



INDIAN TONERS & DEVELOPERS LIMITED

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POSTAL BALLOT NOTICE

Dear Member(s),

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013 (“**Act**”) and other applicable provisions, if any, of the Act and Rule 22 of the Companies (Management and Administration) Rules, 2014 (“**Rules**”), as amended from time to time, read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs (“**MCA**”) (hereinafter collectively referred to as “**MCA Circulars**”), that the Resolution appended below for seeking approval for Buyback of Equity Shares, is proposed to be passed as a Special Resolution by the Members of Indian Toners Developers Limited (“**Company**”) through Postal Ballot only by voting through electronic means (“**remote e-voting**”).

In compliance with the aforesaid MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. If your e-mail address is not registered with the Company/Depositories, please follow the process provided in the Notes to receive this Postal Ballot Notice and login ID and password for remote e-voting. The communication of the assent or dissent of the Members would only take place through the remote e-voting system.

An explanatory statement pursuant to Section 102 of the Act and other applicable provisions of the Act, pertaining to the resolution setting out the material facts and reasons thereof, is appended to this Notice. Pursuant to Rule 22(5) of the Rules, the Board of Directors of your Company at its meeting held on November 5, 2020, has appointed Shri V. Hari, Practicing Company Secretary (CP No.: 8244), Proprietor V. Hari & Co., Company Secretaries, as the Scrutinizer to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner.

The remote e-voting period commences from 9.00 a.m. (IST) on Tuesday, December 1, 2020 and ends at 5.00 p.m. (IST) on Wednesday, December 30, 2020. The Scrutinizer will submit his report to the Chairman of the Company, or any person authorized by him upon completion of the scrutiny of the votes cast through remote e-voting. The results of the Postal Ballot will be announced at or before 5.00 p.m. (IST), December 31, 2020. The said results along with the Scrutinizer’s Report would be intimated to BSE Limited, where the equity shares of the Company are listed.

Additionally, the results will also be uploaded on the Company’s website <https://www.indiantoners.com> and on the website of National Securities Depository Limited (NSDL) www.evoting.nsdl.com.

SPECIAL BUSINESS:

ITEM NO. 1: APPROVAL FOR THE BUYBACK OF EQUITY SHARES

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with Article 4 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**"), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) and in compliance of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended (the "**Buyback Regulations**") and subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the Securities and Exchange Board of India ("**SEBI**"), Registrar of Companies, Kanpur (the "**ROC**") and / or other appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to include any Committee(s) of the Board, constituted to exercise its powers, including the powers conferred by this resolution), the consent of Members be and is hereby accorded for the buyback of upto **23,11,610 (Twenty Three Lakh Eleven Thousand Six Hundred Ten) fully paid-up equity shares of face value of Rs.10/- each ("Equity Shares")** (comprising of 17.56% of the total paid-up equity share capital of the Company) at a price of **Rs.160/- (Rupees One Hundred and Sixty Only) per Equity Share**, payable in cash for an aggregate amount not exceeding Rs.36,98,57,600 (Rupees Thirty Six Crore and Ninety Eight Lakh Fifty Seven Thousand Six Hundred Only) excluding transaction costs viz. filing fees, brokerage, advisors' fees, printing and dispatch expenses, applicable taxes such as securities transaction tax, goods and service tax (if any), stamp duty and other related and incidental expenses (hereinafter referred to as the "**Buyback Offer Size**"), being less than 25% of the aggregate of the paid-up share capital and free reserves as per audited standalone financial statements and audited consolidated financial statements of the Company as on March 31, 2020, from the equity shareholders of the Company, as on the record date ("**Record Date**"), on a proportionate basis through the "**Tender Offer**" route (hereinafter referred to as the "**Buyback**"), in accordance and in consonance with the provisions contained in the Buyback Regulations, the Act and the applicable Rules.

RESOLVED FURTHER THAT the Company shall implement the Buyback out of its free reserves (including securities premium account) and / or such other sources as may be permitted by the Buyback Regulations or the Act and on such terms and conditions as the Board may deem fit.

RESOLVED FURTHER THAT the Buyback shall have reservation for Small Shareholders in accordance with the provisions of the Buyback Regulations.

RESOLVED FURTHER THAT the Company shall implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any amendments thereof.

RESOLVED FURTHER THAT the Buyback from Non-Resident Indians, Overseas Corporate Bodies, Foreign Institutional Investors, Foreign Portfolio Investors and Members of foreign nationality, if any, shall be subject to such approvals, if any, and to the extent necessary or required from concerned authorities including approvals from the Reserve Bank of India ("**RBI**") under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.

RESOLVED FURTHER THAT nothing contained hereinabove shall confer any right on the part of any Member to offer and / or any obligation on the part of the Company or the Board to buyback any Equity Shares and / or impair any power of the Company or the Board to terminate any process in relation to such Buyback, if so permissible by law.

RESOLVED FURTHER THAT the Company shall earmark adequate sources of funds for the purpose of the Buyback.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, for the implementation of the Buyback, including but not limited to finalizing the terms of the Buyback like Record Date, entitlement ratio, time frame for completion of the Buyback; appointment of Registrars, Brokers, Escrow Agents, Bankers, Depository Participants, Advisors, Consultants and other intermediaries / agencies; preparation, signing and filing of the Public Announcement, the draft Letter of Offer / Letter of Offer with the SEBI, the stock exchanges where the Equity Shares are listed and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the SEBI and RBI; and to initiate all necessary actions for preparation and issue of various documents including draft Letter of Offer and Letter of Offer; opening, operation and closure of necessary accounts including escrow account with the bank, entering into agreements, release of Public Announcement, filing of declaration of solvency, obtaining all necessary certificates and reports from the statutory auditors and other third parties as required under applicable laws, extinguishment of dematerialized shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company, and such other undertakings, agreements, papers, documents and correspondence, under the Common Seal of the Company, as may be required to be filed in connection with the Buyback with the SEBI, RBI, Stock Exchanges, ROC, Depositories and / or other regulators and statutory authorities as may be required from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby also authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to delegate all or any of the power(s) conferred hereinabove as it may in its absolute discretion deem fit to any Director(s) / Officer(s) / Authorized Representative(s) of the Company in order to give effect to this resolution.”

By order of the Board,
For Indian Toners & Developers Limited
Sd/-
(S.C. Singhal)
Company Secretary

Place: New Delhi
Date: November 5, 2020

NOTES:

1. The Explanatory Statement pursuant to Section 102 of The Companies Act, 2013 in respect of the proposed Special Business, as set out in this Notice is annexed hereto.

2. In compliance with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020 issued by the Ministry of Corporate Affairs (“MCA”) (hereinafter collectively referred to as “MCA Circulars”), this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. If your e-mail address is not registered with the Company/Depositories, you may register on or before 5:00 p.m. (IST) on Wednesday, December 23, 2020 to receive this Postal Ballot Notice and the procedure for remote e-voting along with the login ID and password for remote e-voting by completing the process for registration of e-mail address as under:

I. For Members who hold shares in Electronic form:

- a. Visit the link <https://buyback.alankit.com>
- b. then click mail ID updation
- c. search with DPID/CLID/Folio
- d. update mail ID.

II. For Members who hold shares in Physical form:

- a. Visit the link <https://buyback.alankit.com>
- b. then click mail ID updation
- c. search with DPID/CLID/Folio
- d. update mail ID.

After successful registration of the e-mail address, a copy of this Postal Ballot Notice along with the remote e-voting user ID and password will be sent to your registered e-mail address. In case of any queries, Members may write to rta@alankit.com . Members may note that this Postal Ballot Notice will also be available on the Company’s website, <https://www.indiantoners.com>, websites of the Stock Exchange where the equity shares of the Company are listed i.e. BSE Limited, www.bseindia.com and on the website of National Securities Depository Limited (“NSDL”), www.evoting.nsdl.com

3. The documents referred to in the Notice and the Explanatory Statement such as the Articles of Association of the Company, the Auditors Report dated November 5, 2020 and the audited financial statements of the Company as on March 31, 2020, are uploaded on the website of the Company <https://www.indiantonnors.com> to facilitate online inspection until last date of remote e-voting.
4. The Resolution, if passed by requisite majority, will be deemed to have been passed on the last date of remote e-voting i.e. Wednesday, December 30, 2020.
5. The instructions for remote e-voting are as under:
 - i. In compliance with the provisions of Sections 108 and 110 of the Act and Rules 20 and 22 of the Rules, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the Company has provided the facility of remote e-voting to all Members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL to provide remote e-voting facility to its Members.
 - ii. Voting rights of the Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on 27.11.2020 (“Cut-off date”). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by remote e-voting. A person who is not a Member as on the Cut-off date should treat this Postal Ballot Notice for information purposes only. The remote e-voting period commences from 9.00 a.m. (IST) on Tuesday, December 1, 2020 and ends at 5.00 p.m. (IST) on Wednesday, December 30, 2020. The e-voting module shall be disabled by NSDL thereafter. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently.

The details of the process and manner for remote e-voting are explained herein below:

**PROCEDURE AND INSTRUCTIONS FOR E-VOTING:
How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

- Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
Step 2 : Cast your vote electronically on NSDL e-Voting system.**

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csvhari@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@indiantoners.com .
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@indiantoners.com .

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

ITEM NO. 1:

The Board of Directors (the “**Board**”) of the Company at its meeting held on **November 5, 2020** has, subject to approval of Members of the Company by way of special resolution and subject to such approvals of statutory, regulatory or other appropriate authorities, as may be required under applicable laws, approved the proposal to Buyback upto 23,11,610 (Twenty Three Lakhs Eleven Thousand Six Hundred Ten Only) fully paid-up equity shares of face value of Rs.10/- each (“**Equity Shares**”) (comprising of 17.56% of the total paid-up equity share capital of the Company), on a proportionate basis through the Tender Offer route in accordance with the provisions contained in the Securities and

Exchange Board of India (Buy Back of Securities) Regulations, 2018 ("**Buyback Regulations**"), the Companies Act, 2013 (the "**Act**") and the applicable Rules, at a price of Rs.160/- (Rupees One Hundred and Sixty Only) per Equity Share, payable in cash for an aggregate amount not exceeding Rs.36,98,57,600 (Rupees Thirty Six Crores and Ninety Eight Lakhs Fifty Seven Thousands Six Hundred Only) ("**Offer Size**"). The Buyback shall be less than 25% of the aggregate of the paid-up share capital and free reserves as per audited standalone financial statements and audited consolidated financial statements of the Company as on March 31, 2020.

Since the Buyback constitutes more than 10% of the total paid-up equity capital and free reserves of the Company, in terms of Section 68(2)(b) of the Act, it is required to obtain the consent of the shareholders of the Company, for the Buyback by way of a special resolution. Further, as per Section 110 of the Act read with Rule 22(16)(g) of the Rules, the consent of the shareholders of the Company to the Buyback can be obtained by means of postal ballot. Pursuant to General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020 and the General Circular No. 33/2020 dated September 28, 2020 issued by the Ministry of Corporate Affairs ("MCA Circulars") (including any statutory modification or re-enactment thereof for the time being in force, and as amended from time to time), and pursuant to other applicable laws and regulations, the Company is seeking your consent for the aforesaid proposal as contained in the resolution appended to this Postal Ballot Notice through postal ballot by remote e-voting process ("e-voting").

Certain figures contained in this Postal Ballot Notice, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row

Requisite details and material information relating to the Buyback are given below:

(a) Date of the Board Meeting at which the proposal for Buyback was approved by the Board of Directors of the Company – November 5, 2020

(b) Necessity for the Buyback

The objective of Buyback is to return surplus funds to Members of the Company. Additionally, the Buyback would result in the following benefits, amongst other things:

- The Buyback will improve the earnings per share, return on capital employed and return on equity;
- The Buyback will help the Company to return surplus cash to its Members, in proportion to their shareholding, thereby, enhancing the overall return to Members;
- The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocating to Small Shareholders the higher of: (a) the number of shares entitled as per their shareholding; or (b) 15% of the number of equity shares to be bought back, as per the Buyback Regulations. The Company believes that this reservation for Small Shareholders would benefit a large number of public shareholders, who would be classified as "Small Shareholders";
- The Buyback gives an option to Members of the Company, either to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment.

(c) Maximum number of securities that the Company proposes to Buyback

The Company proposes to buyback upto 23,11,610 (Twenty-Three Lakhs Eleven Thousand Six Hundred Ten Only) Equity Shares of the Company.

(d) Buyback price and the basis of arriving at the Buyback price

The Equity Shares of the Company are proposed to be bought back at a price of Rs. 160/- (Rupees One Hundred Sixty Only) per Equity Share (the “**Buyback Price**”). The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average market prices of the Equity Shares on BSE Limited (“**BSE**”), where the Equity Shares are listed, the net-worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of the Buyback on earnings per share.

The Offer Price represents:

- i. Premium of 75.65% over the volume weighted average market price of the Equity Shares on BSE, for two weeks preceding October 27, 2020 (i.e. the date of intimation to the Stock Exchange for the Board Meeting to consider the proposal of the Buyback).
- ii. Premium of 33.34% over the closing price of the Equity Shares on BSE, as on October 27, 2020 (i.e. the date of intimation to the Stock Exchange of the Board Meeting to consider the proposal of the Buyback).
- iii. Premium of 14.19% and 15.34% over the book value per Equity Share of the Company as on March 31, 2020 (Audited) Standalone and (Audited) Consolidated, respectively.

The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves after the Buyback based on both audited standalone financial statements and audited consolidated financial statements of the Company as on March 31, 2020;

The pre-Buyback basic and diluted Earnings Per Equity Share of the Company as per the latest audited balance sheet as at March 31, 2020 was Rs.9.27, which would work out to Rs.11.24 on a reduced equity share capital post Buyback assuming full acceptance of the Buyback.

The pre-Buyback return on net-worth of the Company, as per the latest audited balance sheet as at March 31, 2020 was 6.61% which would work out to 8.27% on a reduced share capital post Buyback assuming full acceptance of the Buyback.

(e) Maximum amount required under the Buyback and its percentage of the total paid up capital and free reserves

The maximum amount required for the Buyback will not exceed Rs.36,98,57,600 (Rupees Thirty Six Crores Ninety Eight Lakhs Fifty Seven Thousands Six Hundred only) excluding transaction costs viz. filing fees, brokerage, advisors' fees, printing and dispatch expenses, applicable taxes such as securities transaction tax, goods and service tax (if any), stamp duty and other related and incidental expenses, which is 20.06% and 20.26% of the aggregate fully paid-up share capital and free reserves as per audited standalone financial statements and audited consolidated financial statements of the Company as on March 31, 2020, respectively, which is within the prescribed limit of 25%.

The Company shall implement the Buyback out of its free reserves (including securities premium account) and / or such other sources as may be permitted by the Buyback Regulations or the Act. Borrowings from Banks and Financial Institutions will not be used for the Buyback.

The Company shall transfer from its free reserves (including securities premium account) a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statement.

(f) Method to be adopted for the Buyback:

The Buyback shall be on a proportionate basis (subject to the reservation for Small Shareholders) from all Members holding equity shares of the Company through the “**Tender Offer**” route, as prescribed under the Buyback Regulations and the "**Mechanism for acquisition of shares through Stock Exchange**". The Buyback will be implemented in accordance with the Act and the Rules to the extent applicable and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a record date (the “**Record Date**”) for determining the names of Members holding Equity Shares of the Company, who will be eligible to participate in the Buyback. In due course, upon passing of this resolution, each Member as on the Record Date, will receive a Letter of Offer along with a tender / offer form indicating the entitlement of Member for participating in the Buyback.

The equity shares to be bought back as a part of the buyback is divided in two categories:

- a) Reserved category for Small Shareholders; and
- b) General category for all other shareholders.

As defined in the Buyback Regulations, a “**Small Shareholder**” is a shareholder who holds equity shares having market value, on the basis of closing price on the recognized stock exchange having highest trading volume in respect of Equity Shares as on the Record Date, of not more than Rs.2,00,000/- (Rupees Two Lakhs Only).

In accordance with Regulation 6 of the Buyback Regulations, 15% (Fifteen Percent) of the number of equity shares which the Company proposes to Buyback or number of equity shares entitled as per the shareholding of Small Shareholders as on the Record Date, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.

Based on the holding on the record date, the Company will determine the entitlement of each Eligible Shareholder to tender their shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the record date and the ratio of the Buyback applicable in the category to which such shareholder belongs. In accordance with Regulation 9(ix) of the Buyback Regulations, in order to ensure that the same shareholders with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the equity shares held by such shareholders with a common Permanent Account Number (PAN) for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the equity shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of physical shareholders, where the sequence of PANs is identical, the Company will club together the equity shares held in such cases. Similarly, in case of physical shareholders where PAN is not available, the Company will check the sequence of names of the joint holders and club together the equity shares held in such cases where the sequence of name of joint shareholders is identical. The shareholding of institutional investors like mutual funds, pension funds/trusts, insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these equity shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar and Transfer Agent as per the shareholder records received from the Depositories.

Shareholders’ participation in Buyback will be voluntary. Eligible Shareholders holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate. Eligible Shareholders holding Equity Shares of

the Company may also accept a part of their entitlement. Eligible Shareholders holding equity shares of the Company also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the shareholder as on the record date.

The Equity Shares tendered as per the entitlement by Eligible Shareholders holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in the Buyback Regulations. The settlement of the tenders under the Buyback will be done using the “Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offer under Takeovers Buy Back and Delisting” notified under the SEBI Circular.

Participation in the Buyback by shareholders may trigger tax on distributed income to shareholders (hereinafter referred to as “Buyback Tax”) in India and such tax is to be discharged by the Company. Any income received by Eligible Shareholders pursuant to the Buyback of shares will not be included in the total taxable income of such shareholders. The transaction of Buyback would also be chargeable to securities transaction tax in India. The shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the letter of offer to be sent to the Eligible Shareholder(s).

(g) Time limit for completing the Buyback

Subject to receipt of regulatory consents and approvals, if any, the Buyback is proposed to be completed within One year from the date of passing of special resolution detailed in this Postal Ballot Notice.

(h) Compliance with Section 68(2)(c) of the Act:

The aggregate paid-up share capital and free reserves as on March 31, 2020 is Rs. 184.42 crore (Rupees One Hundred Eighty-Four Crores Forty-Two Lakhs only) and Rs.182.58 crore (Rupees One Hundred Eighty-Two Crores Fifty-Eight Lakhs only) as per audited standalone financial statements and audited consolidated financial statements, respectively. Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate fully paid-up share capital and free reserves of the Company as per audited standalone financial statements and audited consolidated financial statements of the Company as on March 31, 2020 i.e. Rs. 46.11 crore (Rupees Forty-Six Crores Eleven Lakhs only) and Rs. 45.64 crore (Rupees Forty-Five Crores Sixty-Four Lakhs only) respectively. The maximum amount proposed to be utilized for the Buyback, is not exceeding Rs.36,98,57,600 (Rupees Thirty Six Crores and Ninety Eight Lakhs Fifty Seven Thousands Six Hundred Only) and is therefore within the limit of 25% of the Company’s fully paid-up share capital and free reserves as per the audited standalone financial statements and audited consolidated financial statements of the Company as on March 31, 2020 (the latest audited financial statements available as on the date of Board Meeting recommending the proposal for the Buyback).

(i) Details of holding and transactions in the shares of the Company

The aggregate shareholding of the (i) promoter and promoter group of the Company (“Promoter and Promoter Group”) and persons in control, (ii) Directors of companies which are a part of the Promoter and Promoter Group, and (iii) Directors and Key Managerial Personnel of the Company

as on the date of the Board Meeting and this Postal Ballot Notice, i.e., November 5, 2020, are as follows:

1. The aggregate shareholding of the Promoters and Promoter Group and persons who are in control of the Company:

Sl. No.	Name of Shareholders	No. of Shares held	Percentage (%)
1	Nandita Jain	18,60,255	14.13
2	Devanshi Jain	100	0.00
3	Akshat Jain	31,27,854	23.76
4	Sushil Jain HUF	1,82,600	1.39
5	Sushil Jain Nandita Jain	13,27,165	10.08
6	Aashima Jain	26,16,552	19.88
	Total	91,14,526	69.25

2. The aggregate shareholding of the directors of companies, which are part of the Promoter and Promoter Group:

Sl. No.	Name of Shareholders	No. of Shares held	Percentage (%)
3	Akshat Jain	31,27,854	23.76
4	Sushil Jain HUF	1,82,600	1.39
5	Sushil Jain Nandita Jain	13,27,165	10.08
	Total	46,37,619	35.23

3. Details of shareholding of the Directors and Key Managerial Personnel of the Company:

Sl. No.	Name of Directors & Key Managerial Personnel	Designation	No. of Shares held	Percentage (%)
1	Mr. Sushil Jain	Executive Director-Chairperson-CEO	15,09,765*	11.47
2	Mr. N K Maheshwari	Chief Financial Officer	-	-
3	Mr. Akshat Jain	Executive Director	31,27,854	23.76
4	Mr. Sanjeev Goel	Non-Executive Independent Director	2628	0.02
5	Mr. Arun Kumar Garg	Non-Executive Independent Director	0	0.00
6	Mrs. Neena Jain	Non-Executive Independent Director	0	0.00
7	Mrs. Manisha Chamaria	Non-Executive Independent Director	0	0.00
8	Mr. S.C. Singhal	Company Secretary	109	0.00

*includes 1,82,600 shares held by Sushil Jain HUF

4. No Equity Shares of the Company have been purchased / sold by any of the Promoters and Promoter Group, Directors of the Promoter and Promoter Group companies, Directors and Key Managerial Personnel of the Company during the period from six months preceding the date of the Board Meeting at which the Buyback was proposed and from the date of the Board Meeting till the date of this Notice.

(j) Intention of Promoter and Promoter Group and persons in control of the Company to participate in the Buyback:

In terms of the Buyback Regulations, under the tender offer route, the Promoter and Promoter Group have an option to participate in the Buyback. In this regard, the Promoter and Promoter Group entities and persons in control of the Company have expressed their intention to participate in the Buyback vide their letters dated November 05, 2020 and may tender up to an aggregate maximum of **79,93,340** Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations. Please see below the maximum number of Equity Shares to be tendered by each of the Promoter and Promoter Group as well as persons in control of the Company:

Sr. No.	Name	Number of Equity Shares Held	Maximum Number of Equity Shares Intended to tender
1	Nandita Jain	18,60,255	18,60,255
2	Devanshi Jain	100	100
3	Akshat Jain	31,27,854	23,11,610
4	Sushil Jain HUF	1,82,600	1,82,600
5	Sushil Jain Nandita Jain	13,27,165	13,27,165
6	Aashima Jain	26,16,552	23,11,610
Total		91,14,526	79,93,340

The Buyback will not result in any benefit to the Promoter and Promoter Group or any Directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as equity shareholders of the Company, and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the equity share capital of the Company post Buyback.

The details of the date and price of acquisition of the Equity Shares that the Promoter and Promoter Group intend to tender are set-out below:

(1) NANDITA JAIN:

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Consideration (Cash, other than cash etc.)
Opening as on April 1, 2011	Through purchase and allotments	1,34,000	10	N.A.	N.A.
31.08.2017	Pursuant to Merger	17,26,255	10	N.A.	N.A.
Total		18,60,255			

Note: Since specific details of acquisition/sale of equity shares prior to April 1, 2011 are not available, aggregate shareholding as on April 1, 2011 is provided.

(2) DEVANSHI JAIN:

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Consideration (Cash, other than cash etc.)
Opening as on April 1, 2011	-	-	-	-	-

30.07.2013	Transfer	100	10	10	Cash
Total		100			

Note: Since specific details of acquisition/sale of equity shares prior to April 1, 2011 are not available, aggregate shareholding as on April 1, 2011 is provided.

(3) AKSHAT JAIN:

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Consideration (Cash, other than cash etc.)
Opening as on April 1, 2011	Through purchase and allotments	1,32,600	10	N.A.	N.A.
31.08.2017	Pursuant to Merger	12,66,807	10	N.A.	N.A.
18.03.2020	Acquired through Gift	17,28,447	10	N.A.	N.A.
Total		31,27,854			

Note: Since specific details of acquisition/sale of equity shares prior to April 1, 2011 are not available, aggregate shareholding as on April 1, 2011 is provided.

(4) SUSHIL JAIN HUF

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Consideration (Cash, other than cash etc.)
Opening as on April 1, 2011	Through purchase and allotments	1,82,600	10	N.A.	N.A.
Total		1,82,600			

Note: Since specific details of acquisition/sale of equity shares prior to April 1, 2011 are not available, aggregate shareholding as on April 1, 2011 is provided.

(5) SUSHIL JAIN NANDITA JAIN

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Consideration (Cash, other than cash etc.)
Opening as on April 1, 2011	Transfer	6,300	10	N.A.	N.A.
	Demat account of Mr. Sushil Jain merged with Joint Demat Account of Mr. Sushil Jain and Mrs. Nandita Jain	6,82,806	10	Nil	N.A.
31.08.2017	Pursuant to	38,34,062	10	N.A.	N.A.

	Merger				
10.12.2018	Acquired from market	5,240	10	127.64	N.A.
18.03.2020	Disposal by way of gift	(32,01,243)	10	N.A.	N.A.
Total		13,27,165			

Note: Since specific details of acquisition/sale of equity shares prior to April 1, 2011 are not available, aggregate shareholding as on April 1, 2011 is provided.

(6) AASHIMA JAIN

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (Rs.)	Issue/Acquisition Price (Rs.)	Consideration (Cash, other than cash etc.)
Opening as on April 1, 2011	Through purchase and allotments	40,000	10	N.A.	N.A.
31.08.2017	Pursuant to Merger	11,03,756	10	N.A.	N.A.
18.03.2020	Acquired through Gift	14,72,796	10	N.A.	N.A.
Total		26,16,552			

Note: Since specific details of acquisition/sale of equity shares prior to April 1, 2011 are not available, aggregate shareholding as on April 1, 2011 is provided.

(k) Confirmations from Company as per the provisions of Buyback Regulations and Act

- (i) all the Equity Shares of the Company are fully paid-up;
- (ii) the Company shall not issue any Equity Shares or specified securities including by way of bonus, from the date of declaration of results of the postal ballot for special resolution passed by the shareholders approving the proposed Buyback until the date of expiry of the Buyback period;
- (iii) except in discharge of its subsisting obligations, the Company shall not raise further capital for a period of six months or one year from the expiry of the Buyback period, as may be applicable in accordance with the Buyback Regulations or any circulars or notifications issued by SEBI in connection therewith;
- (iv) the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or till the Equity Shares become transferable;
- (v) the Company shall not buyback its Equity Shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- (vi) there are no defaults subsisting in the repayment of any deposits (including interest payable thereon), redemption of debentures or preference shares, payment of dividend or repayment of any term loans to any financial institution or banks (including interest payable thereon);
- (vii) that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- (viii) the aggregate amount of the Buyback i.e. up to Rs. 36,98,57,600/- (Rupees Thirty Six Crores Ninety Eight Lakhs Fifty Seven Thousand Six Hundred Only) does not exceed 25% of the aggregate of the total paid-up capital and free reserves of the Company as per the latest audited standalone and consolidated balance sheet of the Company as at March 31, 2020;
- (ix) the maximum number of Equity Shares proposed to be bought back under the Buyback (up to 23,11,610 Equity Shares), does not exceed 25% of the total number of Equity

- Shares in the paid-up Equity Share capital as per the latest audited standalone and consolidated balance sheet of the Company as at March 31, 2020;
- (x) the Company shall not make any offer of buyback within a period of one year reckoned from the date of expiry of the Buyback period;
 - (xi) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
 - (xii) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves after the Buyback based on both standalone and consolidated financial statements of the Company; and
 - (xiii) the Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies.

(l) Confirmations from the Board

The Board has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

- i. immediately following the date of the Board Meeting held on November 5, 2020 or following the date on which the results of Postal Ballot with regard to the proposed Buyback will be declared, there will be no grounds on which the Company can be found unable to pay its debts;
- ii. as regards the Company's prospects for the year immediately following the date of the Board meeting held on November 5, 2020 as well as the year immediately following the date on which the results of Postal Ballot with regard to the proposed Buyback will be declared, approving the Buyback and having regards to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting approving the Buyback or within a period of one year from the date on which the results of Postal Ballot with regard to the proposed Buyback will be declared, as the case may be;
- iii. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

(m) Report addressed to the Board by the Company's Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:

The text of the report dated November 5, 2020 received from M/s M.L. Garg & Co., Chartered Accountants, Statutory Auditors of the Company, addressed to the Board of the Company is reproduced below:

November 5, 2020

To
Indian Toners & Developers Limited,
10.5 KM Mile Stone,
Rampur - Bareilly Road, Rampur,
Uttar Pradesh, 244901,

Dear Sirs,

Re: Proposed Buy-back of Equity Shares

In connection with the proposed Buy-back of Equity Shares by Indian Toners & Developers Limited (the 'Company') as approved by the Board of Directors at its meeting held on November 5, 2020 in pursuance of the provisions of Section 68 of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (the "SEBI Buyback Regulations"), as amended; and based on the information and explanations given to us which were to the best of our knowledge and belief necessary for this purpose, we report that:

1. We have enquired into the state of affairs of the Company in relation to its audited financial statements for the year ended March 31, 2020 which have been audited by us and approved by the Board of Directors of the Company at their meeting held on July 11, 2020.
2. The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the table below is properly determined in our view in accordance with Section 68 (2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited financial statements of the Company for the year ended March 31, 2020.

Particulars as on 31.03.2020		Amount (Rs. in Lakhs)	
		Standalone	Consolidated
Paid-up Capital	A	1,316.16	1,316.16
Free Reserves			
Profit & Loss Account Balance		11,885.27	11,700.96
Securities Premium			
General Reserves		5,240.74	5,240.74
Total Free Reserves	B	17,126.01	16,941.70
Total Paid up Capital & Free Reserves	A+B	18,442.17	18,257.86
Maximum Permissible for buyback under Section 68 (2) of the Companies Act, 2013 (25% of the total paid up capital and free reserves with the Shareholder Approval)		4,610.54	4,564.46
Maximum amount permitted by Board Resolution dated November 5, 2020 approving Buyback, subject to shareholder approval, based on the audited financial statements for the year ended March 31, 2020		3,698.58	3,698.58

3. The Board of Directors of the Company, in their meeting held on July 11, 2020 have formed their opinion as specified in Part A, clause (x) of Schedule II to the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended, on reasonable grounds, that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution.

4. This report has been issued at the request of the Company solely for use of the Company in relation to filing information with the explanatory statement to the notice for special resolution and in connection with the proposed buyback of equity shares of the Company in pursuance of the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations, as amended and may not be suitable for any other purpose.

For M.L. Garg & Co.
Chartered Accountants
FRN001604N

Place: New Delhi
Date: 5/11/2020

Manish Garg
Partner
M.NO. 96238
UDIN: 20096238AAAAFH3773

Notes:

1. Free reserves as defined in Section 2(43) of the Companies Act, 2013 read along with explanation II provided in section 68 of the Companies Act, 2013.
2. The above calculation of the paid-up equity share capital and free reserves as at 31 March 2020 for buyback of equity shares is based on the amounts appearing in the audited standalone financial statements and audited consolidated financial statements of the Company as on March 31, 2020. These audited standalone financial statements and audited consolidated financial statements of the Company as on March 31, 2020, were prepared and presented in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act.

For any queries or clarifications relating to the Buyback process, Members holding equity shares of the Company may contact Shri S.C, Singhal, Company Secretary of the Company at contact no.: 011-45017000 and e-mail: investors@indiantoners.com

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its Members holding Equity Shares of the Company. The Directors, therefore recommend the resolution proposed at Item No.1 for your consent by way of a special resolution.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholdings in the Company, if any.

By order of the Board,
For **Indian Toners & Developers Limited**

Place: New Delhi
Date: November 05, 2020

Sd/-
S.C. Singhal
Company Secretary