



# INDIAN TONERS & DEVELOPERS LIMITED

Registered Office: 10.5 KM Mile Stone, Rampur - Bareilly Road, Rampur, Uttar Pradesh - 244901  
Ph: +011-45017000, Fax: +011-45017043  
Website: [www.indiantoners.com](http://www.indiantoners.com), E-mail: [investors@indiantoners.com](mailto:investors@indiantoners.com)  
Company Secretary & Compliance Officer: Mr. S.C. Singhal

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF INDIAN TONERS & DEVELOPERS LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

**This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 7(ii) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "Buyback Regulations") and contains the disclosures as specified in Schedule II of the Buyback Regulations.**

**OFFER FOR BUYBACK OF UP TO 23,11,610 (TWENTY-THREE LAKHS ELEVEN THOUSAND SIX HUNDRED TEN ONLY) FULLY PAID UP EQUITY SHARES OF THE COMPANY OF FACE VALUE OF Rs. 10/- (RUPEES TEN ONLY) EACH ("EQUITY SHARES") AT A PRICE OF Rs. 160/- (RUPEES ONE HUNDRED SIXTY ONLY) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.**

Certain figures contained in this Public Announcement, 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.

#### 1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1. The board of directors of Indian Toners & Developers Limited (the "Company") (the board of directors of the Company hereinafter referred to as the "Board", which expression shall include any committee constituted and authorized by the Board to exercise its powers), at their meeting held on November 5, 2020 (the "Board Meeting"), has, subject to the approval of the shareholders of the Company by way of a special resolution through a postal ballot by remote e-voting, pursuant to the provisions of Article 4 of the Articles of Association of the Company, Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable, and in compliance with the Buyback Regulations and subject to such approvals of statutory, regulatory or government authorities as may be required under applicable laws, approved the buyback by the Company of up to 23,11,610 (Twenty-Three Lakhs Eleven Thousand Six Hundred Ten Only) Equity Shares representing up to 17.56% of the total issued and paid-up Equity Share capital of the Company at a price of Rs. 160/- (Rupees One Hundred Sixty only) per Equity Share (the "Buyback Price") payable in cash for an aggregate consideration of up to Rs. 36,98,57,600 (Rupees Thirty Six Crores and Ninety Eight Lakhs Fifty Seven Thousand Six Hundred Only) ("Buyback Size"), which is 20.06% and 20.26% of the aggregate of the fully paid-up Equity Share capital and free reserves of the Company as per the latest audited standalone and consolidated balance sheet, respectively, as at March 31, 2020, on a proportionate basis through the "tender offer" route as prescribed under the Buyback Regulations, from all of the shareholders of the Company who hold Equity Shares as of the Record Date (as defined below) ("Buyback").

1.2. The shareholders of the Company approved the Buyback, by way of a special resolution, by way of postal ballot through remote e-voting pursuant to the postal ballot notice dated November 5, 2020 (the "Postal Ballot Notice"), the results of which were announced on December 31, 2020.

1.3. The Buyback Size does not include any transaction costs viz. brokerage, applicable taxes such as buyback tax ("Buyback Tax"), securities transaction tax, GST, stamp duty, expenses incurred or to be incurred for the Buyback like filing fees payable to Securities and Exchange Board of India ("SEBI"), advisors/legal fees, public announcement/publication expenses, printing and dispatch expenses and other incidental and related expenses, etc. Buyback Tax does not form part of the Buyback Size and will be appropriated out of the free reserves of the Company.

1.4. The Equity Shares are listed on the BSE Limited (the "BSE") (hereinafter referred to as the "Stock Exchange").

1.5. In addition to the regulations/statutes referred to in paragraph 1.1 above, the Buyback is also in accordance with the Companies (Management and Administration) Rules, 2014, to the extent applicable and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Buyback shall be undertaken on a proportionate basis from the equity shareholders of the Company as on the Record Date (as defined below) ("Eligible Shareholders") through the tender offer process prescribed under Regulation 4(v)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, implemented by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by SEBI in its circular bearing reference number CIR/CFD/POLICY/CEDL/1/2015 dated April 13, 2015 read with the circular bearing reference number CFFD/DCR2/ CIR/P/2016/131 dated December 9, 2016, as amended from time to time ("SEBI Circulars"). In this regard, the Company will request BSE to provide the acquisition window for facilitating tendering of Equity Shares under the Buyback. For the purposes of this Buyback, BSE will be the designated stock exchange.

1.6. Participation in the Buyback by Eligible Shareholders may trigger tax on distributed income to such shareholders (Buyback Tax) in India and such tax is to be discharged by the Company as per the procedure laid down in the applicable provisions of the Income Tax Act, 1961 read with any applicable rules framed thereunder. Consequently, any income received by Eligible Shareholders pursuant to the Buyback of shares is exempt and hence not includable in the total taxable income of such shareholders. The transaction of Buyback would also be chargeable to securities transaction tax in India. Participation in the Buyback by non-resident Eligible Shareholders may trigger capital gains tax in the hands of such shareholders in their country of residence. In due course, the Eligible Shareholders will receive a letter of offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, the Eligible Shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.

1.7. A copy of this Public Announcement is available on the website of the Company at [www.indiantoners.com](http://www.indiantoners.com) and is expected to be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) during the period of Buyback and on the website of the Stock Exchange at [www.bseindia.com](http://www.bseindia.com).

#### 2. NECESSITY OF THE BUYBACK

2.1. 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.

#### 3. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK

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

#### 4. BUYBACK PRICE AND BASIS OF DETERMINING THE BUYBACK PRICE

4.1. 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:

- Premium of 59.48% 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).
  - Premium of 50.02% 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).
  - 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.
- 4.2. 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;
- 4.3. 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.
- 4.4. The pre-Buyback return on net-worth of the Company on 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.

#### 5. MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK AND ITS PERCENTAGE OF THE TOTAL PAID UP CAPITAL AND FREE RESERVES

- The maximum amount required for Buyback will not exceed Rs. 36,98,57,600 (Rupees Thirty Six Crores Ninety Eight Lakhs Fifty Seven Thousand Six Hundred only), excluding transaction costs viz. brokerage, applicable taxes such as Buyback Tax, securities transaction tax, GST, stamp duty, expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, advisors/legal fees, public announcement/publication expenses, printing and dispatch expenses and other incidental and related expenses, etc.
- The maximum amount mentioned aforesaid is 20.06% and 20.26% of the aggregate of the fully paid-up Equity Share capital and free reserves as per the latest audited standalone and consolidated balance sheet, respectively, of the Company as at March 31, 2020, which is within the prescribed limit of 25%.
- Buyback Tax does not form part of the Buyback Size and will be appropriated out of the free reserves of the Company.

#### 6. DETAILS OF HOLDING AND TRANSACTIONS IN THE SHARES OF THE COMPANY

6.1. The aggregate shareholding of (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 the Postal Ballot Notice, i.e., November 5, 2020, are as follows:

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	23.77
4	Sushil Jain	1,82,600	1.39
5	Sushil Jain Jt. Nandita Jain	13,27,165	10.08
6	Aashima Jain	26,16,552	19.88
Total		91,14,526	69.25

6.1.2. Aggregate shareholding of the Directors of companies which are a part of the Promoter and Promoter Group, as on the date of the Board Meeting and the date of the Postal Ballot Notice, i.e., November 5, 2020:

Sl. No.	Name of Shareholders	No. of Shares held	Percentage (%)
1	Akshat Jain	31,27,854	23.77
2	Sushil Jain HUF*	1,82,600	1.39
3	Sushil Jain Jt. Nandita Jain*	13,27,165	10.08
Total		46,37,619	35.24

\*Sushil Jain Director and Promoter of the Company holding shares through his HUF and jointly with her wife Mrs. Nandita Jain

6.1.3. Aggregate shareholding of the Directors and Key Managerial Personnel of the Company as on the date of the Board Meeting and the date of the Postal Ballot Notice, i.e., November 5, 2020:

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	0	0.00
3	Mr. Akshat Jain	Executive Director	31,27,854	23.77
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 Chamarla	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 & 13,27,165 Equity Shares held by Sushil Jain Jt. Nandita Jain

6.1.4. Aggregate shares purchased or sold by the Promoter and Promoter Group, persons in control, Directors of companies which are a part of the Promoter and Promoter Group and Directors and Key Managerial Personnel of the Company during a period of six months preceding the date of the Board Meeting at which the Buyback was approved and the date of the Postal Ballot Notice, i.e., November 5, 2020:

- Aggregate of shares purchased or sold by the Promoter and Promoter Group and persons who are in control: **None**
- Aggregate shares purchased or sold by the Directors of companies which are a part of the Promoter and Promoter Group: **None**
- Aggregate shares purchased or sold by the Directors and Key Managerial Personnel of the Company: **None**

#### 7. INTENTION OF PROMOTER AND PROMOTER GROUP AND PERSONS IN CONTROL OF THE COMPANY TO PARTICIPATE IN BUYBACK

7.1. 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 5, 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 proposed to be tendered by each of the Promoter and Promoter Group as well as persons in control of the Company:

Sl. No.	Name	Maximum Number of Equity Shares Intended to tender
1	Nandita Jain	18,60,255
2	Devanshi Jain	100
3	Akshat Jain	23,11,610
4	Sushil Jain HUF	1,82,600
5	Sushil Jain Nandita Jain	13,27,165
6	Aashima Jain	23,11,610
Total		79,93,340

7.2. The Buyback will not result in any benefit to the Promoter and Promoter Group or any Directors and Key Managerial Personnel 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.

7.3. 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:

##### I. 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.

##### II. 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.

##### III. 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.

##### IV. 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.

##### V. SUSHIL JAIN JT. 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 Merger	38,34,062	10	N.A.	N.A.
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.

##### VI. 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.

#### 8. Confirmations from the Company as per the provisions of the Buyback Regulations and the Companies Act:

- all the Equity Shares of the Company are fully paid-up;
- 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;
- 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;
- the Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the Public Announcement of the Buyback offer is made;
- 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;
- the Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.
- 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;
- 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);
- the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- 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;
- 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;
- 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;
- there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- 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
- 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.

#### 9. 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:

- 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 ("Postal Ballot Resolution"), there will be no grounds on which the Company can be found unable to pay its debts;
- 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 regard 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, 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;
- 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).

**10. The text of the report dated November 5, 2020 of M.L. Garg & Co., Chartered Accountants, Statutory Auditors of the Company, addressed to the Board 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:

- 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.
- 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
Free Reserves		1,316.16
Profit & Loss Account Balance		11,885.27
Securities Premium		11,700.96
General Reserves	B	5,240.74
Total Free Reserves	B	5,240.74
Total Paid up Capital & Free Reserves	A+B	17,126.01
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)		18,257.86
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		4,610.54
		4,664.46

- 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.
- 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  
Sd/-  
Manish Garg  
Partner  
UDIN: 20096238AAAHF3773

#### Notes:

- Free reserves as defined in Section 2(43) of the Companies Act, 2013 read along with explanation I provided in section 68 of the Companies Act, 2013.
- 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.





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Company Secretary & Compliance Officer: Mr. S.C. Singhal

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Certain figures contained in this Public Announcement, 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.

- DETAILS OF THE BUYBACK OFFER AND OFFER PRICE**
  - The board of directors of Indian Toners & Developers Limited (the "Company") (the board of directors of the Company hereinafter referred to as the "Board", which expression shall include any committee constituted and authorized by the Board to exercise its powers), at their meeting held on November 5, 2020 (the "Board Meeting") has, subject to the approval of the shareholders of the Company by way of a special resolution through a postal ballot by remote e-voting, pursuant to the provisions of Article 4 of the Articles of Association of the Company, Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable, and in compliance with the Buyback Regulations and subject to such approvals of statutory, regulatory or government authorities as may be required under applicable laws, approved the buyback by the Company of up to 23,11,610 (Twenty-Three Lakhs Eleven Thousand Six Hundred Ten Only) Equity Shares representing up to 17.56% of the total issued and paid-up Equity Share capital of the Company at a price of Rs. 160/- (Rupees One Hundred Sixty only) per Equity Share (the "Buyback Price") payable in cash for an aggregate consideration of up to Rs. 36,98,57,600 (Rupees Thirty Six Crores and Ninety Eight Lakhs Fifty Seven Thousands Six Hundred Only) ("Buyback Size"), which is 20.06% and 20.26% of the aggregate of the fully paid-up Equity Share capital and free reserves of the Company as per the latest audited standalone and consolidated balance sheet, respectively, as at March 31, 2020, on a proportionate basis through the "tender offer" route as prescribed under the Buyback Regulations, from all of the shareholders of the Company who hold Equity Shares as of the Record Date (as defined below) ("Buyback").
  - The shareholders of the Company approving the Buyback, by way of a special resolution, by way of postal ballot through remote e-voting pursuant to the postal ballot notice dated November 5, 2020 (the "Postal Ballot Notice"), the results of which were announced on December 31, 2020.
  - The Buyback Size does not include any transaction costs viz. brokerage, applicable taxes such as buyback tax ("Buyback Tax"), securities transaction tax, GST, stamp duty, expenses incurred or to be incurred for the Buyback like filing fees payable to Securities and Exchange Board of India ("SEBI"), advisors/legal fees, public announcement/publication expenses, printing and dispatch expenses and other incidental and related expenses, etc. Buyback Tax does not form part of the Buyback Size and will be appropriated out of the free reserves of the Company.
  - The Equity Shares are listed on the BSE Limited (the "BSE") (hereinafter referred to as the "Stock Exchange").
  - In addition to the regulations/statutes referred to in paragraph 1.1 above, the Buyback is also in accordance with the Companies (Management and Administration) Rules, 2014, to the extent applicable and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Buyback shall be undertaken on a proportionate basis from the equity shareholders of the Company as on the Record Date (as defined below) ("Eligible Shareholders") through the tender offer process prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, implemented by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by SEBI in its circular bearing reference number CIR/CFDPOLICY/CEDL/12/015 dated April 13, 2015 read with the circular bearing reference number CFI/DCR/2/ CIR/P/2016/131 dated December 9, 2016, as amended from time to time ("SEBI Circulars"). In this regard, the Company will request BSE to provide the acquisition window for facilitating tendering of Equity Shares under the Buyback. For the purposes of this Buyback, BSE will be the designated stock exchange.
  - Participation in the Buyback by Eligible Shareholders may trigger tax on distributed income to such shareholders (Buyback Tax) in India and such tax is to be discharged by the Company as per the procedure laid down in the applicable provisions of the Income-tax Act, 1961 read with any applicable rules framed thereunder. Consequently, any income received by Eligible Shareholders pursuant to the Buyback of shares is exempt and hence not includable in the total taxable income of such shareholders. The transaction of Buyback would also be chargeable to securities transaction tax in India. Participation in the Buyback by non-resident Eligible Shareholders may trigger capital gains tax in the hands of such shareholders in their country of residence. In due course, the Eligible Shareholders will receive a letter of offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences of the Eligible Shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.
  - A copy of this Public Announcement is available on the website of Company at [www.indiantoners.com](http://www.indiantoners.com) and is expected to be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) during the period of Buyback and on the website of the Stock Exchange at [www.bseindia.com](http://www.bseindia.com).

- NECESSITY OF 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, with additional investment.

- MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK**
  - The Company proposes to buyback up to 23,11,610 (Twenty-Three Lakhs Eleven Thousand Six Hundred Ten Only) Equity Shares.
- BUYBACK PRICE AND BASIS OF DETERMINING 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:
    - Premium of 59.48% 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).
    - Premium of 50.02% 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).
    - 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.
- MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK AND ITS PERCENTAGE OF THE TOTAL PAID UP CAPITAL AND FREE RESERVES**
  - The maximum amount required for 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. brokerage, applicable taxes such as Buyback Tax, securities transaction tax, GST, stamp duty, expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, advisors/legal fees, public announcement/publication expenses, printing and dispatch expenses and other incidental and related expenses, etc.
  - The maximum amount mentioned aforesaid is 20.06% and 20.26% of the aggregate of the fully paid-up Equity Share capital and free reserves as per the latest audited standalone and consolidated balance sheet, respectively, of the Company as at March 31, 2020, which is within the prescribed limit of 25%.
  - Buyback Tax does not form part of the Buyback Size and will be appropriated out of the free reserves of the Company.

- 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 the Postal Ballot Notice, i.e., November 5, 2020, are as follows:
    - Aggregate shareholding of the Promoter and Promoter Group and persons who are in control as on the date of the Board Meeting and the date of the Postal Ballot Notice, i.e., November 5, 2020:

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	23.77
4	Sushil Jain Huf	1,82,600	1.39
5	Sushil Jain Jt. Nandita Jain	13,27,165	10.08
6	Aashima Jain	26,16,552	19.88
Total		91,14,526	69.25
    - Aggregate shareholding of the Directors of companies which are a part of the Promoter and Promoter Group, as on the date of the Board Meeting and the date of the Postal Ballot Notice, i.e., November 5, 2020:

Sl. No.	Name of Shareholders	No. of Shares held	Percentage (%)
1	Akshat Jain	31,27,854	23.77
2	Sushil Jain HUF	1,82,600	1.39
3	Sushil Jain Jt. Nandita Jain	13,27,165	10.08
Total		46,37,619	35.24

- Aggregate shareholding of the Directors and Key Managerial Personnel of the Company as on the date of the Board Meeting and the date of the Postal Ballot Notice, i.e., November 5, 2020:

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	0	0.00
3	Mr. Akshat Jain	Executive Director	31,27,854	23.77
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 Chamarla	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 & 13,27,165 Equity Shares held by Sushil Jain Jt. Nandita Jain
  - Aggregate shares purchased or sold by the Promoter and Promoter Group, persons in control, Directors of companies which are a part of the Promoter and Promoter Group and Directors and Key Managerial Personnel of the Company during a period of six months preceding the date of the Board Meeting at which the Buyback was approved and the date of the Postal Ballot Notice, i.e., November 5, 2020:
    - Aggregate of shares purchased or sold by the Promoter and Promoter Group and persons who are in control: **None**
    - Aggregate shares purchased or sold by the Directors of companies which are part of the Promoter and Promoter Group: **None**
    - Aggregate shares purchased or sold by the Directors and Key Managerial Personnel of the Company: **None**
- INTENTION OF PROMOTER AND PROMOTER GROUP AND PERSONS IN CONTROL OF THE COMPANY TO PARTICIPATE IN 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 5, 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 proposed to be tendered by each of the Promoter and Promoter Group as well as persons in control of the Company:

Sl. No.	Name	Maximum Number of Equity Shares Intended to tender
1	Nandita Jain	18,60,255
2	Devanshi Jain	100
3	Akshat Jain	23,11,610
4	Sushil Jain HUF	1,82,600
5	Sushil Jain Nandita Jain	13,27,165
6	Aashima Jain	23,11,610
Total		79,93,340
  - The Buyback will not result in any benefit to the Promoter and Promoter Group or any Directors and Key Managerial Personnel 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:
    - 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.
    - 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.
    - 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.
    - 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.
    - SUSHIL JAIN JT. 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 Merger	38,34,062	10	N.A.	N.A.
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.
    - 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.
- Confirmations from the Company as per the provisions of the Buyback Regulations and the Companies Act:**
  - all the Equity Shares of the Company are fully paid-up;
  - 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;
  - 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;
  - the Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the Public Announcement of the Buyback offers is made;
  - 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;
  - the Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet
  - 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;
  - 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);
  - that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
  - 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;
  - 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;
  - 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;
  - there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
  - 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
  - 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.

- 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:**
  - 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 ("Postal Ballot Resolution"), there will be no grounds on which the Company can be found unable to pay its debts;
  - 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;
  - 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).
- The text of the report dated November 5, 2020 of M.L. Garg & Co., Chartered Accountants, Statutory Auditors of the Company, addressed to the Board 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:
- 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.
  - 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.

	Amount (Rs. in Lakhs)	
<b>Particulars as on 31.03.2020</b>	<b>Standalone</b>	<b>Consolidated</b>
Paid-up Capital	A	1,316.16
Free Reserves		
Profit & Loss Account Balance		11,885.27
Securities Premium		
General Reserves		5,240.74
Total Free Reserves	B	17,126.01
Total Paid up Capital & Free Reserves	A+B	18,442.17
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
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
  - 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.
  - This report has been issued in 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**  
**Sd/-**  
**Manish Garg**  
**Partner**  
**UDIN: 20096238AAAF3773**
- Notes:**
- Free reserves as defined in Section 2(43) of the Companies Act, 2013 read along with explanation I provided in section 68 of the Companies Act, 2013.
  - 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.
- RECORD DATE AND SHAREHOLDER'S ENTITLEMENT**
    - As required under the Buyback Regulations, the Company has fixed Friday, January 15, 2021 as the record date (the "Record Date") for the purpose of determining the entitlement and the names of the equity shareholders who are eligible to participate in the Buyback.
    - The Equity Shares to be bought back as part of the Buyback are divided into two categories: i. Reserved category for small shareholders; and ii. General category for all other shareholders.
    - As defined in Regulation 20(n) of the Buyback Regulations, a "small shareholder" is a shareholder who holds equity shares having market value, on the basis of closing price on Rs. 2,00,000/- (Rupees Two Lakhs only).
    - In accordance with Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes to buyback or such 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.
    - On the basis of the shareholding on the Record Date, the Company will determine the entitlement of each Eligible Shareholder, including small shareholders, to tender their Equity 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 on the Record Date and the ratio of the Buyback applicable in the category to which such shareholder belongs. The final number of Equity Shares that the Company will purchase from each Eligible Shareholder will be based on the total number of Equity Shares tendered by an Eligible Shareholder. The Company may not purchase all of the Equity Shares tendered by an Eligible Shareholder.
    - In accordance with Regulation 9(x) 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 (the "Registrar") as per the shareholder records received from the depositories.
    - After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Shareholders in that category, and thereafter from Eligible Shareholders who have tendered over and above their entitlement in the other category.
    - The participation of Eligible Shareholders in the Buyback is voluntary. Eligible Shareholders 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 may also accept a part of their entitlement. Eligible Shareholders 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 Eligible Shareholders, if any. If the Buyback entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback.
    - The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date. In case the Eligible Shareholder holds Equity Shares through multiple demat accounts, the tender through a demat account cannot exceed the number of Equity Shares held in that demat account.
    - The Equity Shares tendered as per the entitlement by the Eligible Shareholder as well as additional Equity 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" notified under the SEBI Circulars. Eligible Shareholders will receive a letter of offer along with a tender/offer form indicating their respective entitlement for participating in the Buyback.
    - Participation in the Buyback by shareholders will trigger tax on distributed income to shareholders (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 Buyback will also be chargeable to securities transaction tax and stamp duty 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 in due course to the Eligible Shareholders.
  - PROCESS AND METHODOLOGY FOR BUYBACK**
    - The Buyback is open to all Eligible Shareholders and beneficial owners of the Company, holding Equity Shares either in physical or dematerialized form on the Record Date.
    - The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified vide the SEBI Circulars and following the procedure prescribed in the Companies Act and the Buyback Regulations, and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
    - For implementation of the Buyback, the Company has appointed SMC Global Securities Limited as the registered broker to the Company (the "Company's Broker") to facilitate the process of tendering of Equity Shares through the stock exchange mechanism for the Buyback through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

**Name:** Mr. Nishant Agarwal, AVP & Head – Account Opening Department  
**Address:** 9B, Netaji Subhash Marg, Daryaganj, New Delhi - 110 002 & 11 43650597
    - The Company will request Stock Exchange to provide a separate acquisition window ("Acquisition Window") to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. BSE being the sole exchange on which the company is listed will be the designated stock exchange for the purpose of this Buyback. The details of the Acquisition Window will be specified by the Stock Exchange from time to time.
    - During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers ("Stock Brokers") during normal trading hours of the secondary market. Stock Brokers can enter orders for demat shares as well as physical shares.