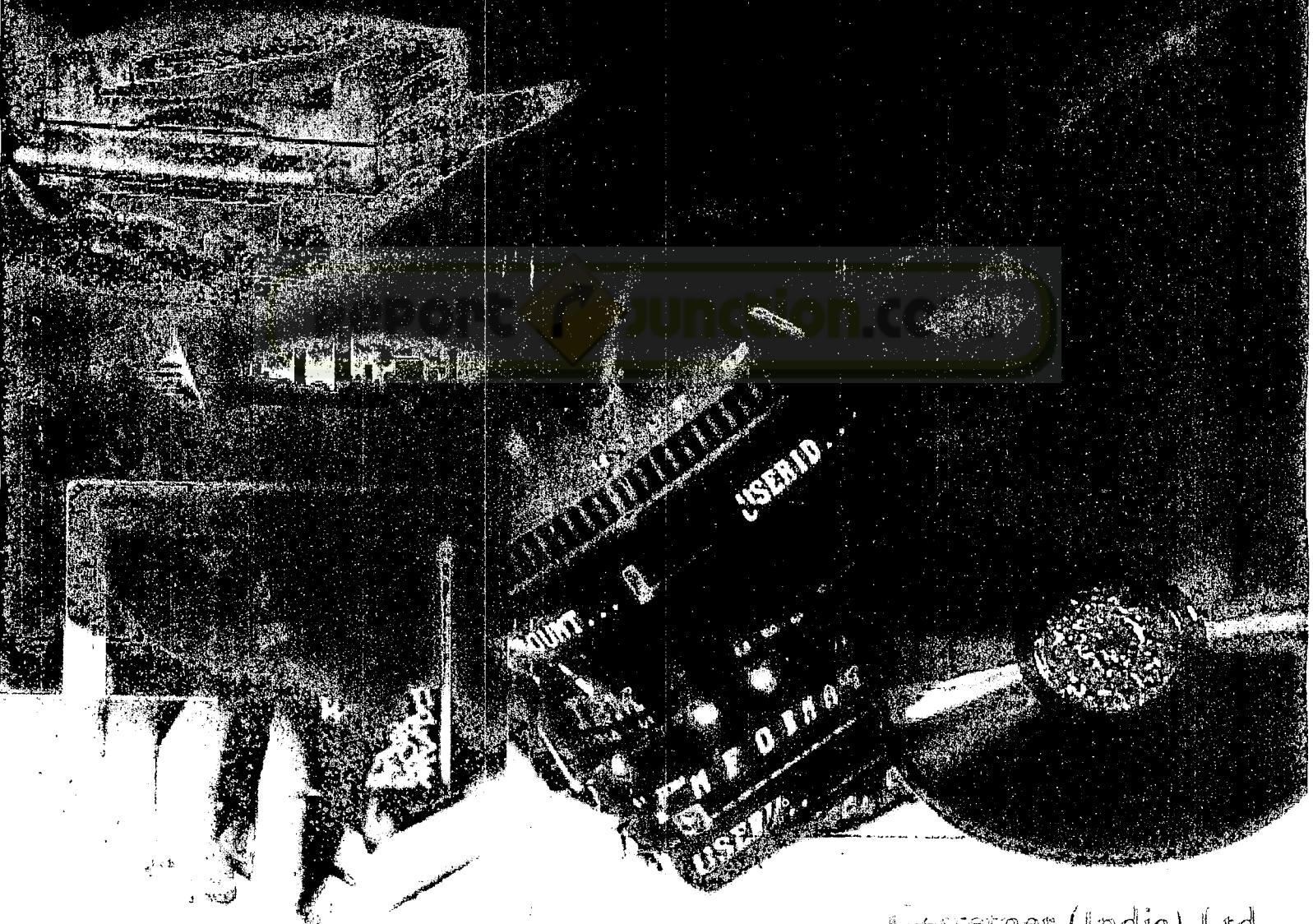


Launching into the next Millennium



Gestetner (India) Ltd.

Annual Report & Accounts 1998

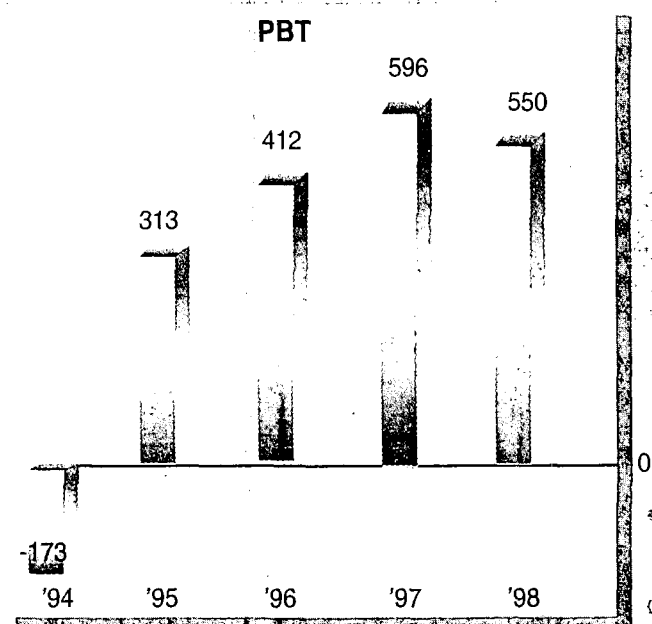
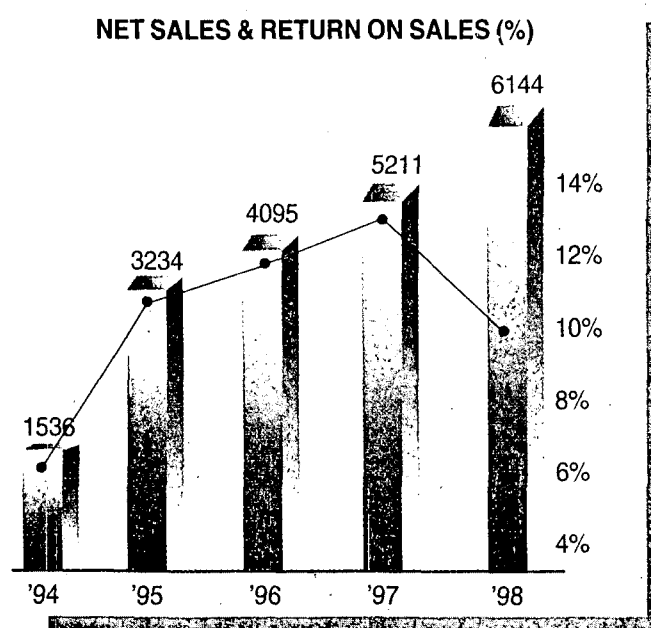
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YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

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Key Financials					
	Rs. in lacs				
	1994	1995	1996	1997	1998
9 months					
Net Sales	1536	3234	4095	5211	6144
PBIT	96	371	498	677	624
PBT	-173	313	412	596	550
Tax	0	25	183	270	220
PAT	-173*	288	229	326	329
Share Capital	339	347	347	358	358
Shareholders Funds	716	949	1100	1424	1673
Capital Employed	1016	1357	1703	1926	2470
PBIT To Sales	6%	11%	12%	13%	10%
ROCE	9%	27%	29%	35%	25%
Earning per share (Rs.)	-	8.3	6.6	9.1	9.2
Dividend	nil	20%	20%	20%	20%

*After considering extraordinary provisions/write-off of Rs. 228 lacs.



Gestetner (India) Ltd.**Board of Directors**

Mr. Jahar Sengupta
(Chairman)
Mr. Paul Wilkinson
(Managing Director)
Mr. Steve King
Mr. Kanji Furukawa
Mr. M. K. Kumar
Mr. Anil Kumar
Mr. V. A. Ravindran

**Vice President (Finance) &
Company Secretary**

Mr. Hemant Sharma

Auditors

Lovelock & Lewes
Chartered Accountants

Bankers

State Bank of India
Bank of India
The Fuji Bank Ltd.

Registered Office

Block GP, Sector V,
Salt Lake Electronic Complex,
Calcutta-700 091
Phone No. : 033-3575362, 3574821
Fax No. : 033-3570923

Head Office

6, Bahadur Shah Zafar Marg,
New Delhi-110 002
Phone No. : 011-3316623, 3316625
Fax No. : 011-3353485

Works

Block GP, Sector V,
Salt Lake Electronic Complex,
Calcutta-700 091

E1-E4, MIDC Industrial Area,
Satpur, Nasik

Gestetner

GESTETNER (INDIA) LTD.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventy-fifth Annual General Meeting of shareholders of Gestetner (India) Ltd. will be held on Thursday, the 8th April, 1999 at 10.00 A.M. at Kalakunj (Sangit Kala Mandir Trust) 48, Shakespeare Sarani, Calcutta-700 017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st December, 1998 and the Profit and Loss Account for the year ended on that date and the Report of the Auditors and Directors thereon.
2. To declare a Dividend for the year ended 31st December, 1998.
3. To appoint a Director in place of Mr. V. A. Ravindran, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Anil Kumar, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

By Order of the Board

Hemant Sharma
Company Secretary

Regd. Office.
Block GP, Sector-V,
Salt Lake Electronic Complex,
Calcutta-700 091

Place: New Delhi
Dated : January 29, 1999

- Notes :
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
 2. The Register of Members of the Company will remain closed from 1.04.1999 to 8.04.1999 (both days inclusive).
 3. Members/Proxies should bring the Attendance Slip sent herewith (duly filled in) for submission before attending the meeting.
 4. Members are requested to bring their copies of the Annual Report with them.
 5. In accordance with sec. 205A(5) the dividend(s) remaining unclaimed or unpaid for the year 1995 and onwards will be transferred to the Investor Education and Protection fund to be established by the Central Government of India, under sec. 205C as amended by Companies (Amendment) Ordinance, 1999, when the same is due. Members who have not encashed the dividend warrants so far for the year 1995 or any subsequent years are requested to make their claim(s) to the Company immediately.

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DIRECTORS' REPORT

The Directors have pleasure in presenting their Seventy Fifth Annual report on the business and operations of the Company, together with the audited accounts for the year ended 31st December 1998.

FINANCIAL RESULTS

	Year Ended 31.12.1998	(Rs. in Lacs) Year Ended 31.12.1997
Net Sales	6144.03	5210.68
Operating Profit	544.63	579.62
Add: Other Income	2.41	16.02
Profit on the Sale of Fixed Assets	<u>2.79</u>	<u>0.30</u>
Profit Before Tax	549.83	595.94
Provision for Tax	<u>220.41</u>	<u>269.97</u>
Profit After Tax	329.42	325.97
Balance brought forward from previous year	<u>539.28</u>	<u>320.63</u>
	<u>868.70</u>	<u>646.60</u>
Proposed Dividend	71.63	70.29
Tax on Dividend	7.16	7.03
Transfer to General Reserve	28.00	30.00
Balance Carried Forward	<u>761.91</u>	<u>539.28</u>
	<u>868.70</u>	<u>646.60</u>

OPERATIONS

During the year under review the net sales of the Company has grown by 18% over the previous year. The growth came from both CopyPrinter and Photocopier segments. The new digital Copier Aficio 3220 introduced during the year was received well in the market and contributed 9% of the Turnover. New 4130 Duplicators launched in 1998 have also been well received by customers.

Profit Before Tax (PBT) for the year at Rs 549.83 lacs is lower by 7.74% compared to the previous year. The PBT would have been higher but for the exchange loss on account of Japanese Yen fluctuation (Rs 70 lacs), higher training expenditure (Rs 21 lacs), higher depreciation due to change in depreciation policy (Rs 42.32 lacs) and advertisement for launch of digital Copier (Rs 30 lacs).

DIVIDEND

The Directors recommend a dividend of Rs. 2 per share, same as last year, for the year ended 31st December 1998. The dividend will be paid to those shareholders whose names stand registered in the books of the Company on 8th April 1999.

CURRENT YEAR

Two new digital machines in multi-functional copier segment, Aficio 3235 and 3245 are being introduced in 1999. These machines have a higher speed of copying/Printing i.e. 35 pages and 45 pages per minute respectively and have certain additional features. Newer models are also being introduced in our CopyPrinter segment to cater to a wider market.

These products together with 4130 Duplicator introduced in 1998 are expected to contribute significantly to the turnover and profitability in 1999.

CRISIL RATING

The Company was assigned P1 CRISIL rating in April 1998 for short term borrowings indicating that the degree of safety with regard to timely payment on the borrowings is strong. The Company used the rating successfully in placing Commercial Paper thereby reducing interest burden on the Company substantially.

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HUMAN RESOURCE DEVELOPMENT

The Company conducted several training programs during the year for developing new and enhancing the existing skills of the employees. The training on new products is carried out regularly. The Company's human resource management and development initiatives continue to attract, retain and develop the best managerial talent required to take the Company forward.

INDUSTRIAL RELATIONS

The relations between the employees and the management remained cordial during the year under review.

ISO 9002

Your Company's factory at Salt Lake and the sales network are working towards achieving ISO 9002 certification in 1999 which will help in meeting customers' expectations and competition more effectively.

AUDITORS' REPORT

Comments in para 2 of Auditors' Report read together with the relevant notes in schedule 14 to the accounts are self-explanatory.

AUDITORS

M/s Lovelock & Lewes, Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS

Mr. V. A. Ravindran and Mr. Anil Kumar retire at the conclusion of the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

ADDITIONAL INFORMATION

Additional information as required in pursuance of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) rules 1988 are given in Annexure A forming part of the report. In accordance with the amended Listing Agreement with Stock Exchanges, it is hereby confirmed that the Company's shares are listed at the Stock Exchanges at Calcutta, Mumbai and Delhi and there are no arrears of listing fees to these Stock Exchanges.

PARTICULARS OF EMPLOYEES

A statement giving particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 as amended are given in the Annexure B forming part of the report.

ACKNOWLEDGEMENTS

The directors wish to express their appreciation for the excellent job done by Mr. Paul Wilkinson, the Managing Director of the Company. The directors also wish to place on record the commitment and professionalism displayed by its entire staff. The directors would also like to express their gratitude to the bankers namely State Bank of India, Bank of India and Fuji Bank for their continued support to the Company.

The directors take this opportunity to thank Gestetner Holdings PLC, UK and Ricoh, Japan for their support to the Company.

On Behalf of the Board

Place: New Delhi
Dated: January 29, 1999

Jahar Sengupta
Chairman

ANNEXURE A**PARTICULARS UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988****a. Conservation of Energy**

The Company's operations involved low energy consumption. Wherever possible efforts to conserve and optimize the use of energy through improved operational methods and other ways will continue.

b. Technology Absorption

The Company continues its efforts at product development activities geared to absorb technology, improve productivity and quality of the end product.

c. Foreign Exchange Earnings and Outgo:

(i) Exports during the year were Rs.108.93 Lacs as against Rs 235.61 Lacs in 1997.

(ii) Total foreign exchange earnings and outgo:

<u>Earnings</u>	<u>Rs. in Lacs</u>
Export	108.93
Interest & others	0.08
Others	0.34
	<u>109.35</u>
<u>Outgo</u>	<u>Rs. in Lacs</u>
Raw material	177.76
Capital goods	-
Stores & spare parts	3.07
Trading items	1184.63
Interest	1.97
Travelling & others	<u>18.61</u>
	<u>1386.04</u>

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ANNEXURE - B

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES RULES 1975, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 1998.

Name	Designation Nature of Duties	Remune- ration (Rs.)	Qualification	Experi- ence (Yrs.)	Date of commence- ment of Employment	Age (Yrs.)	Previous Employment
A. K. Sengupta	Vice President (Prodn).	4,37,526	B.Sc.(Hons). Certificate in SQC.	37 Years	07.11.78	58	Prodn. Mgr. Bharat Carbon & Ribbon Mfg. Co. Ltd.
*A. R. Jairath	GM (Works)	34,330	B.Tech.	12 Years	01.12.98	34	Panacea Biotech Ltd.
Ashwini Mishra	DSM	3,20,392	B.Com.	19 Years	20.08.82	38	Jain Tube Supplier
B. Sharda	Reg.Mgr	3,49,081	B.Com.	12 Years	07.02.94	32	Bombay Tyre International Ltd.
C. S. Roy	Regional Controller	3,55,390	B.Sc.	30 Years	05.09.68	58	Engineering Apprentices Eastern Railway
*D. Agrawal	GM (Cust. Care)	3,91,512	Dip.Buss. Mgmt/Dip.Elec.	15 Years	16.04.98	38	Modi Xerox
D. Jayadev	Reg.Mgr	3,36,440	B.Sc.	31 Years	01.06.68	55	Ajay Indo Docs Pvt. Ltd.
D. N. Rajguru	Regional Controller	4,46,544	B.Sc.	33 Years	01.07.71	56	Deptt. Incharge, Sales & Service, American Refrigeration Co. Ltd.
Hemant Sharma	Vice President (Fin) & Co. Secretary	7,12,531	B.Com, ACA, ACS	18 Years	15.07.93	40	Div Manager (Fin) & Co. Secretary Munjal Showa Ltd.
H. Vijay Kumar	G.M. (Traditional)	3,95,828	B.Com	31 Years	01.05.78	51	First Job
I. R. C. Babu	DSM	3,03,347	Intermediate	19 Years	01.08.79	39	First Job
K. B. Menon	Vice President (Quality)	6,22,319	B.Sc.,M.C.I.M. (London), Diploma in Journalism	36 Years	25.10.62	61	First Job
K. L. Basu	Regional Controller	3,06,693	B.Sc.	32 Years	28.11.66	55	First Job
K. P. Singh	DSM	7,25,628	M.Sc	9 Years	18.06.91	32	Selen Office Systems
*Manoj Bhatt	Reg. Cust. Care Mgr.(North)	34,637	Dip. Elec. Engg.	10 Years	23.11.98	31	Modi Xerox
M. K. Raychaudhury	Vice President (Mfg.)	5,43,938	Graduate, Engg (Mech.)	26 Years	01.08.97	50	G.M.(Prod) I.F.B. Ind.Ltd.
M. L. Pasricha	Regional Controller	4,53,703	Hr.Sec./ Dip. Mktg Mgmt	28 Years	01.03.70	52	First Job