

**RICOH**

**12TH ANNUAL REPORT 2004 -2005**

**RICOH INDIA LIMITED**

**BOARD OF DIRECTORS**

Mr. K. Yoshida, Chairman  
 Mr. D. C. Singhania  
 Mr. H. Kitada  
 Mr. I. Uehara From 8th July 2005  
 Mr. M. Yoshino From 8th July 2005  
 Mr. U. P. Mathur From 8th July 2005

**AUDIT COMMITTEE**

Mr. U. P. Mathur  
 Mr. D. C. Singhania  
 Mr. M. Yoshino

**PRESIDENT & CEO**

Mr. K. Swetharanyan

**COMPANY SECRETARY**

Mr. Avneesh Chopra

**BANKERS**

The Mizuho Corporate Bank Ltd.  
 The Bank of Tokyo – Mitsubishi Ltd.  
 The UFJ Bank Ltd.  
 Standard Chartered Bank Ltd.  
 Citibank N.A.

**AUDITORS**

M/s Sahni Natrajan & Bahl  
 Chartered Accountants  
 303, Mansarovar  
 90, Nehru Place  
 New Delhi – 110 019

**REGISTRAR & SHARE  
TRANSFER AGENTS**

MCS Limited  
 Srivenkatesh Bhavan  
 W-40, Okhla Industrial Area, Phase II  
 New Delhi – 110 020

**FACTORY**

A- 9, GIDC Electronic Estate  
 'K' Road, Sector 15, Gandhinagar  
 Gujarat – 382 044

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

**REGISTERED OFFICE**

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

**CORPORATE OFFICE**

52 B, Okhla Industrial Estate  
 Phase III, New Delhi – 110 020

## NOTICE

Notice is hereby given that the **12<sup>TH</sup> 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 Thursday, the 8<sup>th</sup> September, 2005 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, 2005 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. D. C. Singhania who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in Place of Mr. K. Yoshida 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 Ordinary Resolution:  
**"RESOLVED THAT** Mr. Ichiro Uehara, who was appointed as an Additional Director with effect from 8<sup>th</sup> July 2005 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, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
**"RESOLVED THAT** Mr. Masayoshi Yoshino who was appointed as an Additional Director with effect from 8<sup>th</sup> July 2005 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, liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:  
**"RESOLVED THAT** Mr. U. P. Mathur who was appointed as an Additional Director with effect from 8<sup>th</sup> July 2005 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, liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution: -  
**"RESOLVED THAT** pursuant to the provision of Sections 198, 269, 310 and 311 read with 'Schedule XIII', and other applicable provisions of the Companies Act, 1956 and the Articles of Association of the Company, the Consent of the Company (due to the merger of erstwhile M/s Gestetner (India) Limited with M/s Ricoh India Limited) be and is hereby accorded to the appointment and remuneration payable (including minimum remuneration in case of inadequacy of profits) as given below to Mr. K Swetharanyan as the Managing Director of the erstwhile

M/s Gestetner (India) Limited w.e.f. 1<sup>st</sup> April 2005, which was earlier approved by the Remuneration Committee and Board of Directors of erstwhile M/s Gestetner (India) Limited at their meeting(s) held on 24<sup>th</sup> March, 2005 and which has also now been approved by the Government of India vide its order No. 1/184/2005-CL.VII dated 8<sup>th</sup> July, 2005.

### Remuneration

#### (a) Basic Salary:

Rs 1,25,000 (Rupees One Lac Twenty Five Thousand Only) per month.

#### (b) Special Pay, Perquisites and Allowances: -

In addition to salary, the following perquisites / allowances / retiral benefits shall be allowed to the Managing Director, subject however, that in no case the value of such benefits / perquisites / allowances / retiral benefits as enumerated in category A to category D, exceed Rs 5,75,000 (Rupees Five Lac Seventy Five Thousand) per month.

### Category-A

#### i) Housing

The Company shall provide furnished accommodation to the Managing Director. If the Managing Director has his own accommodation, the Company shall pay house rent allowance at the rate of 60% of the Basic Salary.

#### ii) Leave Travel Concession

The Company shall provide leave travel fare for the Managing Director and his family once in the period of contract.

#### iii) Personal Accident Insurance

The Company shall pay/ reimburse Personal Accident Insurance Premium upto Rs 25000/- for the Managing Director.

#### iv) Other Allowances

The Managing Director may be given other allowances, benefits and perquisites as the Board of Directors ( which includes any Committee thereof) may from time to time decide. The aggregate value of perquisites for (i) to (v) above for the year shall be computed as per the provisions of the Income Tax Act 1961. In case of benefits for which no specific rule of valuation is provided under the Income Tax Act, the perquisite value of such benefit shall be taken at actual cost.

#### v) Medical Reimbursement

Medical expenses actually incurred for self and family, shall be reimbursed by the Company. The value of such reimbursement shall be part of and included in the value of perquisites and allowances as aforesaid.

### Category-B

i) The Company shall contribute towards Provident Fund / Superannuation Fund/ Annuity Fund provided that such contributions either singly or put together not exceed the tax free limit prescribed under the Income Tax Act.

ii) In the event the Managing Director's term gets terminated prior to the minimum term required for being eligible to the benefits of Superannuation / Pension / Gratuity fund as per rules of the Company, the Managing Director shall be entitled to encash the value of the contribution so made in the Superannuation/ Pension Fund along with simple interest thereon at the rate of 8% per annum. However, all such withdrawals shall be subject to such taxes as may be applicable as per Income Tax Act 1961 or any other act / law for the time being in force.

iii) The Company shall pay Gratuity as per rules of the Company.

iv) Leave on full pay and allowances as per rules of the Company but not more than one month's leave for every eleven months of service. However the leave accumulated but not availed of will

be allowed to be encashed at the end of the term upto the accumulated days. In the event the contract is terminated prematurely for whatever reason, he will be entitled to claim accrued pay for leave on pro-rata basis.

#### Category-C

- i) The Company shall provide car with driver at the entire cost of the Company for use on Company's business.
- ii) The Company shall provide telephone (s) and other communication facilities at the residence(s) of the Managing Director at the entire cost of the Company and the same will not be considered as perquisites.

#### Category-D

**Performance Linked Bonus:** The Managing Director will be eligible for performance-linked bonus as determined by his superior from time to time. However, the same shall be included in the overall limit specified under clause (b) above.

#### Minimum Remuneration

During the currency of the tenure of the Managing Director, if the Company has no profits or its profits are inadequate in any financial year, the remuneration determined as payable by the Board, within the aforesaid limits, shall become the minimum remuneration payable to the Managing Director, subject however to the approval of the Central Government and Shareholders or any other relevant authorities/ (ies), if any.

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

**"RESOLVED THAT** pursuant to the provision of Sections 198, 269 read with 'Schedule XIII', 309 and other applicable provisions of the Companies Act, 1956 (Including any modifications(s) or re-enactments (s) thereof for the time being in force) and subject to all necessary approvals, consent, permission and/or sanctions of the Central Government and all other appropriate authorities, institutions and bodies, to the extent necessary and subject to such conditions and modifications as may be prescribed or imposed by them in granting any such approval, permission, consent or sanction, which may be agreed to, by the Board of Directors of the Company or any Committee thereof, the consent of the Company be and is hereby accorded to the appointment and payment of remuneration (including "Minimum Remuneration" in case of absence or inadequacy of profits) to Mr. K Swetharanyan, as President and CEO (Manager as per the Companies Act, 1956) w.e.f. 8<sup>th</sup> July, 2005 for a period of 2 (Two) years on the terms and conditions as given below:-

#### Remuneration

##### (a) Basic Salary:

Rs 1,25,000 (Rupees One Lac Twenty Five Thousand Only) per month.

##### (b) Special Pay, Perquisites and Allowances: -

In addition to salary, the following perquisites / allowances / retiral benefits shall be allowed to the President & CEO, subject however, that in no case the value of such benefits / perquisites / allowances / retiral benefits as enumerated in category A to category D, exceed Rs 5,75,000 (Rupees Five Lac Seventy Five Thousand) per month.

#### Category-A

##### i) Housing

The Company shall provide furnished accommodation to the President & CEO. If the President & CEO has his own accommodation, the Company shall pay house rent allowance at the rate of 60% of the Basic Salary.

##### ii) Leave Travel Concession

The Company shall provide leave travel fare for the President & CEO and his family.

##### iii) Personal Accident Insurance

The Company shall pay/ reimburse Personal Accident Insurance Premium upto Rs 25000/- for the President and CEO.

##### iv) Other Allowances

The President & CEO may be given other allowances, benefits and perquisites as the Company may decide from time to time. The aggregate value of perquisites for the year shall be computed as per the provisions of the Income Tax Act 1961. In case of benefits for which no specific rule of valuation is provided under the Income Tax Act, the perquisite value of such benefit shall be taken at actual cost.

##### v) Medical Reimbursement

Medical expenses actually incurred for self and family, shall be reimbursed by the Company. The value of such reimbursement shall be part of and included in the value of perquisites and allowances as aforesaid.

#### Category-B

- i) The Company shall contribute towards Provident Fund / Superannuation Fund provided that such contributions either singly or put together not exceed the tax free limit prescribed under the Income Tax Act.

- ii) In the even the term of the President & CEO expires or terminates earlier for whatever reason for being required to be eligible to the benefits of Superannuation / Pension / Gratuity fund as per rules of the Company, the President & CEO shall be entitled to encash the value of the contributions so made in the above funds including accrued interest, if any. However, all such withdrawals shall be subject to such taxes as may be applicable as per the Income Tax Act 1961 or any other act / law for the time being in force.

- iii) The Company shall pay Gratuity as per rules of the Company.

- iv) Leave on full pay and allowances as per rules of the Company but not more than 28 days leave for every year of completed service, shall be granted. However leave not availed but accrued shall be allowed to be encashed at the end of the term. In the event the contract is terminated prematurely leave shall be allowed to accrue on prorated basis. For the purposes of encashment, salary shall mean Basic Salary and Special Allowance.

#### Category-C

- i) The Company shall provide car with driver at the entire cost of the Company for use on Company's business.
- ii) The Company shall provide telephone facility at the residence of the President & CEO at the entire cost of the Company.

#### Category-D

**Performance Linked Bonus:** The President & CEO will be eligible for performance-linked bonus as determined by his superior from time to time. However, the same shall be included in the overall limit specified under clause (b) above.

#### Minimum Remuneration

During the currency of the tenure of the President & CEO, if the Company has no profits or its profits are inadequate in any financial year, the remuneration determined as payable by the Company, within the aforesaid limits, shall become the minimum remuneration payable to the President & CEO, subject however to the approval of the Central Government and Shareholders or any other relevant authorities as may be applicable.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps as may be expedient or desirable to give effect to this resolution."

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

**"RESOLVED THAT** subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and the Securities & Exchange Board of India (Delisting of Securities) Guidelines 2003 and subject to such approvals, permissions and sanctions of Securities & Exchange Board of India / Stock Exchange(s) as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board" which shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) consent of the Company be and is hereby accorded to delist its Equity shares from the Stock Exchange, Ahmedabad."

#### NOTES:

- An explanatory statement under section 173(2) of the Companies Act, 1956 in respect of the Special Business to be transacted at item No 5 to 10 is annexed hereto.
- 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.**
- The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 1<sup>st</sup> September 2005 to Thursday, 8<sup>th</sup> September 2005 (both days inclusive).
- Members are requested to intimate the change, if any, in their Registered Address only to the Company at its Corporate Office Address at 52-B, 1<sup>st</sup> Floor, Okhla Industrial Estate, Phase-III, New Delhi – 110 020.**
- 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.
- The Shareholders of Gestetner (India) Ltd. need not surrender their Physical Share Certificates.**
- Pursuant to Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31<sup>st</sup> December 1996 and thereafter declared by erstwhile M/s Gestetner (India) Ltd. and which remain unclaimed for a period of 7 Years will be transferred by the Company to the Investor Education and Protection Fund (IEP Fund) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:

Financial Year Ended	Date of Declaration of Dividend	Due date for transfer to IEP Fund
31.12.1997	30.06.1998	17.08.2005
31.12.1998	08.04.1999	26.05.2006
31.12.1999	30.06.2000	17.08.2007
31.12.2000	30.06.2001	05.08.2008
31.12.2001	11.04.2002	17.05.2009

Shareholders who have not so far encashed the dividend warrant(s) are requested to make their claim(s) to the Company's Secretarial Department immediately. **Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which are**

**unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.**

- 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**

(Avneesh Chopra)  
Company Secretary

Place: New Delhi  
Date: 25th July 2005

Registered Office:  
1104, Arcadia, 195, NCPA 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 No. 5 to 10 of the accompanying Notice.

##### Item No. 5

The Board of Directors of the Company had appointed Mr Ichiro Uehara as an Additional Director w.e.f. 8<sup>th</sup> July, 2005, pursuant to section 260 of the Companies Act to hold office upto the date of this Annual General Meeting of the Company. The Company has received a notice in writing from a member together with requisite deposit, proposing Mr Ichiro Uehara for the office of Director under the provision of section 257 of the Companies Act, 1956.

Mr Ichiro Uehara brings with him 27 years of rich experience. It is certain that with his rich experience in international marketing your Company would be able to fulfill the aspirations of all the stakeholders and enhance the shareholder's value.

Mr Ichiro Uehara is interested in the resolution as it relates to his appointment. None of the other Directors of the Company are interested in this resolution.

The Board of Directors of the Company recommends the passing of the resolution by the Shareholders as set out in item No.5 of the notice.

##### Item No. 6

The Board of Directors of the Company had appointed Mr. Masayoshi Yoshino as an Additional Director w.e.f 8<sup>th</sup> July, 2005, pursuant to section 260 of the Companies Act to hold office upto the date of this Annual General Meeting of the Company. The Company has received a notice in writing from a member together with requisite deposit, proposing Mr. Masayoshi Yoshino for the office of Director under the provision of section 257 of the Companies Act, 1956.

Mr. Masayoshi Yoshino brings with him 36 years of rich experience. It is certain that with his rich experience in international marketing and strategy planning, your Company would be able to fulfill the aspirations of all the stakeholders and enhance the shareholder's value.

Mr. Masayoshi Yoshino is interested in the resolution as it relates to his appointment. None of the other Directors of the Company are interested in this resolution.

The Board of Directors of the Company recommends the passing of the resolution by the Shareholders as set out in item No.6 of the notice.



**Item No. 7**

The Board of Directors of the Company had appointed Mr. U.P.Mathur as an Additional Director w.e.f. 8<sup>th</sup> July, 2005, pursuant to section 260 of the Companies Act to hold office upto the date of this Annual General Meeting of the Company. The Company has received a notice in writing from a member together with requisite deposit, proposing Mr. U.P.Mathur for the office of Director under the provision of section 257 of the Companies Act, 1956.

Mr. U.P.Mathur is a renowned Member of the Institute of the Company Secretaries of India and also a graduate in Law. He is practicing as an Advocate and Corporate Law Consultant. Having vast knowledge and experience of Corporate Laws, he has served for over 34 years in the Central Government in various capacities after joining the Department of Company Affairs, Ministry of Law, Justice and Company Affairs as Registrar of Companies, Official Liquidator, Company Prosecutor, Joint Director (Legal) and Director of Inspection and Investigation.

Mr. U.P.Mathur is interested in the resolution as it relates to his appointment. None of the other Directors of the Company are interested in this resolution.

The Board of Directors of the Company recommends the passing of the resolution by the Shareholders as set out in item No.7 of the notice.

**Item No. 8**

It is submitted that the Board of Directors of the erstwhile M/s Gestetner ( India ) Limited (GIL) had at their meeting held on 24<sup>th</sup> March,2005 re-appointed Mr K Swetharanyan as the Managing Director of the Company i.e., GIL for a period of 1 year w.e.f. April, 1 2005 at an overall gross remuneration of Rs 84 lacs per annum on terms and conditions as mentioned herein below, entered into by the Company and Mr K Swetharanyan and subject to the approval of the Shareholders and the Government.

Subsequent to the approval of the Remuneration Committee of Board of Directors of erstwhile M/s Gestetner (India) Limited (GIL) an application had been moved with the Central Government for the approval of re-appointment and remuneration payable to the Mr K Swetharanyan as Managing Director of erstwhile M/s Gestetner (India) Limited. The Central Government vide its letter no 1/184/2005-CL.VII dated 8<sup>th</sup> July,2005 had approved the remuneration of Rs 84 lacs ( all inclusive) subject to the approval of the Shareholder of M/s Gestetner (India) Limited.

On account of the merger of M/s Gestetner (India) Limited with M/s Ricoh India Limited, the shareholders of the merged entity i.e. M/s Ricoh India Limited will have to approve the terms and conditions and remuneration paid to Mr K Swetharanyan for the period w.e.f. 1<sup>st</sup> April, 2005. The relevant details are as under:-

**Statement, pursuant to the provisions of Part II of Schedule XIII to the Companies Act, 1956**

**I GENERAL INFORMATION:-**

Nature of Industry Financial performance:- Financial Parameters	Office Automation Amount in Rs. 000's			
	Year	Year	Year	Year
	2001-02	2002-03	2003-04	2004-05*
- Turnover	576947	550918	669315	1546427
- Net Profit/(Loss) as per Profit & Loss Account	5208	7531	11523	159565
- Amount of Dividend Paid	Nil	Nil	Nil	Nil
- Rate of Dividend Declared	NA	NA	NA	NA
- Export performance and net foreign exchange collaborations	—	—	—	26849
- Foreign Investment or collaborators, if any: 76%				

\* (Consolidated for M/s Ricoh India Limited and erstwhile M/s Gestetner (India) Limited.)

**II INFORMATION ABOUT THE APPOINTEE:****1) Background details.**

Mr. K Swetharanyan, aged 56 years is B.E ( Mech ) with a Master's degree in Business Management. He has over 25 years of proven track record of which almost two decades in the Office Automation Industry alone. He was the Managing Director of erstwhile M/s Gestetner (India) Limited since last 5 years. Prior to the appointment as Managing Director of erstwhile M/s Gestetner ( India ) Limited he served in the capacity of Executive Director in Modi Xerox Limited. Under the leadership and the sustained and continuous efforts of Mr. K Swetharanyan the erstwhile M/s Gestetner (India) Limited has been able to bring down the cost of its operations and there has been an overall improvement in the operational efficiency and productive levels. His revolutionary changes in inventory and Logistic management resulted in the improved cash flow from operations thus enhancing the shareholders value.

**2) Past Remuneration**

Organization	Designation	Duration	Salary & Perquisite (Rs)	Commission (Rs)	Contribution to P.F and other Funds (Rs)	Total (Rs)
Gestetner (India) Ltd.	Managing Director	1 <sup>st</sup> April, 2004 to 31 <sup>st</sup> March, 2005	5228243	-	358321	5586564

**3) Recognition and Reward**

The Finance Ministry. Government of India awarded him "Samman Patra".

Selected as the best leader and certified in appreciation outstanding qualities of leadership at the Rotary Youth Leadership Award Seminar, 1977.

Awarded Merit Scholarship by the Ministry of Education, Govt of India throughout Engineering Course.

**4) Job Profile and his suitability:** Mr. K Swetharanyan was overall in charge of affairs of the Company subject to the superintendence control and direction of the Board. The erstwhile M/s Gestetner (India) Limited required a highly innovative, dynamic and experienced person to provide sustained and renewed focus to steer the Company through the merger integration process. He has very vast exposure not only in sales and marketing but also in other functions such as manufacturing, human resources, logistic and commercial.

**Remuneration****(a) Basic Salary:**

Rs 1,25,000 (Rupees One Lac Twenty Five Thousand Only) per month.

**(b) Special Pay, Perquisites and Allowances:-**

In addition to salary, the following perquisites / allowances / retiral benefits shall be allowed to the Managing Director, subject however, that in no case the value of such benefits / perquisites /allowances / retiral benefits as enumerated in category A to category D, exceed Rs 5,75,000 (Rupees Five Lac Seventy Five Thousand) per month.

**Category-A****i) Housing**

The Company shall provide furnished accommodation to the Managing Director. If the Managing Director has his own accommodation, the Company shall pay house rent allowance at the rate of 60% of the Basic Salary.

**ii) Leave Travel Concession**

The Company shall provide leave travel fare for the Managing Director and his family once in the period of contract.

**iii) Personal Accident Insurance**

The Company shall pay/ reimburse Personal Accident Insurance Premium upto Rs 25000/- for the Managing Director.

**iv) Other Allowances**

The Managing Director may be given other allowances, benefits and perquisites as the Board of Directors ( which includes any Committee thereof) may from time to time decide. The aggregate value of perquisites for (i) to (v) above for the year shall be computed as per the provisions of the Income Tax Act 1961. In case of benefits for which no specific rule of valuation is provided under the Income Tax Act, the perquisite value of such benefit shall be taken at actual cost.

**v) Medical Reimbursement**

Medical expenses actually incurred for self and family, shall be reimbursed by the Company. The value of such reimbursement shall be part of and included in the value of perquisites and allowances as aforesaid.

**Category-B**

- The Company shall contribute towards Provident Fund / Superannuation Fund/ Annuity Fund provided that such contributions either singly or put together not exceed the tax free limit prescribed under the Income Tax Act.
- In the event the Managing Director's term gets terminated prior to the minimum term required for being eligible to the benefits of Superannuation / Pension / Gratuity fund as per rules of the Company, the Managing Director shall be entitled to encash the value of the contribution so made in the Superannuation/ Pension Fund along with simple interest thereon at the rate of 8% per annum. However, all such withdrawals shall be subject to such taxes as may be applicable as per Income Tax Act 1961 or any other act / law for the time being in force.
- The Company shall pay Gratuity as per rules of the Company.
- Leave on full pay and allowances as per rules of the Company but not more than one month's leave for every eleven months of service. However the leave accumulated but not availed of will be allowed to be encashed at the end of the term upto the accumulated days. In the event the contract is terminated prematurely for whatever reason, he will be entitled to claim accrued pay for leave on pro-rata basis.

**Category-C**

- The Company shall provide car with driver at the entire cost of the Company for use on Company's business.
- The Company shall provide telephone (s) and other communication facilities at the residence(s) of the Managing Director at the entire cost of the Company and the same will not be considered as perquisites.

**Category-D**

**Performance Linked Bonus:** The Managing Director will be eligible for performance-linked bonus as determined by his superior from time to time. However, the same shall be included in the overall limit specified under clause (b) above.

**Minimum Remuneration**

During the currency of the tenure of the Managing Director, if the Company has no profits or its profits are inadequate in any financial year, the remuneration determined as payable by the Board, within the aforesaid limits, shall become the minimum remuneration payable to the Managing Director, subject however to the approval of the Central Government and Shareholders or any other relevant authorities/(ies), if any.

**6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.**

Position	Company	Remuneration	Experience and Qualification
Executive Director -Mfg and Supply Chain*	Xerox Modicorp Limited	Rs. 43,44,216	34 years B.Tech. MS
Executive Director -Customer Service Support*	Xerox Modicorp Limited	Rs. 39,34,501	29 years B.E. PGDM (IIMB)
Managing Director** (for a period of 15 months (1 <sup>st</sup> Janaury, 2003 to 31 <sup>st</sup> March 2004)	Gestetner India Limited	Rs 5591942	31 Years B.E ( Mech). MBA

\*(Source Annual report 2001)

\*\* (Source Annual report 2004)

**7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: NIL**

**III OTHER INFORMATION:**

- Reasons for loss/inadequacy of profits: The Losses as shown in the balance sheet are on account of Losses brought forward since 1997-98, from the erstwhile joint venture between Ricoh and RPG. Since the time that Ricoh Co. Ltd. Japan, has taken over the management and control of Ricoh India Ltd., the profits of the Company have shown a gradual and steady improvement.
- Steps taken or proposed to be taken for improvement:  
Among the various steps taken by the Company to improve profitability some are enumerated below.
  - To make available to the Indian markets, technologically superior products and services conforming to International standards and at a competitive price.
  - Increase brand awareness and Brand equity through Advertisement Campaign.
  - Train and develop Company's employees and Dealer employees to improve Customer Service and improve Customer Satisfaction.

The Board of Directors of the Company recommends the passing of the resolution by the Shareholders as set out in item No.8 of the notice.

None of the Directors of the Company is concerned or interested in the resolution.

**Item No. 9**

The Board of Directors of the Company has at its meeting held on 8<sup>th</sup> July, 2005 appointed Mr. K Swetharanyan as the President and CEO (Manager under the provisions of the Companies Act, 1956) effective from 8<sup>th</sup> July, 2005 for a period of 2 years subject to the superintendence, control and direction of the Board. On approval of the Remuneration Committee and Board of Directors of the Company which was accorded at their meeting held on 25<sup>th</sup> July, 2005, the Company has entered into the Employment Agreement with Mr. K Swetharanyan. The relevant details are as under:-

**Statement, pursuant to the provisions of Schedule XIII to the Companies Act, 1956**

**I GENERAL INFORMATION:-**

Nature of Industry Financial performance:- Financial Parameters	Office Automation Amount in Rs. 000's			
	Year	Year	Year	Year
	2001-02	2002-03	2003-04	2004-05*
- Turnover	576947	550918	669315	1546427
- Net Profit/(Loss) as per Profit & Loss Account	5208	7531	11523	159565

- Amount of Dividend Paid	Nil	Nil	Nil	Nil
- Rate of Dividend Declared	NA	NA	NA	NA
- Export performance and net foreign exchange collaborations	—	—	—	26849
- Foreign Investment or collaborators, if any: 76%				

\*(Consolidated for M/s Ricoh India Limited and erstwhile M/s Gestetner (India) Limited.)

## II INFORMATION ABOUT THE APPOINTEE:

### 1) Background details.

Mr. K Swetharanyan, aged 56 years is B.E ( Mech ) with a Master's degree in Business Management. He has over 25 years of proven track record of which almost two decades in the Office Automation Industry alone. He was the Managing Director of erstwhile M/s Gestetner (India) Limited since last 5 years. Prior to the appointment as Managing Director of erstwhile M/s Gestetner ( India ) Limited he served in the capacity of Executive Director in Modi Xerox Limited. Under the leadership and the sustained and continuous efforts of Mr. K Swetharanyan the erstwhile M/s Gestetner (India) Limited has been able to bring down the cost of its operations and there has been a overall improvement in the operational efficiency and productive levels. His revolutionary changes in inventory and Logistic management resulted in the improved cash flow from operations thus enhancing the shareholders value.

### 2) Past Remuneration

Organization	Designation	Duration	Salary & Perquisite (Rs)	Commission (Rs)	Contribution to P.F and other Funds (Rs)	Total (Rs)
Gestetner (India) Ltd.	Managing Director	1 <sup>st</sup> April, 2004 to 31 <sup>st</sup> March, 2005	5228243	—	358321	5586564

### 3) Recognition and Reward

The Finance Ministry, Government of India awarded him "Samman Patra".

Selected as the best leader and certified in appreciation outstanding qualities of leadership at the Rotary Youth Leadership Award Seminar, 1977.

Awarded Merit Scholarship by the Ministry of Education, Govt of India throughout Engineering Course.

- 4) **Job Profile and his suitability:** In the post merger scenario, Ricoh India Ltd., required a person who could provide continuity of knowledge and operations of different product lines between erstwhile Gestetner and Ricoh. Mr. K. Swetharanyan due to his past successful track records with Modi Xerox and Gestetner is ideally suited to lead the company through the merger integration process. He has very vast exposure not only in sales and marketing but also in other functions such as manufacturing, human resources, logistic and commercial.

### 5) Remuneration proposed

#### Remuneration

#### (a) Basic Salary:

Rs 1,25,000 (Rupees One Lac Twenty Five Thousand Only) per month

#### (b) Special Pay, Perquisites and Allowances:-

In addition to salary, the following perquisites / allowances / retiral benefits shall be allowed to the President & CEO, subject however, that in no case the value of such benefits / perquisites /allowances / retiral benefits as enumerated in category A to category D, exceed Rs 5,75,000 (Rupees Five Lac Seventy Five Thousand) per month.

### Category-A

#### (i) Housing

The Company shall provide furnished accommodation to the President & CEO. If the President & CEO has his own accommodation, the Company shall pay house rent allowance at the rate of 60% of the Basic Salary.

#### (ii) Leave Travel Concession

The Company shall provide leave travel fare for the President & CEO and his family.

#### (iii) Personal Accident Insurance

The Company shall pay/reimburse Personal Accident Insurance Premium upto Rs 25000/- for the President and CEO.

#### (iv) Other Allowances

The President & CEO may be given other allowances, benefits and perquisites as the Company may decide from time to time. The aggregate value of perquisites for the year shall be computed as per the provisions of the Income Tax Act 1961. In case of benefits for which no specific rule of valuation is provided under the Income Tax Act, the perquisite value of such benefit shall be taken at actual cost.

#### (v) Medical Reimbursement

Medical expenses actually incurred for self and family, shall be reimbursed by the Company. The value of such reimbursement shall be part of and included in the value of perquisites and allowances as aforesaid.

### Category-B

- (vi) The Company shall contribute towards Provident Fund / Superannuation Fund provided that such contributions either singly or put together not exceed the tax free limit prescribed under the Income Tax Act.

- (vii) In the even the term of the President & CEO expires or terminates earlier for whatever reason for being required to be eligible to the benefits of Superannuation / Pension / Gratuity fund as per rules of the Company, the President & CEO shall be entitled to encash the value of the contributions so made in the above funds including accrued interest if any. However, all such withdrawals shall be subject to such taxes as may be applicable as per the Income Tax Act 1961 or any other act / law for the time being in force.

- (viii) The Company shall pay Gratuity as per rules of the Company

- (ix) Leave on full pay and allowances as per rules of the Company but not more than 28 days leave for every year of completed service, shall be granted. However leave not availed but accrued shall be allowed to be encashed at the end of the term. In the event the contract is terminated prematurely leave shall be allowed to accrue on prorated basis. For the purposes of encashment, salary shall mean Basic Salary and Special Allowance.

### Category-C

- (i) The Company shall provide car with driver at the entire cost of the Company for use on Company's business.
- (ii) The Company shall provide telephone facility at the residence of the President & CEO at the entire cost of the Company.

### Category-D

**Performance Linked Bonus:** The President & CEO will be eligible for performance-linked bonus as determined by his superior from time to time. However, the same shall be included in the overall limit specified under clause (b) above.

#### Minimum Remuneration

During the currency of the tenure of the President & CEO, if the Company has no profits or its profits are inadequate in any financial



year, the remuneration determined as payable by the Company, within the aforesaid limits, shall become the minimum remuneration payable to the President & CEO, subject however to the approval of the Central Government and Shareholders or any other relevant authorities as may be applicable.

**6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.**

Position	Company	Remuneration	Experience and Qualification
Executive Director -Mfg and Supply Chain*	Xerox Modicorp Limited	Rs. 43,44,216	34 years B.Tech.MS
Executive Director -Customer Service Support*	Xerox Modicorp Limited	Rs. 39,34,501	29 years B.E. PGDM (IIMB)
Managing Director** (for a period of 15 months (1 <sup>st</sup> Janaury, 2003 to 31 <sup>st</sup> March 2004)	Gestetner India Limited	Rs. 55,91,942	31 Years B.E ( Mech), MBA

\*(Source Annual report 2001)

\*\* (Source Annual report 2004)

**7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: NIL**

**III OTHER INFORMATION:**

- Reasons for loss/inadequacy of profits: The Losses as shown in the balance sheet are on account of Losses brought forward since 1997-98, from the erstwhile joint venture between Ricoh and RPG. Since the time that Ricoh Co. Ltd. Japan, has taken over the management and control of Ricoh India Ltd., the profits of the Company have shown a gradual and steady improvement.
- Steps taken or proposed to be taken for improvement:  
Among the various steps taken by the Company to improve profitability some are enumerated below.
  - To make available to the Indian markets, technologically superior products and services conforming to International standards and at a competitive price.
  - Increase brand awareness and Brand equity through Advertisement Campaign.

- Train and develop Company's employees and dealer employees to improve Customer Service and improve Customer Satisfaction.

The Board of Directors of the Company recommends the passing of the resolution by the Shareholders as set out in item No.9 of the notice.

None of the Directors of the Company is concerned or interested in the resolution.

**Item No. 10**

Presently the Equity Shares of the Company are listed on The Stock Exchange Mumbai and The Stock Exchange, Ahmedabad.

With the networking of The Stock Exchange, Mumbai, the members of the Company have access to online dealing in the Company's shares across the country. The trading volume on The Stock Exchange, Ahmedabad is negligible. Moreover Company's equity share is one of the scripts which Securities and Exchange Board of India (hereinafter referred to as SEBI) has specified for settlement only in demat form by all investors. The proposed delisting of the Company's equity shares on The Stock Exchange, Ahmedabad will not therefore adversely affect any investor including the members located in regions where the said Stock Exchange is situated.

Further, Stock Exchanges in India with the permission of SEBI are now free to charge the prescribed listing fee unilaterally and its has been observed that the benefit derived by the Shareholders is not commensurate to the cost incurred.

Considering, the negligible volume of trading and a part of its cost reduction measure, the Company has proposed delisting of its equity shares from the said Stock Exchange in line with SEBI regulations for Voluntary delisting of the Company's shares.

The Board of Directors of the Company recommends the passing of the resolution as set out in item No.10 of the notice.

None of the Directors of the Company is in concerned or interested in the said resolution.

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

Place: New Delhi  
Date: 25<sup>th</sup> July 2005

(**Avneesh Chopra**)  
Company Secretary

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

**Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting  
(In pursuance of Clause 49 of the Listing Agreement)**

Name of Director	Mr. D. C. Singhanian	Mr. K. Yoshida	Mr. I. Uehara	Mr. Masayoshi Yoshino	Mr. U. P. Mathur
Date of Birth	15 <sup>th</sup> October 1932	20 <sup>th</sup> August 1944	31 <sup>st</sup> March, 1955	25 <sup>th</sup> January 1951	29 <sup>th</sup> March 1937
Date of Appointment	30 <sup>th</sup> July 2001	28 <sup>th</sup> November 2003	8 <sup>th</sup> July 2005	8 <sup>th</sup> July 2005	8 <sup>th</sup> July 2005
Qualification	B.A., Bachelor of Law	Graduate from Wasada University in the year 1967	Graduate from Tokyo University in the year 1978	Kawagoe Commercial High School	M. Com, Bachelor of Law, Associate Member of the Institute of Company Secretaries of India
Expertise in specific functional areas	Corporate, Commercial, Arbitration Laws	International Business Planning and Marketing	International Marketing	International Business Planning	Corporate Laws
List of Companies in which outside Directorship held as on 31 <sup>st</sup> March, 2005	Lord Krishna Bank Limited	Nil	Nil	Erstwhile Gestetner India Ltd.	Erstwhile Gestetner India Ltd.
Chairman / Member of the Committee(s) of the Boards of the other Companies on which he is a Director as on 31 <sup>st</sup> March, 2005	2	Nil	Nil	2	3

## DIRECTORS' REPORT

### Dear Members,

As members would be aware the Scheme of Arrangement for merger of M/s Gestetner (India) Limited with Ricoh India Limited has been approved by Hon'ble Court of Calcutta and Mumbai vide their orders dated 5<sup>th</sup> April, 2005 and 8<sup>th</sup> April, 2005 respectively. With effect from 8<sup>th</sup> July 2005, being the "Effective Date", the process of legal merger of the two companies was completed. As per the Scheme of Arrangement, the transfer of all assets & liabilities of Gestetner (India) Limited (Transferor Company) into Ricoh India Limited (Transferee Company) shall be from 1<sup>st</sup> April 2004, being the "Appointed Date." Consequently the Board of Directors of the company has decided to present the 12<sup>th</sup> Annual report and the Consolidated Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2005.

### FINANCIAL RESULTS

	For the year ended 31.03.2005 (Rs in Lakhs)	For the year ended 31.03.2004 (Rs in Lakhs)
Total Income	15464.27	6693.15
<b>Profit/(Loss) before Depreciation</b>	<b>2401.20</b>	<b>222.57</b>
Less: Depreciation	447.39	107.34
Less: Amortisation of Goodwill	358.16	-
<b>Profit/(Loss) before extra ordinary and prior period items</b>	<b>1595.65</b>	<b>115.23</b>
Less: Prior period items	( 16.31)	-
<b>Profit/(loss) before Taxation</b>	<b>1579.34</b>	<b>115.23</b>
Provision for Taxation	435.9	-
<b>Net Profit/ (Loss)</b>	<b>1143.44</b>	<b>115.23</b>
Add: Balance brought forward from previous year	( 976.33)	(2808.49)
Amount available for appropriation	167.11	(2693.26)
<b>Appropriations:</b>		
Balance Carried to the	167.11	(2693.26)
Balance Sheet		

**Note:** Since the results for the year are consolidated results of erstwhile M/s Gestetner (India) Limited and M/s Ricoh India Limited, they are not comparable with earlier year figures.

### OPERATIONS

During the year under review the Company continued its success journey in the Indian Office Automation Market. Both, your company and erstwhile M/s Gestetner (India) Limited have posted encouraging results. The consolidated total income achieved by the Company in the year under review is Rs 15464.27 lakhs with a gross profit before depreciation of Rs 2043.04 lakhs and a net profit of Rs. 1143.44 lakhs. Your Directors have pleasure in reporting that in the consolidated results reported, the entire accumulated losses have been written off.

### FUTURE OUTLOOK

The parent company, Ricoh Company Ltd., Japan, continues to foresee India as a fast and emerging economy. It is expected that the merger of Gestetner (India) Limited with the Company will help the Company to synchronize its strategies and play a more stronger and bigger role in the Indian market. With the assured support from our holding company M/s Ricoh Company Ltd., Japan, your Company will continue to introduce highly advanced and latest technology products in the Indian Market. The Company is poised to become

the number 1 Solutions provider for Document Management Systems with growing market share.

Due to a steady progression from Analog to Digital Machines, your Company has further strengthened its infrastructure to support these machines across the Country. With improvements in Digital Technology and Colour technology, your company has introduced more feature rich, technically advanced models. The central focus and commitment of the Company remains to provide the Customer with highest standards of service.

### 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

Due to low trading volumes resulting in comparatively a higher cost versus the benefit to shareholders, your Directors propose to apply for delisting of shares from The Stock Exchange, Ahmedabad. However, the Equity shares shall continue to be listed at The Stock Exchange, Mumbai, which has nationwide trading terminals.

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 as per planned schedule at various locations. The internal audit is oriented towards examining the status of the operations of the internal controls at various levels. Additionally, the Audit Group regularly undertakes support action programmes to strengthen controls, wherever any control weakness is observed.

### AUDIT COMMITTEE

Pursuant to the provisions of Section 292A of the Companies Act, 1956, your Company has an Audit Committee of the Board of Directors which comprises of following members:

- 1) Mr. U. P. Mathur - Chairman
- 2) Mr. D. C. Singhania
- 3) Mr. Masayoshi Yoshino

### 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.