

RICOH

EIGHTH ANNUAL REPORT 2000- 2001



RICOH INDIA LIMITED

BOARD OF DIRECTORS	M.Takeiri	<i>Chairman</i>
	Y. Mizutani	}
	Ravi Kathpalia	
	D.C. Singhania	
	Y.Miura	<i>Directors</i>
	Shigekazu Iijima	<i>Alternate to Y. Mizutani</i>
	Hiroyasu Kitada	
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 Sumitomo Mutsui Banking Corporation	
COMPANY SECRETARY	G.Narayanan	
LEGAL ADVISORS	M/s. Singhania & Partners Solicitors & Advocates B-92,Himalaya House, 23, Kasturba Gandhi Marg, New Delhi – 110001	
AUDITORS	M/s. 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, Gujarat – 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. 0124-6349751-58. Fax : 0124-6349760	

NOTICE

Notice is hereby given that the **EIGHTH ANNUAL GENERAL MEETING** of the Members of **RICOH INDIA LIMITED** will be held at the Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), 4th Floor, 76 Veer Nariman Road, Churchgate, Mumbai - 400 020 on Wednesday, the 19th September, 2001 at 10.00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2001 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. Masami Takeiri, 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 Mr. Ravi Kathpalia who was appointed as an Additional Director with effect from 30th July, 2001 by the Board of Directors, and who holds office as such upto the date of this meeting and is eligible for appointment as Director, and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received, be and is hereby appointed as a Director of the Company, retiring by rotation."

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

"RESOLVED THAT Mr. D.C. Singhania who was appointed as an Additional Director with effect from 30th July, 2001 by the Board of Directors, and who holds office as such upto the date of this meeting and is eligible for appointment as

Director, and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received, be and is hereby appointed as a Director of the Company, retiring by rotation."

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

"RESOLVED THAT Mr. Y. Miura who was appointed as an Additional Director with effect from 18th July, 2001 by the Board of Directors, and who holds office as such upto the date of this meeting and is eligible for appointment as Director, and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received, be and is hereby appointed as a Director of the Company, retiring by rotation."

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

"RESOLVED THAT Mr. Shigekazu Iijima who was appointed as an Additional Director with effect from 18th July, 2001 by the Board of Directors, and who holds office as such upto the date of this meeting and is eligible for appointment as Director, and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received, be and is hereby appointed as a Director of the Company, retiring by rotation."

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 to 7 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 AT LEAST 48 HOURS BEFORE THE MEETING.**
- c) The Register of Members and the Share

RICOH INDIA LIMITED

Transfer Books of the Company shall remain closed from Thursday the 23rd August, 2001 to Wednesday the 05th September, 2001 (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.
- 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.

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

Gurgaon(Haryana)
30th July, 2001

(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 to 7 of the accompanying Notice.

ITEM NO.4

Mr.Ravi Kathpalia belongs to the cadre of Indian Audit and Accounts Service and retired as Controller General of Accounts, Ministry of

Finance, Government of India (this post was equivalent to Secretary, Government of India). Mr.Ravi Kathpalia has held various important positions in India and Abroad like Financial Advisor, High Commission of India in London, U.K., Resident Director, State Trading Corporation in Yugoslavia, Advisor Sumitomo Corporation India Limited etc. He has over 30 years of experience in the field of finance, audit and taxation. His induction in the Board will be of immense help in the areas of accounting, finance and taxation functions. The Board of Directors of the Company recommends the passing of the resolution as set out in Item No. 4 of the notice by the shareholders.

None of the other Directors of the Company are concerned or interested in the resolution.

ITEM NO.5

Mr.D.C.Singhania is a lawyer by profession and has over 35 years of experience in the field of Commercial Law, Arbitration, Litigation, Foreign Collaborations, Non-Resident investments in India etc. He is a life member of Supreme Court Bar Association, Chairman of the Indian Society of Arbitrators and Chairman Fellow of the Chartered Institute of Arbitrators, London. His induction in the Board will be of immense help in the commercial and legal areas of the Company. The Board of Directors of the Company recommends the passing of the resolution as set out in Item No. 5 of the notice by the shareholders.

None of the other Directors of the Company are concerned or interested in the resolution.

ITEM NO.6

In order to broad base the composition of the Board of Directors and to comply with the stock exchange listing requirements on Corporate Governance it was felt necessary by the board to induct Mr.Y.Miura as a regular director. Mr.Y.Miura has been with the Company for the past 3 years as "President & CEO" in the capacity of Whole time Director and has over 16 years of international experience in the Office Automation Industry. His induction in the Board as a regular director will further accelerate the future growth prospects of the Company. Further shareholders approval at the Sixth Annual General

Meeting held on 29.09.99 was obtained for appointing Mr.Y.Miura as a Whole time Director designated as "President & CEO" for a period of 5 years w.e.f. 13.05.1998 and for payment of remuneration to him w.e.f. 01.09.98 as per Schedule XIII of the Companies Act,1956. The Board of Directors of the Company recommends the passing of the resolution as set out in Item No. 6 of the notice by the shareholders.

None of the other Directors of the Company are concerned or interested in the resolution.

ITEM NO.7

In order to broad base the composition of the Board of Directors and to comply with the stock exchange listing requirements on Corporate Governance and formation of Audit Committee it was felt necessary by the board to induct Mr.Shigekazu Iijima as a director. Mr.Shigekazu Iijima has 11 years of international experience in the Office Automation Industry and has held various important positions

at Ricoh,Japan like General Manager – Corporate Accounting,Finance Division, General Manager – Business Administration - Overseas Marketing Division etc. The Board is confident that his induction will be of immense help in the future growth prospects of the Company. The Board of Directors of the Company recommends the passing of the resolution as set out in Item No. 7 of the notice by the shareholders.

None of the other Directors of the Company are concerned or interested in the resolution.

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

Gurgaon(Haryana)
30th July, 2001

(G.Narayanan)
Company Secretary

Registered Office :

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

RICOH INDIA LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Eighth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

	For the year ended 31.03.2001 (Rs. In lakhs)	For the year ended 31.03.2000 (Rs. In lakhs)
Total Income	5,338.61	4,823.96
Profit/(Loss) before Depreciation	196.83	178.37
Less : Depreciation	160.01	154.93
Profit/(Loss) before Taxation	36.82	23.44
Less : Provision for Taxation	—	—
Net Profit/(Loss)	36.82	23.44
Add : Balance brought forward from Previous Year	(2,972.70)	(2,996.14)
Amount available for appropriation	(2,935.89)	(2,972.70)
Appropriations :		
Balance Carried to the Balance Sheet	(2,935.89)	(2,972.70)

OPERATIONS

During the year under review, your Company achieved a total income of Rs.5,338.61 lakhs as compared to Rs.4,823.96 lakhs in the previous year. Your Company achieved a gross profit before depreciation of Rs.196.83 lakhs and a net profit of Rs.36.82 lakhs during the year under review.

FUTURE OUTLOOK

With advancement in technology there has been a major shift in customer preferences in the last few years in the International markets like USA, Europe & Japan from Analogue Copier to Digital Multifunctional Equipments. Keeping in line with the technological changes your Company has already launched digital Copier models with brand name "Aficio" in the Indian market. These are multifunctional machines having high speed and multiple functions like photocopying, fax, printer etc. The same have been widely accepted by our Customers and the company is confident that this would help to further strengthen its presence in

the Indian market and help increase revenues and profitability.

Your Company continues to focus and further accelerate on strengthening the Direct Operations in Major Metros as well as Dealer Network Service during the current year. Your Company has also launched a major programme based on Customer Satisfaction Management in which the focus is on overall customer satisfaction. To this extent Customer Satisfaction surveys are being conducted, satisfaction criteria are being evaluated and benchmarking of satisfaction parameters is being done. Based on the results the focus of operations of the Company would be suitably modified.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act, 1956, Your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the annual accounts on a going concern basis.

LISTING OF EQUITY SHARES

The Equity Shares of the Company continue to be listed at the following Stock Exchanges :

(1) The Stock Exchange, Mumbai, Phirozee Jeejeebhoy Towers, Fort, Mumbai – 400 001.

(2) The Stock Exchange, Ahmedabad, Opp. Sahajanand College, Panjarapole, Ahmedabad – 380 015.

Further there are no arrears of Annual Listing fees payable to any of the above Stock Exchanges.



CORPORATE GOVERNANCE

The requirement of compliance with Code of Corporate Governance as per Clause 49 of the Listing Agreement would apply to your Company from the next financial year i.e. 2001-02.

AUDIT COMMITTEE

Pursuant to the provisions of the new Section 292A as per the amended Companies (Amendment) Act, 2000, your Company has constituted the Audit Committee of the Board of Directors with the following composition:

- 1) Mr.Ravi Kathpalia - Chairman
- 2) Mr.D.C.Singhania
- 3) Mr.Shigekazu Iijima

DEBENTURES

During the year under review your Company has fully redeemed 5,15,880 – 16% Secured Redeemable Non Convertible Debentures of Rs.90/- each by paying the third and final installment of Rs.30/- per debentures due on 23.11.2000. With this last redemption the debentures stand extinguished.

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 Article 119 of the Articles of Association of the Company, Mr.Masami Takeiri, retires by rotation and being eligible offers himself for re-appointment. Mr.Prakash Shah and Mr.T.Eida have resigned from the Directorship of the Company. Your directors place on record the valuable services rendered by them during their tenure with the Company. Further in order to broad base the composition of the Board of Directors of the Company Mr.D.C.Singhania, Mr.Ravi Kathpalia, Mr.Y.Miura and Mr.Shigekazu Iijima were inducted in the Board as additional directors and they hold office upto the date of the forthcoming Annual General Meeting in terms of Section 260 of the Companies Act, 1956. None of the directors of the Company are disqualified from being appointed as directors as specified in Section 274 of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

SUBSIDIARY COMPANY

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

AUDITORS' REPORT

The notes to the Accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanation.

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.

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.

There are no employees who are covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

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 I 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)	Y.MIURA	H. KITADA
30 th July, 2001	Director	Director

Registered Office :

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

RICOH INDIA LIMITED

ANNEXURE I TO THE DIRECTORS' REPORT

PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED TO BE DISCLOSED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

1. CONSERVATION OF ENERGY

The Company not being a power intensive unit, the consumption for the purpose of manufacturing was not very high. However, all efforts are being made to keep the consumption within reasonable limits.

Total energy consumption and energy consumption per unit of production in Form "A" is as stated below :

FORM A

	2000-2001	1999-2000
A. Power and Fuel Consumption		
1. Electricity		
a) Purchased		
Units (KWH)	39600	63170
Total amount (Rs. in lakhs)	4.53	4.40
Rate per unit (Rs.)	6.17	6.96
b) Own generation		
(i) Through diesel generation :		
Units (KWH)	—	—
Units per litre of diesel oil (KWH)	—	—
Cost per unit (Rs.)	—	—
(ii) Through steam/turbine Generator :		
Units (KWH)	—	—
Units per litre of fuel oil/Gas (KWH)	—	—
Cost per unit (Rs.)	—	—
2. Coal (Specify quality & where used)		
Quantity (Tonnes)	—	—
Total cost (Rs. in lakhs)	—	—
Average rate (Rs.)	—	—
3. Furnace Oil		
Quantity (K.ltrs)	—	—
Total cost (Rs. in lakhs)	—	—
Average rate (Rs.)	—	—
4. Others/Internal generation (LPG and Other gases)		
Quantity (Kgs.)	—	—
Total cost (Rs.)	—	—
Rate per unit (Rs.)	—	—
B. Consumption per unit of Production		
(i) Electricity (KWH)	N.A.	1214.81
(ii) Furnace Oil (Ltrs./Mt.)	—	—
(iii) Coal	—	—
(iv) Others	—	—