

21 ANNUAL
REPORT
ST 2010-2011



INDIAN TONERS & DEVELOPERS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

EXECUTIVE DIRECTOR & COMPANY SECRETARY

Shri. S. C. Singhal

BANKERS

State Bank of India

AUDITORS

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

REGISTERED OFFICE & WORKS

10.5 KM, Rampur – Bareilly Road,
Rampur 224 901 (U.P.)
Tel : 09219410588

CORPORATE OFFICE

5E, Gopala Tower,
25, Rajendra Place,
New Delhi –110008.
Tel : (011) 45017000 (30 Lines)
Fax No. (011) 25751422
E-Mail : info@indiantoners.com
Website : <http://www.indiantoners.com>

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NOTICE

INDIAN TONERS & DEVELOPERS LIMITED

Notice is hereby given that the 21st Annual General Meeting of the Shareholders of **INDIAN TONERS & DEVELOPERS LIMITED** will be held on Thursday, the 18th August, 2011 at 2.30 p.m. at the Registered Office of the Company at 10.5 K.M. Rampur – Bareilly Road, Rampur – 244901 (U.P.) to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the Year Ended March, 31st, 2011 and the Balance Sheet as at March, 31st, 2011 and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of **Shri Vikram Prakash** who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Shri Sanjiv Goel** who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration and the mode of payment. M/s. K. N. Gutgutia & Co. Chartered Accountants, are the retiring Auditors.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) consent of the Company be and is hereby accorded to the re-appointment of Sh. N. S. Sharma, as a Whole time Director of the Company for a period of 1 (one) year with effect from **27.03.2011 to 26.03.2012** on the terms & conditions including remuneration as set out in the explanatory statement herein, with liberty to the Remuneration Committee / Board of Directors (hereinafter referred as “The Board” which term shall be deemed to include any committee which the Board may constitute to exercise its powers conferred by this resolution) to alter and to vary the terms & conditions of the said appointment and/or remuneration; within the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto; as may be agreed to between the Board and Sh. N. S. Sharma.

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

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

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

ITEM NO. 5.

The Board of Directors in its meeting held on 14.02.2011 has re-appointed Shri N.S. Sharma as a wholetime director for a period of 1 year w.e.f. 27.03.2011 upto 26.03.2012 as recommended by the Remuneration Committee on a total consolidated salary of Rs. 45,000/- (Rupees Forty Five Thousand only) per month which may be bifurcated by the Management of the Company in different head from time to time if so required. However, this reappointment of Shri N.S. Sharma was subject to the approval of the shareholders in the forth coming Annual General Meeting of the Company.

Shri N.S. Sharma aged 79 years is B.Sc and B.Tech (Hons) from IIT, Khadagpur. He has accumulated 49 years of extensive working experience in diverse industries such as Pulp and Paper, Steel PVC Pipes and Tubes and Toners in the capacity of Chief Engineer, Works Manager, General Manager and Director (Technical) respectively. His current responsibilities as Director (Technical) encompass mainly of the technical matters and the company benefits from the long, versatile and in-depth experience.

Minimum Remuneration : Notwithstanding anything hereinabove stated, where in any financial year during Sh. N. S. Sharma's tenure as Wholetime Director, the Company has no profits or its profits are inadequate, Sh. N. S. Sharma will be paid remuneration as mentioned above as minimum remuneration

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

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

The Board recommends passing of the resolution.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. Proxies in order to be effective, must be received at the Registered Office / Head Office of the Company not less than Forty Eight Hours before the Meeting. A Proxy form is appended with the attendance slip.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 14th August, 2011 to 18th August, 2011 (both days inclusive).

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3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during Office hours on all working days except Saturday and Holidays between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.
 4. Members, who hold shares in de-materialised form are requested to bring their client ID and DP ID Nos. for easier Identification of attendance at the Meeting.
 5. Members are requested to notify immediately any change in their addresses to the Company or to their respective depository participants without any delay.
 6. In all correspondence with the Company members are requested to quote their Account / Folio Numbers and in case their Shares are held in the dematerialized form they must quote their Client ID No. and their DP ID No.
 7. Members, desirous of availing electronic form of delivery of balance sheet and other related documents are requested to update their E – mail address with the Registrar and Transfer Agents or with the Company by a written request.

PLACE : New Delhi
Dated : 30th May 2011

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

INDIAN TONERS & DEVELOPERS LTD.

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

30th May, 2011

Dear Shareholder,

DESPATCH OF DOCUMENTS TO YOU THROUGH THE ELECTRONIC MODE

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

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

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

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

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

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

Thanking you,

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

DIRECTORS' REPORT

INDIAN TONERS & DEVELOPERS LIMITED

To
The Members,

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

Working Results

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

OPERATION

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

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

FUTURE OUTLOOK AND PLANS

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

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

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

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

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

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

Your company is always conscious for customers' satisfaction and strengthening its established brand image. Therefore, it is always the aim of

your company to offer quality products at reasonable prices, develop more effective logistics, and expand the distribution channels so that customers' needs are catered by providing faster service through better presence and greater market penetration.

RESEARCH AND DEVELOPMENT ACTIVITIES

Your Company continued the research and development activities during the year in the key areas of product, process and material development. Your Company has always given prime importance to Research & Development which is the basis of your Company's success. With the help of the Pilot Plant, your Company has successfully developed new quality products at competitive prices to face the global competition and is very optimistic to develop many more products including Colour Toner in the times to come.

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

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

During the year the Company has incurred R & D expenses of Rs. 28.14 lacs in various heads (including Raw Material Consumption of Rs. 1.16 lacs) in addition to Rs. 2.88 lacs for purchase of capital items. Your Company has also capitalised Rs. 34.84 lacs as intangible assets for new product development. Your Company has exhaustive programme of R & D activities in the coming years.

FIXED DEPOSITS

The Company has not invited any deposits within the meaning of Section 58A of the companies Act, 1956 and the rules made thereunder.

DIRECTORS

Shri Vikram Prakash and Shri Sanjiv Goel, Directors of your Company will retire by rotation at the forthcoming Annual General Meeting and

being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) the directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s K. N. Gutgutia & Co., Chartered Accountants, New Delhi, Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The Requisite Certificate Under Section 224 (1B) of The Companies Act, 1956 has been received from them.

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

OTHER INFORMATION

The other information required u/s 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the

Report of the Board of Directors) Rules, 1988 is given in Annexure "A" of this report.

PERSONNEL

Cordial Industrial relations continue to prevail thereby further strengthening employees' commitment to the growth of the Company.

The Board wishes to express its deep appreciation to all sections of the Employees for their whole hearted efforts, co-operation and outstanding contribution to the growth of the Company during the year.

Particulars of employees as required under section 217 (2A) of the Companies Act, 1956 read with Company (Particulars of Employees) Rules, 1975 form part of this Report. However, the information is not being sent alongwith the Annual Report as per Section 219 (I) (b) (iv) of the Act. Any shareholder interested in obtaining such particulars may write to the Company at its Corporate/Registered Office.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Additional information to the extent applicable on conservation of energy, technology absorption, foreign exchange earning and outgo is required to be disclosed in terms of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is annexed hereto and forms part of this report.

DISCLOSURES UNDER LISTING AGREEMENT

Your Company is now listed only with Mumbai Stock Exchange Limited. The Company is regular in paying the listing fees on demand and it has paid fee upto the current financial year.

DEMATERIALISATION OF SECURITIES

As informed earlier, the shares of your Company were included in the compulsory list for trading in dematerialisation form with effect from 30.10.2000 and your company had entered into necessary

agreements with both the Depositories i.e. NSDL (National Securities Depository Limited) and CDSL (Central Depository Securities Limited). It is, therefore, advisable to trade in the shares of the company in dematerialisation form which is convenient and safe.

CORPORATE GOVERNANCE

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

ACKNOWLEDGEMENT

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

Place : New Delhi
Date : 30th May, 2011

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

ANNEXURE "A " TO DIRECTORS' REPORT

ANNEXURE "A " TO DIRECTORS' REPORT

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

(A) Conservation of Energy

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

(B) Technology Absorption

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

Technology Absorption, Adaption and Innovation

- | | | |
|----|------------------|--|
| 1. | Efforts in brief | :: The technology & know-how given by the collaborator has been absorbed. The Company is in continuous touch with the developments taking place in the international field. |
| 2. | Benefits derived | :: Efficient plant operation, achieving international product quality, self development of products and their packaging, substituting raw materials from economical sources. |

3. In case of imported Technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.
- | | |
|---|--|
| (a) Technology import | :: Augmenting Production capacity of Toners. |
| (b) Year of import | :: 2005-06, 2006-07 |
| (c) Has technology been fully absorbed? | :: Yes |
| (d) If not fully absorbed area where this not taken place reason therefore and future plans of action | :: Not applicable, since Technology is fully has absorbed. |

(c) Foreign Exchange Earnings / Outgo

1. **Activities Relating to Exports**

The Company has been able to increase its exports both quantity wise and value wise by 33.23% and 20% respectively during the year ending 31st March, 2011 as compared to 31st March, 2010.

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

	2010-2011	Rs. in Lacs 2009-2010
a) Total Foreign Exchange used		
i) Import of Raw Materials	1198.38	1052.67
ii) Import of Stores & Spares and Packing material	2.21	39.45
iii) Foreign Travel	15.28	25.24
iv) Consultancy Charges	31.44	34.75
v) Others	23.81	27.53
	1271.12	1179.64
b) Total Foreign Exchange earned (on FOB basis)	2382.21	2038.59

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

INDUSTRY AND OUTLOOK

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

The long term aim of the Company is to strengthen its established brand image by offering customers quality products at reasonable prices. The aim of the Quality Policy of the Company is to provide satisfaction to its customers. To achieve this, the Company is committed to develop, produce and market products that cater continuously to the need and expectations of customers and giving the Company competitive advantage. The Pilot Plant installed by the Company is giving good results as the Company has developed several new products at competitive prices which helps in facing competition and boosting export.

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

RISKS & CONCERNS

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

OPPORTUNITIES

During the year, the Company was awarded the status of an Export House by the Directorate General of Foreign Trade. It has added a feather to the cap of the Company making it eligible for various benefits available to export house.

Exports present the biggest opportunity for the Company for increasing the capacity utilisation and

improving profitability. The Company has taken several steps to increase its presence in other countries and has been successful in increasing its exports.

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

FINANCIAL PERFORMANCE

The sales (including Excise Duty) for the year were Rs. 2542 Lacs. The Company earned a profit before tax of Rs. 228 Lacs. This does not include the sales and profit of the subsidiary Companies. However, the consolidated sales and profit before tax (including sales and profit of the subsidiary Companies) for the year are Rs. 6263 lacs and Rs. 811 lacs respectively. The nearly debt free status of both the holding and subsidiary Companies and improved liquidity resulted in significantly lowering the interest cost.

The Company has been able to increase its exports both quantity wise and value wise by 33% and 20% respectively during the year ending 31st March, 2011 as compared to previous year.

INTERNAL CONTROL SYSTEM

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

HUMAN RESOURCES

Industrial relations remained cordial during the year. The total number of employees as on 31.03.2011 were 92 Nos.

CORPORATE GOVERNANCE REPORT

(ANNEXURE TO THE DIRECTORS' REPORT)

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

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Corporate Governance

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

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

2. Composition of Board of Directors as on 31st March, 2011

- a). The Board of Directors has a mix of Executive and Non-Executive Directors. The Board comprises 2 Executive Directors and 5 Non-Executive Directors. Accordingly, the composition of the Board meets the stipulated requirements.

Name of the Director	Category	No. of Equity Shares held as on 31.03.2010	Attendance Particulars		No. of other Directorship and Committee Memberships / Chairmanships		
			Board Meeting	Last AGM	Other Director Ships*	Committees	
						Member Ships	Chairman Ships
Shri Sushil Jain	CMD#	351130	4	Present	6	---	---
Shri P. K. Karoria	NED	NIL	2	Not Present	9	---	---
Shri J. S. Varshneya	NED-I	NIL	1	Not Present	6	---	3
Shri Vikram Prakash	NED-I	NIL	4	Not Present	5	2	3
Dr. M. R. Jain	NED-I	NIL	4	Not Present	4	---	---
Shri N. S. Sharma	ED **	200	4	Present	2	---	---
Shri Sanjeev Goel	NED-I	2500	4	Present	2	---	---

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

Chairman & Managing Director

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

During the Year 2010 - 2011 the Board of Directors met 4 times on 30th May, 2010, 31st July, 2010, 13th November, 2010, and 14th, February 2011.

3. Committees of the Board

A. Audit Committee

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

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

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

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

The Audit Committee met 4 times during the year on 30.05.2010, 31.07.2010, 13.11.2010 and 14.02.2011 to deliberate on the aforesaid matters. The Minutes of the meetings are placed before the Board at the succeeding Board Meeting for information.

Details of the attendance of Directors are given below:

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

4. Remuneration Committee (Non- Mandatory)

Brief Description of Terms of reference.

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

Composition and Attendance at the Meeting

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

The Committee met on 15.04.2010 & 14.02.2011 where all the members were present. The Remuneration paid to Executive Directors and relatives of Directors, if any is reviewed / recommended by the Remuneration Committee, approved by the Board and is within the limits set by the shareholders at Annual General Meetings and as approved by the Central Government under the provision of the Companies Act, 1956. The remuneration package of Chairman and Managing Director and whole time Director comprises of salary, prerequisites and allowances and contributions to Provident and other Funds. The Remuneration Policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. Non-Executive Directors are not paid any remuneration except sitting fees.

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

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

Details of remuneration paid / payable during the period from 01.04.2010 to 31.03.2011 is as under:

Amount in Rs.

Name of Director	Salary	HRA	Bonus	Commis- sion	Perquisites + PF	Sitting Fee (Meeting)		Total
						Board	Commit- tee	
Sh. Sushil Jain*	3600000	1260000	----	----	544208	----	----	5461992
Sh. P.K. Kanoria	----	----	----	----	----	10000	----	10000
Sh. J.S. Varshneya	----	----	----	----	----	5000	----	5000
Sh. Vikram Prakash	----	----	----	----	----	20000	14000	34000
Dr. M. R. Jain	----	----	----	----	----	20000	20000	40000
Sh. N. S. Sharma**	900000	----	----	----	----	----	----	900000
Sh. Sanjeev Goel	----	----	----	----	----	20000	23500	43500

* Chairman & Managing Director, ** Executive Director

5. Shareholder's / Investors' Grievances Committee

Terms of Reference

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

During the year 2010-2011, only one meeting of the committee was held.

During the Year 2010 - 2011, 6 complaints were received from Shareholders / Investors. All the complaints have been resolved to the satisfaction of the complainants . There was no complaint pending as at 31.03.2011.

All valid share transfers received during the year 2010 - 2011 have been acted upon by the Company. There were no transfers pending as on 31st March, 2011.

Constitution, Meeting & Attendance thereof :-

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

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)

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

6. Share Transfer Committee

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

Name of Members	Category	Held	Committee Meetings
			Attended
Shri Sushil Jain	CMD	19	19
Shri N. S. Sharma	Director	19	19
Shri S. C. Singhal	Co. Secretary	19	19

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

7. General Body Meetings

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

Financial Year	Date	Time
2009 - 2010	16.08.2010	2.30 P.M.
2008 - 2009	29.08.2009	2.30 P.M.
2007 - 2008	29.08.2008	2.30 P.M.

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

Postal Ballot

During the year ended 31st March, 2011, there have been no ordinary or special resolutions passed by the Company's shareholders through postal ballot.

8. Reappointment of Directors

- (i) Shri Vikram Prakash (80 years) is B.Sc. Engg. (Mech) and a Member of the Institute of Engineers (MIE). He held many senior positions of Central and State Govts. Such as Director, Haryana Concast Ltd., Director, Praga Tools, Hyderabad, Director, HMT International, Bangalore, Chairman & Managing Director, Spices Trading Corporation Ltd. and Chairman & Managing Director of Project & Equipment Corporation of India Ltd. besides being Advisor to the Chairman of Asian Games held in 1982. He joined the Board on 10.01.1990 as one of the first Directors of the Company and is continuing since then. He is also on the Board of Deepak Spinners Ltd., ECE Industries Limited, Naithathi Jute Mills Co.

Limited, Noida Medicare Centre Limited, Pushpsons Industries Limited, and is also the Chairman of the Audit Committee of Deepak Spinners Ltd., ECE Industries Limited, Noida Medicare Centre Limited and a member of Audit Committee of Pushpsons Industries Ltd.

- (ii) Shri Sanjiv Goel, is a young, dynamic, Chartered Accountant of 52 years and in practice since February 1982 as a Sr. Partner in M/s. Goel Garg & Co. He has 24 years experience to his credit with exposure in all fields relating to Audit, Accounts, Finance, Taxation, Business Rehabilitation & Restructuring. He is also a Director in M/s. Alankar Securities Private Limited and M/s. ITDL Imagetec Limited.

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

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

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

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

Details only to Related party transactions have been disclosed in Note B-24 of Schedule "G" to the Accounts.

11. **Means of Communication**

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

12. **CEO / CFO Certificate**

Certificate from CEO / CFO for the Financial Year ended March 31, 2011 has been provided elsewhere in the Annual Report.

13. **General Shareholders' information**

- a). Next Annual General Meeting : As indicated in the Notice to our Shareholders, the Annual General Meeting of the Company will be held on 18th August, 2011. The time and venue of the meeting is as indicated in the notice.
- b). Financial Year : April 1st, 2010 to March 31st, 2011.
- c). Date of Book Closure : 14.08.2011 to 18.08.2011
- d). Dividend payment : N.A.
- e). Listing on Stock Exchanges :
 - Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023
- f). Stock Code
 - Bombay Stock Exchange Limited, Mumbai 523586
 - ISIN Number for NSDL / CDSL INE826B01018

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

Month	BSE	
	High (Rs.)	Low (Rs.)
April, 2010	31.50	20.80
May, 2010	26.15	19.05
June, 2010	26.95	21.25
July, 2010	30.50	23.20
August, 2010	32.80	24.60
September, 2010	32.90	23.25
October, 2010	39.00	30.50
November, 2010	36.45	25.75
December, 2010	29.25	23.50
January, 2011	27.80	20.55
February, 2011	25.25	18.50
March, 2011	20.25	16.85

[Source: www.bseindia.com]

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

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

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

i). **Distribution Schedule** : The distribution of Company's shareholding as on 31st March, 2011 was as follows:

No. of Equity Shares held			Shareholders No. (%)		No. of Shares	% of Total Shares
1	to	250	12165	86.491	1298518	16.113
251	to	500	1033	7.344	431971	5.360
501	to	1000	464	3.299	405082	5.027
1001	to	2000	186	1.322	293980	3.648
2001	to	3000	72	0.512	182750	2.268
3001	to	4000	32	0.228	113198	1.405
4001	to	5000	25	0.178	117299	1.456
5001	to	10000	49	0.348	390799	4.849
10001	&	Above	39	0.277	4825303	59.875
			14065	100.000	8058900	100.000

Shareholding Pattern as on 31st March, 2011

INDIAN TONERS & DEVELOPERS LIMITED

Category Code	Category of Shareholder	Number of Shares Holders	Total No. of Shares	No. of Shares held in dematerialized form	Total shareholding as percentage of total no. of shares As a % of (a+B)	Total shareholding as percentage of total no. of shares As a % of (A+B+C)	Share Pledged of otherwise encumbered Shares %
(A)	Shareholding of Promoter & Promoter Group²						
	(1) Indian						
	(a) Individuals/Hindu Undivided Family	10	875330	302230	10.86	10.86	-
	(b) Central Govt. / State Government(s)	-	-	-	-	-	-
	(c) Bodies Corporate	4	2828924	411024	35.10	35.10	-
	(d) Financial Institutions / Banks	-	-	-	-	-	-
	(e) Any other (specify)	-	-	-	-	-	-
	Sub - Total (A)(1)	14	3704254	713254	45.96	45.96	-
	(2) Foreign						
	(a) Individuals (Non-Resident Individuals /Foreign individuals)	-	-	-	-	-	-
	(b) Bodies Corporate	-	-	-	-	-	-
	(c) Institutions	-	-	-	-	-	-
	(d) Any Other (Specify)	-	-	-	-	-	-
	Sub-Total (A) (2)	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group						
	A) = (A)(1)+(A)(2)	14	3704254	713254	45.96	45.96	-
(B)	Public Shareholding³						
	(1) Institutions						
	(a) Mutual Funds/UTI	2	3200	0	0.03	0.03	-
	(b) Financial Institutions / Banks	-	-	-	-	-	-
	(c) Central Govt. / State Govt.(s)	-	-	-	-	-	-
	(d) Venture Capital Funds	-	-	-	-	-	-
	(e) Insurance Companies	-	-	-	-	-	-
	(f) Foreign Institutional Investor	-	-	-	-	-	-
	(g) Foreign Venture Capital Investors	-	-	-	-	-	-
	(h) Any Other(Specify)	-	-	-	-	-	-
	Sub-Total(B) (1)	2	3200	0	0.03	0.03	-
	(2) Non-Institutions						
	(a) Bodies Corporate	145	752176	738776	9.33	9.33	-
	(b) Individuals						
	i) Individual Shareholders holding nominal Share Capital up to Rs. 1 lakh	13754	2996157	1819476	37.17	37.17	-
	ii) Individual shareholders holding nominal shares capital in excess of Rs. 1 lakh	15	473063	473063	5.87	5.87	-
	(c) Others						
	(1) Directors	2	2700	2500	0.03	0.03	-
	(2) N. R. I.	14	26861	26861	0.33	0.33	-
	(3) Clearing Members	2	500	500	0.00	0.00	-
	(4) H U F	117	99989	99989	1.24	1.24	-
	Sub-Total (B) (2)	14049	4351446	3161165	53.99	53.99	-
	Total Public Shareholding						
	(B) = (B) (1) + (B) (2)	14051	4354646	3161165	54.03	54.03	-
	TOTAL (A) (B)	14065	8058900	3874419	100.00	100.00	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued						
	(1) Promoter and Promoter Group	0	0	0	0.00	0.00	-
	(2) Public	0	0	0	0.00	0.00	-

GRAND TOTAL (A)+(B)+(C)	14065	8058900	3874419	100.00	100.00	-	-
j).	Dematerialisation of Shares : Approximately 48.07 % of the total paid up share capital of the Company has been dematerialized upto March, 31, 2011						
k)	Prevention of Insider Trading : The Company has taken necessary steps to prevent Insider Trading in terms of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time to ensure protection of general Shareholders rights and interests. The Executive Director & Company Secretary is the Compliance officer in this regard.						
l).	Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity : The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.						
m).	Plant Location : 10.5 K.M. Rampur-Bareilly Road, Rampur-224 901. UP & D-11, Phase – II, Eldeco-Sidcul Industrial Park, Sitarganj – 262405, Dist. Udham Singh Nagar, Uttrakhand for its subsidiary.						
n)	Address for correspondence: Sh. S. C. Singhal, E. D. & Company Secretary, 5 E, Gopala Tower, 25, Rajendra Place, New Delhi - 110 008. Ph. No. (011) 45017000						
o)	Plant Location of subsidiary : D – II, Phase – II, Eldeco – Sidcul Industrial Park, Sitarganj – 262405, Distt. Udham Singh Nagar, Uttarkhand						

B. Non-Mandatory Requirements :

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

C. Code of Conduct:

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

CERTIFICATE

The Annual Compliance Confirmation for compliance of the Code of Conduct for the year ending 31.03.2011 has been received from all the Directors and Senior management Personnel of the Company.
 New Delhi Sushil Jain
 May 30.05.2011 Chairman & Managing Director

D. Compliance Certificate from the Auditors :

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

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

We have examined the compliance of conditions of corporate governance by INDIAN TONERS & DEVELOPERS LTD. for the year ended on 31st March, 2011, as stipulated in clause 49 of the listing agreements of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management.

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

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

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

FOR K.N.GUTGUTIA & CO.,
(B.R.GOYAL)
PARTNER
CHARTERED ACCOUNTANTS
Membership No. 12172

Date: 30th, May 2011

Place: New Delhi

CEO / CFO Certificate

We certify to the Board that :

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that they we evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of 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.

(Sushil Jain)
Chairman & Managing Director

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

Date: 30.05.2011

Place : New Delhi

AUDITORS' REPORT

INDIAN TONERS & DEVELOPERS LIMITED

TO THE MEMBERS OF INDIAN TONERS AND DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of **INDIAN TONERS & DEVELOPERS LTD** as at 31st March 2011, the related Profit and Loss Account and the cash flow statement of the company for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of our audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Further to our comments mentioned in the Annexure referred to in above paragraph, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company.
- c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the Books of Account of the Company.
 - d) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement comply with the mandatory Accounting Standards referred to in Sub-Section 3 (c) of Section 211 of the Companies Act, 1956.
 - e) According to the information and explanation given to us and on the basis of written representations received from the Directors as on 31st March 2011 of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011, from being appointed as a Director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, *subject to Note B-3(a) of Schedule-12, regarding part of Remuneration of the CMD requiring Central Government approval which is to be accounted for in the year when such approval is received* and read with the notes and Significant Accounting Policies thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011.
 - (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date;
And
 - (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

(B.R.GOYAL)
PARTNER

Membership No. 12172
ICAI'S FRN 304153E

Place : New Delhi
Date: 30th May, 2011

ANNEXURE TO THE AUDITORS' REPORT**Re: INDIAN TONERS & DEVELOPERS LIMITED**

This is the Annexure referred to in paragraph 3 of our report of even date to the members of Indian Toners & Developers Limited (the Company) for the year ended 31st March, 2011.

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanation given to us Physical verification of fixed assets has been carried out by the Management during the year and no discrepancy was noticed on such verification.
- (c) During the year the Company has not disposed off any substantial/ major part of fixed assets.
- ii) (a) As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stock, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii) (a) The company has granted loans to its subsidiary namely ITDL Imagetec Ltd., listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and outstanding as at balance sheet date was Rs.196,138,229/-. According to the information and explanations given to us, in our opinion, the terms and condition of the said loan are not prima-facie prejudicial to the interest of the Company.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the companies Act, 1956 and hence the requirements of sub clauses (f) and (g) of clause (iii) of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls in respect of these areas.
- v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year with its subsidiary, at such consideration which are reasonable having regard to the nature of strategic relationship with the company.
- vi) The Company has not accepted any public deposits. Accordingly, paragraph (vi) of the Order is not applicable to it.
- vii) In our opinion, the company has an internal audit system commensurate with the size of the company and the nature of its business.
- viii) The Central Government has not prescribed maintenance of the cost records under section 209(1)(d) of the Companies Act,1956 in respect to the companies' products.
- ix) (a) According to the information's and explanations given to us and records examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues including

provident fund , employees state insurance, income tax , sales-tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues of the aforesaid nature were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues as at 31st March,2011 of sales tax, income-tax, customs, wealth-tax, service tax, excise duty, cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Name of the Statute	Nature of the Dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
U.P. Sales Tax Act	Trade Tax	1,74,300	2000-2001	High Court (Allahabad)
	Trade Tax	5,82,009	2002-2003	High Court (Allahabad)
	Trade Tax	33,40,229	2000-2005	Supreme Court (Delhi)

- x) There are no accumulated losses of the Company as on 31st March, 2011. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) Based on our audit procedures and the information given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions or banks.
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a Chit fund Company or nidhi /mutual benefit fund/ society.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has given corporate guarantees for loans taken by its subsidiary, namely, ITDL Imagetec Ltd. and the terms of such guarantee are not prejudicial to the interest of the company in view of holding/subsidiary relationship.
- xvi) According to the information and explanations given to us, no term loan has been raised by the Company during the year.
- xvii) According to the information & explanation given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investments.
- xviii) The Company has not made any preferential allotment of shares during the year.
- xix) During the year covered by our audit report the Company has not issued secured debentures.
- xx) The Company has not raised any money by public issues during the year covered by our report.
- xxi) Based upon the audit procedures performed and the information and explanations given to us, by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

(B.R.GOYAL)
PARTNER

Place : New Delhi
Date: 30th May, 2011

Membership No. 12172
ICAI'S FRN 304153E

Balance Sheet As At 31st March 2011

Particulars	Schedule	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
I Sources of Funds			
1. Share Holders' Fund			
a. Share Capital	1	80589000	80589000
b. Reserve & Surplus	2	<u>308278546</u>	<u>293226441</u>
		388867546	373815441
2. Loan Funds			
Secured Loans	3	4690515	4663483
3. Deferred Tax Liability (Net)			
		22736882	<u>25469788</u>
	TOTAL	<u>416294943</u>	<u>403948712</u>
II Application of Funds			
1. Fixed Assets			
a. Gross Block	4	339871353	340388181
b. Less : Depreciation		230853258	218970605
Net Block		109018095	<u>121417576</u>
c. Capital Work in Progress		<u>871079</u>	-
		109889174	121417576
2. Investments			
	5	16959562	20026948
3. Current Assets, Loans And Advances			
a. Inventories	6	56054126	44004140
b. Sundry Debtors		37011784	39891470
c. Cash & Bank Balances		25695585	37328416
d. Loans & Advances		<u>264646398</u>	<u>290160446</u>
		<u>383407893</u>	<u>411384472</u>
Less : Current Liabilities and Provisions			
a. Current Liabilities	7	49892825	51440331
b. Provisions		<u>44068861</u>	<u>97439953</u>
		<u>93961686</u>	<u>148880284</u>
Net Current Assets		289446207	262504188
	TOTAL	<u>416294943</u>	<u>403948712</u>
Significant Accounting Policies & Notes on Accounts			
	12		

Schedule '1' to '12' referred above form an integral part of the Balance Sheet.

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 30th Day of May 2011

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

For and on Behalf of the Board of Directors
(N. S. SHARMA)
(SANJEEV GOEL) Directors
(SUSHIL JAIN) Chairman & Managing Director

Profit & Loss Account for the year ended on 31st March, 2011

Particulars	Schedule	For the Year Ended 31st March, 2011 Rs.	For the Year Ended 31st March, 2010 Rs.
Income			
Sales (including export benefits Rs. 6729671/- Previous year Rs. 6923531/-) (Refer Note No. B-8 of Schedule - 12)		254182531	318681371
Other Income including Interest	8	25534329	14969236
Increase (Decrease) in Stock	9	(3626564)	(9291173)
	TOTAL	<u>276090296</u>	<u>324359434</u>
Expenditure			
Manufacturing and other Expenses	10	237499635	270067219
Interest	11	910687	2554775
Depreciation/Amortisation	4	14858258	18629187
	TOTAL	<u>253268580</u>	<u>291251181</u>
Profit Before Tax		22821716	33108253
Income Tax			
- Current Tax (including Wealth Tax)		(7645787)	(14565000)
- Tax Adjustment Related to Previous Year		(2856730)	705321
- Deferred Tax Credit / (Charge)		2732906	2976865
Profit after Tax For The year		<u>15052105</u>	<u>22225439</u>
Balance Brought Forward from Previous Year		293226441	271001002
Balance Carried to Balance Sheet		<u>308278546</u>	<u>293226441</u>
Earning Per Share	12	1.87	2.76
Significant Accounting Policies & Notes on Accounts	12		
Schedule 1 to 12 referred above form an integral part of the Profit & Loss Account.			

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 30th Day of May 2011

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

(N. S. SHARMA)
(SANJEEV GOEL)
Directors

For and on Behalf of the Board of Directors
(SUSHIL JAIN)
Chairman & Managing Director

Schedule forming parts of the Accounts

Schedule '1'**Share Capital**

	As at 31st March 2011	As at 31st March 2010
Authorised		
17000000 Equity Shares of Rs. 10/- each	<u>170000000</u>	170000000
	<u>170000000</u>	<u>170000000</u>
Issued Subscribed and Paid Up		
8058900 Equity Shares of Rs. 10/- each fully paid up in cash	<u>80589000</u>	80589000
	<u>80589000</u>	<u>80589000</u>

Schedule : 2**Reserve and Surplus**

Surplus as per Profit & Loss Account

<u>308278546</u>	<u>293226441</u>
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Schedule '3'**SECURED LOAN**

	As at 31st March 2011	As at 31st March 2010
a) Cash Credit - SBI	921297	22933
b) Car Loans - ICICI Bank Ltd.-	3769218	4640550
TOTAL	<u>4690515</u>	<u>4663483</u>

NOTES :

- Working Capital facilities from State Bank of India are secured against hypothecation of raw materials, stock in transit, finished goods, stock in process, chemicals, spares and stores and book debts etc. and second charge over all the immoveable assets both present and future of the Company.
- Car Loan from the Bank is secured against the specific vehicles purchases out of the loan fund.

**Schedule forming parts of the Accounts
Schedule '4'**

Fixed Assets as at 31st march, 2011

Amount in Rs.

S.No.	Particulars	Gross Block			Depreciation Amortisation			Net Block			
		As at 01.04.2010	Additions	Deletion Adjustments	As on 31.03.2011	As at 01.04.2010	For the year	Deletion/ Adjustments	As at 31-3-2011	Net Block as at 31.03.2011	Net Block as at 31.03.2010
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Land	350255	-	-	350255	0	-	-	-	350255	350255
2	Building	17897326	-	-	17897326	7814442	597772	-	8412214	9485112	10082884
3	Plant and Machinery	286052493	798735	793199	286058029	196397369	10328054	713539	206011884	80046145	89655124
4	Electric Installations	5313145	11233	-	5324378	3195202	252776	-	3447978	1876400	2117943
5	Furniture & Fixtures	3666378	5208	-	3671580	1959307	232247	-	2191554	1480032	1707071
6	Office Equipments	9926000	1006137	216547	10715590	5933677	1466116	105144	7294649	3420941	3992323
7	Vehicles	17182583	-	3941631	13240952	3670608	1458646	2156922	2972332	10268620	13511975
8	Intangible- Product Development	-	2613237	-	2613237	-	522647	-	522647	2090590	-
	TOTAL	340388180	4434550	4951377	339871353	218970605	14686258	2975605	230863258	109018095	121417575
8	CWIP- Product Development	-	871079	-	871079	-	-	-	-	871079	-
	Grand Total:	340388180	5305629	4951377	340742432	218970605	14686258	2975605	230863258	109889174	121417575
	Previous Year:	332919614	10909602	3441235	340388181	202100612	18629187	1759194	218070605	121417576	130819002

Note :- Building, Plant & Machinery and Electrical Installation includes Rs. 2298055/-, Rs. 35601095/- (including Rs. 288885/- during the year) & Rs. 817511/- respectively towards assets for R & D purposes.

*Refer to Note 2 (c) of Schedule - 12

Schedule "5" Investments as at 31st March 2011

	No. of Shares	Face Value	As at 31st March 2011	As at 31st March 2010
		Rs.	Rs.	
A Unquoted (Long Term : Non Trade - unless otherwise stated)				
Equity Shares in ITDL USA Inc. - Subsidiary	50000	US\$ 1.00	2259562	2259562
Equity Share in ITDL Imagetec Ltd. Subsidiary Company (Trade)	510000	Rs. 10.00	5100000	5100000
Equity Share in Alankar Securities Pvt. Ltd. (Trade)	123000	Rs. 10.00	3690000	3690000
Equity Share in Triveni Securities Pvt. Ltd.	100000	Rs. 10.00	3000000	3000000
Equity Share in Mahavir Phototech Pvt. Ltd. (Unquoted - Current Non Trade)	97000	Rs. 10.00	2910000	2910000
TOTAL			16959562	16959562
B Investments in Mutual Fund (Unquoted Current - Non Trade)				
Canara Robeco Treasury Advantage Retail Monthly Divident Reinvestment			-	3067386
TOTAL			-	3067386
TOTAL (A+B)			16959562	20026948

Note : N.A.V. of Unquoted Investment in Mutual fund at 31.3.2011 Rs. NIL (Previous Year Rs. 3067386/-)

Schedule "6"

Current Assets, Loans & Advances as at 31st March 2011

Particulars	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
(A) Inventories		
Raw Materials	31319195	14319019
Raw Materials in Transit	2140320	2550270
Finished goods	1050057	4819134
Work In process	9100643	8958130
Finished Goods - Laser Printer Spare Parts (Trading Goods)	-	492426
Stores, Spares, Power & Fuel & Packing Materials	12443911	12865161
TOTAL	56054126	44004140
(B) Sundry Debtors (Unsecured, Considered Good if not otherwise stated)		
Due for more than six months (Including Rs. NIL Considered doubtful Previous Yr. Rs. 1500000/-)	5957300	9609953
Others	31054484	31781517
TOTAL	37011784	41391470
Less :- Provision for Doubtful Debts	-	(1500000)
TOTAL	37011784	39891470
(C) Cash & Bank Balances		
Cash Balance on Hand	281142	324864
Balance with Scheduled Banks in Current Account (including DD In Transit Rs. NIL Previous Yr. Rs. 600000/-)	19876953	28247492
Fixed Deposits with Scheduled Bank	8194	8194
Margin Money With Schedule Bank against L/C and Guarantee Limits (Including Interest accrued of Rs. 282290/- & Previous Yr. Rs. 15 3037/-)	5529296	8747866
TOTAL	25695585	37328416

(D) Loans and Advances (Considered good)		
Loan To Employees	127460	174800
Loan to Subsidiary Company (Current Account including interest due)	196138229	164952565
Advances recoverable in cash or in kind or for value to be received*	17955137	14133036
Advance income Tax Including TDS	44597391	100312026
Balance with Excise Department	616724	849274
Cenvat Receivable/Recoverable (including Service Tax)	3504646	4424656
Custom Claim Receivable	404633	-
Deposit with Govt. Departments & Others**	1302178	1557178
Exports Benefits Receivable / Adjustable	-	3756911
TOTAL	264646398	290160446

*including Rs. 5614937/- being UPVAT deposits under protest and the Company filed appeal against it and the same has been decided in favour of the Company during the year 2010-2011.

**Including National Saving Certificates worth Rupees 25000/- deposited with MVAT Mumbai. (Previous Year Rs. 25,000/-)

Schedule '7' Current Liabilities & Provisions as at 31st March, 2011

Particulars	As at 31st March, 2011 (Rs.)	As at 31st March, 2010 (Rs.)
Current Liabilities and Provisions		
(A) Current Liabilities		
Sundry Creditors & other Liabilities (Refer Note No. B-9 of Schedule 12)	42492459	38639931
Deposits From Dealers & other Advances	7400366	12800400
TOTAL	49892825	51440331
(B) Provisions		
For Taxation	42673888	95353100
For Leave Encashment	1394973	1911853
For Excise Duty on Closing Stock of Finished Goods*	-	175000
TOTAL	44068861	97439953
TOTAL (A + B)	93961686	148880284

*Notes : As the stocks of finished goods at 31.03.2011 is lying for export on which, no excise duty is payable, hence no provision was made for the current year.

Schedule '8'

Other Income	Year Ended 31st March, 2011 (Rs.)	Year Ended 31st March, 2010 (Rs.)
Dividend from Mutual Fund	625769	568451
Divident received from Subsidiary Company	1020000	-
Interest received from Subsidiary Company (including Tax at source Rs. 1589083/- P.Y. 974667)	15890825	9746669
Interest on Fixed Deposit & on margin money (including Tax at source Rs. 78012/- P.Y. 78390)	692775	622328
Interest Received Car Loan	12434	8177
Liabilities No Longer Required Written Back	877398	3379040
AMC Charges - Photocopier Machines	5436	4531
Long Term Capital Gain on Sale of Mutual Fund	-	67936
Short Term Capital Gain on Sale of Mutual Fund	-	1032
Miscellaneous Income*	1932054	170427
Cash Discount - Others	273004	247666
Insurance Claim	1039727	-
Custom Duty Refund of earlier year, (claim settled during the year)	404633	-
Scrap Sale	61908	45627
Notice Pay Recovery	59689	91691
Income on sale Licences under Focus scheme	2638677	-
Profit on sale of fixed assets	-	-
Gain on Forward Contract	-	15651
TOTAL	25534329	14969236

*including Rs. 1834542/- recovered during the year from MD for the assignment of the Key Man Policy in the previous year. (in view of rejection of application by the Ministry of Corporate Affairs)

Schedule '9'

	Year Ended 31st March, 2011 (Rs.)	Year Ended 31st March, 2010 (Rs.)
Increase/(Decrease) in Stocks		
Closing Stock - Finished Goods	1050057	4819134
Closing Stock - Work in progress	9100643	8958130
	<u>10150700</u>	<u>13777264</u>
Opening Stock - Finished Goods	4819134	16183238
Opening Stock - Work in Progress	8958130	6885199
	<u>13777264</u>	<u>23068437</u>
Increase / (Decrease)	<u>(3626564)</u>	<u>(9291173)</u>

Schedule '10'

Manufacturing and other Expenses

	Year Ended 31st March, 2011 (Rs.)	Year Ended 31st March, 2010 (Rs.)
Raw Materials Consumed	116104352	115670940
Packing Material, Stores & Spares Consumed	13947810	20946937
Power & Fuel consumed	38462249	38688360
Excise Duty	236452	7418463
Repairs & Maintenance		
Plant & Machinery	3803421	3607216
Building	394789	541006
Others	439604	577753
Salaries, Wages, Bonus, Allowances & Gratuity	21262576	23683430
Contribution to Provident fund	1352191	1295360
Staff Welfare	1061229	1353561
Director's Salaries, Allowances	5760000	5962500
Directors' Sitting fee	132500	80000
Rent	854383	1850873
Rates & Taxes	88778	329819
Insurance	1476432	1225374
(Including CMD's Keyman Insurance Premium Rs. 572672/-, PY Rs. 572672)		
Electricity Charges	190742	598619
Auditors Remuneration - As auditors (Refer Note B(2) of Sch-12)	100000	100000
- For other services	50000	50000
- Out of Pocket Expenses	11500	7250
Postage, Telephone, Telegram and Telex	1426177	1472606
Vehicle Running & Maintenance A/c	1788506	2181256
Printing & Stationery	584276	728755
Legal & Professional Chargs	3232085	6136880
Office Maintenance	595240	869041
Travelling & Conveyance Expenses	3834217	5243682
(including for Directors Rs. 315939/- P.Y. Rs. 1385497)		
Commission on sales	10588	1148652
Discounts, Incentives & Samples	564855	4995159
Freight, Clearing & Forwarding Expenses	10730506	10707901
Advertisement, Publicity & Sales Promotion	4632091	6694913
Miscellaneous Expenses	2840595	2917108
Foreign Exchange Fluctuation	39741	2108171
Loss on Sale of Fixed Assets	1267280	874485
Loss on Sale on Mutual Fund units	55212	1148

Bad Debts Rs. 1669258/-	169258	-
Less : Provision Utilized Rs. 1500000/-		
TOTAL	237499635	270067219

***After adjustment of recoveries expenses from Subsidiary Company ITDL Imagetec Limited.**

Schedule '11'

Interest

On Cash Credit	23511	15872
On Car Loan	356772	156248
Others	530404	2382654*
TOTAL	910687	2554775

*Include Rs. 1361312/- payment to excise department for previous year as ascertained during the year.

Schedule '12'

Significant Accounting Policies and Notes to Accounts for the Year 2010-11.

A. SIGNIFICANT ACCOUNTING POLICIES :

1. BASIS OF ACCOUNTING

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

2. FIXED ASSETS

a) Fixed Assets are stated at cost less Depreciation provided for.

b) i) Depreciation is provided on straight line method treating the Plant as continuous process Plant (except R & D Plant), at rates and in the manner as per Schedule XIV to the Companies Act, 1956 as amended vide notification dated 16th December, 1993. Depreciation on assets added / deducted during the year is charged proportionate with reference to the date of additions / deductions.

ii) Depreciation on R & D plants & machinery is charged, treating the same as non – continuous, in the same manner as mentioned above.

c) Intangible assets, represented by product development are amortized over a period of five years from the quarter in which the same is put to its commercial use.

3. IMPAIRMENT OF ASSETS

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

4. RESEARCH & DEVELOPMENT

Capital expenditure on Research & Developments is treated in the same manner as Fixed Assets. The Revenue expenditure on R & D (other than on product development) is charged off in the year in which the same are incurred. However, expenditure on development of new product is recognized as intangible

asset to the extent it is expected that such asset will generate future economic benefits.

5. EMPLOYEE BENEFITS

- Contributions payable for provident fund and employee state insurance, which are defined contribution plans are charged to profit & loss account.
- Gratuity and leave encashment which are defined benefits 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 profit & loss account on the accrual basis.

6. INVESTMENTS

- (a) All Long Term Investments are stated at cost. All the current investments are stated at cost or market rate, whichever is lower as at the date of annual accounts. However, provision of diminution in value is made for decline other than temporary in nature.
- (b) Gain / Loss on investments in Growth / Dividend plans of Mutual Funds are accounted for on sale / redemption of units.
- (c) Dividend from the Units of Mutual Funds is accounted for when the Company becomes legally entitled to it

7. INVENTORY VALUATION

- a) Finished goods: Lower of cost or net realizable value.
- b) Raw Materials, Stores & Spares, Power & Fuel and packing Materials: At or below cost.
- c) Stock in process: Lower of cost or net realizable value.
- d) Raw material and stores & spares and packing materials costs are computed on weighted average basis.
- e) Finished goods and work in process include cost of conversion and other costs incurred in bringing the inventories to their present locations and condition.

8. FOREIGN CURRENCY TRANSACTIONS

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

9. TAXATION

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.

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.

10. BORROWING COST

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

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

12. PROVISIONS AND CONTINGENT LIABILITY

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

13. REVENUE RECOGNITION

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.

14. USE OF ESTIMATES

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

15. EARNINGS PER SHARE

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

16. LEASES

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

B. NOTES ON ACCOUNTS

	Current Year Rs.	Previous Year Rs.
1. Contingent liabilities not provided for in respect of:		
a) Letters of credit established in favour of the suppliers of import of materials	38187838	30455564
b) Corporate Guarantee on behalf of Subsidiary Co. - Effective Guarantee as on 31.03.2011 - NIL (Previous year Rs. (86752658))	270000000	270000000
c) Guarantees issued by State Bank of India on behalf of Company	728009	NIL
d) Sale Tax / Trade Taxes demands against which appeals have been preferred.	5614937	10149607
e) Export obligation against advance licences.	9324457	NIL
2. Auditors' Remuneration:	Rs.	Rs.
a) As Audit Fee	100000	100000
b) As Tax Audit Fee	25000	25000
c) For Certification Fee	25000	25000
d) For Out of Pocket Expenses	11500	7250
3. Directors' Remuneration included under various heads of Profit & Loss Account :-		
a) <u>Chairman & Managing Director</u>	Rs.	Rs.
Salary (Including Personal pay) :	3600000	3600000
Contribution to P F :	252000	252000
House Rent Allowance :	1260000	1260000
Medical Reimbursement :	174996	87500
Other Perks & Allowance :	174996	204708
TOTAL :	5461992*	5404208

* The above figure of Rs.5461992/- does not includes Rs.15,32,005/- payable for the period 1st. August 2010 to 31st. March 2011 on account of enhanced remuneration payable as per Board's resolution passed on 30.05.2010 ,and approved by the sanctioning authority on 16th. August, 2010 which is pending for Central government approval. Necessary charge to P & L Account will be made on receipt of the Central Government approval. In addition to above , the company has also paid gratuity and leave encashment of Rs.19,18,269/- and Rs.781,499/- respectively at the time of his end of tenure.

b) <u>Whole Time Director</u>		
Salary :	900000	1102500
Contribution to P F :	—	8400
House Rent & other Allowance :	—	42000
Medical reimbursement :	—	5833
Other Perks :	—	34600
TOTAL :	900000	847833

Notes :

- i) Value of Perquisites have been evaluated as per Income Tax Act 1961
- ii) The above sums do not include contribution to gratuity fund and provision for leave encashment as the same is on global basis.
- iii) The remuneration paid to CMD is as per the approval of Central Government.
4. Balances in accounts of Sundry Debtors, Advances, Security deposits of dealers and creditors are subject to confirmations for the respective parties.
5. During the year company has incurred Rs.2,613,237/on product development (Colour Toners) which is recognized as intangible pursuant to AS-26 and the same has been amortised as per the accounting policy of the company.
6. 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 :

INDIAN TONERS & DEVELOPERS LIMITED

Geographical Segment :		Current Year (Rs.)	Previous Year (Rs.)
i)	Domestic Sale (Including Excise Duty) :	6,246,264	112,486,118
ii)	Export Sales (including Export Benefits) :	247,936,267	206,195,253
		254,182,531	318,681,371
b) <u>Detail of Sales</u> : (including Export Benefits on Export Sales)			
	Sales	254,182,531	318,681,371
	Excise Duty	(-) 236,452	(-) 7,418,463
	Net Sales	253,946,079	311,262,908
c) As the stocks of finished goods as on 31.03.2011 is lying for export on which, no excise duty is payable, hence no provision is made for the current year. (Previous Year Rs.175,000/- provided for)			
7. Major components of the Deferred Tax Asset and liability as at 31st March 2011 are as follows :			
		Current Year (Rs.)	Previous Year (Rs.)
(A) Deferred Tax Liability on Account of			
(a)	Depreciation / Amortisation	15912784	18273333
(b)	R & D Capital Assets	7276697	8356144
	Total (A)	23189481	26629477
(B) (B) Deferred Tax Assets on Account of			
(a)	Provision for Leave encashment	452599	649839
(b)	Provision for doubtful debts		509850
	Total (B)	452599	1159689
	Net Deferred Tax Liabilities (A - B)	22736882	25469788
8 a) Estimated benefits aggregating to Rs. 6729671 (Previous Year Rs. 6923531) against exports effected during the year has been taken into account for the year as incentive accounting in respect of duty free imports of Raw Material under Advance Licence Scheme and corresponding amount has been added to the cost of Materials.			
b) Service Tax amounting to Rs. 2739118 (Previous Year Rs. 4053756) have been treated as recoverable is subject to claim yet to be filed with Department.			
9. Suppliers covered under the Micro, Small and Medium Enterprises Development Act 2006, have not furnished the information regarding filing of necessary memorandum with appointed authority. In view of this, information required under Section 22 of the said Act is not given.			
10. Amount of Exchange difference debited to Profit & Loss Account amounted to Rs.2,524,480/-(previous year Rs.4,394,930/-) and credited to P & L A/c. amounted to Rs.2,484,739/- (Previous Year Rs.2,286,759) leaving a net of Rs.39,741/-			
11. R & D expenses included under various heads Rs. 2,813,504/- [Including Raw Material Consumption Rs.115,865& Depreciation Rs.1,688,559] (Previous year Rs.53,58,835/-Raw Material Consumption Rs.327,706/-& Depreciation Rs. 1,792,535) respectively.			
12. The Company has calculated the various benefits provided to employees as under:			
A) Defined Contribution Plans			
Provident Fund			
During the year the Company has recognized the following amounts in the Profit and Loss Account :			
		Current Year	Previous Year
For the year ended 31st March, 2011		(Rs. In. Lacs)	(Rs. In. Lacs)
Employers Contribution to Provident Fund		12.75	12.46
State Plans			
B) Employee State Insurance			
During the year the Company has recognized the following amounts in the Profit and Loss Account:			
		Current Year	Previous Year
For the year ended 31st March, 2011		(Rs. In Lacs)	(Rs. In. Lacs)
Employers Contribution to Employee State Insurance		0.77	0.50
C) Defined Benefit Plans			

- a) Gratuity
b) Leave Encashment

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

Particulars	Gratuity (Funded)*		Leave Encashment (Unfunded)*	
	Current Year	Previous Year	Current Year	Previous Year
The principal assumptions used in actuarial valuation as per below:				
· Discount rate	8%	8%	8%	8%
· Expected rate of return on assets	—	—	—	—
· Expected rate of future salary increase	6%	6%	5%	5%
Change in present value of obligations				
· Present value of obligations as at 01.04.2010	5228090	5739667	1911853	2203992
· Interest cost	368084	462432	152948	176319
· Current service cost	—	—	252686	201173
· Benefits paid/transferred	(2078056)	(974009)	(922514)	(696631)
· Actuarial loss on Obligations	—	—	—	—
· Present value of obligation as at 31.03.2011	3518118	5228090	1394973	1911853
Changes in fair value of plan assets				
	Not Available	Not Available	Not Available	Not Available
Liability recognized in the Balance Sheet				
· Present value of obligations as at 31.03.2010	—	—	1394973	1911853
· Fair value of plan assets as at the end of the year	—	—	—	—
· Unfunded status	—	—	—	—
· Unrecognised Actuarial (Gain) / Loss	—	—	—	—
· Net (Assets) / Liability recognized in Balance Sheet	—	—	1394973	1911853
Expenses recognized in Profit and Loss Account				
· Current service cost	22514	21645	252686	201173
· Interest cost	—	—	152948	176319
· Expected return on plan assets	—	—	—	—
· Net Actuarial (Gain) / Loss recognized during the year	—	—	(922514)	(669631)
· Total Expense recognized in Profit and Loss Account	22514	21645	(516880)	(292139)

*Funded with L.I.C.

13. Details of Miscellaneous Expenses :-

Particulars	Current Year	Previous year.
	Rs.	Rs.
1. Seminar Expenses	511,534	204,919
2. Repair & Maintenance to Office	158,898	92,282
3. Security Expenses	639,225	676,456
4. Charity & Donation	2,401	230,100
5. Bank Charges	333,996	853,201
6. Other Expenses	1,194,541	860,150
TOTAL	2,840,595	2,917,108

14. Loans to subsidiary company, namely, ITDL Imagetec Ltd. include accrued interest for the year amounting to Rs.15,890,825/- (Previous Year 9,746,669) . Maximum amount of loan / interest during the year Rs.196,138,229 /- (Previous year Rs.171,273,576).

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

	Leave Encashment		Discount & Incentive		Excise Duty on Closing Stock	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Balance	1911853	2203992	874437	7918000	175000	239143
Add Creations	1394973	1584384	-----	874437	-----	175000
Less						
(a) Utilizations/transferred	922514	1877123	874437	6101481	175000	239143
(b) Written Back	989339	-----	-----	1816519	-----	-----
Closing Balance	1394973	1911253	-----	874437	-----	175000

16. Particulars of unhedge foreign currency exposures as at 31.03.2011

	Current Year (Rs.)	Previous year (Rs.)
	Rs.	Rs.
Creditors for Import of Goods	27592844	15624476
Export Debtors	31491798	23813865

17. Additional in formations pursuant to paragraph 3 & 4 of part II of Schedule VI of the Companies Act, 1956 (As amended) :-

A Capacity (Toners & Developers)

	Current Year	Previous Year
	M.T.	M.T.
i) Licenced (Per Ann.)	330	330
ii) Installed (Per Ann.)	1200	1200

Note : In addition to the above, the Company has also put a Pilot Plant during the year 2002 - 2003 primarily for R & D purposes (for Toners & Developers)

* Presently the Company does not require any Industrial Licence

B. Stock, Purchases, Production & Sales

ITEMS	OPENING STOCK		PRODUCTION		SALES		CLOSING STOCK	
	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Value (Rs.)	
Toners	16.96 (42.22)	4819134 (16183238)	708.879 (788.01)	718.39 (813.27)	254182531 (318681371)	7.45* (16.96)	1050057 (4819134)	

* The difference in stock tally represents shortage/excess/damage/unserviceable stocks

Note : Figures in brackets are in relation to previous year.

C. Quantitative Details of Laser Spares Parts (Trading Goods)

ITEMS	OPENING STOCK		PURCHASE		SALES		CLOSING STOCK	
	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)
Laser Spares Parts	16342 (16342)	492426 (492426)	---	---	---	---	---	---
							(16,342)	(492426)

Note : Figures in brackets are in relation to previous year.

D. RAW MATERIAL CONSUMED:

Class of goods	Unit	Current Year		Previous Year	
		Qty	Value (Rs.)	Qty	Value (Rs.)
Toners /Chemicals	MT	717.880	116104352	820.107	115670940
Additives					

E. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS:

	Current Year (Rs.)	Previous Year (Rs.)
i) Raw Materials	119,800,385	105,267,227
ii) Stores & Spares and packing materials	220,912	3,944,753

F. MATERIAL CONSUMPTION:

CLASS OF GOODS:	IMPORTED		INDIGENOUS	
	Value in (Rs)	% of Total Consumption	Value in (Rs.)	% of total Consumption
Raw Materials	112,039,026 (112,834,721)	96.49 (97.55)	4,065,326 (2836219)	3.51 (2.45)
Stores, Spares	112,110	00.80	13,835,700	99.20
Packing materials	(4,824,081)	(23.03)	(16,122,856)	(76.97)

Note : Figures in brackets are in relation to previous year.

G. EXPENDITURE IN FOREIGN CURRENCY

	Current Year (Rs.)	Previous Year (Rs.)
i) Foreign Travels	1,528,127	2,523,594
ii) Consultancy Charges	3,144,393	4,349,284
iii) Others (Exhibition, Advertisement etc.)	2,380,848	2,753,825

H. EARNINGS IN FOREIGN EXCHANGE

FOB Value of Exports	Current Year (Rs.)	Previous Year (Rs.)
	241136015	203858700

18. Calculating of Earning Per Share

	Current Year (Rs.)	Previous Year (Rs.)
1. No. of Shares at the beginning of the year	8058900	8058900
2. No of Shares at the close of the year	8058900	8058900
3. Net Profit after Tax Rs.	15052105	22225430
4. E. P. S. Rs.	1.87	2.76

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

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

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

Particulars	Subsidiary Companies	Key Management Personnel	Relative of Key Management Personnel	Enterprises referred in (1) (d) above
Remuneration Paid	—	5461992 (5404208)	1785294 (1715436)	—
Advance / Loans given (including interest & Expenses Charged)	31185664 (7827506)	—	—	—
Rent Paid/ Expenses recovered/Interest Received	4430376 (3396687) 15890825 (9746669)	— — — —	— — — —	43000 (132000)
Sales of Goods	1675798 (1264411)	— —	— —	—
i) Outstandings:				
Balances as at year end (balances due from the Company)	196138229 (164952565)	— —	— —	— (3870000)
ii) Corporate Guarantee given on behalf of the subsidiary co.	270000000 (270000000)	— —	— —	—

Note :-

- i) Figures in the bracket are for the previous year.
- ii) In addition to above during the year, from a Subsidiary company, goods worth Rs.3,650,079/-(Previous Rs. 4,054,000) &Rs.3,570,370/- (Previous Year Rs.1,264,411/-) have been purchased & sold respectively on high seas basis and also sold licences under focus scheme of Rs.2,638,677/- during the year.(Previous Year Rs. Nil)
- 20. Previous year's figures have been regrouped / re arranged whenever necessary to make them comparable with those of the current year.
- 21. Balance Sheet, Abstract and Company's General Business Profile As per Schedule VI, Part (IV) of The Companies Act, 1956

I. Registration Details

State Code	20	Registration No.	15721
Balance Sheet Date	31.03.2011		

II Capital Raised during the year (Amount Rs. Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

	Total Liabilities	Total Assets
Sources of Funds	416294	416294
	Paid-up Capital	Reserve & Surplus
	80589	308278
Application of Funds	Secured Loans	Deffered Tax (Net)
	4690	22736
	Net Fixed Assets	Investments
	109889	16959
	Net Current Assets	Misc. Expenditure
	289446	—

Accumulated Losses

IV Performance of Company (Amount in Rs. thousands)

Turnover including Other Incomes	Total Expenditure
279716	256895
Profit Before Tax	Profit After Tax
22822	15052
Earning Per Share in Rs.	Dividend Rate
1.87	NIL

V. Generic names of Three Principal Products of Company

Item Code No.	37079001
Product Description	Toners for Photocopiers

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 30th Day of May 2011

For and on Behalf of the Board of Directors

(S.C. SINGHAL)

Executive Director
& Company Secretary

(N. S. SHARMA)

(SANJEEV GOEL)
Directors

(SUSHIL JAIN)

Chairman & Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

A.	CASH FLOW ARISING FROM OPERATING ACTIVITIES	Current Year (Rs.)	Previous Year (Rs.)
	Net Profit before tax	22821716	33108253
	Adjustment for		
	Depreciation & Amortisation	14858258	18629187
	Loss / (Profit) on sale of Fixed Assets	1267280	874485
	Interest Expenses	910687	2554775
	Provision for leave encashment	385486	1584984
	Bad Debt / Irrecoverable Advances written off (Net of Write-In)	169258	-
	Unrealised (Gain)/Loss on Exchange Difference	504381	2108171
	Miscellaneous exp. written off (Net of Write in)	-	(408048)
	Liability no longer required written back	(877398)	2970992
	Interest Income	(16596034)	(10377174)
	Loss / (Profit) on sale of Current Investment (Non Trade)	55212	(67820)
	Income from Current Investments (Non Trade) Dividend	(1645769)	(568451)
	Operating Profit Before Working Capitals Changes	21853077	50409354
	Adjustments For		
	(Increase) / Decrease in Trade & Other Receivables	56553412	35582949
	(Increase) / Decrease Inventories	(12049986)	33176542
	(Increase) / Decrease Trade & Other Payables	(54931069)	(90276853)
	Cash Generated From Operations	11425434	28891992
	Direct Taxes including Wealth Tax (Net of Refund)	(7645787)	(14565000)
	Net Cash Inflow / (outflow) in course of Operating Activities (A)	3779647	14326992
	B. CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase / Sale of fixed assets/ CWIP (Net)	(4597137)	(10102246)
	Purchase / Sale of investments (Net)	3012174	11046012
	Loan and Advance to Subsidiary company	(31185664)	(7827506)
	Interest (Including Rs. 15890825/- from Subsidiary Co.)	16596034	10377174
	Dividend Received (Including Rs. 1020000/- from Subsidiary Co.)	1645769	568451
	Net Cash Inflow / (outflow) in course of Investing Activities (B)	(14528824)	4061885
	C. CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from / Payments for long Terms and Short Term Borrowing	27032	1717627
	Interest Payments	(910687)	(2554775)
	Net Cash Inflow / (outflow) in course of Financing Activities (C)	(883655)	(837148)
	Net Increase / (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	(11632832)	17551729
	Cash And Cash Equivalents As At 31.03.2010	37328416	19776687
	Cash & Cash Equivalent As At 31.03.2011	25695585	37328416

Notes : (1)The Above Cash Flow Statements has been prepared under the 'In direct Method' set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.

(2) Previous Years figures have been regrouped / rearranged wherever necessary.

(3) Cash & Cash Equivalents include Margin Money against L/C & B/G Rs.55,29,297 (Previous Year Rs.87,47,866)

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 30th Day of May 2011

(S.C. SINGHAL)

Executive Director

& Company Secretary

(N. S. SHARMA)

(SANJEEV GOEL)

Directors

For and on Behalf of the Board of Directors

(SUSHIL JAIN)

Chairman & Managing Director

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

Name of the Subsidiary	ITDL, (U.S.A.) Inc.	ITDL IMAGETEC LTD.
The Financial Year of the Subsidiary Company ended on	31 st March 2011	31 st March 2010
Holding Company	31 st March 2011	31 st March 2010
Holding Company's interest	100%	51%
Share held by the Holding Company in the subsidiary	50000 Shares @ 1\$ each	510000 Shares @ Rs. 10 each
Net aggregate amount of Profit / (Loss) of the subsidiary so far as it concerns the Members of the Holding Company and is not dealt with in the Accounts of the Holding Company.		
a. For the financial year ended on March 31, 2011 (Rs.)	Rs. 209063	Rs. 31398262
b. For the other previous financial years of the Subsidiary since it became a Subsidiary (Rs.)	(1528714)	(15206288)
Net aggregate amount of Profit / (Loss) of the subsidiary so far as it concerns the Members of the Holding Company and is dealt with in the Accounts of the Holding Company.		
a. For the financial year ended on March 31, 2011 (Rs.)	NIL	NIL
b. For the other previous financial years of the Subsidiary since it became a Subsidiary (Rs.)	NIL	NIL

For and on Behalf of the Board of Directors

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

(N. S. SHARMA)
(SANJEEV GOEL)
Directors

(SUSHIL JAIN)
Chairman & Managing Director

Place : New Delhi
Date: 30th May, 2011

AUDITORS' REPORT

ITDL (U.S.A) Inc.

TO THE MEMBERS OF ITDL (U.S.A.) Inc.

1. We have verified the attached Balance Sheet of ITDL-USA Inc., (the Company) incorporated in USA as at 31st March 2011, the related Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto, all being made out in accordance with the requirement of Indian Companies Act, 1956, from the certified accounts of the body corporate under the statute of the country of its incorporation and additional certified returns which have been relied upon by us. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 is not applicable to the Company in view the that Company is incorporated outside India.
4. Further to our comments mentioned in the Annexure referred to in above paragraph we report that:
 - a) Proper returns necessary for making out the accounts in accordance with the requirement of Indian Companies Act, 1956 were received.

- b) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - c) In our opinion, proper books of account as required by the Indian law have been kept by the Company so far as appears from our examination of the books of the Company.
 - d) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the Books of Account of the Company.
 - e) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the mandatory Accounting Standards as are applicable to a Company incorporated in India.
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said Accounts, and read with the notes thereon and Significant Accounting Policies, there on give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011,
 - (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- And
- (iii) In the cases of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

FOR K.N.GUTGUTIA & CO.,

(B.R.GOYAL)
PARTNER

CHARTERED ACCOUNTANTS
Membership No. 12172
ICAI'S FRN 304153E

Place : New Delhi
Date: 30th May, 2011

Balance Sheet As At 31st March 2011

Particulars	Scheulde	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
I Sources of Funds			
1. Share Holders' Fund			
Share Capital		2259562	2259562
Exchange Fluctuation Reserves		(550842)	(1051366)
	TOTAL	<u>1708720</u>	<u>1208196</u>
II Application of Funds			
Fixed Assets			
Gross Block	48739	48739	
Less : Depreciation	<u>48739</u>	<u>48716</u>	
			23
Current Assets, Loans And Advances			
Inventories	1349160	309900	
Sundry Debtors	-	1445152	0
Cash & Bank Balance	<u>528189</u>	<u>169498</u>	
	1877349	1924550	
Less : Current Liabilities and Provisions			
Sundry Creditors & Expenses Payable	1488280	2245091	
Net Current Assets		389069	(320541)
Profit & Loss Account	<u>131951</u>	<u>1528714</u>	
	TOTAL	<u>1708720</u>	<u>1208196</u>
Notes of Accounts & Significant Accounting Policies	1		

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 30th Day of May 2011

For and on Behalf of the Board of Directors

(SUSHIL JAIN)

Director

Profit & Loss Account for the year ended on 31st March, 2011

PARTICULARS	For the Year Ended 31st March, 2011 Rs.	For the Year Ended 31st March, 2010 Rs.
INCOME		
Sales	7527815	7817399
Closing Stock	1349160	309900
TOTAL	<u>8876975</u>	<u>8127299</u>
EXPENDITURE		
COST OF SALE		
Opening Stock	309900	350070
Purchase	8118170	7225362
Add : Storage Charges	_____	49704
	8428070	7625136
SELLING, GENERAL & OTHER EXPENSES		
Other Expenses	239819	113779
Depreciation	23	10007
	239842	123786
TOTAL	<u>8667912</u>	<u>7748922</u>
PROFIT / (LOSS) FOR THE YEAR	209063	378377
BALANCE BROUGHT FORWARD FROM THE PREVIOUS YEAR	(1528714)	(1907091)
BALANCE CARRIED TO BALANCE SHEET	<u>(1319651)</u>	<u>(1528714)</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	1	

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 30th Day of May 2011

For and on Behalf of the Board of Directors

(SUSHIL JAIN)
Director

SCHEDULE 12

Significant Accounting Policies & Notes to Accounts for the Year 2011

A. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

2. FIXED ASSETS

- a). Fixed Assets are stated at cost less Depreciation provided for.
- b). Depreciation have been charged on straight line method over a period of 5 years.

3. INVENTORY VALUATION

- a) Finished Goods – Lower of cost or net realizable value.

4. FOREIGN CURRENCY TRANSACTIONS

Transactions in Foreign currencies are recorded at the rate of exchange prevailing at the dates of transactions or approximate near to the dates of transaction.

Foreign currency assets and liabilities, other than for financing fixed assets, which are adjusted to the carrying cost of such assets are stated at the rate of exchange corresponding to the denominated currency (i.e. currency in which original transactions took place) at the year end and the resultant gains / losses are recognized in the Profit and Loss Account of the year.

For conversion of accounts into Indian Currency, the assets and liabilities (except fixed assets & capital) are restated at rates prevailing on the closing date of the year and revenue items are translated at average rates of the year and resultants difference is taken to Exchange Fluctuation Reserve.

5. TAXATION

Income Tax is provided in accordance with Federal Tax Laws of U.S.A.

B. NOTES TO ACCOUNTS :

1. Accounts of the Company (a wholly owned subsidiary of Indian Toners & developers Ltd., a company incorporated in India), incorporated in U.S.A.; based upon the returns and information received, have been made out as per requirement of Companies Act, 1956 of India, in due adherence of sub section 2 (a) and 2(b) of section 212 of Companies Act, 1956 of India,. This entailed drawing up the Balance Sheet, Profit & Loss Account and Cash Flow Statement (including Auditor's Report thereon) of the subsidiary in a manner so as to make it appear conforming to requirements of Indian Companies Act 1956 of India, for the purpose of annexing the particulars of the Company with the holding Company pursuant to the provisions of section 212(1) of the Companies Act, 1956 of India and translation of treatment of various heads of accounts in terms of accounting standards referred to in section 211(3c) of the Companies Act, 1956 of India, read with accounting policy of parent Company, the latter being embarked upon to facilitate the cause of consolidation with the holding company as required under AS – 21, issued by ICAI and presentation of accounts in terms of schedule VI of the Companies Act, 1956 of India, including disclosure of necessary information as laid down under section 211(2) of Companies Act, 1956 of India.

2 Related Party Transactions:

The Company has entered into transactions with the following related parties
Holding Company- INDIAN TONERS & DEVELOPERS LTD.

Purchase of goods Rs. 8118170
Due to holding Company as at the end of the Year xRs. 1349160

3. Based on the guiding principle given in the Accounting Standard on "Segment Reporting" (AS-17) issued by The Institute of Chartered Accountants of India, the Company of the opinion that its primary Business Segment is Toners & Developers mainly having similar risk and returns. As the Company's Business activity falls within a single primary Segment, the disclosure requirements of the said AS - 17 in this regard are not applicable.

4. For the purpose of conversion of accounts into Indian Currency, following Rates are applied.
Average Rate for 2010-2011 1USD = INR 45.593
As on 31.03.2011 1 USD= INR 44.59

5. Item	Opening Stock		Purchase			Sale		Closing Stock	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	
Toners	(Mt.)	(Rs.)	(Mt.)	(Rs.)	(Mt.)	(Rs.)	(Mt.)	(Rs.)	
Current Year	1.00	309,900	20.26	8,118,170	20.26	7,527,815	1.00	—*	
Prev. Yr.	1.00	350,070	19.80	7,225,362	19.80	7,817,399	1.00	309,900	

Note * : Closing Stock as on 31.03.2011 have no realizable value.

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 30th Day of May 2011

For and on Behalf of the Board of Directors

(SUSHIL JAIN)

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	Current Year (Rs.)	Previous Year (Rs.)
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES		
Net Profit before tax	209063	378377
Adjustment for		
Depreciation	23	10007
Operating Profit Before Working Capitals Changes	209086	388384
Adjustments For		
(Increase) / Decrease in Trade & Other Receivables	1445151	(1445151)
(Increase) / Decrease Inventories	(1039260)	40170
(Increase) / Decrease Trade & Other Payables	(756811)	(555798)
Cash Generated From Operations	(141834)	(1572395)
Direct Taxes Paid	-	-
Net Cash Inflow / (outflow) in course of Operating Activities (A)	(141834)	(1572395)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / Sale of fixed assets / CWIP (Net)	-	-
Net Cash Inflow / (outflow) in course of Investing Activities (B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital	-	-
Net Cash Inflow / (outflow) in course of Financing Activities (C)	-	-
D. FOREIGN CURRENCY TRANSACTION DIFFERENCE ON CONSOLIDATION		
Net Cash Inflow / (outflow) in course of Foreign Currency transaction activities (D)	500525	25260
Net Increase / (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)+(D)	358691	(1547135)
Cash And Cash Equivalents As At 31.03.2010	169498	1716633
Cash & Cash Equivalent As At 31.03.2011	528189	169498

Notes :

- (1) The Above Cash Flow Statements has been prepared under the 'In direct Method' set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.
- (2) Previous Years figures have been regrouped / rearranged wherever necessary.

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 30th Day of May 2011

For and on Behalf of the Board of Directors

(SUSHIL JAIN)
Director

DIRECTORS' REPORT

ITDL IMAGETEC LIMITED

To,
The Members,
Your Directors have pleasure in presenting the 5th Annual Report alongwith the Accounts for the year ended March 31, 2011.

OPERATIONS

During the year your Company achieved a turnover of Rs. 3727 lacs as against Rs. 2777 lacs during the preceding year. The net profit (after tax) was Rs. 616 lacs (including provision of Rs. 196 lacs for Mat Credit Entitlement) during the year as against Rs. 308 lacs in the previous year. The production during the year was 695.11 MT as compared to 512 MT in the last year.

DIVIDEND

The Board of Directors have recommended a dividend of 20%. The dividend for financial year 2010 – 2011 shall be in addition to Corporate Dividend tax to be paid by the Company. The total outflow on account of dividend for 2010 – 2011 is Rs. 23.24 lacs including dividend distribution tax.

PROSPECTS

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

FIXED DEPOSITS

The Company has not invited any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed that :

- (I) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (II) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (III) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (IV) The directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/S K.N. GUTGUTIA & CO., Chartered Accountants, New Delhi, the Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for appointment. The Requisite Certificate under Section 224(1B) of the Companies Act, 1956 has been received from them.

PERSONNEL

The Board wishes to express its deep appreciation to all sections of the employees for their whole hearted efforts, co-operation and outstanding contribution to the growth of the Company during the year.

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

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

The additional information as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is as under :

(a) Conservation of Energy : Regular supervision and controls are being maintained in areas where steps have already been taken for the conservation of energy.

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

(c) Foreign Exchange Earning and Outgo :

	Rs. in Lacs	
	20010-11	2009-10
I) Total Foreign Exchange Used		
i) Import of Raw Materials	1202.24	695.82
ii) Import of Stores & Spares and Packing Material	8.47	-
iii) Foreign Travel	0.89	-
TOTAL	1211.60	695.82
(II) Total Foreign Exchange earned	NIL	NIL
(on FOB basis)		

ACKNOWLEDGEMENT

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

Place : New Delhi
Date: 30th May, 2011

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

AUDITORS' REPORT

ITDL IMAGETEC LIMITED

AUDITORS' REPORT TO THE MEMBERS OF ITDL IMAGETEC LTD.

1. We have audited the attached Balance Sheet of ITDL IMAGETEC LTD. as at 31st March 2011, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexured thereto, which we have signed under reference to this report. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanation given to us during the course of our audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments mentioned in the Annexure referred to in above paragraph, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of the Company.
 - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by the report are in agreement with the Books of Account of the Company.
 - d) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement comply with the mandatory Accounting Standards referred to in Sub-Section 3 (c) of Section 211 of the Companies Act, 1956.
 - e) According to the information and explanation given to us and on the basis of written representations received from the Directors as on 31st March 2011 of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011, from being appointed as a Director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the notes and Significant Accounting Policies thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011.
 - (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date;
And
 - (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

Place : New Delhi
Date: 30th May, 2011

ANNEXURE TO THE AUDITORS' REPORT

Re : ITDL IMAGETEC LTD.

This is the Annexure referred to in Paragraph 3 of our report of even date to the members of ITDL Imagetec Ltd. (the Company) for the year ended 31st March, 2011.

Referred to in paragraph 3 of our report of even date.

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As per the information and explanation given to us Physical verification of fixed assets has been carried out by the Management at the close of the year and no discrepancy was noticed on such verification.
- (c) During the year the Company has not disposed off any substantial/ major part of fixed assets.
- ii) (a) As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stock, the frequency of the physical verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account
- iii) (a) The Company had not granted any loans to companies, firm or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has taken unsecured loan from its Holding Company listed in the register maintained under Section 301 of the Companies Act, 1956 and the maximum amount involved outstanding as at balance sheet date was Rs.196,138,229/- (Including Interest). According to the information and explanations given to us, in our opinion, the terms and condition on which the said loan has been taken are prima facie not prejudicial to the interest of the Company. The Company is not paying accrued interest as the same becomes part of the total outstanding on which further interest is charged.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, We have not observed any continuing failure to correct major weakness in internal controls in these areas.
- v) a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the year with its Holding Company, at such consideration which are reasonable having regard to the nature of strategic relationship with the company.
- vi) The Company has not accepted any public deposits. Accordingly, paragraph (vi) of the Order is not applicable to it.
- vii) In our opinion, the company has no internal audit system as the Company is yet to commence its commercial activities.
- viii) The Central Government has not prescribed maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956 in respect to the companies' products.

- ix) (a) According to the information's and explanations given to us and records examined by us , the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund , employees state insurance, income tax , sales-tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues of the aforesaid nature were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there was no dues as at 31st March, 2011 of sale tax, income-tax, customs, wealth-tax, service tax, excise duty, cess which have not been deposited on account of disputes.
- x) As the Company has been registered for a period of less than five years, hence, 4(x) of the Order is not applicable to it.
- xi) Based on our audit procedures and the information given by the management, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institution/Bank
- xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/ or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a Chit fund Company or nidhi /mutual benefit fund/ society.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, Company has not given any guarantees for loans taken by others from bank or financial institutions.
- xvi) According to the information and explanations given to us, the term loans raised during the year were applied to the purposes for which the same were availed.
- xvii) According to the information & explanation given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investments.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) During the year covered by our audit report the Company has not issued secured debentures.
- xx) The Company has not raised any money by public issues during the year covered by our report.
- xxi) Based upon the audit procedures performed and the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Place : New Delhi
Date: 30th May, 2011

Membership No. 12172
ICAI'S FRN 304153E

Balance Sheet As At 31st March 2010

	Schedules	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
I. Sources of Funds			
1. Share Holders' fund			
a) Share Capital	1	10000000	10000000
b) Reserve and Surplus	2	<u>86724846</u>	<u>27484077</u>
		96724846	37484077
2. Loans Funds			
a) Secured Loans	3	-	86752658
b) Unsecured Loan	4	<u>196138228</u>	<u>164952565</u>
		196138228	251705223
3. Deferred Tax Liability (Net)		<u>13422685</u>	7974178
TOTAL		<u>306285759</u>	<u>297163478</u>
II. Application of Funds			
1. Fixed Assets	5		
(a) Gross Block		269594661	242994292
(b) Less : Depreciation		<u>21105566</u>	<u>9979426</u>
Net Block		<u>248489095</u>	<u>233014866</u>
(c) Capital Work in Progress		-	<u>18612297</u>
		248489095	251627163
2. Current Assets, Loans and Advances	6		
(a) Inventories		54501130	36666923
(b) Sundry Debtors		34369021	47882565
(c) Cash & Bank Balances		16433536	17952942
(d) Loans & Advances		<u>47710611</u>	<u>14252959</u>
		<u>153014298</u>	<u>116755389</u>
Less : Current Liabilities and Provisions	7		
(a) Current Liabilities		71771786	58727663
(b) Provisions		<u>23445848</u>	<u>12639553</u>
		<u>95217634</u>	<u>71367216</u>
Net Current Assets		57796664	45338173
3. Miscellaneous Expenditure (to the extent not written off or adjusted)		-	<u>148142</u>
TOTAL		<u>306285759</u>	<u>297163478</u>

Significant Accounting Policies
& Notes on Accounts

12

Schedule 1 to 12 referred above form an integral part of the Balance Sheet

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 30th Day of May 2011

For and on Behalf of the Board of Directors

(SANJEEV GOEL) **(N. S. SHARMA)** **(SUSHIL JAIN)**
Director Director Director

Profit & Loss Account for the year ended on 31st March, 2011

	Schedules	For the Year Ended 31st March, 2011 Rs.	For the Year Ended 31st March, 2010 Rs.
<u>Income</u>			
Sales		372734912	277702057
Other Income	8	5075635	2374312
Increase / (Decrease) in stocks	9	(3003255)	16450769
	TOTAL	<u>374807292</u>	<u>296527138</u>
<u>Expenditure</u>			
Manufacturing and other Expenses	10	286175057	223000684
Interest	11	18434724	16753312
Depreciation		11126140	9921769
	TOTAL	<u>315735921</u>	<u>249675765</u>
Profit Before Tax		59071371	46851373
Income Tax			
- Minimum Alternate Tax		(11662082)	(8020000)
- Deferred Tax (Charge) / Credit		(5448507)	(7974178)
- MAT Credit Entitlement (Refer Note-6 of Schedule 12)		19604437	-
Profit after Tax For The year		61565219	30857195
Balance Brought Forward from Previous Year		27484077	(1040943)
Balance Available for Appropriation		<u>89049296</u>	<u>29816252</u>
Proposed Dividend on Equity Shares		2000000	2000000
Divident Distribution Tax		324450	332175
Balance Carried to Balance Sheet		<u>86724846</u>	<u>27484077</u>
Earning / (Loss) per share	12	61.57	30.86

Significant Accounting Policies
& Notes on Accounts

Schedule 1 to 12 referred above are integral part of the Profit & Account

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 30th Day of May 2011

For and on Behalf of the Board of Directors

(SANJEEV GOEL)
Director

(N. S. SHARMA)
Director

(SUSHIL JAIN))
Director

Schedules forming Part of the Accounts

Schedule '1'

Share Capital	As at 31st March 2011	As at 31st March 2010
Authorised		
1000000 Equity Shares of Rs. 10/- each	<u>10000000</u>	<u>10000000</u>
	<u>10000000</u>	<u>10000000</u>
Issued Subscribed and Paid Up		
1000000 Equity Shares of Rs. 10/- each fully paid up in cash (Out of above 510000 Equity Shares are held by the Holding Company, Indian Toners & Developers Ltd.)	<u>10000000</u>	<u>10000000</u>
TOTAL	<u>10000000</u>	<u>10000000</u>

Schedule : 2

Reserve and Surplus		
Surplus as per Profit & Loss Account	<u>86724846</u>	<u>27484077</u>
TOTAL	<u>86724846</u>	<u>27484077</u>

Schedule : 3

Secured Loan		
Term Loan from Banks (Indian Currency)	-	27017195
Term Loan from Banks (Foreign Currency)	-	59735463
TOTAL	<u>-</u>	<u>86752658</u>

Schedule : 4

Unsecured Loans		
Unsecured Loan from the Holding Company	<u>196138228</u>	<u>164952565</u>
(Including Interest accrued)	<u>196138228</u>	<u>164952565</u>
TOTAL	<u>196138228</u>	<u>164952565</u>

NOTES :

- 1 Term Loan from State Bank of India was secured against first charge on the entire fixed assets (present & future) of the company created out of the loan including Equitable Mortgage of the factory land & building and collateral of Equitable mortgage of factory land & building of M/s ITDL, the holding company as well as first charge on the entire fixed assets and P & M(excluding land & building) of ITDL at Rampur and the corporate guarantee of the holding company. The entire outstanding amount including the interest thereon has been fully paid off during the current year.
- 2 Working Capital facilities from State Bank of India are secured against hypothecation of raw material, stock in transit, finished goods, stock in process, chemicals, spares and stores and book debts and charge on the entire fixed assets (present & future) of the company created out of the loan including equitable mortgage of the factory land & building at Sitarganj and collateral of equitable mortgage of factory land & building of M/s ITDL as well as first charge on the fixed assets and plant & machinery (excluding land & building) of the holding company at Rampur and corporate guarantee of the Holding company i.e. Indian Toners & Developer Limited. There is no outstanding amount as at 31st March 2011.

Schedule forming part of the Accounts

Schedule : 5 :

Fixed Assets

S.No.	Particulars	Amount in Rs.									
		Gross Block			Depreciation Amortisation			Net Block		Net Block	
		As at 01.04.2010 Rs.	Additions during Adjustments Rs.	Deletion Rs.	As on 31.03.2011 Rs.	As at 01.04.2010 Rs.	For the year Rs.	Deletion/ Adjustments Rs.	As at 31.3.2011 Rs.	Net Block as at 31.03.2011 Rs.	Net Block as at 31.03.2010 Rs.
1	Land(Freehold)	32728542	-	-	32728542	-	-	-	-	32728542	32728542
2	Building	57035375	73477	-	57108852	1896173	1907032	-	3803205	53305647	55139202
3	Plant and Machinery	143283532	20872136	456703	163698965	7488338	8424432	-	15912770	147786195	135795194
4	Electric Installations	6276651	1597645	-	7874296	296408	356145	-	652553	7221743	5980243
5	Furniture & Fixtures	1806831	538348	-	2345179	83315	126588	-	209903	2135276	1723516
6	Office Equipments	1345026	1361561	-	2706587	124668	261342	-	386010	2320577	1220358
7	Vehicles	518335	2613905	-	3132240	90524	50601	-	141125	2991115	427811
	TOTAL	242994292	27057072	456703	269594661	9979426	11126140	-	21105566	248486095	233014866
	Previous Year :	242952015	260807614	242153040	261606589	59227	9921769	1570	9979426	251627163	242892798

Note :-

- (1) Adjustment in plant & machineries represents refund from DGFT of excise duty against the purchase capital assets under EPGC scheme.
(2) Addition during the year under the head plants & machineries includes Rs. 936210/- on account of exchange loss actually incurred on full and final payment of foreign currency loan. (Previous Year gain of Rs. 8918229 which was deducted from the cost).

Schedule "6" Schedule Forming Part of the Accounts

	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
Current Assets, Loans & Advance		
(A) Inventories		
Raw Materials	26581991	10528140
Raw Materials in Transit	8036678	4230547
Finished goods	9739716	14296818
Work In process	3707798	2153951
Stores, Spares, Power & Fuel & Packing Materials	6434947	5457467
TOTAL	54501130	36666923
(B) Sundry Debtors		
(Unsecured, Considered Good (if not otherwise stated))		
Due for more than six months	4840307	2612718
Others	29528714	45269847
TOTAL	34369021	47882565
(C) Cash & Bank Balances		
Cash Balance on Hand	230617	268917
Balance with Scheduled Banks in Current Account (including cheque in hand)	9743775	8262358
Fixed Deposits with Scheduled Bank	4000000	-
Margin Money With Schedule Bank against L/C and Guarantee Limits	2459144	9421667
TOTAL	16433536	17952942
(D) Loans and Advances (Considered good)		
Advances recoverable in cash or in kind or for value to be received*	5010681	3065187
Advance income Tax Including Tax deducted at source	20252378	8541705
Focus scheme Licence in hand	979692	1051822
Deposit with Govt. Departments & Others	1863423	1594245
MAT Credit Entitlement (Refer Notes 9 of schedule 12)	19604437	-
TOTAL	47710611	14252959

Note : *includes the Rs. 1997617/- being UPVAT deposits under protest and the Company filed appeal against it and the same has been decided in favour of the Company during the year 2010-2011.

Schedule '7' Current Liabilities & provisions**Current Liabilities and Provisions**

(A) Current Liabilities		
Sundry Creditors & other Liabilities	53698829	45806966
Deposits From Dealers & other Advances	18072957	12920697
TOTAL	71771786	58727663
(B) Provisions		
For Taxation	19682082	8020000
For Proposed Dividend	2000000	2000000
For Dividend Distribution Tax	324450	332175
For Gratuity	-	98373
For Leave Encashment	1439316	2189005
TOTAL (A + B)	23445848	12639553

Schedule '8'**Other Income**

	Year Ended 31st March, 2011 (Rs.)	Year Ended 31st March, 2010 (Rs.)
Interest on deposits with Banks (TDS Rs. 209186/-, Previous Year Rs. 77350/-)	1116073	766991
Dividend from Mutual Fund	825204	58668
Foreign Exchange Fluctuation	-	744571
Sundry Balances and/or liabilities no longer required written back	2411239	7554
AMC Charges - Photocopier Machines	12451	24805
STCG on sale of Mutual Fund	-	10880
Cash Discount	392712	272919
Scrap Sale	19133	10789
Notice Pay Recovery	131099	-
Miscellaneous Income	167724	477135
TOTAL	5075635	2374312

Schedule '9'**Increase/(Decrease) in Stocks**

Closing Stock - Finished Goods	9739716	14296818
Closing Stock - Work in progress	3707798	2153951
	<u>13447514</u>	<u>16450769</u>
Opening Stock - Finished Goods	14296818	-
Opening Stock - Work in Progress	2153951	-
	<u>16450769</u>	<u>-</u>
Increase / (Decrease)	<u>(3003255)</u>	<u>16450469</u>

Schedule '10' Manufacturing and other Expenses

Raw Materials Consumed	113927956	86003628
Packing Material, Stores & Spares Consumed	18115268	13956772
Power & Fuel consumed	21103728	14208049
Repairs & Maintenance		
Plant & Machinery	883713	258174
Building	89826	124692
Others*	1787854	906908
Salaries, Wages, Bonus, Allowances & Gratuity	34160343	33315348
Contribution to Provident fund & ESI	1928630	1715983
Staff Welfare	828810	848295
Directors' Sitting fee	30500	12000
Rent*	2636921	2284777
Rates & Taxes	957243	384675
Insurance	735887	247748
Postage, Telephone, Telegram and Telex	1279165	1317294
Printing & Stationery	449378	539717
Electricity Expenses*	571957	961848
Vehicle Running & Maintenance Expenses*	1290216	215765
Recruitment Expenses*	1335289	94282
Legal & Professional Charges	2390465	1030746
Auditors Remuneration (Refer to Note B-2 of Sch-12)	100000	100000
Out of Pocket Expenses (Inc. Service Tax)	10300	10834
Commission on Sales	1651382	3448450
Discounts, Incentives & Samples	49854244	37424240
Freight, Clearing & Forwarding Expenses	10865145	10304950
Advertisement, Publicity & Sales Promotion	1635012	800090
Travelling & Conveyance Expenses	12358269	10283532
Miscellaneous Expenses (Refer with 11 Schedule 12)	3006783	2146422
Foreign Exchange Fluctuation - Loss	1950051	-
Loss on Sale of Fixed Assets	-	18430
Loss on Sale on Mutual Fund	92500	-
Preliminary Expenses Amortised	148142	37036
TOTAL	286175057	223000684

* These expenses include payments (as reimbursements / sharing of expenses) to the Holding company also.

Schedule '11'**Interest**

On Term Loan	66522	4330564
On Cash Credit	36311	17638
On Security Deposits	652791	469192
On Loan from Holding Company	15890825	9746669
On Others-Foreign Currency Loan	1788275	2189249
TOTAL	<u>18434724</u>	<u>16753312</u>

Schedule '12'

Significant Accounting Policies and Notes to Accounts for the Year 2010-11 :-

A. SIGNIFICANT ACCOUNTING POLICIES :**1. BASIS OF ACCOUNTING**

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

2. FIXED ASSETS :

- a) Fixed Assets are stated at cost less Depreciation provided for.
- b) Depreciation is provided on straight line method treating the Plant as continuous process Plant at rates and in the manner as per Schedule XIV to the Companies Act, 1956 as amended vide notification dated 16th December, 1993. Depreciation on assets added / deducted during the year is charged proportionate with reference to the date of additions / deductions.

3. IMPAIRMENT OF ASSETS

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

4. EMPLOYEE BENEFITS :

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

5. INVESTMENTS

- (a) All Long Term Investments are stated at cost. All the current Investments are stated at cost or market rate whichever is lower as at the date of annual accounts. However, provision of diminution in value is made for decline other than temporary in nature.
- (b) Gain / Loss on investments in Growth / Dividend plans of Mutual Funds is accounted for on sale / redemption of units.
- (c) Dividend from the Units of Mutual Funds is accounted for when the Company becomes legally entitled to it

6. INVENTORY VALUATION

- a) Finished goods: Lower of cost or net realisable value.
- b) Raw Materials, Stores & Spares, Power & Fuel and packing Materials: At or below cost.
- c) Stock in process: Lower of cost or net realizable value.
- d) Raw material and stores & spares and packing materials costs are computed on weighted average basis.

- e) Finished goods and work in process include cost of conversion and other costs incurred in bringing the inventories to their present locations and condition.

7. FOREIGN CURRENCY TRANSACTIONS :

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

The company has opted to account for exchange differences on arising on reporting of long term foreign currency monetary items in line with the companies (Accounting Standard) Rules as amended on 31st March, 2009 in respect of Accounting Standard 11 (AS-11). Accordingly, exchange difference on long term foreign borrowings has been capitalized/decapitalized by adding / deducting to the cost of depreciable capital assets.

8. TAXATION

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

9. BORROWING COST :

Borrowing Costs in relation to specially borrowed funds to acquire fixed assets, are capitalized till the date the qualifying assets are ready for the intended use / put to commercial use.

10. PROVISIONS AND CONTINGENT LIABILITY

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

11. REVENUE RECOGNITION

Revenue from sale of goods is recognized when the goods are dispatched to the customers and is stated net of excise duty, sales returns and sales tax.

12. USE OF ESTIMATES

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

13. EARNINGS PER SHARE

Basic earning per share is 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.

B. NOTES ON ACCOUNTS

- | | Current Year Rs. | Previous Year Rs. |
|---|---------------------------|---------------------|
| 1. Contingent liabilities not provided for in respect of: | | |
| a) Letters of credit established in favour of the suppliers | 24147755 | 89031663 |
| b) Guarantee issued by SBI on behalf of Company | 5495500 | 5797500 |
| c) Sales Tax / Trade Taxes (the amount has been deposited and kept as advances) | 1992210 | 1238817 |
| 2. Auditors' Remuneration: | | |
| a) Audit Fee | 80000 | 80000 |
| b) Tax Audit | 20000 | 20000 |
| c) Out of Pocket Expenses (including Service Tax) | 10300 | 10534 |
| 3. Balances in accounts of Sundry Debtors, Advances, Security deposits from dealers are subject to confirmations for the respective parties. | | |
| 4. a) Accounting Standard as to Segment Reporting AS -17 is not applicable to the Company as it is engaged in the business of Toners and Developers which is the single reportable segment. However, disclosure as to secondary segment is as under : | | |
| | Current Year (Rs.) | Previous Year (Rs.) |
| Geographical Segment : | | |
| i) Domestic Sale | 372734912 | 277702057 |
| 5. Major components of the Deferred Tax Asset and liability as at 31st March 2011 are as follows : | | |
| | Current Year (Rs.) | Previous Year (Rs.) |
| (A) Deferred Tax Liability on Account of | | |
| (a) Depreciation | 13889671 | 8189999 |
| Total (A) | <u>13889671</u> | <u>8189999</u> |
| (B) (B) Deferred Tax Assets on Account of | | |
| (a) Provision for Leave encashment | 466986 | 182384 |
| (b) Provision for doubtful debts | ---- | 33437 |
| Total (B) | 466986 | 215821 |
| Net Deferred Tax Liabilities (A - B) | <u>13422685</u> | <u>7974178</u> |
| 6. MAT Credit Entitlement (including for the previous year) amounting to Rs. 1950051/- has been recognized in view of the company's current and future profitability projections. | | |
| 7. Suppliers covered under the Micro, Small and Medium Enterprises Development Act 2006, have not furnished the information regarding filing of necessary memorandum with appointed authority. In view of this, information required under Section 22 of the said Act is not given. | | |
| 8. Amount of Exchange difference debited to Profit & Loss Account amounted to Rs. 1950050/- (previous year Rs. 744571/-). | | |
| 9. The company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary item in line with the Companies (Accounting Standard) Amendment Rules 2009 on AS 11 notified by the Ministry of Corporate Affairs on 31st March 2009. Accordingly during the year the company has adjusted exchange difference (loss) amounting to Rs. 936210/- (Previous Year - Gain Rs. 8918229/-) to the cost of fixed assets. | | |

10. Disclosure as per AS 15 (revised) :

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

A) Defined Contribution Plans
Provident Fund

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

	Current Year	Previous Year
For the year ended 31st March, 2011	(Rs. In Lacs)	
Employers Contribution to Provident Fund	12.80	11.76
B) State Plans		
a) Employee State Insurance		

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

	Current Year	Previous Year
For the year ended 31st March, 2011	(Rs. In Lacs)	
Employers Contribution to Employee State Insurance	6.48	5.39
C) Defined Benefit Plans		
a) Leave Encashment		
b) Gratuity		

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

Particulars	Gratuity (Funded)*		Leave Encashment (Unfunded)*	
	Current Year	Previous Year	Current Year	Previous Year
The principal assumptions used in actuarial valuation as per below:				
· Discount rate	8%	8%	8%	8%
· Expected rate of return on assets	—	—	—	—
· Expected rate of future salary increase	6%	6%	5%	5%
Change in present value of obligations	—			
· Present value of obligations as at 01.04.2010	529467	498261	644671	108091
· Interest cost	12654	31206	51572	8647
· Current service cost	185067	—	458828	569894
· Benefits paid	292893	—	—	—
· Actuarial (Gain)/loss on Obligations	1493642	—	284245	(51961)
· Present value of obligation as at 31.03.2011	1556650	529467	1439316	644617
Changes in fair value of plan assets	Not Available	Not Available	Not Available	Not Available
Liability recognized in the Balance Sheet				
· Present value of obligations as at 31.03.2010	—	—	1439316	644617
· Fair value of plan assets as at the end of the year	—	—	—	—
· Unfunded status	—	—	—	—
· Unrecognised Actuarial (Gain) / Loss	—	—	—	—
· Net (Assets) / Liability recognized in Balance Sheet	—	—	1439316	644617
Expenses recognized in Profit and Loss Account				
· Current service cost	15731	519640	—	569894
· Post service cost	—	—	—	—
· Interest cost	—	—	51572	8647
· Expected return on plan assets	—	—	—	—
· Net Actuarial (Gain) / Loss recognized during the year	—	—	284245	(51961)
· Total Expense recognized in Profit and Loss Account	15731	519540	794645	536580

11. Details of Miscellaneous Expenses :-	Current Year	Previous year.
	Rs.	Rs.
Security Expenses	801495	726438
Bank Charges	978280	740001
Other Expenses	<u>1218008</u>	<u>679983</u>
TOTAL	<u>3006783</u>	<u>2146422</u>
12. Loans from holding company include accrued interest amounting to Rs.15,890,825/- (Previous Year 9,746,669) . Maximum amount of loan / interest during the year Rs.196,138,229 /- (Previous year Rs.171,273,576).		

13. Disclosure pursuant to AS-29 (Movement of provisions)	Leave	Previous	Discount	Previous
	Encashment (Rs.)	Year (Rs.)	& Incentive (Rs.)	Year (Rs.)
Opening Balance	2189005	108091	4150830	-----
Add Creations	1439316	853905	2268783	4150830
Transfer from ITDL	-----	1544334	-----	-----
Less				
(a) Utilizations	2189005	317325	4150830	-----
(b) Written Back		-----	-----	-----
Closing Balance	1439316	2189005	2268783	4150830

14. Particulars of unhedge foreign currency expenses as at 31.03.2011	Current Year(Rs.)	Previous year (Rs.)
Creditors for Import of Goods	32715797	21035234

15. Additional in formations pursuant to paragraph 3 & 4 of part II of Schedule VI of the Companies Act, 1956 (As amended) :-

A Capacity (Toners & Developers)	Current Year	Previous Year
	M.T.	M.T.
i) Installed (Per Ann.)	1200	1200

Note : As per the present Industrial Policy no licence is required.

B. Stock, Purchases, Production & Sales

ITEMS	OPENING STOCK		PROD- CTION		SALES		CLOSING STOCK	
	Qty.	Value	Qty.	Qty.	Value	Qty.	Value	
	(M.T.)	(Rs.)	(M.T.)	(M.T.)	(Rs.)	(M.T.)	(Rs.)	
Toners	37.016	14296818	695.107	690.636	372734912	41.487	9739716	
	(---)	(---)	(504.50)	(467.50)	(277702057)	(37.02)	(14236818)	

C. RAW MATERIAL CONSUMED:

		Current Year		Previous Year	
Class of goods	Unit	Qty	Value (Rs.)	Qty	Value (Rs.)
Toners /Chemicals	MT	708.40	113927956	517.85	86003628
Additives					

D. VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS:

	Current Year (Rs.)	Previous Year (Rs.)
i) Raw Materials	120024877	69582593
ii) Stores & Spares and packing materials	846576	-----

E. MATERIAL CONSUMPTION:

CLASS OF GOODS:	IMPORTED		INDIGENOUS	
	Value in	% of Total	Value in	% of total
	(Rs)	Consumption	(Rs.)	Consumption
Raw Materials	113078658	99.25	849298	00.75
	(85378451)	(99.57)	(625177)	(00.73)
Stores, Spares	(846576)	4.68	17268692	95.32
Packing materials	(---)	(---)	(13956772)	(100.00)

16. Calculating of Earning Per Share		Current Year (Rs.)	Previous Year (Rs.)
1.	No. of Shares at the beginning of the year	1000000	1000000
2.	No of Shares at the close of the year	1000000	1000000
3.	Net Profit after Tax Rs.	61565219	30857195
4.	E. P. S. Rs.	61.57	30.86

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

(i) RELATIONSHIP:

- (a) Indian Toners & Developers Ltd. (Holding Co.)
- (b) ITDL USA. Inc., (ii) ITDL Imagetec Limited (Fellow Subsidiary)
- (c) Key Management Personnel
 - Shri Sushil Jain (Director)
 - Shri Akshat Jain, (son of Sh. Sushil Jain)
 - Smt. Nandita Jain (Wife of Sh. Sushil Jain)
 - Ms. Aashima Jain (Daughter of Sh. Sushil Jain)
 - Smt. Sushila Devi Jain, Mother of Sh. Sushil Jain (expired on 02.06.2010)
- (d) Enterprises over which Key Management Personnel and/or relative are able to exercise significant influence
 - Jain Bhawan
 - Shrilon India Ltd.
 - Alankar Securities Private Limited
 - Mahavir Phototech Private Limited
 - Triveni Securities Private Limited
 - Jain Tube Company Limited

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

Name of the Company / Nature of transactions	For the Year 2010-11	For the Year 2009-10
Indian Toners & Developers Ltd.		
Opening balance		
Corporate guarantees given by Indian Toners & Developers Ltd.	270,000,000	270,000,000
Loans & Advances	164,952,565	157,125,059
Transactions during the year	31185663	7827506
Loans & Advances received (including interest Rs.15,890,825/- (Previous Year Rs.9,746,669) and Sharing of expenses for office use and other facilities Rs.4,430,376 (Previous Year Rs.3,396,687/-)		
Dividend Paid/Proposed	1,020,000	1,020,000
Closing balance	31,185,663	7,827,506
Corporate guarantees given by Indian Toners & Developers Ltd. (effective guarantee Rs. NIL (Previous Year Rs.86,752,658)	270,000,000	270,000,000
Loan & Advances (including interest other than Current account transactions)	196,138,228	164,952,565

Note:

(1) In addition to above during the year Company entered into an agreement of High Seas Sale Purchase with Holding Company (Indian Toners & Developers Limited). Total sale and purchase made on high seas basis is Rs.3,635,079/- (Previous Year Rs.4,054,500/-) and Rs3,570,370 (Previous Year 1,264,411) respectively from holding company. Also the company has purchased Licenses under Focus scheme from the holding company of Rs.2,638,677/- (Previous Year Rs. Nil)

18. Previous year's figures have been regrouped / re arranged whenever necessary to make them comparable with those of the current year.
19. Balance Sheet, Abstract and Company's General Business Profile as per Schedule VI, Part (IV) of The Companies Act, 1956.

I. Registration Details

State Code	20	Registration No.	15721
Balance Sheet Date	31.03.2011		

II Capital Raised during the year (Amount Rs. Thousands)

Public Issue		Rights Issue	
NIL		NIL	
Bonus Issue		Private Placement	
NIL		NIL	

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

	Total Liabilities	Total Assets
	306,286	306,286
Sources of Funds	Paid-up Capital	Reserve & Surplus
	10,000	86,725
	Unsecured Loan	
	196,138	
	Secured Loans	Deferred Tax Liability (Net)
	-	13,423
Application of Funds	Net Fixed Assets	Investments
	248,489	-
	Net Current Assets	Misc. Expenditure
	57,797	-

IV Performance of Company (Amount in Rs. thousands)

Turnover including Other Incomes	Total Expenditure
377,811	318,740
Profit before Tax	Profit after Tax
59,071	61,565
Earning Per Share in Rs.	Dividend Rate
61.57	20%

V. Generic names of Three Principal Products of Company

Item Code No.	37079001
Product Description	Toners for Photocopiers

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 30th Day of May 2011

For and on Behalf of the Board of Directors

(SUSHIL JAIN)	(N. S. SHARMA)	(SANJEEV GOEL)
Director	Director	Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	Current Year (Rs.)	Previous Year (Rs.)
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES		
Net Profit before tax	59071371	46851373
Adjustment for		
Depreciation	11126140	9921769
Loss / (Profit) on sale of Fixed Assets	-	18430
Interest Expenses	18434724	16929086
Provision for leave encashment	323497	853905
Preliminary Exp. written off	148142	37036
Unrealised (Gain)/Loss on Exchange Difference	696850	(744571)
Miscellaneous exp. written off (Net of Write in)	(1130205)	(4149)
Liability no longer required written back	(1281034)	(3405)
Interest Income	(1116073)	(766991)
Loss / (Profit) on sale of Current Investment (Non Trade)	92580	(10880)
Income from Current Investments (Non Trade) Divident	(825204)	(58668)
Operating Profit Before Working Capitals Changes	85540788	73022935
Adjustments For		
(Increase) / Decrease in Trade & Other Receivables	(339672)	(57708457)
(Increase) / Decrease Inventories	(17834206)	(10684814)
(Increase) / Decrease Trade & Other Payables	25249035	53204880
Cash Generated From Operations	92615945	57834544
Direct Taxes including Wealth Tax (Net of Refund)	(11662082)	(8020000)
Net Cash Inflow / (outflow) in course of Operating Activities (A)	80953864	49814544
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / Sale of fixed assets/ CWIP (Net)	(7988073)	(18674574)
Purchase / Sale of investments (Net)	(92580)	10880
Interest Received	1116073	766991
Dividend Received	825204	58668
Net Cash Inflow / (outflow) in course of Investing Activities (B)	(6139376)	(17838035)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / Payments for long Terms and Short Term Borrowing	(86752658)	(16869687)
Loan from Holding Company (including Interest)	31185663	7827506
Dividend Paid (including Dividend Distribution Tax)	(2332175)	0
Interest Payments	(18434724)	(16929086))
Net Cash Inflow / (outflow) in course of Financing Activities (C)	(76333894)	(25971267)
Net Increase / (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	(1519406)	6005242
Cash And Cash Equivalents As At 31.03.2010	17952942	11947700
Cash & Cash Equivalent As At 31.03.2011	16433536	17952942

Notes : (1) The Above Cash Flow Statements has been prepared under the 'In direct Method' set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.

(2) Previous Years figures have been regrouped / rearranged wherever necessary.

(3) Cash & Cash Equivalents include Margin Money against L/C & B/G Rs.24,59,144 (Previous Year Rs. 94,21,667)

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 30th Day of May 2011

For and on Behalf of the Board of Directors

(SUSHIL JAIN) (N. S. SHARMA) (SANJEEV GOEL)

Director

Director

Director

AUDITORS' REPORT

INDIAN TONERS & DEVELOPERS LIMITED

TO THE MEMBER OF INDIAN TONERS & DEVELOPERS LTD.

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDIAN TONERS & DEVELOPERS LTD AND ITS SUBSIDIARIES.

1. We have examined the attached Consolidated Balance Sheet of INDIAN TONERS & DEVELOPERS LTD ('the company') and its subsidiaries companies, namely, ITDL-USA Inc. and ITDL Imagetec Ltd. {the company and its subsidiary constitute 'the group'} as at 31st March 2011, the Consolidated Profit and Loss Account for the year then ended and annexed thereto and the consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiary companies included in the Consolidated Financial Statements.
4. On the basis of the information and explanation given to us and on consideration of the separate audit report on individual audited financial statements of the Company and its aforesaid subsidiaries, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of 'the group' as at March 31, 2011;
 - b) In the case of the consolidated Profit and Loss Account, of the consolidated results of operations of 'the group' for the year ended on that date; and
 - c) In the case of the consolidated Cash Flow Statement, of the consolidated cash flows of 'the group' for the year ended on that date.

FOR K.N.GUTGUTIA & CO.,

(B.R.GOYAL)
PARTNER

CHARTERED ACCOUNTANTS
Membership No. 12172
ICAI'S FRN 304153E

Place : New Delhi
Date: 30th May, 2011

Consolidated Balance Sheet As At 31st March 2011

<u>Sources of Funds</u>	Schedules	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
Share Holders' Fund			
Share Capital	1	80589000	80589000
Reserves and Surplus	2	<u>348355918</u>	<u>303520413</u>
		428944918	384109413
Minority Interest		49676982	19510025
Loans Funds			
Secured Loans	3	4690515	91416141
Deferred Tax Liability (Net)		36159567	33443966
	TOTAL	<u>519471982</u>	<u>528479545</u>
Application of Funds			
Fixed Assets			
Gross Block	4	609514754	583431212
Less : Depreciation		<u>252007560</u>	<u>228998747</u>
		<u>357507194</u>	<u>354432465</u>
Capital Work in Progress		<u>871078</u>	<u>18612297</u>
		358378272	373044762
Investment	5	9600000	12667386
Current Assets, Loans and Advances			
Inventories	6	111904416	80980963
Sundry Debtors		70026488	87047760
Cash & Bank Balances		42375021	55450856
Loans & Advances		<u>116506225</u>	<u>139460840</u>
		<u>340812150</u>	<u>362940419</u>
Less : Current Liabilities and Provisions	7		
Current Liabilities		121803732	105216391
Provisions		<u>67514708</u>	<u>115104773</u>
		<u>189318440</u>	<u>220321164</u>
Net Current Assets		151493710	142619255
Miscellaneous Expenditure (To the extent not written off or adjusted)		-	<u>148142</u>
	TOTAL	<u>519471982</u>	<u>528479545</u>

Significant Accounting Policies & Notes on Accounts

12

Schedule 1 to 7 and 12 referred above form an integral part of Balance Sheet.

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 30th Day of May 2011

For and on Behalf of the Board of Directors

(N. S. SHARMA)

(SANJEEV GOEL)

Directors

(SUSHIL JAIN)

Chairman & Managing Director

(S.C. SINGHAL)

Executive Director

& Company Secretary

Consolidated Profit & Loss Account for the year ended on 31st March, 2011

	Schedules	For the Year Ended 31st March, 2011 Rs.	For the Year Ended 31st March, 2010 Rs.
Income			
Sales (including Export Benefits Rs. 6729671/- Previous year Rs. 6923531/-) (Refer Note No. B-8 of Schedule-12)		626327088	596975465
Other Income	8	10989186	6785433
Increase/(Decrease) in Stocks	9	(6629819)	7119426
	TOTAL	630686455	610880324
Expenditure			
Manufacturing and other Expenses	10	520165300	492244166
Interest	11	3454586	9737193
Depreciation/Amortisation		25984418	28560963
	TOTAL	549604304	530542321
Profit Before Tax		81082151	80338003
Income Tax			
-Current Tax (including Wealth Tax)		(19307869)	(22585000)
-Tax Adjustment Related to Previous Year		(2856730)	705321
-Deferred Tax (Charge) / Credit		(2715601)	(4997313)
-MAT Credit Entitlement (Refer to Note B-9 of Schedule-12)		19604437	-
Profit after Tax		75806388	53461011
Minority Interest		30166957	15120025
Profit after Tax and Minority Interest		45639431	38340986
Balance Brought Forward from Previous Year		304571779	268562968
Balance Available for Appropriation		350211210	306903954
Proposed Dividend		980000	2000000
Dividend Distribution Tax		324450	332175
Balance Carried to Balance Sheet		348906760	304571778
		350211210	306903954
Earning Per Share	12	9.41	6.63
Significant Accounting Policies & Notes on Accounts	12		
Schedule "8" to "12" referred above form an integral part of the Profit & Loss Account			

In Terms of 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 30th Day of May 2011

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

(N. S. SHARMA)
(SANJEEV GOEL)
Directors

For and on Behalf of the Board of Directors

(SUSHIL JAIN)
Chairman & Managing Director

Schedule '1'

	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
Share Capital (Authorised)		
17000000 Equity Shares of Rs. 10/- each	170000000	170000000
	<u>170000000</u>	<u>170000000</u>
Issued Subscribed and Paid Up		
8058900 Equity Shares of Rs. 10/- each fully paid up in cash	80589000	80589000
TOTAL	<u>80589000</u>	<u>80589000</u>

Schedule : 2

Reserve and Surplus

Surplus as per Profit & Loss Account	348906760	304571779
Exchange Fluctuation Reserve on consolidation	(550842)	(1051366)
TOTAL	<u>348355918</u>	<u>303520413</u>

Schedule : 3

LOANS

(A) SECURED LOAN

Term Loan - Indian Currency	-	27017195
Cash Credits	921297	22933
Term Loan - Foreign Currency Frankfurt Buyers	-	59735463
	<u>921297</u>	<u>86775591</u>

(B) OTHER LOANS

From ICICI Bank Ltd. - Car Loan	3769218	4640550
TOTAL [(A)+(B)]	<u>4690515</u>	<u>91416141</u>

NOTES :

- 1 Term Loan from State Bank of India is secured against first charge on the entire fixed assets (present & future) of the company created out of the loan including Equitable Mortgage of the factory land & building and collateral of Equitable mortgage of factory land & building of M/s ITDL, the holding company as well as first charge on the entire fixed assets and P & M(excluding land & building) of ITDL at Rampur and the corporate guarantee of the holding company. The entire outstanding amount including the interest thereon has been fully paid off during the current year.
- 2 Working Capital facilities from State Bank of India are secured against hypothecation of raw material, stock in transit, finished goods, stock in process, chemicals, spares and stores and book debts and charge on the entire fixed assets (present & future) of the company created out of the loan including equitable mortgage of the factory land & building at Sitarganj and collateral of equitable mortgage of factory land & building of M/s ITDL as well as first charge on the fixed assets and plant & machinery (excluding land & building) of the holding company at Rampur and corporate guarantee of the Holding company i.e. Indian Toners & Developer Limited. There is no outstanding amount as at 31st March 2011.
3. Car Loan from the Banks are secured against the specific Vehicles purchased out of the loan funds.

Schedule '4'

Schedule of Fixed Assets as at 31st March, 2011

Amount in Rs.

S.No.	Particulars	Gross Block				Depreciation Amortisation				Net Block	
		As at	Additions	Deletion	As on	As at	For the	Deletion/	As at	Net Block	Net Block
		01.04.2010	Rs.	Rs.	Adjustments	31.03.2011	01.04.2010	Rs.	Rs.	Rs.	Rs.
1	Land	33078797	-	-	33078797	-	-	-	-	33078797	33078797
2	Building	74932701	73477	-	75606178	9710615	2504803	0	12215418	62790760	65819857
3	Plant and Machinery	429336025	21670871	1249902	449756994	203885707	18752485	713539	221924653	227832341	239094757
4	Electric Installations	11589796	1608978	-	13198674	3491610	608921	0	4100531	9098143	8350552
5	Furniture & Fixtures	5473209	543556	-	6016765	2042622	358835	0	2401457	3615308	3572260
6	Office Equipments	11319765	2367698	216547	13470916	6107061	1727480	105144	7729397	5741519	6173241
7	Vehicles	17700919	2613905	3941631	16373193	3761132	1509247	2156922	3113457	13259735	7744394
8	Intangible-Product Development*	-	2613237	-	2613237	-	522647	0	522647	-	2090590
	TOTAL	583431212	31491622	5408080	609514754	228998747	25984418	2975605	252007560	357507194	363833368
8	Capital Work in Progress R&D	-	871078	-	871078	-	-	-	-	-	871078
	Current Year :	583431212	32362700	5408080	610385832	228998747	25984418	2975605	252007560	358378272	363833368
	Previous Year :	242952015	260807614	242153040	261666589	59227	9921769	1570	9979426	251627163	242892788

*Refer to Note (2) of Schedule - 12

Note :-

1. Deletion in plants & machineries include the refund of excise duty against the purchase of capital assets under EPGC scheme from DGFT.
2. Building, Plant & Machinery and Electrical Installation include Rs. 2298055/-, Rs. 35601095/- (including Rs. 182800/- during the year) & Rs. 817511/- respectively towards assets for R & D purposes.
3. Addition during the year under Plants & Machineries includes Rs. 936210/- on account of exchange loss incurred on actual payment of foreign currency loan during the year.

Schedule "5" Schedule forming part of the Consolidated Balance Sheet

Investments	Number	Face Value	As at	As at
		Per Unit	31st March 2011	31st March 2010
A Unquoted Investment (Long Term : Non Trade - Unless Other Stated)	Rs.	Rs.	Rs.	Rs.
Equity Share in Alankar Securities Pvt. Ltd.	123000	US\$ 1.00	3690000	3690000
Equity Share in Triveni Securities Pvt. Ltd.	100000	Rs. 10.00	3000000	3000000
Equity Share in Mahavir Phototech Pvt. Ltd.	97000	Rs. 10.00	2910000	2910000
TOTAL			<u>9600000</u>	<u>9600000</u>
B Investments in mutual Fund (Unquoted - current NON trade)				
Canara Robeco Treasury Advantage			-	3067386
retail monthly dividend reinvestment				
TOTAL			-	3067386
GRAND TOTAL (A+B)			<u>9600000</u>	<u>12667386</u>

Schedule "6" Current Assets, Loans & Advances

	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
Current Assets		
Raw Materials	57901186	24847159
Raw Materials in Transit	10176998	6780817
Finished Goods - including Transit	12138933	19425852
Finished Goods - Laser Printer Spare Parts (Trading Goods)	-	492426
Work in Progress (at estimated cost)	12808441	11112081
Stores, Spares, Power & Fuel & Packing Materials	18878858	18322628
TOTAL	<u>111904416</u>	<u>80980963</u>
Sundry Debtors		
(Unsecured considered Good - if not otherwise stated)		
Due for more than six months (Including Rs. NIL considered doubtful Previous Yr. Rs. 1500000/-)	10797607	10051245
Others	59228883	78496515
	<u>70026488</u>	<u>88547760</u>
Less :- Provision for Doubtful Debts	-	(1500000)
TOTAL	<u>70026488</u>	<u>87047760</u>
Cash & Bank Balance		
Cash Balance on Hand	511759	593781
Balance with Scheduled Banks in Current Account (DD In Transit Rs. NIL, Previous Yr. Rs. 600000/-)	30148917	36679348
Fixed Deposits with Scheduled Bank	4008194	8194
Margin Money With Schedule Bank against L/C and Bank Guarantee Limits	7706151	18169533
TOTAL	<u>42375021</u>	<u>55450856</u>

INDIAN TONERS & DEVELOPERS LIMITED

(B) Loans and Advances (Unsecured, Considered good)

Loan To Employees	127460	174800
Advances recoverable in cash or in kind or for value to be received*	27374633	21251979
Advance income Tax Including TDS	64849769	108853731
Balance with Excise Department	-	849274
Cenvat Receivable / Recoverable (including Service Tax)	979692	370900
DEPB Licence in Hand	-	1051822
Deposits**	3165601	3151423
Custom Claim Receivable	404633	-
Exports Benefits Receivable / Adjustable	-	3756911
MAT Credit Entitlement	19604437	-
TOTAL	116506225	139460840

Note : *Including Rs. 7607146/- being UPVAT deposited under protest, against which the company filed appeal and the same have been decided in favour of the company during the year 2010-2011.

**including National saving Certificates worth Rs. 25000 deposited with MVAT (Previous Year Rs. 25000/-)

Schedule '7'

Current Liabilities and Provisions

31st March, 2011 (Rs.)

31st March, 2010 (Rs.)

(A) Current Liabilities

Sundry Creditors & Other Liabilities	96330409	79495294
Deposits From Dealers & other Advances	25473324	25721097
TOTAL	121803733	105216391

(B) Provisions

For Taxation	62355969	103373100
For Dividend	200000	200000
For Corporate Dividend Tax	324450	332175
For Leave Encashment	2834289	4100858
For Gratuity	-	98373
For Excise Duty on Closing Stock of Finished Goods	-	175000
TOTAL	67514708	110079506
TOTAL [(A) + (B)]	189318441	215295897

*Notes:As the stocks of finished goods as on 31.3.2011 is lying for export, on which no excise duty is payable, hence no provision was made for the year.

Schedule '8' Schedule forming part of the Consolidated Profit & Loss Account

Other Income

Year Ended 31st March, 2011 (Rs.) Year Ended 31st March, 2010 (Rs.)

Dividend from Mutual Fund	1450973	627119
Liabilities No longer required written back	2158432	2974397
Interest received on Fixed Deposit (TDS Rs. 287198/-, Previous Year Rs. 286576/-)	1808848	1357354
Interest Received Car Loan	12434	8177
Interest Received Others	-	31965
AMC Charges - Photocopiers Machines	17887	29336
Long Term Capital Gain on Sale of Mutual Fund	-	67936
Short Term Capital Gain Sale of Mutual Fund	-	11912
Miscellaneous Income*	2028502	580687
Cash Discount	665716	520585
Sundry Balance W/off & W/Back (Net)	1130205	412197
Scrap Sale	81041	56416
Notice Pay Recovery	190788	91691
Profit on Forward Contract	-	15662
Insurance Claims	1039727	0
Custom Duty Refund (of earlier year claim settled during the year)	404633	0
TOTAL	10989186	6785434

*Including Rs. 1834542/- recovered during the year from MD for the assignment of the Keyman Policy in the previous year (in view of rejection of application by the Ministry of Corporate Affairs.)

Schedule '9'

Increase/(Decrease) in Stocks	Year Ended 31st March, 2011 (Rs.)	Year Ended 31st March, 2010 (Rs.)
Closing Stock - Finished Goods	12808441	19425852
Closing Stock - Work in Progress	10789773	<u>11112081</u>
	23598214	30537933
Opening Stock - Finished Goods	19115952	16533308
Opening Stock - Work in Progress	11112081	6885199
	30228033	23418507
Increase / (Decrease)	<u>(6629819)</u>	<u>7119426</u>

Schedule '10' Schedule forming part of the Consolidated Profit & Loss Account

Manufacturing & Other Expenses

Raw Materials Consumed	226283094	199554886
Packing Material, Stores & Spares Consumed	32063077	34903709
Power & Fuel consumed	59565977	52896409
Electricity Expenses	762699	1560467
Excise Duty	236452	7418463
Repairs & Maintenance		
Plant & Machinery	4687134	3865390
Building	484615	665698
Others	2227458	953208
Salaries, Wages, Gratuity & Other Allowances	56148712	56896728
Contribution to Provident fund & ESI	3286821	3011343
Staff Welfare	1164246	2201856
Director's Salaries, Allowance	5760000	5962500
Directors' Sitting fee	163000	92000
Rent	3491304	4135650
Rates & Taxes	1046021	714494
Insurance (including CMD's Keyman Insurance Policy)	2212319	1473122
Rs. 572672/-, Previous Year Rs. 572672/-	-	
Business Promotion	2551862	3616050
Printing & Stationery	1033654	1268472
Legal & Professional Charges	5622550	7249724
Auditors' Fees (including Tax Audit Fee & Out of Pocket Exp.)	260300	277800
Postage, Telephone, Telegram and Telex	2705343	2789900
Travelling & Conveyance Expenses	16192486	15527214
Office Maintenance	595240	957798
Commission on Sale	1661970	4597102
Discounts, Incentives & Samples	50419099	42364614
Freight, Clearing & Forwarding Expenses	20237902	21012851
Bad Debts Rs. 1669258/-	-	
Less : Provision Utilized Rs. 1500000/-	169258	-
Loss on Sale on Mutual Fund	55212	-
Miscellaneous Expenses (Refer to Note B-16 of Schedule 12)	14248802	10271487
Bank Charges	1334498	3480432
Loss on Sale of Fixed Assets	1359860	892915
Charity & Donation	2401	230100
Foreign Exchange Fluctuation	1989792	1363600
Long Term Loss on Sale of Mutual Fund	-	1148
Preliminary expenses w/off	148142	37036
TOTAL	<u>520165300</u>	<u>492244166</u>

Schedule '11'

Interest

On Term Loan	66522	4330564
On Security Deposits	652791	469192
On Cash Credit	36311	17638
On Car Loan	356772	156248
Others	2342190	4763551*
TOTAL	3454586	9737193

*includes Rs. 1361312/- payment to excise departments as ascertained during the previous year.

Schedule '12'

Schedule Attached to the Accounts for the Year Ended March 31, 2011

A. SIGNIFICANT ACCOUNTING POLICIES :

1. BASIS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS.

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

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

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

ITDL (USA) Inc. is 100% owned subsidiary of the Company and its country of incorporation is U.S.A. The activities of the Company are to trade in Toners and developers.

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

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

3. FIXED ASSETS :

a) Fixed Assets are stated at cost less Depreciation provided for.

b) i) Depreciation is provided on straight line method treating the Plant as continuous process Plant (except R & D Plant), at rates and in the manner as per Schedule XIV to the Companies Act, 1956 as amended vide notification dated 16th December, 1993. Depreciation on assets added/deducted during the year is charged proportionate with reference to the date of additions / deductions.

ii) Depreciation on R & D plant is charged, treating the same as non – continuous, in the same manner as mentioned above.

c) In case of ITDL (USA) Inc. depreciation have been charged on straight line method over a period of 5 years, which is higher than the rates specified vide Schedule XIV to the Companies Act, 1956.

d) Intangible assets, represented by product development are amortized over a period of five years from the quarter in which the same is put to its commercial use.

4. IMPAIRMENT OF ASSETS

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

5. RESEARCH & DEVELOPMENT :

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

6. EMPLOYEE BENEFITS:

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

7. INVESTMENTS :

- (a) All Long Term Investments are stated at cost. All the current investments are stated at cost or market rate whichever is lower as at the date of annual accounts. However, provision of diminution in value is made for decline other than temporary in nature.
- (b) Income / Loss on investments in Growth and / or Dividend plans of Mutual Funds is accounted for on sale / redemption of units.
- (c) Dividend from the Units of Mutual Funds is accounted for when the Company becomes legally entitled to it

8. INVENTORY VALUATION :

- a) Finished goods: Lower of cost or net realizable value.
- b) Raw Materials, Stores & Spares, Power & Fuel and packing Materials: At or below cost.
- c) Stock in process: Lower of cost or net realizable value.
- d) Raw material and stores & spares and packing materials cost are computed on Weighted Average basis.
- e) Finished goods and work in process include cost of conversion and other costs incurred in bringing the inventories to their present locations and condition.

9. FOREIGN CURRENCY TRANSACTIONS:

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

The company has opted to account for exchange difference arising on reporting of long term foreign currency monetary items in line with the companies (Accounting Standard) Rules as amended on 31st March, 2009 in respect of Accounting Standard 11 (AS-11). Accordingly, exchange difference on long term foreign borrowings has been capitalized / decapitalized by adding / deducting to the cost of depreciable capital assets

In case of ITDL (USA) Inc. for conversion of accounts into Indian Currency, the assets and liabilities (except fixed assets & capital) are restated at rates prevailing on the closing date of the year and revenue items are translated at average rates of the year and resultants difference is taken to Exchange Fluctuation Reserve.

Representative offices

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

10. TAXATION :

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

11. BORROWING COST:

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

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

13. 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 and outflow of resources. But where there is a possible obligation but the likelihood of outflow of resources is remote, no provision / disclosure is made.

15. REVENUE RECOGNITION

Sale of Goods:

Revenue from sale of goods is recognized when the significant risks and rewards or ownership of the goods are transferred to the customer and is stated gross of excise duty and net of sales returns and sales tax

Dividend:

Revenue is recognized when the right to receive is established.

16. 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.

17. EARNINGS PER SHARE

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

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

18. LEASES

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

B. NOTES ON ACCOUNTS

1. Capital Commitments : Estimated amounts of contracts remaining to be executed on capital accounts [net of capital advances of Rs. NIL (Previous Year – Rs. 5,305,253)]

2. Contingent liabilities not provided for in respect of:	Current Year Rs.	Previous Year Rs.
a) Letters of credit established in favour of the suppliers	62335593	119487227
b) Guarantee issued by SBI on behalf of Company	6223509	5797500
c) Sales Tax / Trade Taxes demands against, which appeals have been preferred.	7607146	11388424
d) Export obligation against advance licences	9324457	---

3. One of the Subsidiary Company ITDL Imagetec Ltd. has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with the Companies (Accounting Standard) Amendment Rules 2009 on AS 11 notified by the Ministry Of Corporate Affairs on 31st March 2009. Accordingly during the year the company has adjusted exchange difference (loss) amounting to Rs. 936,210/- (Previous Year Rs.8,918,229/- (gain)) to the cost of fixed assets.

4. Directors' Remuneration included under various heads of Profit & Loss Account :-

a) Chairman & Managing Director	Rs.	Rs.
Salary (Including Personal pay):	36,00,000	3600,000
Contribution to Provident Fund	252,000	252,000
House Rent Allowance	1,260,000	1,260,000
Medical Reimbursement	174,996	87,500
Other Perks & Allowances	174,996	204,708
TOTAL	<u>5,461,992</u>	<u>5,404,208</u>

* The above figure of Rs.5461992/- does not includes Rs.15,32,005/- payable for the period 1st. August 2010 to 31st. March 2011 on account of enhanced remuneration payable as per Board's resolution passed on 30.05.2010, which is pending for Central government approval. Necessary charge to P & L Account will be made on receipt of the Central Government approval. In addition to above, the company has also paid gratuity and leave encashment of Rs.19,18,269/- and Rs.781,499/- respectively at the time of his end of tennure.

b) Whole Time Director		
Salary	900,000	1,102,500
Contribution to P F	---	---
House Rent & other Allowance	---	---
Medical reimbursement	---	---
Other Perks	---	---
TOTAL	<u>900,000</u>	<u>1,102,500</u>

- i) Values of Perquisites have been evaluated as per Income Tax Act 1961.
 - ii) The above sums do not include contribution to gratuity fund and provision for leave encashment as the same is on global basis.
 - iii) The remuneration paid to CMD is as per approval of Central Government.
5. During the year company has incurred Rs.2,613,237/on product development (Colour Toners) which is recognized as intangible pursuant to AS-26 and the same has been amortised as per the accounting policy of the company.
6. Balances in accounts of Sundry Debtors, Advances, Security deposits from dealers are subject to confirmations for the respective parties.

7. a) Accounting Standard as to Segment Reporting AS -17 is not applicable to the Company as it is engaged in the business of Toners and Developers which is the single reportable segment. However, disclosure as to secondary segment is as under :

	Current Year (Rs.)	Previous Year (Rs.)
Geographical Segment :		
i) Domestic Sale (including Excise Duty) :	378981177	390188175
ii) Export Sale (including Export Benefits) :	246936266	206787290
b) <u>Detail of Sales</u> : (including Export Benefits on Export Sales)		
Sales	626327088	596975465
Excise Duty	(-) 236,452	(-) 7418463
Net Sales	<u>626090636</u>	<u>589557002</u>
c) Provision for Excise Duty on closing stock of finished goods amounting to Rs. NIL (Previous Year Rs. 175000 provided for.)		

8. Major components of the Deferred Tax Asset and liability as at 31st March 2011 are as follows :

	Current Year (Rs.)	Previous Year (Rs.)
(A) Deferred Tax Liability on Account of		
(a) Depreciation	29802455	26463332
(b) R&D Capital Assets	7276697	8356144
Total (A)	<u>37079152</u>	<u>34819476</u>
(B) Deferred Tax Assets on Account of		
(a) Provision for Leave encashment	919585	832223
(b) Provision for doubtful debts	----	509850
(c) Provision for gratuity	----	33437
Total (B)	<u>919585</u>	<u>1375510</u>
Net Deferred Tax Liabilities (A - B)	<u>36159567</u>	<u>3344366</u>

9. MAT Credit Entitlement (including for the previous year) amounting to Rs. 19604437/- has been recognized in view of the company's current and future profitability projections.
10. a) Estimated benefits aggregating to Rs.6,729,671/- (Previous Year Rs 6,923,531) against exports effected during the year has been taken into account for the year as incentive accounting in respect of duty free imports of Raw Material & Packing Materials under Advance Licence Scheme and corresponding amount has been added to the cost of Materials.
- b) Service Tax amounting to Rs.2,739,118/-(Previous Year Rs.4,053,756) have been treated as recoverable is subject to claim yet to be filed with Department. The same has been grouped in Advance Recoverable
11. Suppliers covered under the Micro, Small and Medium Enterprises Development Act 2006, have not yet furnished the information regarding filing of necessary memorandum with appointed authority. In view of this, information required under Section 22 of the said Act is not given.
12. Amount of Exchange difference debited to consolidated Profit & Loss Account amounted to Rs.1,989,792/- during the year (previous year Rs.1,363,600).
13. R & D expenses included in various heads Rs.2,813,504 [Including Raw Material Consumption Rs.115,865/-&DepreciationRs.1,688,559] (Previous year Rs.5,358,835. Raw Material Consumption Rs.327,706 & Depreciation Rs.1,792,535) respectively.
14. **Minority Interest:** Minority interest represents that part of the net results of the operation and the net assets of ITDL Imagetec Limited, where the parent Company holds majority interest and 49% is owned by others.

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

- A) Defined Contribution Plans
Provident Fund

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

	Current Year	Previous Year
For the year ended 31st March, 2011		
	(Rs. In. Lacs)	
Employers Contribution to Provident Fund	25.56	24.22

- B) State Plans
a) Employee State Insurance

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

Employers Contribution to Employee State Insurance	7.25	5.89
--	-------------	------

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

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

Particulars		Gratuity (Funded)* Current Year	Leave Encashment (Unfunded)* Previous Year	
The principal assumptions used in actuarial valuation as per below:				
· Discount rate	8%	8%	8%	8%
· Expected rate of return on assets	—	—	—	—
· Expected rate of future salary increase	6%	6%	5%	5%
Change in present value of obligations				
· Present value of obligations as at 01.04.2010	5757557	6237928	2556524	2312083
· Interest cost	380738	493638	204520	184966
· Current service cost	185067	—	711514	771067
· Benefits paid	(2370949)	(974009)	(922514)	(696631)
· Actuarial Loss on Obligations	—	—	284245	(51961)
· Present value of obligation as at 31.03.2011	5074768	5757557	2834289	2556524
Changes in fair value of plan assets				
	Not Available	Not Available	Not Available	Not Available
Liability recognized in the Balance Sheet				
· Present value of obligations as at 31.03.2010	—	—	2834289	2556524
· Fair value of plan assets as at the end of the year	—	—	—	—
· Unfunded status	—	—	—	—
· Unrecognised Actuarial (Gain) / Loss	—	—	—	—
· Net (Assets) / Liability recognized in Balance Sheet	—	—	2834289	2556524
Expenses recognized in Profit and Loss Account				
· Current service cost	38245	541185	252686	771067
· Interest cost	—	—	204520	184966
· Expected return on plan assets	—	—	—	—
· Net Actuarial (Gain) / Loss recognized during the year	—	—	(638229)	(721592)
· Total Expense recognized in Profit and Loss Account	38245	541185	277765	244441

INDIAN TONERS & DEVELOPERS LIMITED

16. Miscellaneous Expenses includes :-	Current Year	Previous year.
	Rs.	Rs.
a) Vehicle Running & Maintenance	3078722	2397021
b) Seminar Expenses / Selling Expenses	662752	310261
c) Exhibition Expenses	1191588	1615555
d) Advertisement Exp.	2523653	2233595
e) Others	6792087	3715055
TOTAL	<u>14248802</u>	<u>10271487</u>

17. Disclosure pursuant to AS-29 (Movement of provisions)						
	Leave	Previous	Discount	Previous	Excise	Previous
	Encashm	Year	& Incentive	Year	Duty on	Year
	-ent				Closing	
					Stock	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Balance	4100858	2312083	5025267	7918000	175000	239143
Add Creations	2834289	2438889	2268783	5025267	-----	175000
Less						
(a) Utilizations	3111519	650114	5025267	6101481	175000	239143
(b) Written Back	989338	-----	-----	1816519	-----	-----
Closing Balance	2834289	4100858	2268783	5025267	-----	175000

18. Particulars of unhedge foreign currency expenses as at 31.03.2011		
	Current Year(Rs.)	Previous year (Rs.)
Creditors for Import of Goods	60318641	36659710
Export Debtors	31491798	23087590

19. Calculating of Earning Per Share	Current Year (Rs.)	Previous Year (Rs.)
1. No. of Shares at the beginning of the year	8058900	8058900
2. No of Shares at the close of the year	8058900	8058900
3. Net Profit after Tax Rs.	75806389	53461011
4. E. P. S. Rs.	9.41	6.63

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

(i) RELATIONSHIP:

(a) Key Management Personnel	-	Shri Sushil Jain (CMD)
(b) Relative of Key Management Personnel	-	Shri Akshat Jain, (son of Sh. Sushil Jain) Sr. Vice President (Corporate Affairs) - Smt. Nandita Jain (Wife of Sh. Sushil Jain) - Ms. Aashima Jain (Daughter of Sh. Sushil Jain) - Smt. Sushila Devi Jain, Mother of Sh. Sushil Jain (Expired on 02.06.2010)
(c) Enterprises over which Key Management Personnel and /or relative are able to exercise significant influence	-	Jain Bhawan Shrilon India Ltd. Alankar Securities Private Limited Mahavir Phototech Private Limited Triveni Securities Private Limited Jain Tube Company Limited

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

Particulars	Key Management Personnel	Relative of Key Management Personnel	Enterprises referred in (1) (d) above
Remuneration Paid	5461992 (5404208)	1785294 (1715436)	—
Dividend Proposed / Paid	333880 (333880)	646060 (646060)	— —
Rent Paid	— —	— —	43000 (132000)

Figures in the bracket are for the previous year.

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

In Terms of 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 30th Day of May 2011

For and on Behalf of the Board of Directors

(S.C. SINGHAL)

Executive Director
& Company Secretary

(N. S. SHARMA)

(SANJEEV GOEL)

Directors Chairman & Managing Director

(SUSHIL JAIN)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	Current Year (Rs.)	Previous Year (Rs.)
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES		
Net Profit before tax	81082150	80338003
Adjustment for		
Depreciation & Amortisation	25984421	28560963
Loss / (Profit) on sale of Fixed Assets	1267280	892915
Interest Expenses	3454586	9737192
Provision for leave encashment	708983	2438889
Preliminary Expenses Written Off	148142	37036
Bad debts / irrecoverable Advances written off (Net of Write In)	169258	-
Unrealised (Gain) / Loss on Exchanged Difference	1626999	1363600
Misc. Expenses written off (Net off write in)	(1130205)	(412197)
Liability no longer required written Back	(2158432)	(2974397)
Interest Income	(1821282)	(1397496)
Loss / (Profit) on sale of Current Investments (Non Trade)	147792	(78700)
Income from Current Investments (Non Trade) Dividend	(1450973)	(627119)
Operating Profit Before Working Capitals Changes	108028719	117878689
Adjustments For		
(Increase)/Decrease in Trade & other receivables	56836625	(23482370)
(Increase)/Decrease Inventories	(30923453)	22393747
(Increase)/Decrease Trade & other payable	(30042344)	(31635890)
Cash Generated From Operations	103899547	85154176
Direct Taxes including Wealth Tax (Net of Refund)	(19307869)	(22585000)
Net Cash Inflow / (outflow) in course of Operating Activities (A)	84561678	62569176
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / Sale of fixed assets/ CWIP (Net)	(12585209)	(28776820)
Purchase / Sale of investments (Net)	2919594	11056852
Interest	1821282	1397496
Dividend Received	1450973	627119
Net Cash Inflow / (outflow) in course of Investing Activities (B)	(6393360)	(15695353)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / Payments for long Terms and Short Term Borrowing	(86725626)	(15152060)
Dividend Paid (including Dividend Distribution Tax)	(1312175)	-
Interest Payments	(3454586)	(9737192)
Net Cash Inflow / (outflow) in course of Financing Activities (C)	(91492387)	(24889252)
D. FOREIGN CURRENCY TRANSACTION DIFFERENCE ON CONSOLIDATION		
Net Cash Inflow / (outflow) in course of Foreign Currency transaction activities (D)	500525	25262
Net Increase / (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)+(D)	(12793544)	22009833
Cash And Cash Equivalents As At 31.03.2010	55450855	33441022
Cash & Cash Equivalent As At 31.03.2011	42657311	55450855

Notes :

- (1) The Above Cash Flow Statement has been prepared under the 'In direct Method' set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.
- (2) Previous Years figures have been regrouped / rearranged wherever necessary.
- (3) Cash & Cash Equivalents include Margin Money against L/C & B/G Rs. 7988441 (P.Y. Rs. 18169533)

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 30th Day of May 2011

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

(N. S. SHARMA)
(SANJEEV GOEL)

Directors Chairman & Managing Director

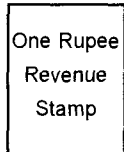
(SUSHIL JAIN)

PROXY
INDIAN TONERS & DEVELOPERS LIMITED

Regd. Office : 10.5 KM, Rampur Bareilly Road, Rampur- 244 901 (U.P.)
Corporate Office : 5-E, Gopala Tower, 25, Rajendra Place, New Delhi- 110 008

I/we _____
of _____
in the district of _____
being a member / members of the above-named Company, hereby appoint
Mr./Miss/Mrs. _____
of _____ in the district _____
or failing him/her _____
of _____ in the district _____
as my/our proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company
to be held on Thursday, the 18th August, 2011 at 2.30 p.m. and at any adjournment thereof.
Signed this _____ day of _____, 2011.
No. of Shares held _____ L.F. NO./Client I. D. No. _____

DPID No. _____
Signature (s) _____
Address : _____



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

NO GIFT WILL BE DISTRIBUTED DURING THE MEETING

TEAR HERE

ATTENDANCE SLIP

INDIAN TONERS & DEVELOPERS LIMITED

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

I hereby record my presence at the 21st Annual General Meeting being held on Thursday, the 18th August, 2011 at 2.30 P.M. at the Registered Office of the Company at 10.5 KM, Rampur Bareilly Road Rampur-244 901 (U.P.)

Name of the Shareholder _____
(In block letters)
Folio No./Client I.D. No. _____ D.P.I.D. No. _____

Signature of the Shareholder/Proxy

Note : 1. Please complete this attendance slip and hand it over at the entrance of the venue of the meeting.
2. Please bring your copy of Balance Sheet at the time of Annual General Meeting.

NO GIFT WILL BE DISTRIBUTED DURING THE MEETING

INDIAN TONERS & DEVELOPERS LIMITED

5-E, Copala Tower, 25, Rajendra Place,

N. C. 110 410000