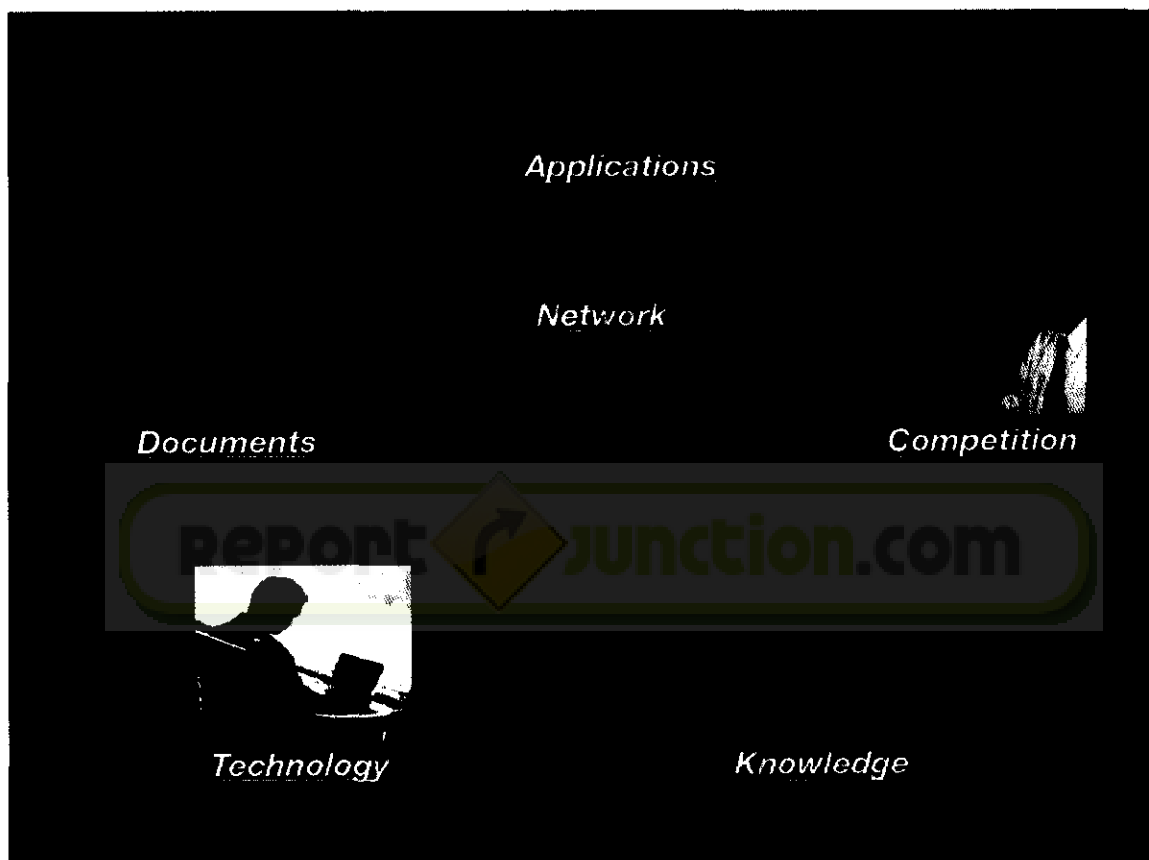


Gestetner

Leading the Digital Revolution



Gestetner (India) Ltd.
Annual Report & Accounts 1999

Gestetner

Communicating
Confidence

Gestetner

KEY FINANCIALS

	<i>Rs. in Lacs</i>				
	1995	1996	1997	1998	1999
Net Sales	3234	4095	5211	6144	6345
PBIT	371	498	677	624	180
PBT	313	412	596	550	40
Tax	25	183	270	220	26
Extraordinary Income (Net of Tax)	—	—	—	—	45
PAT	288	229	326	329	59
Share Capital	347	347	358	358	358
Shareholders Fund	949	1100	1424	1673	1686
Capital Employed	1357	1703	1926	2470	2848
PBIT to Sales	11%	12%	13%	10%	3%
ROCE	27%	29%	35%	25%	6%
Earning Per Share (Rs.)	8.3	6.6	9.1	9.2	1.6
Dividend	20%	20%	20%	20%	10%

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

Mr. Jahar Sengupta
(Chairman)
Mr. K. Swetharanyan
(Managing Director)
Mr. Steve King
Mr. M. K. Kumar
Mr. Anil Kumar
Mr. V. A. Ravindran

Company Secretary

Mr. Arvind Joshi

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

Head Office

6, Bahadur Shah Zafar Marg
New Delhi - 110 002

Works

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

E1-E4, MIDC Industrial Area
Satpur, Nasik - 422 007

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GESTETNER (INDIA) LTD.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventy-sixth Annual General Meeting of shareholders of Gestetner (India) Ltd. will be held on Friday the 30th June 2000 at 10 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 1999 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 1999.
3. To appoint a Director in place of Mr. Steve King, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. K. Kumar, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary resolution:
"RESOLVED THAT in pursuance to the provisions of Sections 198, 269, 309, 310 read with schedule XIII of the Companies Act, 1956 Mr. K. Swetharanyan be and is hereby appointed as Managing Director of the Company for a period of five years with effect from 1st April 2000 who shall not be liable to retire by rotation on the following terms and conditions which were approved by the Directors at their meeting held on 22nd March, 2000 subject to the approval of the Central Government and by the shareholders"

TERMS & CONDITIONS OF APPOINTMENT OF MANAGING DIRECTOR:

Salary	: Rs. 8,40,000/- (Rupees Eight Lac Forty Thousand only) per annum.
Special Pay	: Rs. 4,00,000/- (Rupees Four Lac only) per annum.
Guaranteed Bonus (Fixed)	: Rs. 8,25,000/- (Rupees Eight Lac Twenty Five Thousand only) per annum.
Bonus for Performance	
On target	: Rs. 6,00,000/- (Rupees Six Lac only) per annum.
Bonus on Extra-ordinary	
Performance, if any	: Rs. 3,00,000/- (Rupees Three Lac only) per annum.
Benefits	: Rs. 17,60,000/- (Rupees Seventeen Lac Sixty Thousand only) per annum

to cover:

- * The expenditure by the Company on hiring furnished Company Leased Accommodation,
- * Fully maintained Car with driver for official and limited personal use,
- * The expenditure incurred by the Company on water, electricity, gas, telephone & maintenance expenses of the house,
- * Leave Travel Assistance as per the Company's Rules,
- * Residential Telephone for official use,
- * Gardener and security provision at residence,
- * Medical re-imbursement for self, spouse and dependent children,
- * Office Attire,
- * Newspapers and business magazines and books, etc.
- * Furniture and fixture at residence.

Other Benefits : Provident Fund, Super Annuation & Gratuity will be as per Company's Rules.

Business Expenses : Re-imbursement of entertainment, travelling, hotel and other expenses actually and properly incurred for the business of the Company.

- Termination of Service** : On three months notice by either side or salary in lieu thereof.
- Annual Increments** : The remuneration will be reviewed in January each year. The increments would be within a limit of upto 10% of the total cost to the Company.

In the event of loss / inadequacy of profits in any year, Mr. K. Swetharanyan will be entitled to the above remuneration as the minimum remuneration.

Memorandum of Interest

Mr. K. Swetharanyan, Managing Director, may be deemed to be interested to the extent of the remuneration payable to him as above. No other director is interested in the remuneration to the Managing Director in any way.

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary resolution:
- “RESOLVED THAT** remuneration amounting to Rs. 7,89,114/- paid / payable to Mr. Paul Wilkinson for the period from 1st September 1999 to 31st March 2000 be and is hereby approved.”

EXPLANATORY STATEMENT

Item No. 6

Mr. K. Swetharanyan had joined the Company as Managing Director w.e.f. 1st April 2000 for a period of five years. The terms of appointment are to be approved by the shareholders in General Meeting. The Board recommends the resolution for approval by shareholders.

None of the Directors except Mr. K. Swetharanyan is interested in the resolution.

Item No. 7

Mr. Paul Wilkinson was re-appointed as the Managing Director of the Company w.e.f. 1st October 1999 for a period of two years, subject to shareholders approval. Pursuant to the provisions of the Companies Act, 1956 since the reappointment of Managing Director at the increased remuneration required shareholders approval the same is being sought in the ensuing General Meeting.

Mr. Paul Wilkinson has resigned from the Board as Managing Director w.e.f. 1st April, 2000 which was accepted. The Board recommends the resolution for approval by shareholders.

None of the Directors except Mr. Paul Wilkinson is interested in the resolution.

By Order of the Board

P. M. Jain
Vice President (Finance)

Regd. Office:

Block GP, Sector-V

Salt Lake Electronic Complex, Calcutta-700 091

Place: New Delhi

Dated: March 22, 2000

- 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 June 24, 2000 to June 30, 2000 (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) Act, 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

Your Directors have pleasure in presenting their Seventy Sixth Annual Report on the business and operations of your company, together with the Audited Accounts for the year ended 31st December 1999.

FINANCIAL RESULTS

	Year Ended 31.12.1999	(Rs. in Lacs) Year Ended 31.12.1998
Net Sales	6345.06	6144.03
Operating Profit	39.19	544.63
Add: Other Income	61.34	2.41
Profit on the Sale of Fixed Assets	(2.79)	2.79
Profit Before Tax	97.75	549.83
Provision for Tax	39.00	220.41
Profit After Tax	58.75	329.42
Transfer from Export Reserve	1.60	—
Balance Brought Forward from Previous Year	761.91	539.28
	<hr/> 822.25	<hr/> 868.70
Proposed Dividend	35.81	71.63
Tax on Dividend	7.88	7.16
Transfer to General Reserve	—	28.00
Balance Carried Forward	778.56	761.91
	<hr/> 822.25	<hr/> 868.70

OPERATIONS

During the year under review the Net Sales of your Company grew by 3% over the previous year. The growth in Copier, Stencil Duplicators and Consumables was offset by fall in the sales of CopyPrinters.

Profit Before Tax (PBT) for the year at Rs. 97.75 lacs is lower by Rs. 452.08 lacs compared to the previous year. The profit is lower due to higher cost of import on account of Yen appreciation, higher interest cost due to higher bank borrowing levels and contribution to gratuity fund and huge expenses on hardware and software installation (ERP) in the office.

DIVIDEND

Your Directors are pleased to recommend a dividend of Re. 1/- per share for the year ended 31st December 1999. The dividend will be paid to those Shareholders whose names stand registered in the books of Company on 30th June, 2000.

CURRENT YEAR

During the year 2000 we are planning to introduce the Aficio Full Colour Copier / Printer Model CS-206. We are also introducing a new range of CopyPrinter Interfaces, which will help to get four colour prints from CopyPrinter. With this added accessories CopyPrinter would be able to compete in the baby offset segments of the market.

CRISIL RATING

P1 Crisil Rating assigned to your Company in 1998 for short-term borrowings was reaffirmed in 1999. This helped the Company in containing increase in the finance cost though it is higher than previous year.

HUMAN RESOURCE DEVELOPMENT

Your company conducted many training programs during the year for developing new and polishing the existing skills of the employees. The training on new products is carried out regularly. Company's human resource management and development

initiatives continue to attract, retain and develop the best managerial talent required to take your 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 sales & service Division at New Delhi Regional Office network has been awarded ISO 9002 certification in 1999, which will help in meeting customer's 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. Kanji Furukawa, resigned from the Board on 14th July 1999. The directors record their appreciation for the valuable services rendered by him during his tenure in office.

Mr. Paul Wilkinson was re-appointed as the Managing Director of the Company w.e.f. 1st September 1999 for a period of two years, subject to shareholders approval. He has resigned from the Board w.e.f. 1st April, 2000. The Board accepted the resignation.

Mr. K. Swetharanyan has been appointed as the Managing Director of the Company for a period of five years w.e.f. 1st April 2000 subject to the approval of the shareholders and Central Government, wherever necessary.

Mr. Steve King and Mr. M. K. Kumar, Directors 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 Listing Agreement with the Stock Exchanges, it is hereby confirmed that the shares of the Company are listed on following Stock Exchanges and there are no arrears of listing fees:

- | | |
|--|---|
| 1. Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Calcutta-700 001 | 2. The Stock Exchange, Mumbai
Phirojee Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001 |
| 3. Delhi Stock Exchange Association Ltd.
DSE House, 3/1, Asaf Ali Road
New Delhi - 110 002 | |

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 Board wishes to place on record the contribution made by Mr. Paul Wilkinson, Managing Director of the Company. Your directors also wish to place on record the commitment and professionalism displayed by its entire staff.

Your 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.

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Your director also takes this opportunity to thank to the shareholders for their continued support and to Gestetner Group, UK and Ricoh, Japan for their support to the Company.

On Behalf of the Board

Place: New Delhi
Dated: March 22, 2000

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. 187.18 Lacs as against Rs. 108.93 lacs in 1998.

(ii) Total foreign exchange earnings and outgo:

Earnings	Rs. in Lacs
Exports	187.18
Interest	0.02
Others	0.79
	<u>187.99</u>
Outgo	Rs. in Lacs
Raw Materials	80.87
Capital Goods	—
Stores & Spares Parts	—
Trading Items	1575.54
Interest	2.82
Travelling & Others	13.52
	<u>1672.76</u>