

RICOH

NINTH ANNUAL REPORT 2001-2002

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RICOH INDIA LIMITED

BOARD OF DIRECTORS	M. Takeiri	- Chairman
	Y. Mizutani	
	S. Iijima	
	H. Kitada	- Alternate to Y. Mizutani
	R. Kathpalia	
	D. C. Singhania	
	Y. Miura	- President & CEO
AUDIT COMMITTEE	R. Kathpalia	
	D. C. Singhania	
	S. Iijima	
COMPANY SECRETARY	J. Sood	
BANKERS	The Mizuho Corporate Bank Ltd.	
	The Bank of Tokyo – Mitsubishi Ltd.	
	The UFJ Bank Ltd.	
	Sumitomo Mutsui Banking Corporation	
	Citibank N.A.	
AUDITORS	M/S Sahni Natrajan & Bahl	
	Chartered Accountants	
	303, Mansarovar	
	90, Nehru Place	
	New Delhi – 110 019	
REGISTRAR & SHARE TRANSFER AGENTS	Upto 15-09-02	From 16-09-02
	Tata Consultancy Services	MCS Limited
	6, Lotus House	Srivenikatesh Bhavan
	Sir Vithaldas Thackersey Marg	212,-A, Sahapurjat
	New Marine Lines,	New Delhi - 110 049
	Mumbai – 400 020	
FACTORY	A- 9, GIDC Electronic 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	52 B, 1st Floor, Okhla Industrial Estate	
	Phase III, New Delhi – 110 020	

NOTICE

Notice is hereby given that the **NINTH 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 11th September, 2002 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, 2002 and the Profit and Loss Account for the year ended as on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in Place of Mr. Y. Mizutani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in Place of Mr. Shigekazu Iijima, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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

5. 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 of Mr. Hiroyasu Kitada (Presently Alternate Director to Mr. Mizutani) as Vice President (F&A), for a period of five years with effect from 15th February 2002, upon the terms

and conditions as decided by the Board of Directors, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment, which shall however, comply with the provisions of Schedule XIII, of 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. Hiroyasu Kitada. Provided that the aforesaid approval and consent shall not be impaired by the reason of Mr. Y. Mizutani returning to the State where the meetings of the Board are normally held and Mr. H. Kitada being reappointed as Alternate Director to Mr. Y. Mizutani or Mr. H. Kitada being appointed as Alternate Director to any other Director".

"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."

NOTES:

- a) An explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business, of item No 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 AT LEAST 48 HOURS BEFORE THE MEETING.**

RICOH INDIA LIMITED

- c) The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, the 5th September, 2002 to Wednesday, the 11th September, 2002 (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) Members seeking further information about the accounts are requested to write to the Company at the Corporate Office address at New Delhi at least 2 weeks before the date of the meeting giving details of the information required.
- f) 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**

New Delhi (Jayant Sood)
24th June, 2002 Company Secretary

Registered Office:

1104, Arcadia, 195, NCPA Road,
Nariman Point, Mumbai – 400 021

Item No. 5

By a resolution passed by the Board of Directors in their meeting held on 18th July 2001, Mr. H. Kitada was appointed as an Alternate Director to Mr. Y. Mizutani and on 28th January 2002 further designated as Vice President (F&A). By virtue of his office he is deemed Whole Time Director of the Company. Mr. H. Kitada brings with him rich International experience in the Office Automation Industry.

No remuneration is proposed to be paid to Mr. H. Kitada.

The Board is of the opinion that Mr. H. Kitada's knowledge and experience will be of immense value to the Company. The Board therefore, recommends the acceptance of the Resolution set out in the Notice convening the meeting.

This may be treated as an abstract of the terms and conditions of the appointment of Mr. H. Kitada, Whole Time Director of the Company (designated as "Vice President" (F&A)) under section 302 of the Companies Act, 1956. An application has already been made to the Central Government for obtaining its approval.

None of the Directors, except Mr. H. Kitada, is concerned or interested in this resolution.

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

New Delhi (Jayant Sood)
24th June, 2002 Company Secretary

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 No. 5 of the accompanying Notice.

Registered Office:

1104, Arcadia, 195, NCPA Road,
Nariman Point, Mumbai – 400 021

DIRECTORS' REPORT**Dear Members,**

Your Directors have pleasure in presenting the Ninth Annual Report and the Audited Statement of Accounts for the year ended 31st March 2002.

FINANCIAL RESULTS

	For the Year ended 31.3.2002 (Rs. in lakhs)	For the Year ended 31.03.2001 (Rs. in lakhs)
Total Income	5769.47	5,338.61
Profit/(Loss) before Depreciation	228.96	196.83
Less: Depreciation	176.88	160.01
Profit/(Loss) before Taxation	52.08	36.82
Provision for Taxation	—	—
Net Profit/ (Loss)	52.08	36.82
Add : Balance brought forward from previous Year	(2935.89)	(2972.70)
Amount available for appropriation	(2883.80)	(2935.89)
Appropriations :		
Balance Carried to the Balance Sheet	(2883.80)	(2935.89)

OPERATIONS

During the year under review, your Company achieved a total income of Rs 5769.47 lakhs as compared to Rs 5338.61 lakhs in the previous year. Your Company achieved a gross profit before depreciation of Rs 228.96 lakhs and a net profit of Rs. 52.08 lakhs during the year under review.

FUTURE OUTLOOK

The year 2001 reflected an all round economic slow down impacting overall Industrial growth in the Country. However, your company geared itself towards strengthening the business and launched nine new digital products along with innovative printing software solutions. In order to achieve its overall goal, your Company's focus on customer care not only continues but was further intensified. Your Company has access to RICOH's worldwide management expertise and also has tremendous strengths in employing trained manpower with many years of industry experience. The expected improvement in the Indian Economy resulting in increased demand for Digital Copiers shall allow the Company to leverage RICOH's technological strengths. This will also encourage our continuous endeavour to widen the product range and bring maximum benefit of RICOH's strong R & D efforts to the quality conscious Indian Customers.

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 judgments 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 and loss of the Company for that period;
- (iii) that the directors have taken proper and sufficient care for 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.

INTERNAL CONTROL SYSTEMS

The In-house Operations Audit Group of the Company carried out internal audits at various locations as per planned schedule. The internal audit is oriented towards examining the status of the operations of the internal control at various levels within each operating unit. Additionally, the Audit Group regularly undertakes support action programmes to strengthen controls, wherever any control weakness is observed.

As per the scope of the review of the Audit Committee, any significant audit observations are brought to the attention of the Committee, which met 3 times during the year 2001-02.

RICOH INDIA LIMITED

AUDIT COMMITTEE

Pursuant to the provisions of Section 292A of the Companies Act, 1956, your Company has constituted an Audit Committee of the Board of Directors with the following composition:

- 1) Mr. R. Kathpalia - Chairman
- 2) Mr. D. C. Singhania
- 3) Mr. S. Iijima

CORPORATE GOVERNANCE

The report on Corporate Governance is enclosed and forms part of this report.

DIVIDEND

In the absence of adequate profits during the year, the Directors have not recommended any dividend on equity and preference shares.

FIXED DEPOSITS

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

RISKS

Barring unforeseen circumstances there is no likelihood of a Significant Fluctuation in the interest rates on borrowed funds as the interest rates are currently very low and at a manageable level. However, there is \$ exchange rate fluctuation affecting payments for our imports. As a risk management technique, adequate hedging is done wherever necessary.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Article 119 of the Articles of Association of the Company, Mr. Y. Mizutani and Mr. S. Iijima, retire by rotation and being eligible offer themselves for re-appointment. Mr. H. Kitada was appointed as Alternate director to Mr. Y. Mizutani on 18th July 2001. He was designated as Vice President (F&A) vide Board Meeting dated 28th January 2002 subject to approval of Central Government and Shareholders. Mr. S. Iijima was appointed as additional director on 18th July 2001 and Mr. D. C. Singhania and Mr. R. Kathpalia were appointed as additional directors on 30th July 2001. The shareholders in the Eighth Annual General Meeting of the Company had confirmed their appointment. 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.

HUMAN RESOURCE DEVELOPMENT

Your Company has a strong focus on organisational excellence, which requires improving performance continually in every area and level of organisation. This quest for excellence requires hiring, developing and retaining a diverse workforce of the highest calibre. In this pursuit, various programmes were initiated during the year to enhance capabilities and commitment of employees.

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 the Companies (Particulars of Employees) Rules, 1975 as amended.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND 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 guidance and 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,

Tokyo
24th June, 2002

Y. MIURA
Director

H. KITADA
Director

Registered Office:

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

ANNEXURE I TO THE DIRECTOR'S 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.

FORM A

	2001-02	2000-01
A. Power and Fuel Consumption		
1. Electricity		
a) Purchased		
Unit (KWH)	75325	87600
Total amount (Rs. In lakhs)	4.29	4.53
Rate per unit (Rs.)	5.70	5.17
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/Gases (KWH)	—	—
Cost per unit (Rs.)	—	—
2. Coal (Special quality and 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)	—	—
(ii) Furnace Oil (Ltrs./Mt.)	—	—
(iii) Coal	—	—
(iv) Others	—	—

RICOH INDIA LIMITED

II. TECHNOLOGY ABSORPTION

FORM B

- | | |
|---|------|
| 1. Specific area in which R&D carried out by the Company | Nil |
| 2. Benefits derived as a result of the above R & D | Nil |
| 3. Future Plan of Action | Nil |
| 4. Expenditure on R & D | |
| a) Capital | Nil |
| b) Recurring | Nil |
| c) Total | Nil |
| d) Total R & D expenditure as a percentage of total Turnover. | N.A. |

Technology Absorption, Adaptation and Innovation

- | | |
|--|--|
| 1. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation | Nil |
| 2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc. | Nil |
| 3. In case of imported technology (imported during the last five years, reckoned from the beginning of the financial year), following information may be furnished | |
| a) Technology imported | For manufacture of Electronic White Copy Board from Ricoh Company Ltd., Japan. |
| b) Year of Import | 1995-96 |
| c) Has technology been fully absorbed? | Yes |
| d) In not fully absorbed, areas where this has not taken place, reasons therefor and future plan of action. | N.A. |

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | | |
|---|---------------------------|---------------------------|
| 1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: | | |
| 2. Total Foreign Exchange used and earned | For the year ended | For the year ended |
| | 31.03.2002 | 31.03.2001 |
| | (Rs. In lakhs) | (Rs. In lakhs) |
| Foreign Exchange earned | 1501.52 | 1420.31 |
| Foreign Exchange used | 2026.50 | 1411.39 |

For and on behalf of the Board of Directors,

Tokyo
24th June, 2002

Y. MIURA
Director

H. KITADA
Director

Registered Office:

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

CORPORATE GOVERNANCE REPORT

Transparency in all dealings and providing better products and services without compromising in any way on integrity and regulatory compliances have been the basic objective of corporate governance in the Company. The philosophy of corporate governance seeks to enhance shareholder value keeping in view the needs and interest of stakeholders.

BOARD OF DIRECTORS

The Board of Directors of the Company consists of seven directors, who are eminent persons with considerable professional expertise and experience. The Board has included three directors Mr. S. Iijima (w.e.f. 18th July 2001), Mr. R. Kathpalia and Mr. D.C. Singhania (both w.e.f. 30th July, 2001).

Mr. H. Kitada was appointed as alternate director to Mr. Mizutani with effect from 18th July, 2001.

Mr. M. Takeiri who is non-executive director is the chairman of the Board.

Except Mr. Y. Miura and Mr. H. Kitada all other directors are non-executive directors.

BOARD MEETINGS

During the year under review, 6 Board Meeting were held one each on 29th May 2001, 29th June 2001, 18th July 2001, 30th July 2001, 24th November 2001 and 28th January 2002.

Details of attendance at the Board Meetings, Directorship and membership in Committee of other companies for each director of the company is as follows:-

Name of the Director	Attendance at the Company Board Meeting	No. of Directorship of other Companies	No. of Membership in other Board Committees
Mr. M. Takeiri	1	Nil	Nil
Mr. Y. Mizutani	1	Nil	Nil
Mr. R. Kathpalia	3	5	3
Mr. D.C. Singhania	3	3	3
Mr. Y. Miura	5	Nil	Nil
Mr. S. Iijima	0	Nil	Nil
Mr. H. Kitada	3	Nil	Nil

DIRECTORS REMUNERATION

None of the Directors of your Company have any pecuniary relationship with the Company except sitting fee paid to Mr. D.C. Singhania and Mr. R. Kathpalia for attending Board Meeting and Audit Committee meeting @ Rs. 5000/- per meeting. The details of Sitting fee paid during the financial year 2001-02 are as under.

Name	Sitting Fee paid (Rs.)
Mr. M. Takeiri	Nil
Mr. Y. Mizutani	Nil
Mr. R. Kathpalia	25000
Mr. D.C. Singhania	25000

Mr. Y. Miura	Nil
Mr. S. Iijima	Nil
Mr. H. Kitada	Nil

COMMITTEES OF DIRECTORS

The Board has constituted committees of Directors to deal with matters which need quick decisions and timely monitoring of activities. The Board Committees are as follows.

AUDIT COMMITTEE

The Audit Committee comprises of three non-executive Directors viz. Mr. R. Kathpalia, Mr. D.C. Singhania and Mr. S. Iijima, During the year the committee held 3 meetings.

Mr. R. Kathpalia is the Chairman of the Audit Committee.

The Company Secretary acts as the secretary of the committee. The Auditors and the internal auditors attend the meetings on the invitation of the Chairman.

The terms of reference of the Audit Committee are in accordance with paragraphs C & D of Clause 49 II of the Listing Agreement entered into with the Stock exchange and inter-alia includes the following:

- Overseeing the Company financial reporting process and ensuring correct, adequate and credible disclosure of financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the Audit and Compliance function, including their policies, procedures, techniques and other regulatory requirements.
- Reviewing the adequacy of internal control systems and significant audit findings.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE MEETING

The Shareholders/Investors Grievance Committee approves and monitors transfers, transmission, splitting and consolidation of share issued by the Company. The Committee also monitors redressal of complaints from shareholders relating to transfer of shares, non receipt of balance sheets etc.

The Shareholders/Investors Grievance Committee is chaired by Mr. D.C. Singhania who is a non-executive director.

There are no shares pending transfer.

The Committee met 28 times during the year.