

**RICOH**

# **RICOH INDIA LIMITED**

Report  junction.com

**SEVENTH ANNUAL REPORT 1999 - 2000**

**BOARD OF DIRECTORS**

P.H.Shah

*Chairman*

M.Takeiri

Y.Mizutani

T.Eida

Y.Miura

*Alternate to M.Takeiri*

Y.Osada

*Alternate to T.Eida*

**PRESIDENT & CHIEF EXECUTIVE OFFICER**

Y.Miura

**BANKERS**

The Fuji Bank Ltd.

The Bank of Tokyo – Mitsubishi Ltd.

The Sanwa Bank Ltd.

The Siam Commercial Bank P.C.L.

Credit Lyonnais

Societe Generale

Deutsche Bank

**COMPANY SECRETARY**

G.Narayanan

**LEGAL ADVISORS**

M/s.Singhania & Partners

Solicitors & Advocates

B-92,Himalaya House,

23,Kasturba Gandhi Marg,

New Delhi – 110001

**AUDITORS**

Sahni Natarajan & Bahl

Chartered Accountants

303,Mansarovar,

90 Nehru Place,

New Delhi – 110 019

**REGISTRARS & SHARE TRANSFER AGENTS**

Tata Consultancy Services

6.Lotus House,

Sir Vithaldas Thackersey Marg,

New Marine Lines,

Mumbai – 400 020

**FACTORY**

A-9,GIDC Electronics Estate,

'K' Road,Sector 15,Gandhinagar,

Gujrat 382 044

**REGISTERED OFFICE**

1104,Arcadia,

195,N.C.P.A.Road,

Nariman Point, Mumbai – 400 021

**CORPORATE OFFICE**

Sixth Floor,Enkay Towers,

B & B1 Vanijy Nikunj,

Udyog Vihar,Phase – V,

Gurgaon – 122 016 (Haryana)

Tel. Nos. 0124-349751-58. Fax : 0124-349760

## NOTICE

Notice is hereby given that the **SEVENTH ANNUAL GENERAL MEETING** of the Members of **RICOH INDIA LIMITED** will be held at the Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), 4<sup>th</sup> Floor, 76 Veer Nariman Road, Churchgate, Mumbai-400 020 on Wednesday, the 06th September, 2000 at 10.00 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2000 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.T. Eida, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT in accordance with the provisions of Section 198,269,309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment and payment of remuneration to Mr.Prakash Shah (presently a Director of the Company) as Chairman of the Board of Directors for a period of one year with effect from 20<sup>th</sup> September, 1999 and to his receiving remuneration, benefits and amenities w.e.f. 20<sup>th</sup> September, 1999, upon the terms and conditions and stipulations contained in the Letter of Appointment issued by the Company to Mr. Prakash Shah, which letter is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, which remuneration shall, however, not exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any Statutory

modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed between the Board and Mr.Prakash Shah.

"RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites as set out in the said letter of appointment shall nevertheless be paid and allowed to Mr.Prakash Shah as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year but shall not in any such year exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956 from time to time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.

5. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :-

"RESOLVED THAT in accordance with the provisions of Section 31 and other applicable provisions, if any, of the Companies Act,1956 the Articles of Association of the Company be is are hereby altered in the following manner:

- (1) The following definition of "Member" be inserted after the definition "in writing" or "written" in Article 2 of the Articles of Association.

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and the beneficial owners as defined in Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996".

- (2) Insert the following heading and Article as Article 42A after Article 42 of the Articles of Association of the Company.

### DEMATERIALISATION OF SECURITIES

#### 42A(1) DEFINITIONS:

"Beneficial Owner" shall mean the beneficial owner as defined in Clause (a) of the Sub-Section (1) of Section 2 of the Depositories Act, 1996.

## RICOH INDIA LIMITED

"Depositories Act" means the Depositories Act, 1996.

"Depository" shall mean a Depository as defined under Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.

"SEBI" means Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Security" means such security as may be specified by SEBI from time to time.

### 2. DEMATERIALISATION OF SECURITIES

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

### 3. OPTIONS FOR INVESTORS

Every person subscribing to or holding securities of the Company shall have the option to receive securities certificates or to hold the securities with the Depository. Such a person who is the beneficial owner of the securities can at any time opt out of the Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of the Securities.

If a person opts to hold his securities with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its records the name of the allottee as the beneficial owner of the securities.

### 4. SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM

All the securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

### 5. RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS

(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the

registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be a member of the Company. The beneficial owner of securities shall alone be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

### 6. SERVICE OF DOCUMENTS

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

### 7. TRANSFER OF SECURITIES

Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

### 8. ALLOTMENT OF SECURITIES DEALT WITH IN A DEPOSITORY

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

### 9. DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

### 10. REGISTER AND INDEX OF BENEFICIAL OWNERS

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be Register and Index of Members and Security holders for the purposes of these Articles".

**NOTES :**

- a) An explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of the Special Business referred to of Item Nos. 4 and 5 is annexed hereto.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY FORM MUST REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE MEETING.**
- c) The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, the 30<sup>th</sup> August, 2000 to Wednesday, the 06<sup>th</sup> September, 2000 (both days inclusive).
- d) Members are requested to intimate the change, if any, in their Registered Address, to the Company's Registrar and Transfer Agents, Tata Consultancy Services at 6, Lotus House, Vithaldas Thakersey Marg, New Marine Lines, Mumbai - 400 020.
- e) As per the Press Release issued by the Securities & Exchange Board of India (SEBI) in February, 2000 the Equity Shares of the Company have been included in the list in which trading has been made compulsory for Institutional Investors and Overseas Corporate Bodies (OCBs) in the de-materialised form w.e.f. 26<sup>th</sup> June, 2000. Accordingly the Company has signed a Tripartite Agreement with the Central Depository Services (India) Limited, Mumbai and Tata Consultancy Services, Mumbai on 30<sup>th</sup> March, 2000 and the Equity shares have been made live in the CDS system on 22.04.2000 and allotted ISIN Activation

No. ISIN INE291B01015. Any shareholder who desires to keep his holding of Equity Shares in the electronic form may contact the Company's Registrar & Transfer Agents viz. Tata Consultancy Services at Mumbai.

- f) Members seeking further information about the accounts are requested to write to the Company at the Corporate Office address at Gurgaon atleast 2 weeks before the date of the meeting giving details of the information required.
- g) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the Annual Report at the Meeting.
- h) Members are requested to take the benefit of the nomination facility by filling up the prescribed Form No. 2B and send it to the Registrar & Transfer Agents at the following address for registration:
- Tata Consultancy Services  
Unit : Ricoh India Limited  
6, Lotus House,  
Sir Vithaldas Thackersey Marg,  
New Marine Lines,  
Mumbai - 400 020.

By Order of the Board of Directors  
For **RICOH INDIA LIMITED**

Gurgaon(Haryana)  
28<sup>th</sup> June, 2000

(G.Narayanan)  
Company Secretary

**Registered Office :**  
1104, Arcadia, 195 N.C.P.A. Road,  
Nariman Point, Mumbai - 400 021

**ANNEXURE TO NOTICE****Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.**

In terms of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts, relating to the Special Business of Item Nos. 4 and 5 of the accompanying Notice.

**ITEM NO.4**

By a resolution passed by the Board of Directors in their meeting held on 13<sup>th</sup> May, 1998, Mr. Prakash Shah was appointed as a Director of the Company and further designated as the Honorary Chairman of the Board of Directors. Subsequently vide a resolution passed by the Board of Directors in their meeting held

on 20<sup>th</sup> September, 1999 he was re-designated as Chairman of the Company and remunerated as per the terms and conditions contained in the letter dated 26<sup>th</sup> October, 1999, which is reproduced below.

This has further reference to Mr. Y. Mizutani's letter No. IR-9805-008 dated 13<sup>th</sup> May, 1998 and subsequent discussions we had with you on the above subject matter.

The Board of Directors of the Company are pleased to appoint you as Chairman of the Company for a period of 12 (Twelve) calendar months w.e.f. 20<sup>th</sup> September, 1999. The period of appointment may

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be further extended on mutual consent.

The abovesaid appointment is subject to the following terms and conditions :

- 1) The scope of the above assignment will be :
  - a) Chairing and conducting :
    - Meetings of the Board of Directors of the Company.
    - Annual General Meeting
    - Extraordinary General Meeting (as occasion demands)
  - b) All assistance for Ricoh's investment, business operations and public relations.
  - c) Other activities incidental to the role of the Chairman of the Board.
- 2) You will be paid a Honorarium of Rs.30,000/- per month
- 3) In addition, for carrying out your Official duties as Chairman of the Board of Directors, you would be reimbursed a maximum amount of Rs.28,750/- per month on Certification of expenses towards expenses incurred on Chairman's office expenses including Petrol and Oil, Telephones, Fax, Electricity, Business Promotion, Newspapers, Publications and Entertainment.
- 4) The Company will provide a company car and the expenses towards Driver's salary will be reimbursed by the Company subject to a maximum of Rs. 5,000/- per month.
- 5) All arrangements for Outstation Travelling in connection with the activities of the Company including Air Fare, Hotel Expenses will be directly arranged for and paid by the Company. Any other incidental expenses incurred during Travelling will be reimbursed by the Company on actual basis on production of bills for the same.
- 6) You will be provided office space in the Corporate Headquarters of the Company situated at Gurgaon for carrying out the Official duties smoothly. In addition you will be provided with Secretarial Services on non exclusive basis.
- 7) During the tenure of this appointment besides remuneration mentioned above, no other benefits including Provident Fund or any other Retirement benefits as per Rules of the Company will be due and payable to you.

Minimum Remuneration:

The above remuneration (including perquisites) shall be paid to Mr. Prakash Shah as the minimum remuneration in the event of absence or inadequacy

of profits in any financial year of the Company but shall not exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956, from time to time.

The above explanation together with the accompanying Notice may be regarded as an Abstract of the Terms and Memorandum of Interest under Section 302 of the Companies Act, 1956.

The Board recommends the Resolution as contained in the Item No.4 for the approval by the members.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

### ITEM NO.5

With the introduction of the Depositories Act, 1996 and the Depository System, some of the provisions of the Companies Act, 1956 relating to the issue, holding, transfer, transmission of Shares and other securities have been amended to facilitate implementation of the new system. The Depository System of holding Securities is in the electronic form and is far safer, less costly and more convenient method for holding and trading in the Securities of the Company. The Company has also joined the Depository System and it is proposed to amend the Articles of Association as indicated in the resolution to make the Articles in tune with the Depository System.

According to Section 31 of the Companies Act, 1956 it is necessary to pass a Special Resolution to amend any of the provisions of the Articles of Association. The Board recommends the Resolution as contained in Item No.5 for the approval by the members.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company at the Registered Office between 10.00.A.M. to 12.30 P.M. on any working day.

By Order of the Board of Directors  
For **RICOH INDIA LIMITED**

Gurgaon(Haryana)  
28<sup>th</sup> June, 2000

(**G.Narayanan**)  
Company Secretary

### Registered Office :

1104, Arcadia, 195 N.C.P.A. Road,  
Nariman Point, Mumbai - 400 021



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Seventh Annual Report and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2000.

### FINANCIAL RESULTS

	For the year ended 31.03.2000 (Rs. In lakhs)	For the year ended 31.03.1999 (Rs. In lakhs)
Total Income	<u>4,823.96</u>	<u>5,237.26</u>
Profit/(Loss) before Depreciation	<u>178.37</u>	(1,168.66)
Less : Depreciation	<u>154.93</u>	<u>160.38</u>
Profit/(Loss) before Taxation	<u>23.44</u>	(1,329.04)
Less : Provision for Taxation	<u>—</u>	<u>—</u>
Net Profit/(Loss)	<u>23.44</u>	(1,329.04)
Add : Prior Period Adjustment	<u>—</u>	(264.23)
Add : Balance brought forward from Previous Year	<u>(2,996.14)</u>	(1,422.30)
Add : Transfer from Debenture Redemption Reserve	<u>—</u>	19.43
Amount available for appropriation	<u>(2,972.70)</u>	<u>(2,996.14)</u>
<b>Appropriations :</b>		
Balance Carried to the Balance Sheet	<u>(2,972.70)</u>	<u>(2,996.14)</u>

### OPERATIONS

During the year under review, your Company achieved a turnover of Rs.4,823.96 lakhs as compared to Rs.5,237.26 lakhs in the previous year. The turnover in the current year was less as compared to last year because of depressed market conditions in the Office Automation Industry. Further during the year under review, your Company launched 3 new RICOH Copier models (FT4327, FT4618 and FT4615) to increase its market share in the Copier segment which have been widely accepted by the Customers. With the consolidation of the various operations at the Head office and by tight cost control measures adopted by the new management, your Company has achieved

profit before depreciation of Rs.178.37 lakhs as compared to a loss of Rs.1,168.66 lakhs during the previous year. The net profit for the year under review is Rs.23.44 lakhs.

### FUTURE OUTLOOK

During the current year your Company has taken all initiatives to strengthen the Dealer network service by covering the remote areas which will help increase in volume growth. Further your Company has plans to launch an aggressive advertisement campaign for building brand awareness of various RICOH products amongst the Indian Customers. Also active steps have been taken for keeping an increased stock level of inventory of spare parts and consumables and to have a comprehensive Customer data base for prompt and timely service of different Customers.

During the current year your Company will be launching new models of Copiers to increase its presence and market share in the Copier segment.

### Y2K COMPLIANCE

Your Company is Y2K compliant and the transition was smooth.

### LISTING OF EQUITY SHARES

The Equity Shares of the Company continued to be listed at the Mumbai and Ahmedabad Stock Exchanges. Further the listing fees for the year 1999-2000 was paid in time and there were no arrears of listing fees to be paid for the year under review.

### DE-MATERIALISATION OF EQUITY SHARES

As per the Press Release issued by the Securities & Exchange Board of India (SEBI) in February, 2000 the Equity Shares of your Company have been included in the list in which trading has been made compulsory for Institutional Investors and Overseas Corporate Bodies (OCBs) in the de-materialised form w.e.f. 26<sup>th</sup> June, 2000. Accordingly your Company has signed a Tripartite Agreement with the Central Depository Services (India) Limited, Mumbai and Tata Consultancy Services, Mumbai on 30<sup>th</sup> March, 2000 and the Equity Shares have been made live in the CDS system on 22.04.2000 and allotted ISIN Activation No. ISIN INE291B01015.

## RICOH INDIA LIMITED

### DIVIDEND

In the absence of adequate profits during the year, the Directors have not recommended any dividend on Equity & Preference Shares.

### FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the Shareholders and the Public.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. T. Eida, retires by rotation and being eligible offers himself for re-appointment.

### PERSONNEL

The Board of Directors wish to place on record their sincere thanks for the co-operation and support received from the employees at all levels.

Under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out in the Annexure I to the Directors Report.

### SUBSIDIARY COMPANY

The Company does not have any Subsidiary Companies within the meaning of Section 212 of the Companies Act, 1956.

### AUDITORS' REPORT

With regard to the notes to the accounts bearing No. 15 in the Schedule 19 pertaining to the "External Commercial Borrowing" by the Company, the management is of the view that it would be appropriate to value the said borrowing at the historical rate of exchange and that necessary translation of rates of exchange would be carried out on the dates of actual repayments and appropriate disclosures made in the accounts for the relevant financial years.

With respect to outstanding dues from the erstwhile Joint Venture partners, the management has undertaken the necessary follow up for recovery of these dues and is of the view that these dues can be recovered in due course of time.

### AUDITORS

Messrs. Sahni Natarajan & Bahl, the existing Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, a statement showing the relevant particulars as stated therein is annexed as Annexure II and forms part of this report.

### ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere gratitude for the support received from the Banks and other government and regulatory agencies and look forward to their continued support.

For and on behalf of the Board of Directors,

Gurgaon (Haryana)  
28<sup>th</sup> June, 2000

**Y. MIURA**  
Director

**Y. OSADA**  
Director

### Registered Office :

1104, Arcadia, 195, N.C.P.A. Road,  
Nariman Point, Mumbai - 400 021



**ANNEXURE I TO THE DIRECTORS' REPORT**

INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS EMENDED UPTO DATE FOR THE YEAR ENDED 31ST MARCH, 2000

Name	Age (Years)	Qualifi- cations	Designation	Experience	Remuneration (Rs.)	Details of previous Employment	Period of previous Employment
N.Maitra	46	B.Sc. (Engineering), M.B.A.	Vice President (Field Operations)	24	8,00,050.00	Sterling Tree Magnum (India) Limited	4 years
V.M.Sahni	44	M.A.	General Manager (Field Operations)	18	6,53,081.00	Modi GBC Ltd.	4 years
Manoj Kumar	38	B.Com (H), FCA	Financial Controller	17	6,12,293.00	Modi Xerox Ltd.	7½ years

**Notes :**

1. All the above appointments are on contractual basis.
2. Terms and Conditions are as per Company's Rules.
3. None of the aforesaid employees are related to any of the Directors of the Company.
4. The remuneration as shown above includes Salary, Bonus, House Rent Allowance, Taxable perquisites, Leave Travel Assistance, Medical expenses, Accommodation and Company's contribution to Provident Fund as applicable.
5. None of the above employees hold more than 2% of the paid up share Capital of the Company.

For and on behalf of the Board of Directors

Gurgaon (Haryana)  
28th June, 2000

**Y.MIURA**  
Director

**Y.OSADA**  
Director

**Registered Office :**

1104, Arcadia, 195, N.C.P.A. Road,  
Nariman Point, Mumbai - 400 021