

RICOH

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annual
REPORT

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Ricoh and Gestetner merge in India

In July 2005, Gestetner India Ltd. and Ricoh India Ltd. merged together to form a unified entity, capable of delivering end-to-end solutions to its customer organisations. The objective was to leverage the collective strengths of both the companies, and use this synergy to provide the very best in office automation solutions.



Ricoh now has a wider pan-India presence, with 15 offices and around

250 dealers. It also has a renewed commitment of its parent, Ricoh Japan, in terms of access to its pioneering technology and latest products.



The merger signalled to the industry Ricoh's march towards market leadership. The merger announcement was made in a ceremony attended by Mr. Katsumi Yoshida, Director & Executive Vice President (CMO) and Mr. Zenji Miura, Director & Executive Vice President (CFO), Ricoh Company Ltd., Japan. The event was well-attended by senior executives from the corporate world.

Ricoh India unveils new logo

The Ricoh-Gestetner merger was a befitting occasion for the unveiling of the company's new logo. The new logo was introduced worldwide in September 2005. The simple and elegant design reflects Ricoh's three core values: 1) Simplify knowledge creation, 2) Think solutions that fit, 3) Harmonise with the environment. The rounded edges of the new logo were designed to express intelligence tempered by a friendly and human disposition. At the same time, readability on a global scale is greatly enhanced.



Ricoh moves closer to the customer

The month of February 2006 saw Ricoh making an effort to come closer to its customers, across Bangalore, Chennai, Mumbai, Delhi and Hyderabad. Two-day roadshows were undertaken in all these key markets, attracting hundreds of existing and prospective customers. Significant business was also conducted, with many orders getting booked. Most importantly, these roadshows helped the company strengthen its relationships with its customers.

Ricoh in ET 500

In Economic Times' annual list of India's top companies (by revenues, by profits and by market capitalisation) Ricoh has made its maiden entry this year. Noteworthy was the fact that Ricoh was the only office equipment company to find place in this list. In fact, only 49 of the 500 names were multinational companies, and Ricoh was one of them. A testimony to the fact that the company's focussed and aggressive growth strategy is not only yielding great results, but also getting appreciation from various quarters.



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Annual General Meeting on Tuesday, the 19th September, 2006 at 9.30 A.M. at the Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall) 4th Floor, 76 Veer Nariman Road, Churchgate, Mumbai – 400 020

RICOH INDIA LIMITED

BOARD OF DIRECTORS	Mr. K.Yoshida Mr. D.C.Singhania Mr. U.P.Mathur Mr. I.Uehara Mr. M.Yoshino Mr. M.Shiratori	Chairman Non Executive (Independent) Non Executive (Independent) Non Executive Non Executive Whole Time Director
AUDIT COMMITTEE	Mr. U.P.Mathur Mr. D.C.Singhania Mr. M.Yoshino	
PRESIDENT & CEO	Mr. K.Swetharanyan	
COMPANY SECRETARY	Mr. A.Chopra	
BANKERS	The Mizuho Corporate Bank Ltd. The Bank of Tokyo Mitsubishi UFJ 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	
WEBSITE	www.ricoh.co.in	

NOTICE

Notice is hereby given that the **13TH 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 Tuesday, the 19th September, 2006 at 9.30 A.M. to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2006 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. I.Uehara, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. M.Yoshino, 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. M. Shiratori, who was appointed as an Additional Director with effect from 3rd March 2006 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, not liable to retire by rotation.”

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as **Special 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, and whereas the proposed appointment fulfils the conditions specified in Part I of Schedule XIII of the Companies Act, 1956, Mr. M.Shiratori be and is hereby appointed Whole Time Director of the Company for a period of three years with effect from 3rd March 2006. “

“RESOLVED FURTHER THAT Mr. M.Shiratori will not draw remuneration by way of Salary, allowances and perquisites.”

“RESOLVED FURTHER THAT Mr. M.Shiratori shall devote whole of his time and attention to the business and affairs of the Company and shall perform and discharge all such duties and responsibilities as may be entrusted to him by the Board of Directors and shall exercise his powers subject to the superintendence, control and direction of the Board.”

NOTES:

- a) 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 & 6 is annexed hereto.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY FORM MUST REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE MEETING.**
- c) The Register of Members and the Share Transfer Books of the Company shall remain closed from 12th September 2006 to 19th September 2006 (both days inclusive).
- d) **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, 1st Floor, Okhla Industrial Estate, Phase-III, New Delhi – 110 020.**
- 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) Pursuant to Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st 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
31.12.1999	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.**

- 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.

Place: New Delhi
Date: 27th July 2006

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

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

(Avneesh Chopra)
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 & 6 of the accompanying notice dated 27th July 2006.

Item No. 5

The Board of Directors of the Company had appointed Mr M.Shiratori as an Additional Director w.e.f. 3rd March, 2006, pursuant to section 260 of the Companies Act 1956 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 M.Shiratori for the office of Director under the provision of section 257 of the Companies Act, 1956.

Mr. M. Shiratori has been associated in various capacities, with Ricoh Company Limited, Japan, for the last 26 years and has worked in Japan, United Kingdom, Netherlands, United States. Since 2003 he has been deputed to Ricoh India Ltd and is currently designated as Senior Vice President-Business Operations.

Mr. M. Shiratori, Graduated from Sophia University, Japan. He brings with him 26 years of rich experience. His induction in the Board of Directors will further accelerate the future growth prospects of the Company.

Mr M.Shiratori 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 at its meeting held on 3rd March 2006 had inducted Mr. M.Shiratori, as Additional Director and also appointed him as Whole Time Director under the provisions of the Companies Act, 1956, without remuneration effective 3rd March 2006 for a period of 3 years, subject to the superintendence, control and direction of the Board and approval of shareholders in the General Meeting.

Mr. M.Shiratori has been associated in various capacities, with Ricoh Company Limited, Japan, for the last 26 years and has worked in Japan, United Kingdom, Netherlands, United States. Since 2003 he has been deputed to Ricoh India Ltd and is currently designated as Senior Vice President-Business Operations.

Mr. M.Shiratori, Graduated from Sophia University, Japan. He brings with him 26 years of rich experience. His induction in the Board of Directors will further accelerate the future growth prospects of the Company.

No remuneration is proposed to be paid to Mr. M.Shiratori.

Mr M.Shiratori 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.

Place: New Delhi

Date: 27th July 2006

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

Registered Office:

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

(Avneesh Chopra)
Company Secretary

**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. I. Uehara	Mr. Masayoshi Yoshino	Mr. M. Shiratori
Date of Birth	31 st March, 1955	25 th January 1951	21 st March 1957
Date of Appointment	8 th July 2005	8 th July 2005	3 rd March 2006
Qualification	Graduate from Tokyo University in the year 1978	Kawagoe Commercial High School	Graduate from Sophiya University in the year 1980
Expertise in specific functional areas	International Marketing	International Business Planning	International Marketing
List of Companies in which outside Directorship held as on 31st March, 2006	Nil	Nil	Nil
Chairman / Member of the Committee(s) of the Boards of the other Companies on which he is a Director as on 31st March, 2006	Nil	Nil	Nil

DIRECTORS' REPORT**To the Members,**

Your Directors are pleased to present the 13th Annual Report on the business and operations of the Company together with the Audited Accounts for the period ended 31st March 2006.

FINANCIAL HIGHLIGHTS

The Performance of the Company for the financial year ended 31st March 2006 is summarised below:

(Rs. In Lacs)		
Particulars	For the year ended 31st March, 2006	For the year ended 31st March, 2005
Net Sales	16722.54	15273.86
Other Income	255.84	190.41
Total Income	16978.38	15464.27
(Increase)/Decrease in Stock in Trade	(1552.82)	365.24
Material Cost	9738.47	7063.26
Staff Cost	2806.95	2565.16
Other Expenditure	3139.08	2946.45
Profit Before Restructuring Cost, Interest & Depreciation	2846.70	2524.16
Restructuring Cost	554.06	-
Interest & Bank Charges	129.97	122.96
Depreciation	207.07	463.70
Amortisation of Goodwill	358.16	358.16
Profit/(Loss) Before Tax	1597.44	1579.34
Provision for Tax:		
Current Tax	(970.00)	(125.00)
Earlier years	-	2.25
Deferred tax	469.74	(313.15)
Fringe benefit Tax	(66.40)	-
Net Profit/(Loss) after Tax	1030.78	1143.44
Balance B/F from Previous year	167.11	(976.33)
Appropriations:		
Proposed dividend	0.00	0.00
Balance Carried Forward	1197.89	167.11

Business Overview

Indian economy has done quite well, particularly in the last 10 years. This is the outcome of several decades of work by Government and private enterprises in independent India. India is seen as source of intellectual capital and has been rated as one of the world's fast growing economies.

The direction of economic policy is unmistakably towards more liberalization. In the last decade India has achieved an excellent average GDP growth of close to 7%. We are excited that India is poised to maintain this growth rate. The office automation industry has witnessed a transformation powered by technological advancement. Digital technology is advancing at an ever increasing pace. With the growing demand of digitalization, the office automation industry is expected to continue to do well in future. However increasing competition & continuous decrease in prices by DGS & D (for government purchases) is affecting price realizations in the commercial market also and is a challenge before the Industry. Your Company is taking adequate steps to face these challenges.

Performance Overview

The year under review has been one of the most eventful and challenging years in the history of the Company. The merger of Gestetner India Limited with the Company has resulted in a favorable impact on the overall performance of the Company. The Company has recorded 18% unit growth of Multifunction Products during the previous year. However lower price realizations restrict the equipment revenue growth. It is expected that various cost cutting measures initiated in the previous financial year and continued in the year under review will lead to positive long term impact on the operational and financial efficiency of the Company.

A more detailed discussion and analysis on the performance of your company in retrospect as well as the outlook and focus in the year 2006-07 is contained elsewhere under the chapter on Management Discussion and Analysis.

DIVIDEND

In order to conserve the resources for the business of the Company, your Directors do not recommended payment of dividend for the year 2005-06.

SHARE CAPITAL

During the year under review your Company has allotted 2,89,89,792 equity shares of Rs 10/- each without payment being received in cash to the shareholders of erstwhile Gestetner India Limited pursuant to the Scheme of Arrangement approved by Hon'ble High Court of Calcutta and Mumbai.

STRATEGIC INITIATIVES

As a part of strategic initiatives and with a view to bring operational efficiency and optimizing employee utilization, the Company had introduced a voluntary retirement scheme titled "Employee Separation Scheme," which was introduced with a view to optimize employee productivity. Such optimization also became imperative for sustaining a performance-oriented culture and to be competitive, nationally and globally. The Scheme was offered to all the workers, Duplicator Technicians, Clerical and Administrative staff, Sub-ordinate staff, Supervisors and Managerial employees of the Salt lake & Gandhi Nagar factories, all Branches and Corporate office of the Company. The Scheme was opted by 126 employees of the Company, at a total cost of Rs.5.54 Crores. The Company has written off this entire cost in one year and has thus taken a non-recurring charge of Rs.5.54 Crores in the Profit & Loss for the year ended on 31st March, 2006 even though the benefits of the actions shall follow in the subsequent years.