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# Indian Toners & Developers Ltd.

(A Govt. recognized Export House)
CIN No. : L74993UP1990PLC015721

Corporate Office :
1223, DLF Tower B, Jasola,
New Delhi - 110 025 (India)

May 12, 2016

**To,**
**The General Manager,**
**Department of Corporate Services,**
**BSE Limited**
**P J Towers, Dalal Street**
**Mumbai - 400001**

***Kind Attn. Mr. Nitin Pujari / Mr. Ashok Singh***

**Sub: Application for No Objection Certificate under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, for the proposed Scheme of Amalgamation to be filed under sections 391, 394 of the Companies Act, 1956**

Dear Sir,

This is in reference to the captioned subject and in furtherance to our telecon wherein your good self has sought the clarification with regard to the number of shares to be allotted to the shareholders of the Transferor Companies, viz. Mahavir Phototech Private Limited (MPPL), Triveni Securities Private Limited (TSPL), Alankar Securities Private Limited (ASPL) and ABC Commercial Company Limited (ACCL).

As regards your observation that in MPPL shares being allotted pursuant to the Merger (i.e. 611716 Equity shares) is lesser than the shares being cancelled (i.e. 915561 Equity shares), thus leading to a loss situation to the shareholders of MPPL, we take the opportunity to elucidate certain pertinent facts relating to the proposed Scheme of Arrangement:

- The shares are being allotted to the shareholders of these companies in accordance with the Share Exchange Ratio. It may please be appreciated that each of the Companies have their own financial strengths and weaknesses and the Share Exchange Ratio has been computed with reference to the Assets, Liabilities& financial positions of these respective companies vis-à-vis the Transferee Company (ITDL).Accordingly, the shares being allotted under the Scheme of Arrangement to the shareholders of these Transferor Companies is thus on the basis of their financial positions.

- Further, as already informed, the shares held by these companies in ITDL and interse amongst themselves shall be cancelled, in accordance with the scheme of amalgamation.

- Furthermore, the shareholders of all the Transferor Companies belong to Mr Sushil Jain and his family members, being his wife, son and daughter (hereinafter referred to as Jain Family). MPPL is the only Transferor Company, wherein apart from the individuals belonging to Jain family, the other Transferor Companies are holding certain shares, which is being cancelled pursuant to the Scheme.

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**With the above facts as the backdrop, we wish to submit that:**

1. At the outset, by virtue of the treatment being given to the cross holdings, there is no loss to any of the shareholders of the Transferor Companies;
2. Further, since all the shareholders of the Transferor Companies are common and belong to the same family, any deficit in allotment in any 1 of the Transferor Companies, is being compensated by the surplus allotments in the other Transferor Companies. To elucidate the same, your goodself are requested to kindly go through the following Table:

| Particulars | TSPL | MPPL | ASPL | ACCL |
|---|---|---|---|---|
| Shares being issued to the shareholders of the respective companies**(A)** | 743,138 | 611,716 | 909,580 | 630,000 |
| Shares being cancelled under Merger (due to their shareholding in Indian Toners & Developers Limited)**(B)** | 631,509 | 915,561 | 807,854 | 474,000 |
| Surplus/ (Deficit) in Shares issued **(A-B)** | **111,629** | **(303,845)** | **101,726** | **156,000** |

From an analysis of the above Table, it can be inferred that in MPPL, there might be a deficit of 3,03,845 shares, but in TSPL, ASPL & ACCL, there is an aggregate surplus of 3,69,355 equity shares. Thus, leading to an overall benefit of 65,510 equity shares, which is the allotment being made pursuant to the Scheme.

3. It may please further be appreciated that although the terminology "suplus/ deficit" have been used in the preceding paragraph, but in fact, this is no surplus/ deficit. These numbers have been derived on the basis of the respective Share Exchange Ratios.
4. Since TSPL, ASPL & ACCL would be wound up pursuant to the Scheme, no allotments can be made to them and that's why the same are being cancelled pursuant to the Scheme.
5. Furthermore, the treatment being given on account of cancellation of cross holdings and resultant shares being issued on the basis of the Share Exchange Ratio is a universal treatment followed in almost all Schemes of Arrangements.

We hope that the above shall suffice.

Looking forward to an early NOC.

Thanking you,
**For Indian Toners & Developers Limited**

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