED &amp; SUBSCRIBED</u></b>		
	8058900 equity shares of Rs 10 each	805.89	805.89
	(P.Y. 8058900 equity shares of Rs. 10 each)		
3	<b><u>PAID UP</u></b>		
	8058900 Equity Shares of Rs. 10/- each, fully paid UP	805.89	805.89
	(P.Y. 8058900 equity shares of Rs. 10 each, fully paid up)		
	<b>Total</b>	<u>805.89</u>	<u>805.89</u>

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 shareholders holding more than 5% shares as at of the aggregate shares in the company:

<b>Sr.No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
	<b>Name of the shareholders</b>	<b>% of Holding</b>	<b>% of Holding</b>
a	ABC Commercial Co Ltd	5.9	5.9
	474000 shares (P.Y. 474000 shares) @ Rs. 10 each		
b	Mahavir Phototech Pvt Ltd	11.4	11.4
	915561 shares (P.Y. 915561 shares ) @ Rs. 10 each		
c	Alankar securities Pvt Ltd		
	807854 shares (P.Y. 807854 shares) @ Rs. 10 each	10.0	10.0
d	Triveni Securities Pvt Ltd	7.8	7.8
	631509 shares (P.Y. 631509 shares) @ Rs. 10 each		
e	Sushil Jain	8.6	8.6
	689106 shares (P.Y. 689106 shares) @ Rs. 10 each		

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

<b>Sr.No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
	<b>1. Surplus</b>		
	Opening Balance	7,613.09	6,636.47
	Add : Net profit for the year after Minority interest	1,356.74	1,064.34
	Less : Adjustment on account of depreciation ( net of DTA)*	-	-
	Less : Propose/ Interim Dividend on Equity Shares for the year	(98.00)	47.00
	Less : Dividend Distribution Tax	(40.72)	(40.72)
	Less : Foreign Currency Transaction Reserve	(0.34)	-
	<b>TOTAL</b>	<u>8,830.78</u>	<u>7,613.09</u>

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<b>Note No. '4'</b>	<b>(Rs. in lakhs)</b>	
<b>Deferred Tax Liabilities (net)</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
1. Deferred Tax Liability on account of : Accelerated Depreciation	589.05	558.05
2. Deferred Tax Asset on account of : Provision for leave Encashment	<u>(28.52)</u>	<u>(22.99)</u>
<b>NET DEFERRED TAX LIABILITY</b>	<b><u>560.53</u></b>	<b><u>535.06</u></b>

<b>Note No. "5"</b>	<b>(Rs. in lakhs)</b>	
<b>Other Long Term - Liabilities</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
Trade Deposits from Dealers & Distributors	69.87	72.20
<b>TOTAL</b>	<b><u>69.87</u></b>	<b><u>72.20</u></b>

<b>Note No. '6'</b>	<b>(Rs. in lakhs)</b>	
<b>Long Term Provisions</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
<b>Employee Benefits</b>		
Leave Encashment (Refer Note No. 37)	<u>43.92</u>	<u>46.18</u>
<b>TOTAL</b>	<b><u>43.92</u></b>	<b><u>46.18</u></b>

<b>Note No. '7'</b>	<b>(Rs. in lakhs)</b>	
<b>Trade Payables</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
Trade Payable	1187.71	1289.87
<b>TOTAL</b>	<b><u>1187.71</u></b>	<b><u>1289.87</u></b>

<b>Note No. '8'</b>	<b>(Rs. in lakhs)</b>	
<b>Other Current Liabilities</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
1. Trade Advances	24.35	29.45
2. Statutory Dues Payable	31.00	23.59
3. Bank Book Overdraft	0.00	40.99
4. Accrued Salaries & Benefits Payable	90.16	98.98
5. Others Payable	<u>206.49</u>	<u>184.09</u>
<b>TOTAL</b>	<b><u>352.00</u></b>	<b><u>377.10</u></b>

<b>Note No. '9'</b>	<b>(Rs. in lakhs)</b>	
<b>Short Term Provisions</b>	<b>As at 31st March 2017</b>	<b>As at 31st March 2016</b>
<b>1. Employee Benefit</b>		
Leave Encashment (Refer Note No. 37)	40.82	22.15
<b>2. Others</b>		
Income Tax	<u>539.67</u>	<u>504.62</u>
<b>TOTAL</b>	<b><u>580.49</u></b>	<b><u>526.77</u></b>

**Note No. '10'****Fixed Assets****Notes to the Consolidated Financial Statements as at 31st March, 2017****Rs. in lakhs**

Sr. No	Particulars	Gross Block			Depreciation			Net Block		
		Balance As at April 01, 2016	Addition during the Period	Deduction during the Period	Balance As at March 31st, 2017	As at April 01, 2016	Addition during the Period	Deduction during the Period	Up to March 31st, 2017	Balance As at March 31, 2016
I	Tangible Assets									
1	Land	329.90	-	-	329.90	-	4.04	-	4.04	329.80
2	Building	993.73	1.57	-	995.30	255.50	30.77	-	286.27	738.23
3	Plant and Machinery	5,361.79	151.26	38.95	5,474.10	2,921.06	171.32	9.83	3,082.55	2,440.73
4	Electrical Installations	487.37	2.21	3.18	486.40	183.01	47.21	-	230.22	304.36
5	Furniture & Fixtures	60.30	0.93	-	61.23	25.24	6.46	-	31.70	35.06
6	Vehicles	294.64	31.86	87.16	239.34	97.45	42.66	81.40	58.71	197.19
7	Office Equipments	40.94	14.25	-	55.19	22.41	6.11	-	28.52	18.53
8	Computer	35.98	6.68	0.40	42.26	26.04	4.76	0.30	30.50	9.94
9	Improvement									
	Leasehold Property	69.16	-	-	69.16	23.04	7.68	-	30.72	4612
	SUB TOTAL (A)	7,673.81	208.76	129.69	7,752.88	3,553.75	321.01	91.53	3,783.23	3,969.65
										4,120.06
II	Intangible Assets									
	Software & Others	35.04	1.20	-	36.24	34.59	0.35	-	34.94	1.30
										0.45
	SUB TOTAL (B)	35.04	1.20	-	36.24	34.59	0.35	-	34.94	1.30
										0.45
III	Capital Work-in-progress									
	Building	-	-	-	-	-	-	-	-	-
	Plant & Machinery	-	773.79	-	773.79	-	-	-	773.79	-
	Electrical Installation	-	12.52	-	12.52	-	-	-	12.52	-
	SUB TOTAL (C)	-	786.31	-	786.31	-	-	-	786.32	-
	Total [A + B + C] (Current Year)	7,708.85	996.27	129.69	8,575.43	3,588.34	321.36	91.53	3,818.17	4,120.51
	(Previous Year)	7,510.34	1,263.96	1,065.45	7,708.85	3,323.31	306.22	41.19	3,588.33	4,187.03

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<b>Note No. : 11 Non Current Investment (At Cost)</b>		<b>(Rs. in lakhs)</b>	
<b>No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	Investment in Mutual Funds (unquoted) (Units of Rs. 10 each, unless otherwise specified)		
a	UTI Floting Rate Fund-STP- Regular Plan Growth (NAV : Rs.2655.0462 Unit : 21453.108 , P.Y 21453.108 )	446.10	446.10
b	UTI Treasury Advantage Fund Institutional Growth Plan (NAV Rs.2198.8284 Units: 2919.642 , P.Y.2919.642)	-	45.50
c	UTI Floting rate Fund -Short Term Plan -Regular plan Growth (NAV Rs.2655.0462 Units: 54952.741 , P.Y. 101684.623 )	1,140.89	2,037.13
d	UTI-Fixed Income Interval Fund-VI Quartely Interval Plan-Retail Option-Direct Plan-Growth (NAV Rs. 20.022 Units: 334813.208 P.Y. 334813.208 )	50.00	50.00
e	UTI-Treasury Advantage Fund - Institutional Plan (NAV Rs. 2255.3818 Units: 20096.542 ,P.Y.20096.542)	340.00	340.00
f	RELIANCE FIXED HORIZON FUND (NAV Rs. 10.7863 Units:1000000 )	100.00	-
g	BIRLA SUN LIFE TREASURY OPTIMIZER PLAN (NAV Rs. 208.1873 Units:200923.242 )	400.00	-
h	ICICI COPROPATE BOND FUND (NAV Rs. 25.3684 Units:1659103.918 )	400.00	-
i	ICICI PRUDENTIAL BANKING & PSU DEBT FUND (NAV Rs. 18.7590 Units:4405599.019 )	800.00	-
j	ICICI PRUDENTIAL SHORT TERM PLAN (NAV Rs. 34.1221 Units:2419279.418 )	800.00	-
k	KOTAK INCOME OPPORTUNITIES FUND - GROWTH (NAV RS.17.9441 Units:561860.884)	100.00	
l	BIRLA SUN LIFE SHORT TERM PLAN (NAV Rs. 62.2718 Units:647030.374 )	400.00	
	*Market value of non currnet investment in mutual funds for FY 2016-17 is Rs. 5651.70 Lakhs		
2	<b>Others</b>		
	NHAI Taxable Bond (Series XV)	20.30	20.30
	<b>Total</b>	<b>4,997.29</b>	<b>2,939.03</b>
<b>Note No.: 12 Long Terms Loans and Advances</b>			
	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
	<b>Capital Advances</b>		
	Unsecured, considered good	46.00	26.77
	<b>Total</b>	<b>46.00</b>	<b>26.77</b>
<b>Note No.: 13 Other Non Current Assets</b>			
	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	MAT Credit Entitlement	664.91	731.20
2	Security Deposit		
	Security Deposit-Others (Unsecured considered good)	138.85	99.02
	<b>Total</b>	<b>803.76</b>	<b>830.22</b>
<b>Note No. :14 Current Investment (At the lower of cost and fair value)</b>			
<b>No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
1	Investment in Mutual Funds (unquoted) (Units of Rs. 10 each, unless otherwise specified)		
a	KOTAK EQUITY ARBITAGE FUND - Dividend Monthely Reinvest (NAV RS.10.7471 Unit:12518898.794) (Pre.year Units: 2932036.391)	1,346.30	695.00
b	SBI ARBITRAGE OPP.FUND-RP DVD (NAV RS.13.1962 Unit:11478481.852)	-	1,610.00
	<b>Total</b>	<b>1,346.30</b>	<b>2,305.00</b>
	*Market value of currnet investment in mutual funds for FY 2016-17 is Rs. 1345.41 Lakhs		

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**Note No.: 15 Inventories**

Particulars	(Rs. in lakhs)	
	As at March 31st, 2017	As at March 31st, 2016
1 Raw Material	711.26	865.98
2 Work-in-Process (Toners)	132.13	167.05
3 Finished Goods (Toners)	127.91	135.55
4 Oil & Lubricants	24.42	22.07
5 Stores & Spares	93.07	84.39
6 Packing Material	69.98	64.56
<b>Total</b>	<b>1,158.76</b>	<b>1,339.60</b>

**Note No.: 16 Trade Receivable**

Particulars	As at March 31st, 2017	As at March 31st, 2016
1 <b>Outstanding for a period exceeding six months from the date they are</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	46.89	13.35
c) Doubtful not provided for	-	-
2 <b>Other Receivables</b>		
a) Secured, Considered Good :	69.87	72.20
b) Unsecured, Considered Good :	1,299.17	979.35
c) Doubtful	-	-
<b>Total</b>	<b>1,415.93</b>	<b>1,064.90</b>

**Note No.: 17 Cash & Bank Balances**

Particulars	As at March 31st, 2017	As at March 31st, 2016
1 <b>Cash &amp; Cash Equivalent</b>		
Cash Balance	6.62	6.58
Sub Total (A)	<b>6.62</b>	<b>6.58</b>
<b>Balance with Bank</b>		
Current account	149.72	105.96
EEFC account	115.76	303.76
Bank Deposits #	266.07	100.00
Cheque in hand	-	0.69
Sub Total (B)	<b>531.55</b>	<b>510.41</b>
With SBI, Jasola (Emp. Trust A/C) (C )	<b>0.53</b>	<b>0.33</b>
2 <b>Other Bank Balances</b>		
Margin Money held with Bank having maturity more than 3 months but upto 12 months*	310.23	234.70
Fixed Deposit with Banks having maturity of more than 12 months #	60.07	60.07
Sub Total (D)	<b>370.83</b>	<b>295.10</b>
<b>Total [ A + B + C + D]</b>	<b>909.00</b>	<b>812.09</b>
# <b>Pledged with banks against LC &amp; Bank guarentees on behalf of the company</b>		
* <b>Fixed deposits with banks with maturity period more than 3 months but upto 12 months</b>		

**Note No.: 18 Short Terms Loans and Advances**

Particulars	As at March 31st, 2017	As at March 31st, 2016
1 Advances To Employees (Unsecured,considered good)	0.99	3.45
2 <b>Balances with Govt. Authorlties</b>		
Balance with Excise/ Sales Tax	32.33	25.62
Service Tax Recoverable	5.99	19.36
3 <b>Others</b>		
Advance to Suppliers	25.21	16.46
Advance Income Tax (including TDS)	533.92	556.80
Prepaid Expenses	45.16	51.54
Others	22.67	11.69
<b>Total</b>	<b>666.27</b>	<b>684.92</b>



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**Note No.: 19 Other Current Assets**

Particulars	(Rs. in lakhs)	
	As at March 31st, 2017	As at March 31st, 2016
1 Interest Accrued on Fixed Deposits	25.46	17.31
2 Interest Accrued on Security Deposit	4.51	-
3 Insurance Claims Receivable	5.44	0.34
4 Focus Licence in hand	71.01	89.69
<b>Total</b>	<b>106.42</b>	<b>107.34</b>

**Note No.: 20 Revenue from Operations**

Particulars	for the Year ended 31st March, 2017	for the Year ended 31st March, 2016
<b>1 Sale of Products</b>		
Manufactured goods (Comprises of Toners )	11,823.91	10,993.93
Less : Discount and Allowances	-	(258.19)
Less :Excise Duty	(55.54)	(3.43)
<b>Sub Total (A)</b>	<b>11,768.37</b>	<b>10,732.32</b>
<b>2 Other Operating Revenue</b>		
Export Incentives	124.17	177.96
Scrap sale	4.18	2.99
<b>Sub Total (B)</b>	<b>128.35</b>	<b>180.94</b>
<b>Total (A+B)</b>	<b>11,896.72</b>	<b>10,913.26</b>

**Note No.: 21 Other Income**

Particulars	for the Year ended 31st March, 2017	for the Year ended 31st March, 2016
1 Interest Income	53.01	41.24
2 Dividend Income on current investments	84.47	94.84
3 Provision no longer required written back	13.46	13.36
4 Other Non Operating Incomes	2.65	14.01
5 Sundry Balances written back	27.67	4.49
6 Cash Discounts	5.38	14.29
7 Foreign Exchange Fluctuation	-	8.62
8 Profit on sale of Fixed Assets	9.53	-
9 Profit on sale of mutual fund & Others	362.11	23.48
<b>Total</b>	<b>558.28</b>	<b>214.33</b>

**Note No.: 22 Cost of Raw Materials Consumed**

Particulars	for the Year ended 31st March, 2017	for the Year ended 31st March, 2016
<b>Raw Materials</b>		
1 Opening stock	460.41	643.59
Add: Purchases	5,161.92	4,568.12
Less: Closing Stock	624.03	460.41
<b>Raw Materials Consumed</b>	<b>4,998.30</b>	<b>4,751.30</b>

**Imported & Indigenous Raw Material Consumed**

No.	For the year ended 31st March 2017	% of total consumption	For the year ended 31st March 2016	% of total consumption
a Imported	4852.40	97.08%	4662.78	98.15%
b Indigenous	145.90	2.92%	88.52	1.85%
<b>Total</b>	<b>4998.30</b>	<b>100.00%</b>	<b>4751.30</b>	<b>100.00%</b>

**Details of Raw Materials Consumed**

Particulars	for the Year ended 31st March, 2017	for the Year ended 31st March, 2016
a) Resin	2864.77	2,766.43
b) Magnetite	1325.09	1,264.85
c) Others	808.44	720.02
<b>Total</b>	<b>4,998.30</b>	<b>4,751.30</b>

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**Note No.: 23 Other Manufacturing Expenses**

**(Rs. in lakhs)**

Particulars	for the Year ended 31st March, 2017	for the Year ended 31st March, 2016
1 Packing Materials Consumed	512.88	467.83
2 Stores and Spares Consumed	85.50	71.30
3 Power & Fuel	851.74	786.07
4 Repairs & Maintenance - Plant & Machinery	35.68	53.91
5 Repair & Maintenance - Building	12.47	12.07
6 Security Expenses	24.22	23.52
<b>Total</b>	<b>1,522.49</b>	<b>1,414.70</b>

**Imported and Indigenous Stores, Spare & Packing Material Consumed**

No.	For the year ended 31st March 2017	% of total consumption	For the year ended 31st March 2016	% of total consumption
a Imported	3.68	0.61%	1.99	0.36%
b Indigenous	594.70	99.39%	537.14	99.67%
<b>Total</b>	<b>598.38</b>	<b>100.00%</b>	<b>539.13</b>	<b>100.00%</b>

**Note No.: 24 Change in inventories of finished goods & work-in-progress**

Particulars	for the Year ended 31st March, 2017	for the Year ended 31st March, 2016
<b>1 Inventories at the end of the year</b>		
Finished Goods (toners)	129.27	135.55
Work-in-Process (toners)	132.13	167.05
	<b>261.40</b>	<b>302.60</b>
<b>2 Inventories at the beginning of the year</b>		
Finished Goods (toners)	135.55	72.42
Work-in-Process (toners)	167.05	93.57
	<b>302.60</b>	<b>165.99</b>
<b>Net Decrease/(Increase) during the year</b>	<b>41.20</b>	<b>(136.61)</b>

**Note No.: 25 Employee Benefit Expenses**

Particulars	for the Year ended 31st March, 2017	for the Year ended 31st March, 2016
1 Salaries, Wages, Bonus etc.	1,180.69	1,101.40
2 Contribution to Provident & Other Fund	61.98	49.24
3 Staff Welfare Expenses	20.45	18.79
<b>Total</b>	<b>1,263.12</b>	<b>1,169.43</b>

**Note No.: 26 Finance Coasts**

Particulars	for the Year ended 31st March, 2017	for the Year ended 31st March, 2016
1 Interest Expenses	36.09	24.05
<b>Total</b>	<b>36.09</b>	<b>24.05</b>

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<b>Note No.: 27 Other Expenses</b>		<b>(Rs. in lakhs)</b>	
<b>Particulars</b>	<b>for the Year ended 31st March,, 2017</b>	<b>for the Year ended 31st March, 2016</b>	
1 Rent	74.33	63.73	
2 Rates & Taxes	9.25	9.72	
3 Insurance	23.18	23.51	
4 Repairs & Maintenance - Computers	4.82	8.67	
5 Repair & Maintenance Office	18.67	18.84	
6 Advertisement & Sales Promotion	56.14	76.95	
7 Communication Expenses	33.91	28.91	
8 Travelling Expenses <i>(Including Foreign Travelling) &amp; Conveyance</i>	185.19	186.16	
9 Vehicle Running & Maintenance	29.87	28.30	
10 Staff Recruitment & Seminar Expenses	1.40	2.56	
11 Printing & Stationery	13.82	20.06	
12 Electricity & Water Expenses	6.50	6.61	
13 <b><u>Auditors Remuneration</u></b>			
As Audit fees	4.28	3.80	
As Tax Audit fees	0.85	0.79	
For Other Services	0.59	-	
14 Legal, Professional & Consultancy Expenses	56.04	32.89	
15 Director Sitting Fees	4.21	5.03	
16 Freight, Clearing & Forwarding Expenses	239.80	218.72	
17 Discount & Samples	446.67	404.11	
18 Bank Charges	74.57	35.12	
19 Office Maintenance	4.56	6.87	
20 Commission on Sales	47.86	37.21	
21 Loss on Sale of Fixed Assets	11.07	10.12	
22 Corporate Social Responsibility Expenses (Refer Note.46)	42.36	35.35	
23 General Expenses	39.15	34.97	
24 Foreign Exchange Fluctuations	24.55	56.98	
25 Assets w/o	1.85	-	
26 Warehousing Exp.	2.29		
<b>Total</b>	<b>1,457.78</b>	<b>1,355.98</b>	
<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>	
<b>Details of Research &amp; Development Expenses</b>			
1 Raw Materials Consumed	2.19	2.98	
2 Employees Benefit Expenses	17.38	19.85	
3 Other Manufacturing Expenses	8.68	10.17	
4 Other Expenses (Including Dep.)	26.98	22.41	
<b>Total</b>	<b>55.23</b>	<b>55.41</b>	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

		(Rs in lacs)	
<b>28. Capital Commitments:</b> Estimated amounts of contracts remaining to be executed on capital.			
No	Particulars	As at March 31st, 2017	As at March 31st, 2016
	Estimated amount of contracts remaining to be executed on capital account and provided for (net of advances)	NIL	29.24

**INDIAN TONERS & DEVELOPERS LIMITED**

<b>29. Contingent liabilities not provided for in respect of :</b>		<b>(Rs. in lakhs)</b>	
<b>No</b>	<b>Particulars</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
	a) Letters of credit established in favour of the suppliers	1582.74	1709.14
	b) Guarantees issued by State Bank of India on behalf of Company	30.54	22.85
	c) Income- tax demand related to AY 2013-14 against which appeals have been filed.	30.19	30.19
	d) Export obligation against advance licenses	471.37	334.65
	e) Export obligation in respect of Imported Plant & Machinery	580.80	816.16
<b>30.</b>	a) Trade Payables includes (i) 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 to any enterprises registered under MSME.		
	c) The above informations 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.		
<b>31.</b>	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:		

**Geographical Segment:**

<b>Particulars</b>	<b>for the Year ended 31st March, 2017</b>	<b>for the Year ended 31st March, 2016</b>
i) Domestic Sale (Including Excise Duty)	8645.48	7431.72
ii) Export Sales (including Export Benefits)	3302.60	3481.97
<b>Total</b>	<b>11948.08</b>	<b>10913.69</b>

**b) Detail of Sales: (Including export benefit on Export Sales):**

<b>Particulars</b>	<b>for the Year ended 31st March, 2017</b>	<b>for the Year ended 31st March, 2016</b>
<b>Sales</b>		
Sales	11948.08	10913.69
Excise Duty	(-) 55.54	(-) 3.43
<b>Net Sales</b>	<b>11892.54</b>	<b>10910.26</b>

- 32.** a) Estimated benefits aggregating to **Rs.124.17 Lakhs** (Previous Year Rs.161.18 Lakhs) against exports effected during the year has been taken into account for the year as incentive in respect of duty free imports of Raw Material under Advance License Scheme and corresponding amount has been added to the cost of Materials.  
b) Service Tax amounting to **Rs.5.99 Lakhs** (Previous Year Rs.19.36 Lakhs) have been treated as recoverable and are subject to claim yet to be filed with Department.
- 33.** Amount of Exchange difference debited to the Statement of Profit & Loss Account amounted to Rs. 35.33 Lakhs (Previous year Rs.86.60 Lakhs) and credited to the statement of Profit & Loss Account amounted to Rs. **10.78**(Previous Year Rs.38.24Lakhs)
- 34.** R & D expenses included under various heads **Rs. 55.23 Lakhs** Includes Raw Material Consumption **Rs. 2.19 Lakhs** & Depreciation **Rs. 22.79 Lakhs** (Previous year Rs.55.41 Lakhs includes Raw Material Consumption Rs.2.98 Lakhs & Depreciation of Rs.19.13 Lakhs) respectively.
- 35.** MAT Credit Entitlement (including to the previous year Rs. 731.20 Lakhs) amounting to Rs. 664.91 **Lakhs** has been recognized in view of the company's current and future profitability projection. During the year, the Company has utilized MAT credit Entitlement of Rs 66.29 Lakhs.
- 36. 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 others than parent Company.

**INDIAN TONERS & DEVELOPERS LIMITED**
**37. 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 Statement of profit & loss: (Rs. in lakhs)

Particulars	for the Year ended 31st March, 2017	for the Year ended 31st March, 2016
Employers Contribution to Provident Fund State Plans	49.55	39.42

**B) State Plans**
**Employee State Insurance (ESI)**

During the year the Company has recognized the following amounts in the Statement of profit & loss: (Rs. in lakhs)

Particulars	for the Year ended 31st March, 2017	for the Year ended 31st March, 2016
Employers Contribution to ESI	8.99	8.20

**C) Defined benefit Plans**
**a) Gratuity**
**b) Leave Encashment**

The discount rate assumed is 7.38% (Previous Year 7.83%) 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 (Rs. in lakhs) Encashment (unfunded)	
	Current Year	Current Year	Previous Year	Previous Year	Current Year	Previous Year
<b>The principal assumptions used in actuarial valuation as per below:</b>						
• Discount rate	7.55%	8.25%	8.00%	8.35%	7.38%	7.83%
• Expected rate of return on assets	--	--	--	--	5%	5%
• Expected rate of future salary increase	--	--	--	--	5%	5%
<b>Change in present value of obligations</b>						
• Present value of obligation as at 01-04-2016	3.17	118.24	1.52	102.06	68.63	57.52
• Interest cost/Contribution	0.36	10.35	0.20	8.98	5.37	4.59
• Current service cost	2.02	18.96	1.51	15.11	12.77	10.79
• Benefits paid/transferred	(0.20)	(8.85)	(0.06)	(7.91)	-	-
• Actuarial gain / loss on Obligations	--	--	--	--	(2.03)	(4.27)
• Present value of obligation as at 31.03.2017	5.36	138.70	3.17	118.24	84.74	68.63
<b>Changes in fair value of plan assets</b>						
	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
<b>Liability recognized in the Balance Sheet</b>						
• Present value of obligations as at 31.03.2017	-	-	-	-	84.74	68.63
• Fair value of plan assets as at the end of the year	-	-	-	-	--	--
• Unfunded Status	-	-	-	-	--	--
• Unrecognized Actuarial (Gain) / Loss	-	-	-	-	--	--
• Net (Assets) / Liability recognized in Balance Sheet	-	-	-	-	84.74	68.63
<b>Expenses recognized in Statement of profit &amp; loss</b>						
• Current service cost	2.02	18.96	1.51	15.11	12.77	10.79
• Interest cost	--	--	--	--	5.37	4.60
• Expected return on plan assets	--	--	--	--	--	--
• Net Actuarial Gain/loss recognized during the year	--	--	--	--	(2.03)	(4.27)
• Total expenses recognized in statement of profit & loss	2.02	18.96-	1.51	15.11	16.11	11.12

\*Funded with L.I.C.

**INDIAN TONERS & DEVELOPERS LIMITED**

**38. Disclosure pursuant to AS-29 (Movement of provisions)**

<b>Particulars</b>	<b>for the Year ended 31st March, 2017</b>	<b>for the Year ended 31st March, 2016</b>
<b>Discount &amp; Incentive</b>		
Opening Balance	16.56	10.58
Add: Creation	10.38	15.91
Less:		
(a) Utilization	11.92	9.05
(b) Written Back	4.64	0.88
Closing Balance	<b>10.38</b>	<b>16.56</b>

**39. Particulars of unhedged foreign currency expenses as at 31.03.2017:**

<b>Particulars</b>	<b>for the Year ended 31st March, 2017</b>	<b>for the Year ended 31st March, 2016</b>
Creditors for import of Goods in USD	2398568.00	24370082.20
Creditors for import o Goods in JPY	4680000	9390000.00
Debtors for export of Goods in USD	598238	426992

**40. Value of Imports calculated on C.I.F. Basis:**

<b>Particulars</b>	<b>for the Year ended 31st March, 2017</b>	<b>for the Year ended 31st March, 2016</b>
Raw Material	4910.50	4527.98
Stores & Spares and Packing Materials	3.57	3.97

**41. Expenditure in Foreign Currency**

<b>Particulars</b>	<b>for the Year ended 31st March, 2017</b>	<b>for the Year ended 31st March, 2016</b>
(i) Foreign Travels	37.77	41.44
(ii) Others (Exhibition, Advertisement etc.)	37.29	19.67

**42. Earning in Foreign Exchange**

<b>Particulars</b>	<b>for the Year ended 31st March, 2017</b>	<b>for the Year ended 31st March, 2016</b>
FOB Value of Exports	3043.45	2991.02

**43. Calculation of Earnings per Share**

<b>Particulars</b>	<b>for the Year ended 31st March, 2017</b>	<b>for the Year ended 31st March, 2016</b>
No. of Shares at the beginning of the year	8058900	8058900
No. of Shares at the closing of the year	8058900	8058900
Net Profit after Tax (Rs. In Lakhs)	1356.74	1064.34
E. P. S. (Rs.)	16.84	13.21

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

- (a) Wholly and Subsidiary Companies - ITDL Imagetec Limited & Indian Toners USA Company
- (b) Key Management Personnel
  - Shri Sushil Jain (CMD)
  - Shri S.C. Singhal (Executive Director Cum Company Secretary)
  - Shri N.K. Maheshwari (CFO)
- (c) Relative of Key Management Personnel
  - Shri Akshat Jain  
(Son of Sh. Sushil Jain)  
President
  - Smt. Nandita Jain  
(Wife of Sh. Sushil Jain)
  - Ms. Ashima Jain  
(Daughter of Sushil Jain)
- (d) Enterprises over which Key Management Personnel and/or relative who are able to exercise significant influence
  - Jain Tube Company Limited
  - Shrilon India Ltd.
  - Alankar Securities Private Limited
  - Mahavir Phototech Private Limited
  - Triveni Securities Private 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	155.34 (136.91)	88.63 (74.19)	—
Dividend /Interim Dividend Paid.	33.39 (50.09)	64.61 (96.91)	—

Note:- Figures in the bracket are for the previous year.

**INDIAN TONERS & DEVELOPERS LIMITED**

**45. Additional Information, as required under Schedule III to the Companies Act, 2013 of enterprises Consolidated & Subsidiary:**

	Net Assets i.e. Total Assets		Share in Profit or Loss	
	Minus Total Liabilities			
	As % of Consolidated	Amount	As % of Consolidated	Amount
	Net Assets	(Rs. in Lakhs)	Profit or Loss	(Rs. in Lakhs)
<b>Parent</b>				
Indian Toners & Developers Ltd.	49.40%	6625.27	31.77%	688.82
<b>Subsidiary</b>				
ITDL Imagetec Ltd.	22.33%	2995.09	33.44%	724.87
ITDL U.S.A.	0.12%	16.31	(2.63)%	(56.95)
<b>Minority Interest in Subsidiary.</b>	28.15%	3775.81	37.42%	811.57

Subsidiary of the Company:-

S.N.	PARTICULARS	Amount In Lakhs	Amount In Lakhs
		ITDL Imagetec Ltd.	ITDL U.S.A
1.	Name of Subsidiary		
2.	Reporting Currency	INR	INR
3.	Share Capital	100.00	73.60
4.	Reserve and Surplus	6813.32	(57.30)
5.	Total Assets	8940.04	63.35
6.	Total Liabilities	2026.72	47.05
7.	Investments	2030.87	Nil
8.	Turnover/Total Income	8696.54	10.89
9.	Profit Before Taxation	2205.43	56.96
10.	Provision For Taxation	549.16	Nil
11.	Profit Before Taxation	1656.27	(56.96)
12.	Proposed / Interim Dividend	240.72	Nil
13.	% of Shareholding	51%	100%

**46. Corporate Social Responsibility**

As per the requirements of Section 135 of Companies Act, 2013 company is liable to spend 2% of its average net profits of three preceding years as an Expense on Corporate Social Responsibility. Average Net profits (calculated as per the provisions of Sec. 198 of Companies Act 2013) of Last three years is Rs.2117.93 Lakhs and 2% of which is Rs. 42.36 Lakhs and this whole amount was donated to Prime Minister National Relief Fund as a CSR initiative.

- 47.** Previous year's figures have been regrouped / rearranged whenever necessary to make them comparable with those of the current year.



**48. Scheme of Amalgamation :**

Earlier, the company has filed petition to Honorable High Courts for amalgamation of its subsidiary, namely, ITDL Imagetec Limited and other four company w.e.f.1st April,2016.As per new Rule 3 of companies(Transfer of Pending Proceedings) Rules,2016,effective from 15th December,2016,the company has filed 2nd motion application with the National Company Law Tribunal (NCLT),at Allahabad . Pending the final outcome of the said motion application, no effect of the said scheme for amalgamation has been given in these results. Further, the subsidiary, ITDL Imagetec Limited and four other group companies have filed 2nd petition with (NCLT), Principal Bench, at New Delhi which has been accepted and NCLT has passed the order with the instruction to serve the notice to ROC, RD, Income Tax Department and official Liquidator

**49.** The Dividend of Rs 200 Lakhs proposed by The Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

**50.** Disclosure required pursuant to Notification no.G.S.R.308 (E) dated 30.03.2017 Issued by Ministry of Corporate Affairs.Details of specified Bank Notes(SBN's) held and transacted during the period from 08.11.16 to 30.12.16 as provided in the table below:

	SBNs		Other Denominations notes	Total
	500	1000		
Closing cash in hand as on 8-11-2016	176500	452000	9289	637789
(+) Permitted receipts	---	---	509892	509892
(-) Permitted payments	---	---	241973	241973
(-) Amount deposited in Banks	176500	452000	---	628500
Closing cash in hand as on 30-12-2016	---	---	277208	277208

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 20th Day of May 2017

**(S.C. SINGHAL)**

Company Secretary

**(N.K.MAHESHWARI)**

C.F.O.

**(SANJEEV GOEL)**

Director

DIN: 00044850

**(SUSHIL JAIN)**

Chairman &

Managing Director

DIN : 00323952

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017****A. CASH FLOW FROM OPERATING ACTIVITIES**For the Year ended For the year ended  
31st March 2017 31st March 2016

CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	2814.66	2242.53
<b>Adjustment for :</b>		
Depreciation & Amortisation	321.36	306.22
Loss/(profit) on sale of Fixed Assets	3.39	10.12
Loss/(profit) on sale of Investments	(362.11)	(23.48)
Interest Expenses	36.09	24.04
Interest income	(53.01)	(41.24)
Provision for Leave Encashment	16.41	10.82
Liabilities / provisions no longer required written back/		
Sundry Balances write off/ back	(41.13)	(23.65)
Unrealised Foreign Exchange (Gain) / Loss	(30.32)	(6.90)
Income from Current Investment (Non Trade) Dividend	(84.47)	(94.84)
<b>Operating Profit before Working Capital Changes</b>	<b>2620.87</b>	<b>2403.62</b>
<b>Adjustment for :</b>		
(Increase)/Decrease in Inventories	180.84	(268.43)
(Increase)/Decrease in Trade Receivables & Other Receivables	(402.20)	(53.64)
Increase/(Decrease) in Trade Payables & Other Payables	(58.08)	333.50
<b>Cash Generated from Operations</b>	<b>2341.43</b>	<b>2415.05</b>
Direct Taxes Paid/Refund (Net)	(488.66)	(526.53)
<b>Net Cash Inflow /(Outflow) from Operating Activities (A)</b>	<b>1852.77</b>	<b>1888.52</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets / Capital Advances & Capital Work-in-Progress	(999.19)	(217.77)
Purchase / Sale of Investments (net of sales)	(737.45)	(1663.97)
Proceeds from Sale of Fixed Assets	18.45	12.50
Movement in Other Bank Balances (net)	(75.53)	(59.14)
Interest Received	53.01	41.24
Dividend Received	84.47	94.84
<b>Net Cash Inflow/(outflow) from Investing Activities (B)</b>	<b>(1656.24)</b>	<b>(1792.30)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Dividend Paid	(138.72)	(207.71)
Interest Paid	(36.09)	(24.04)
<b>Net cash Inflow/(outflow) from financing activities (C)</b>	<b>(174.81)</b>	<b>(231.75)</b>
<b>D. FOREIGN CURRENCY TRANSACTION DIFFERENCE ON CONSOLIDATION</b>		
<b>Net cash Inflow/(outflow) in course of Foreign Currency (D)</b>	<b>(0.34)</b>	<b>-</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C+D)</b>	<b>21.38</b>	<b>(135.53)</b>
<b>Add: Cash and Cash Equivalents at the Beginning of the year</b>	<b>517.32</b>	<b>652.85</b>
<b>Cash and Cash Equivalents at the Closing of the year</b>	<b>538.70</b>	<b>517.32</b>

## Notes :

- (1) The Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard-3 "Cash Flow Statements" as notified by the Central Government of India, Ministry of corporate affairs
- (2) Previous year's figures have been regrouped / rearranged wherever considered necessary to confirm to make them comparable with those of the year.

As per our Report of Even Date attached

For and on Behalf of the Board of Directors

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 20th Day of May 2017

**(S.C. SINGHAL)**  
Company Secretary**(N.K.MAHESHWARI)**  
C.F.O.**(SANJEEV GOEL)**  
Director

DIN: 00044850

**(SUSHIL JAIN)**

Chairman &amp;

Managing Director

DIN : 00323952

## INDIAN TONERS & DEVELOPERS LIMITED

Regd. Office : 10.5 Km Milestone, Rampur Bareilly Road, Rampur – 244 901 (U.P.)

(CIN NO. L74993UP1990PLC015721)

E-Mail ID – [inf@indiantoners.com](mailto:inf@indiantoners.com), Website : [www.indiantoners.com](http://www.indiantoners.com)

Phone No 0595-2356271 Fax No. 0595-2356273

### ATTENDANCE SLIP

Folio/.DP-Client ID No. No. of Shares held .....

Name of Shareholder / Proxy .....

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company 10.5 Km Milestone, Rampur Bareilly Road, Rampur-244901 (U.P.) on Monday, the 31st July, 2017 at 2.30 P.M.

Signature of the Shareholder / Proxy present : .....

## INDIAN TONERS & DEVELOPERS LIMITED

Regd. Office : 10.5 Km Milestone, Rampur Bareilly Road, Rampur – 244 901 (U.P.)

(CIN NO. L74993UP1990PLC015721)

E-Mail ID – [inf@indiantoners.com](mailto:inf@indiantoners.com), Website : [www.indiantoners.com](http://www.indiantoners.com)

Phone No 0595-2356271 Fax No. 0595-2356273

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

<p>Folio/.DP-Client ID No.</p> <p>Name of the member(s) &amp; Registered Address:</p> <p>E-Mail ID:</p>
--

I/We, being the member(s) of \_\_\_\_\_ Shares of IndiaToners & Developers Ltd., hereby appoint:

1. Name: .....Address.....

E-mail ID: .....Signature.....or failing him;

2. Name: .....Address.....

E-mail ID: .....Signature.....or failing him;

3. Name: .....Address.....

E-mail ID: .....Signature.....

(on a poll) for me / us and on my / our behalf at the 27<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, the 31st July, 2017 at 2.30 p.m. at 10.5 Km Milestone, Rampur Bareilly Road, Rampur-244901 (U.P.) and at any adjournment thereof in respect of such resolution as are indicated overleaf:

S.No	Resolutions	For	Against
1.	Consider and adopt : (a) Audited Financial Statement, Reports of the Board of Directors and Auditors (b) Audited Consolidated Financial Statement		
2.	Re-appointment of Mr. Kewal Krishan Dhiman who retires by rotation.		
3.	Appointment of Statutory Auditors and fixing their remuneration		
4.	Re-appointment of Mr. Sushil Jain as chairman and managing director		

Signed this .....day of.....2017

Signature of Shareholder.....

Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp

**Notes :1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**

A proxy need not be a member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.

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**INDIAN TONERS & DEVELOPERS LIMITED**  
1223, DLF Tower-B, Jasola,  
New Delhi - 110025