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Annual General Meeting on Wednesday, the 10 <sup>th</sup> September, 2008 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. N. Majima	Non-Executive (Chairman)
Mr. D. C. Singhanian	Non-Executive (Independent)
Mr. U. P. Mathur	Non-Executive (Independent)
Mr. R. K. Pandey	Non-Executive (Independent)
Mr. I. Uehara	Non Executive
Mr. N. Maitra	Managing Director

**AUDIT COMMITTEE**

Mr. D. C. Singhanian	Non-Executive (Independent)
Mr. U. P. Mathur	Non-Executive (Independent)
Mr. R. K. Pandey	Non-Executive (Independent)
Mr. I. Uehara	Non Executive

**COMPANY SECRETARY**

Mr. Avneesh Chopra

**BANKERS**

The Mizuho Corporate Bank Ltd.  
The Bank of Tokyo – Mitsubishi UFJ Ltd.

**AUDITORS**

M/s Sahni Natarajan & 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 **15<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) 4th Floor, 76 Veer Nariman Road, Churchgate, Mumbai – 400 020 on Wednesday, the 10<sup>th</sup> September, 2008 at 9.30 A.M. to transact the following business: -

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2008, the Balance Sheet as at that date and the Report of the Directors and Auditors thereon.
2. To declare the dividend for the financial year ended as on 31<sup>st</sup> March 2008.
3. To appoint a Director in place of Mr. U. P. Mathur, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. I. Uehara, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory 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

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

“**RESOLVED THAT** Mr. R. K. Pandey, who was appointed as an Additional Director with effect from 27<sup>th</sup> June, 2008 by the Board of Directors, and who holds office as such upto the date of this Annual General 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. N. Majima, who was appointed as an Additional Director with effect from 23<sup>rd</sup> July, 2008 by the Board of Directors, and who holds office as such upto the date of this Annual General 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 **Ordinary Resolution**:

**“RESOLVED THAT** Mr. N. Maitra who was appointed as an Additional Director with effect from 23<sup>rd</sup> July, 2008 by the Board of Directors, and who holds office as such upto the date of this Annual General 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.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 269, 198, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 {including any modification(s) or re-enactment(s) thereof for the time being in force} and pursuant to Articles of Association of the Company, 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. N. Maitra, as the Managing Director of the Company, as defined in Section 2 (26) of the Companies Act, 1956 and to be designated as Managing Director with effect from 23<sup>rd</sup> July, 2008 till 31<sup>st</sup> March, 2010 on the following remuneration as approved and recommended by the Remuneration Committee and upon such terms and conditions as given below:

### **Remuneration**

**(a) Basic Salary:**

Rs 4,00,000 (Rupees Four Lacs Only) per month.

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

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 4,00,000 (Rupees Four Lacs only) 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.

**ii) Leave Travel Concession**

The Company shall provide leave travel concession for the Managing Director and his family.

**iii) Other Allowances**

The Managing Director 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.

**iv) 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 does not exceed the tax free limit prescribed under the Income Tax Act, 1961.
- ii) In the event the term of the Managing Director expires or terminates earlier for whatever reason, the Managing Director shall be entitled to encash the value of the contributions so made to the Superannuation / Pension / Gratuity fund 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.

**Category-C**

- i) The Company shall provide a car with driver at the entire cost of the Company for use of Company's business.
- ii) The Company shall provide telephone facility at the residence of the Managing Director at the entire cost of the Company.

**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 Company, within the aforesaid limits, shall become the minimum remuneration payable to the Managing Director.

## 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 Nos 6, 7, 8 & 9 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 1<sup>st</sup> September, 2008 to 10<sup>th</sup> September, 2008 (both days inclusive).
- d) **Members are requested to intimate the change, if any, in their Correspondence Address to the Company at its Corporate Office Address at 52-B, 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 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
31.12.2000	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.

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

**Avneesh Chopra**  
Company Secretary

Place: New Delhi  
Date: 23<sup>rd</sup> July, 2008

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 Nos 6, 7, 8 & 9 of the accompanying notice dated 23<sup>rd</sup> July 2008.

#### **Item No. 6**

The Board of Directors of the Company had appointed Mr. R. K. Pandey as an Additional Director w.e.f. 27<sup>th</sup> June, 2008 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. R.K. Pandey for the office of Director under the provision of section 257 of the Companies Act, 1956.

Mr. R.K. Pandey is a Masters in Commerce, L.L.B (Law), Fellow Member of the Institute of Company Secretaries of India and also has a Post Graduate Diploma in Business Administration.

Mr. Pandey has vast experience with various private companies as well as Government Undertakings in various finance and legal capacities and has also served as Executive Director of the Delhi Stock Exchange Association Limited for 16 years.

Presently, Mr. Pandey is engaged in Corporate Advisory Services in Legal, Financial and Capital Markets areas besides being a Director on the Board of number of Indian Companies.

Mr. Pandey 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. N. Majima as an Additional Director w.e.f. 23<sup>rd</sup> July, 2008 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. N. Majima for the office of Director under the provision of section 257 of the Companies Act, 1956.

Mr. N. Majima has been associated in various capacities, with Ricoh Company Limited, Japan, for the last 27 years and has worked in Japan, Netherlands, Germany, France and Singapore. Currently, he is Managing Director of Ricoh Asia Pacific Pte Limited. Mr. Majima graduated from Kyoto University, Japan in Faculty of Foreign Languages (French). His induction in the Board of Directors will further accelerate the future growth prospects of the Company.

Mr. N. Majima 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 Nos. 8 & 9

The Board of Directors of the Company has at its meeting held on 23<sup>rd</sup> July 2008 appointed Mr. N. Maitra as Additional Director & the Managing Director under the provisions of the Companies Act, 1956 with effect from 23<sup>rd</sup> July 2008 till 31<sup>st</sup> March 2010. On approval of the Remuneration Committee which was accorded at its meeting held on 23<sup>rd</sup> July, 2008 the Company has entered into the Employment Agreement with Mr. N. Maitra. 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

Office Automation

Date or expected date of commencement of commercial production

Not Applicable

Financial performance:-

Amount in Rs. 000's

Financial Parameters	Year 2007-08 <i>Audited</i>	Year 2006-07 <i>Audited</i>	Year 2005-06 <i>Audited</i>
Net Sales	2194617	1932367	1672254
Net Profit/(Loss) before tax as per Profit & Loss Account	275011	280608	159744
Amount of Proposed Dividend	19883	Nil	Nil
Rate of Proposed Dividend	5%	NA	NA
Export performance and net foreign exchange collaborations	-	-	-

Foreign Investment or collaborators, if any : 73.60% ( Promoter Holding)

#### II INFORMATION ABOUT THE APPOINTEE:

##### 1) Background details.

Mr. N. Maitra is a qualified professional. He is B.SC (Engg) with an aggregate experience of 33 years in the field of Sales & Marketing including almost 15 years in the Office Automation Industry. He joined the Company on 7<sup>th</sup> October 1998 as Vice President and on 1<sup>st</sup> October, 2002 was promoted to the rank of Managing Director of the Company. Pursuant to the re-organisation and restructuring of the Company after the merger with erstwhile Gestetner (India) Limited he was appointed as Executive Consultant & Project Head -Transition Management to facilitate the process of merger. The Board of Directors of the Company had appointed him, as "President & CEO" of the Company w.e.f 1<sup>st</sup> April, 2007. Over the years, Mr. Maitra has contributed significantly towards achieving growth & profitability of the Company.



**2) Past Remuneration**

Organisation	Designation	Duration	Salary & Perquisites	Commission	Contribution to P.F. and other Funds	Total
			(Rs)	(Rs)	(Rs)	(Rs)
Ricoh India Limited	President & CEO	1st April, 2007 to 31st March, 2008	53,70,056	-	6,50,800	60,20,856

**3) Recognition and Reward**

Some of the significant achievements are mentioned below:

- Sustained efforts to bring down the cost of operations. This has been achieved by bringing in overall operational efficiency, increase in productive levels, retention and training of key managerial talents.
- Successful integration of merger of the Company with erstwhile Gestetner (India) Limited. As the head of Transition Management he has contributed immensely towards integrating culture, process, systems of the Company with erstwhile Gestetner ( India) Limited.
- Design and Implementation of new systems and processes which lead to marked improvement in the operational efficiency.

**4) Job Profile and his suitability:**

The Board of Directors of Ricoh India Limited have appointed Mr. N. Maitra as Managing Director of the Company under the provisions of the Companies Act, 1956 under section 269 read with Schedule XIII, 198, 309, and other applicable provisions of the Companies Act, 1956 effective from 23<sup>rd</sup> July, 2008 till 31<sup>st</sup> March, 2010.

It may kindly be noted that keeping in mind the marked improvement in the performance of the Company and consequent upon the merger of Gestetner (India) Limited and Ricoh India Limited, the operations and profitability of the Company have been enlarged. The Company is a dominant player in the Indian Office Automation Market. Since, the operations and activities of the Company have enlarged manifold an experienced person like Mr. N. Maitra is required, who has expertise in Sales, Marketing, Human Resources and Commercial aspects of business.

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

Rs 4,00,000 (Rupees Four Lacs Only) per month.

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

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 4,00,000 (Rupees Four Lacs only) 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.

**ii) Leave Travel Concession**

The Company shall provide leave travel concession for the Managing Director and his family.

**iii) Other Allowances**

The Managing Director 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.

**iv) 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 does not exceed the tax free limit prescribed under the Income Tax Act, 1961.

ii) In the event the term of the Managing Director expires or terminates earlier for whatever reason, the Managing Director shall be entitled to encash the value of the contributions so made to the Superannuation / Pension / Gratuity fund 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.

**Category-C**

i) The Company shall provide a car with driver at the entire cost of the Company for use of Company's business.

ii) The Company shall provide telephone facility at the residence of the Managing Director at the entire cost of the Company.

**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 Company, within the aforesaid limits, shall become the minimum remuneration payable to the Managing Director.

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

Position	Company	Remuneration (Rs.)	Experience and Qualification
Managing Director*	M/s Xerox India Limited	62,89,414	-

\*(Source Annual Report 2007)

**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: Not Applicable
- Steps being taken or proposed to be taken for improving operational efficiency

Among the various steps stated above, the Company has undertaken following steps to improve profitability:

- To make available to the Indian markets, technologically superior products and services conforming to International standards and at a competitive prices.
- 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.
- Promote low cost operations.
- Improve coverage of products to reach wider segment.
- Focus on revenue enhancement and expense efficiency.

**IV OTHER DISCLOSURES:**

- Period: Mr. Maitra has been appointed with effect from 23<sup>rd</sup> July 2008 till 31st March 2010 and will act under the superintendence, control and direction of Board of Directors.

- (ii) Termination: The Agreement may be terminated by either party giving the other party 6 months notice or the Company paying 6 month salary in lieu thereof. However, the agreement can be terminated by the Company with immediate effect, if the Managing Director commits a material breach of any of the terms and conditions of this agreement or is guilty of gross misconduct or conduct likely to be prejudicial to the Company or has committed any act of bankruptcy or is convicted for any criminal offence.
- (iii) Other terms: Other terms and conditions of the Agreement are such as are customarily contained in an agreement of similar nature.

The above may also be treated as an abstract in terms of Section 302 of the Companies Act, 1956.

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

The Board of Directors of the Company recommends the passing of the resolution as set out in item No. 8 & 9 of the notice by the Shareholders.

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

**Avneesh Chopra**  
**Company Secretary**

Place: New Delhi  
Date: 23<sup>rd</sup> July 2008

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)**

<b>Name of Director</b>	<b>Mr. U. P. Mathur</b>	<b>Mr. I .Uehara</b>	<b>Mr. R. K. Pandey</b>	<b>Mr. N. Majima</b>	<b>Mr. N. Maitra</b>
<b>Date of Birth</b>	29 <sup>th</sup> March 1937	31 <sup>st</sup> March 1955	20 <sup>th</sup> January 1940	24 <sup>th</sup> May 1952	19 <sup>th</sup> Dec. 1953
<b>Date of Appointment</b>	08 <sup>th</sup> July 2005	8 <sup>th</sup> July 2005	27 <sup>th</sup> June 2008	23 <sup>rd</sup> July 2008	23 <sup>rd</sup> July 2008
<b>Qualification</b>	M. Com, Bachelor of Law, Associate Member of the Institute of Company Secretaries of India	Graduate from Tokyo University	M. Com, Bachelor of Law, Fellow Member of the Institute of Company Secretaries of India and Post Graduate Diploma in Business Administration	Graduate from Kyoto University, Foreign Languages ( French) faculty	B.Sc ( Engg)
<b>Expertise in specific functional areas</b>	Corporate Laws	International Marketing	Corporate Law and Capital Market	International Marketing	Sales and Marketing
<b>List of Companies in which outside Directorship held as on 31<sup>st</sup> March, 2008</b>	NIL	NIL	10	NIL	NIL
<b>Chairman / Member of the Committee(s) of the Boards of the other Companies on which he is a Director as on 31st March,2008</b>	NIL	NIL	<b><u>CHAIRMANSHIP</u></b> <ul style="list-style-type: none"> <li>● <b>Audit Committee</b> M/s Welcure Durgs &amp; Pharmaceuticals Limited M/s Hanung Toys and Industries Ltd.</li> <li>● <b>Shareholder / Investor Grievances Committee</b> M/s Spice Mobiles Ltd</li> </ul> <b><u>MEMBERSHIP</u></b> <ul style="list-style-type: none"> <li>● <b>Audit Committee</b> M/s Amar Ujala Publications Ltd. M/s Spice Moblies Ltd.</li> </ul>	NIL	NIL

## Directors' Report

To the Members,

Your Directors are pleased to present the 15th Annual Report on the business and operations of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2008.

## FINANCIAL HIGHLIGHTS

The Performance of the Company for the financial year ended 31<sup>st</sup> March 2008 is summarised below:

(Rs. in lacs)

Particulars	For the year ended 31 <sup>st</sup> March, 2008	For the year ended 31 <sup>st</sup> March, 2007
Net Sales	21946.17	19323.67
Other Income	113.20	1086.60
<b>Total Income</b>	<b>22059.37</b>	<b>20410.27</b>
(Increase)/ Decrease in Stock in Trade	(654.38)	1226.38
Material Cost/ Purchases	11312.28	9019.05
Staff Cost	3285.58	2872.92
Other Expenditure	4258.50	3700.08
<b>Profit Before Restructuring Cost, Interest &amp; Depreciation</b>	<b>3857.39</b>	<b>3591.84</b>
Restructuring Cost	334.87	-
Interest & bank Charges	161.06	198.34
Depreciation	253.19	229.26
Amortisation of Goodwill	358.16	358.16
<b>Profit/ (Loss) Before Tax</b>	<b>2750.11</b>	<b>2806.08</b>
<b>Provision for Tax:</b>		
Current Tax	(1165.00)	(640.00)
Earlier years	(8.03)	(47.63)
Deferred tax	110.60	(108.57)
Fringe benefit Tax	(52.44)	(39.81)
<b>Net Profit/ (Loss) after Tax</b>	<b>1635.24</b>	<b>1970.07</b>
Balance B/F from Previous year	3167.97	1197.89
Transitional Provision as per AS-15 on employee benefit	(7.04)	-
<b>Appropriations:</b>		
Capital Redemption Reserve	(500.00)	-
Proposed dividend	(198.83)	-
Corporate dividend tax	(33.79)	-
<b>Balance Carried Forward</b>	<b>4063.55</b>	<b>3167.97</b>

## OVERVIEW

The economic growth in 2007-08 is estimated at 8.7% as compared to 9.67% in 2006-07. In the year under review there has been a modest growth in the Agriculture sector while Service Sectors grew by over 10%. The slower growth of consumer durables was the most important factor in the slowdown of manufacturing sector. However, the overall macroeconomic fundamentals continue to inspire confidence and optimism. A major concern during the year has been the sustained high inflationary trends. The Government has initiated several policy measures to improve the supply side and ease the pressure on consumers and industry. The steep increase in the price of oil and the recent depreciation of the Rupee are bound to further increase inflationary pressures with consequential repercussions on economic growth.

In the year under review our unit sales have grown by about 26% whilst revenue has grown by 14% as compared to previous year.

We are hopeful that our economy during 2008 - 09 will continue to be robust in spite of inflationary pressures from petroleum crude, food grain etc. and uncertainties of global economy. **Although the impact of global economic uncertainties may constrain growth in the short term, we are hopeful that significant growth opportunities will be available in the medium and long term.**

Competition in the Indian Office Automation Industry will continue to intensify due to increasing expectations / demand from the Customers and entrance of new players in the market. Lower price realizations, increase in import cost due to Maximum Retail Price based duty, continue to be the challenges to the growth of the Company. However, with support from Ricoh Company Limited, Japan and with the increased internal focus on customer value management, we are confident to meet the above challenges and also the expectations of our customers and provide them with value added solutions/ services.

*A more detailed discussion and analysis on the performance of your Company in retrospect for financial year 2007-08 as well as the outlook and focus for the year 2008-09 is contained elsewhere under the chapter on Management Discussion and Analysis.*

## DIVIDEND

In order to strike a balance between the need to conserve resources for future growth and meeting shareholder's expectations, your Directors are pleased to recommend a dividend of Rs.0.50 per share (5%) for the financial year ended 31<sup>st</sup> March, 2008.

## STRATEGIC INITIATIVES

There was a decrease in demand for Stencil Duplicators in the export market. Additionally, high input costs and need to improve the operational efficiency mandated that some strategic interventions be made. As a result the company introduced and successfully implemented a voluntary retirement scheme titled as Employee Separation Scheme for all employees at the Salt Lake Factory and all technical and Sales Staff in the field, but dealing exclusively with Stencil Duplicators.

Further, in September 2007, your Company had redeemed the balance cumulative 7.5% Preference Shares. With the redemption of these Cumulative Preference Shares the Company has become 100% debt free.

**INTERNAL AUDIT 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 controls at various levels. Additionally, the Audit Group regularly undertakes support action programs to strengthen controls, wherever any control weakness is observed.

**CORPORATE GOVERNANCE**

Your Company is committed towards implementation of the best practices of Corporate Governance. A separate section on Corporate Governance as required pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges and Practising Company Secretary Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

**AUDIT COMMITTEE**

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

- |    |                     |   |          |
|----|---------------------|---|----------|
| 1) | Mr. U. P. Mathur    | - | Chairman |
| 2) | Mr. D. C. Singhania |   |          |
| 3) | Mr. I. Uehara       |   |          |
| 4) | Mr. R.K. Pandey     |   |          |

The Audit Committee was reconstituted on 27<sup>th</sup> June 2008, consequent to the resignation of Mr. M. Yoshino. The Board of Directors had inducted Mr. I. Uehara and Mr. R. K. Pandey as its Members.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and Article 119 of the Article of Association of the Company, Mr. U.P Mathur & Mr. I.Uehara retire by rotation and being eligible offer themselves for reappointment.

Since April 2008, Mr. M. Yoshino, Mr. K. Togashi and Mr. M. Shiratori have placed their resignations as Director (s) of the Company. The Board accepts their resignations and places on record its appreciation for the valuable services rendered by Mr. M. Yoshino, Mr. K. Togashi and Mr. M. Shiratori as Directors of the Company.

The Board of Directors has inducted Mr. R. K. Pandey, Mr. N. Majima and Mr. N. Maitra as its members. Mr. N. Majima will act as the Non Executive Chairman of the Company and Mr. N. Maitra has been appointed as the Managing Director of the Company. Consequent to his induction as member of the Board and appointment as the Managing Director of the Company, Mr. Maitra shall cease /relinquish to be the President and CEO of the Company.

The relevant details / dates of the resignation and appointment of Director(s) as given in the Corporate Governance Report also form part of this Directors Report.

All the Directors have given disclosures under section 299 of the Companies Act, 1956.

As specified in section 274 of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000 none of the Directors of the Company is disqualified from being appointed as Director.



## **SUBSIDIARY COMPANY**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 217 (2AA) of the Companies Act, 1956 your Directors confirm:

- a) That in the preparation of the annual accounts for the year ended on 31<sup>st</sup> March 2008, all applicable accounting standards have been followed and there are no material departures;
- b) That to give a true and fair view of the state of affairs of the Company for the accounting year ended 31<sup>st</sup> March 2008 and also of the profits of the Company for that period, your Directors have selected and applied the consistent accounting policies and the judgment and estimate made therein are reasonable and prudent;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) That the annual accounts for the year have been prepared on a going concern basis.

## **COMMENTS ON AUDITORS' REPORT**

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and, therefore, does not call for any further comment. *A more detailed discussion on the contingent liabilities wherever necessary has been done in the Management Discussion and Analysis.*

## **FIXED DEPOSITS**

During the period under review, the Company did not raise funds by way of fixed deposits.

## **QUALITY INITIATIVES**

Your Company is a customer-focused organisation. It believes quality in sales and service is the key to its success. The commitment to quality is also borne by the fact that the Company's Quality Management conforms to ISO 9001-2000.

## **INDUSTRIAL RELATIONS**

The relationship with the recognized Union has remained cordial.

## **DISCLOSURE OF PARTICULARS**

Particulars required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the prescribed format as Annexure I to the Directors' Report.

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure II to the Directors' Report.

**CEO (MANAGING DIRECTOR) / CFO CERTIFICATION**

The Managing Director and Vice President (Finance) have certified to the Board, in the manner required under the Corporate Governance Code, concerning the annual financial statements.

**AUDITORS**

M/s. Sahni Natarajan & Bahl, the Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The retiring Auditors, have furnished a Certificate of their eligibility for re-appointment under Section 224(1-B) of the Companies Act, 1956 and have indicated their willingness to continue.

**ACKNOWLEDGMENT**

The Directors wish to place on record their appreciation for the continued co-operation and support by the Banks, Government authorities, Business Partners, Customers and other Stakeholders. Your Directors wish to place on record their sincere appreciation for the dedicated contribution made by all the Executives, Staff and Workers of the Company in the achievements of the Company during the year under review.

**For and on Behalf of the Board of Directors**

**N. Majima**  
( Director)

**I. Uehara**  
( Director)

**N. Maitra**  
(Managing Director)

Place: New Delhi  
Dated: 23<sup>rd</sup> July 2008

**D. C. Singhania**  
( Director)

**U. P. Mathur**  
(Director)

**R. K. Pandey**  
( Director)

## Annexure-I

**PARTICULARS UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988**

**a. Conservation of Energy**

The Company's operation involves low energy consumption. Wherever possible efforts to conserve and optimize the use of energy through improved operational methods and other ways will continue.

**FORM A**

	2007-08	2006-07
<b>A. Power and Fuel Consumption</b>		
1. Electricity		
a) Purchased		
Unit (KWH)	112690	164622
Total amount (Rs. in lakhs)	6.52	10.32
Rate per unit (Rs.)	5.78	6.27
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>B. Consumption per unit of Production</b>		
(i) Electricity (KWH)	-	-
(ii) Furnace Oil (Ltrs./Mt.)	-	-
(iii) Coal	-	-
(iv) Others	-	-

## b. Form of disclosure of particulars with respect to absorption Research and Development

### 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	Nil
b) Year of Import	N.A
c) Has technology been fully absorbed?	N.A
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action.	N.A

## c. Foreign Exchange Earnings and Outgo:

### Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

The primary product being exported by the Company was the Stencil Duplicator. In view of lack of demand of this product in the international market, the management decided to stop manufacturing of Stencil Duplicator and has given (VRS) voluntary retirement scheme titled as Employee Separation Scheme for all employees at the Salt Lake Factory and all technical and Sales Staff in the field dealing exclusively with Stencil Duplicators.

The primary product being exported was the Stencil Duplicator. The Stencil Duplicator market remains weak on account of the increasing penetration of technological products.

(i) Exports on FOB basis, during the year were Rs. 189.40 lacs as against Rs. 335.84 lacs in 2007-08.

(ii) Total foreign exchange earnings and outgo:

	2007-08	2006-07
Earnings	Rs. in Lacs	Rs. in Lacs
Exports	189.40	335.84
Others	42.76	23.99
<b>Total Earnings</b>	<b>232.16</b>	<b>359.83</b>
Outgo	Rs. in Lacs	Rs. in Lacs
Raw Materials	4.07	2.30
Finished Goods & Spare Parts	9073.01	6913.77
Travelling & Others	41.21	7.69
<b>Total Outgo</b>	<b>9118.29</b>	<b>6923.76</b>

**ANNEXURE -II****INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975, AS AMENDED, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2008**

Persons employed throughout the period of 12 months who were in receipt of remuneration for 12 months period, which in aggregate was not less than Rs 24,00,000/- P.A

Name	Designation & Nature of Duties	Gross Remuneration (Rs.)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Previous Employment
M. Shiratori	Whole Time Director	2,723,358	Graduate from Sophia University	28	11-04-2003	51	Ricoh Company Limited, Japan
N. Maitra	President & CEO	6,020,856	B.Sc (Engg)	33	07-10-1998	53	Asst Vice President Sterling Tree Magnum (I) Limited
Sujit Sanyal	Vice President (Field Operations)	3,002,146	B.A (Eco Hons.) MBA	30	19-6-2000	53	Esquare Consultant
Pradeep Narula	Vice President (HR & Corp Affairs)	3,831,084	B.Sc, LLB, MBA, ACS, AICWA	27	21-06-2001	53	Vice President (F) Chadha Sugar Ltd.
Manoj Kumar	Vice President (Finance & Control)	2,452,812	B. Com (H) FCA	26	23-01-1995	47	Xerox India Limited Controller Operations Support
Persons employed for a part of the financial period of 12 months who were in receipt of remuneration for any part of the period, at a rate, which in aggregate was not less than Rs 2,00,000/- P.M							
K.Swetharanyan	Executive Advisor	48,34,924	B.E. (Mech), MBA	34	01-04-2000	58	Managing Director (erstwhile Gestetner India Limited)

- 1 All appointments are contractual in accordance with terms and conditions as per Company rules.
- 2 Gross Remuneration comprises Salary, allowances, medical reimbursement, rent/ cost on accommodation, LTA, Company's contribution to provident, pension and gratuity funds, monetary value of other perquisites computed on the basis of Income Tax Act, 1961 and rules, leave encashment and performance bonus, where applicable.
- 3 None of the above mentioned person holds more than 2% of the equity shares of the Company either by himself or along with spouse and dependent children.
- 4 No Employee of the Company is a relative of any of the Directors of the Company.

Note: - The Board of Directors of the Company has appointed Mr N. Maitra as Managing Director of the Company w.e.f 23<sup>rd</sup> July 2008.

## MANAGEMENT DISCUSSION & ANALYSIS

### OVERVIEW

As has been shared in the Directors' report, during the year 2007-08, the Company has made commendable progress with 14% growth in revenues and high box unit sales. The following are the major financial achievements of the year under review: -

- External Borrowings repaid in full.
- Debt DSO reduced from 47 days to 43 days.
- General Reserves increased by Rs. 140 Million.

The profit of the Company is at the same levels as compared to the corresponding year 2006-07.

For the year ended on 31<sup>st</sup> March, 2008, the net profit before tax was Rs. 2750.11 lacs as against a net profit before tax of Rs. 2806.08 lacs for the previous year. The net profit before tax of Rs. 2806.08 lacs for previous year ended on 31<sup>st</sup> March, 2007 was after taking into account exceptional items like Credit balance written back of Rs. 939.57 lacs on account of customs duty liability. At the same time, the net profit for the year ended 31<sup>st</sup> March 2008 has been arrived at after considering strategic expenses of Rs. 334.87 lacs towards the closure of Stencil Duplicator product line.

### Financial Review for the year ended 31<sup>st</sup> March, 2008:

1. **Other Income:** Other Income for the previous year ended on 31<sup>st</sup> March, 2007 included a custom duty liability of earlier years written back amounting to Rs. 939.57 lacs as per the case decided in favour of the Company by the Hon'ble Supreme Court.
2. **Material Consumed:** Material consumption as a % of sales for the period under review was lower at 49% as compared to 53% for the previous year ended on 31<sup>st</sup> March, 2007. Due to appreciation in rupee vis-à-vis US Dollar during the current year effected the material consumption cost. Further, the company has also availed the benefit of Special Additional custom duty claim as per the new notification issued as per the Customs Act, 1962 amounting to Rs. 238.87 lacs. The consumption pattern also varies because of product mix and drop in sale price due to competitive pressure.
3. **Interest:** Interest cost decreased and was at Rs. 161.06 lacs as compared to Rs. 198.34 lacs for the previous year ended on 31<sup>st</sup> March, 2007. The Company had repaid all its bank borrowings before the close of the previous financial year ended on 31<sup>st</sup> March, 2007. Due to good collection inflows during the year the company managed to reduce its interest cost.
4. **Personnel Cost:** Personnel cost as % to sales, excluding VRS expenses incurred during the current year, was almost at the same level of 15% as that for the previous year. This was mainly due to the reduction in the number of employees on account of employee separation scheme taken out during the current year.
5. **Manufacturing, Selling and other expenses:** Manufacturing, selling and other expenses as % of sales increased to 10.7% during the period under review as compared to the previous accounting year level of 9.1%. To increase its market presence and brand building the company had started advertising its product range through new avenues of advertisement like Internet and Television besides being already present through the print media.

- 6. Depreciation:** Depreciation (excluding goodwill amortization) as % to sales was at the same 1.2% during the period under review.
- 7. Profit After tax (including 'Other Income'):** Profit after tax stood at Rs. 1635.24 lacs as compared to Rs. 1970.07 lacs from the previous year ended on 31<sup>st</sup> March, 2007.
- 8. Reserves and Surplus:** Reserves increased from Rs 3175.17 Lacs as on 31<sup>st</sup> March, 2007 to Rs. 4570.74 lacs as on 31<sup>st</sup> March 2008 on account of profit after tax and proposed dividend and dividend distribution tax for the current period under review.
- 9. Earning per Share:** EPS for the current financial year is Rs 4.11 as against Rs. 4.86 last year. The Other income for the previous year ended on 31<sup>st</sup> March, 2007 included credit balances written back, amounting to Rs. 1028.65 lacs, which included Rs. 939.57 lacs on account of custom duty liability written back, which in turn had increased the profit attributable to the equity shareholders & correspondingly a higher EPS for the previous year ended on 31<sup>st</sup> March, 2007.
- 10. Shareholders funds/ Net worth:** During the current financial year, the Net-worth of the Company stood at Rs. 8547.48 Lacs as compared to Rs. 7651.90 Lacs in the previous financial year ended on 31<sup>st</sup> March, 2007.
- 11. Fixed Assets:** The net increase in Gross block of fixed assets and capital work in progress is Rs. 229.23 lacs. The increase in fixed assets has occurred mainly on account of purchase of new computer hardware, software & office equipments and capitalisation of the Company's stock in trade, used for the purpose of Facilities Management / rental contracts entered into with various Government/ Private corporates etc. These assets have been funded from internal accruals only.
- 12. Inventories:** Finished goods inventory stands at 3.0 months of total cost of sales as against 2.5 months in the previous accounting year ended on 31<sup>st</sup> March, 2007.
- 13. Debtors:** Debtors, excluding lease receivables, represent 43 days of total sales as at 31<sup>st</sup> March, 2008 as against 47 days as at 31<sup>st</sup> March, 2007. The decrease has been achieved by focus on comprehensive credit policy and collection drive through regular analysis of the debtors' age.
- 14. Cash & Bank Balances:** The Company continues to be cash positive. The increased collection activity at the end of the current year helped to increase the cash & bank balances by Rs. 1108.86 lacs as compared to the previous accounting year ended on 31<sup>st</sup> March, 2007. It also includes Bank deposits which increased to Rs. 53.73 lacs due to issuance of bank guarantees during the year.
- 15. Loans & Advances:** The loans and advances as on 31<sup>st</sup> March, 2008 were at Rs. 2385.15 lacs as compared to Rs. 1794.30 lacs in the previous financial year . This also includes a sum of Rs. 950.11 lacs as balances with Government authorities. The increase is mainly on account of Special Additional Duty claim amounting to Rs. 238.87 lacs available to the company as per the new notification issued as per the Customs Act, 1962 during the year. Balances lying with Government authorities are all considered good and recoverable in cash or in kind for value to be received.



**16. Current Liabilities and provisions:** The current liabilities and provisions of Rs. 5791.62 lacs as on 31<sup>st</sup> March, 2008 is higher as compared to Rs. 4363.54 lacs in the previous accounting year ended on 31<sup>st</sup> March, 2007. The increase is mainly on account of Dividend proposed for distribution, inclusive of tax on proposed dividend, amounting to Rs. 232.63 lacs. Employee related liabilities stood at Rs 301.09 lacs as at 31<sup>st</sup> March, 2008 as compared to Rs. 282.05 lacs as at the end of previous financial year. The increase is mainly due to increase in liability against retiral benefits of the employees during the current year as compared to the previous year.

**17. Contingent Liabilities:** Company has substantial amount of contingent liabilities on account of sales tax cases pending at various judicial/ quasi-judicial forum. Of the total amount of Rs. 2278.20 lacs on account of sales tax cases (previous accounting year - Rs. 2361.36 lacs), Rs.1160.48 Lacs pertains to Delhi Sales Tax . It is pertinent to mention here that most of these demands were raised by the Delhi Sales tax department after reopening the assessment years of the period 1989-90 onwards in the year 1999 pursuant to a survey conducted by the department. The Company considered these demands to be arbitrary and devoid of judicial basis and contested the same at various judicial and quasi-judicial levels. The successful contention by the company before the authorities is likely to result in demand worth Rs. 1006.40 lacs being dropped and all these cases being decided in favour of the Company. In respect of other sales tax demands too, the Company is confident that its contentions before the authorities will succeed since the demands raised are similar in most of the cases.

## RISK MANAGEMENT

The Company is exposed to normal business risks - Some of these risks are external and result from the business environment we operate in and some are internal to the Company.

### Industry Risk

The Company operates in an industry where technological advancements are fast changing and evolving. This makes our business model susceptible to constant change and development. In order to meet the above challenge the company is constantly introducing newer technologies & products to meet the changing customer and market demands. Ricoh Company Limited, Japan's support to India is evident from the fact that they have been introducing and sharing new products and upgrades with Ricoh India, simultaneous to their release world-wide.

Recessionary trends are invariably also linked to slowdown of business as also decrease in government spending. Allocation of funds for development of infrastructure needs, to which the office automation products relate, takes the last priority in such situations. To meet this challenge, the company is trying to categorize the market into various segments with each segment having a unique market penetration strategy so that the above risk can be minimized.

With continued commitment, support and guidance from the Ricoh group, which is one of the leading innovators in the industry, your company is reasonably comfortable on being able to meet the above challenges.

### Operational Risk

Operational risk may arise on account of slackening of internal controls, information systems, employee integrity and operating processes. Policies and procedures have been framed and implemented in a manner keeping this in mind. To further assist in its operational risk management initiatives, the Company takes a Balanced Scorecard approach for goal-setting, periodic performance reviews, focus on customer service, internal business processes, financial performance, and learning/ innovation. This ensures that all the salient areas of its business operations are scrutinized and reviewed, and facilitates a holistic approach to the management.



### **Credit Risk**

The company is striving to increase its presence in the private as well as the government segment through the indirect sales channel route. The credit risk in private sector being more as compared to the government sector it becomes important for the company to have proper internal control systems and processes in place. The company has a stated and well defined credit policy, which aims to minimize credit risks and is subjected to frequent reviews depending upon the need and changing business requirements.

### **Foreign Exchange Risk**

The foreign exchange risk on account of fluctuation of foreign currency exchange rates could affect operating results, financial position and cash flows. We manage our exposure to these market risks through our regular operating and financing activities and, when appropriate, through the use of derivative financial instruments. The short-term exposure with respect to exports transactions are, however, left un-hedged considering the pattern and extent of fluctuation in the value of Rupee against US dollars in the past and there seems no material risk in keeping exports thus un-hedged. The contracts with respect to the operating activities generally have maturities of less than six months.

## **HUMAN RESOURCES DEVELOPMENT**

In its drive to acquire the leadership position in the industry, the Company has been focusing on acquisition and retention of talent, enhancing people capabilities and skill sets. During the year there has been an increase in focus on employee trainings and improving the quality of management. One of the key focus areas of senior leadership team of the company has been to drive "Performance Excellence" within the company. Retaining employees and dealing with attrition continues to be a challenge for all HR managers these days. The company keeps evaluating its manpower requirements periodically and implements strategies accordingly. As of end March 2008 the company had slightly more than 700 employees on its rolls. The Human Resource Department of the Company keeps evaluating its HR policies and practices so as to enable and empower all employees, and strives to make "Ricoh" an employer of choice.

## **INTERNAL CONTROL SYSTEM**

The Management Information & Review System is an important tool of our control mechanism. Clearly defined, roles, responsibilities and objectives are set out at the beginning of the year for all senior and middle level managerial positions, which are aligned with the overall Corporate Objectives. All operating parameters are monitored and efforts made to control the same. Regular, periodical management reviews have been institutionalised on monthly basis for all-major functions. The team of Internal Auditors and External Auditors conducts regular internal audits and checks to ensure that responsibilities are executed effectively.

Any material change in the business outlook is reported to the Board on a half-yearly basis. Material deviations from the annual planning and budgeting, if any are reported on quarterly basis to the Board. An effective budgetary control process on all capital expenditure ensures that actual spending is in line with the capital budget.

**FUTURE OUTLOOK & FOCUS FOR 2008-09**

This financial year (2008-09) would be a very challenging year for us. During the year there are a number of focus areas. Changing customer needs, focus on understanding customers applications / needs and selling to corporate accounts requires a skill of "solutions selling" on the part of our field sales people. We are consciously promoting a shift from black & white to color and hence color is a major theme across the company. As a step towards market expansion we have also launched new products specifically in low end A4 segment, so as to provide solutions that best suit customers' needs and the business environment. Additionally, the Company will continue to expand its business into production printing.

The realignment of company's operations with the Asia Pacific region of Ricoh opens vistas for learning and growth through benchmarking of our internal processes and practices with other Ricoh group sales companies in the Asia Pacific region.

The Company will continue to introduce new models in near future and is confident to meet the customer's expectations and other challenges. With the parent Company's continued product and operational support, the Company will continue to focus on expanding its network and channel base.

**Cautionary Statement:**

Statements in this "Management's Discussion & Analysis" describing the Company's objectives, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, cyclical demand and pricing in the Company's principal markets, change in Government regulations, tax regimes, economic conditions at the micro-macro environmental level within which the Company conducts business and other factors such as litigation and labour negotiations.

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Transparency in all dealings and providing better products and services without compromising in any way on integrity and regulatory compliances and maintaining the global standards of corporate conduct have been the basic objective of corporate governance in the Company. The philosophy of corporate governance seeks to enhance shareholder's value keeping in view the needs and interest of the stakeholders. It is the Company's endeavour to achieve the highest levels of governance and to benchmark itself with the best governed companies.

### BOARD OF DIRECTORS

#### COMPOSITION OF THE BOARD

The Board of Directors of the Company represents an optimum mix of professionalism, knowledge and experience. As on 31<sup>st</sup> March 2008, the total strength of the Board of Directors of the Company is six Directors. In the year under review, Mr. K. Togashi, Non-Executive Director was the Chairman of the Board. However, consequent to the resignation of Mr. Togashi w.e.f 23<sup>rd</sup> July 2008, the Board of Directors of the Company has appointed Mr. N. Majima as its Chairman. The Company immensely benefits from the professional expertise of the Independent Directors in their individual capacity as professionals/ business executives and through their invaluable experience in achieving corporate excellence. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

#### BOARD MEETINGS

The Company, in consultation with the Directors, prepares and circulates a tentative annual calendar for the meetings of the Board and Board Committees in order to facilitate and assist the Directors to plan their schedules for the meetings.

During the year under review, 6 Board Meetings were held one each on 7<sup>th</sup> June, 2007, 28<sup>th</sup> June, 2007, 31<sup>st</sup> July 2007, 26<sup>th</sup> October, 2007, 7<sup>th</sup> December, 2007 and 30<sup>th</sup> January, 2008. The maximum interval between any two meetings was well within the prescribed maximum gap of 4 months.

None of the Directors of the Company is a member of more than ten Committees or is a Chairman of more than five Committees across all public limited companies in which they are Directors. The details of attendance of the Directors at the Board Meetings during the financial year ended 31<sup>st</sup> March 2008, the last Annual General Meeting held on 18<sup>th</sup> September, 2007 and also the no. of other Directorships and Committee Memberships/ Chairmanships of other Public Companies are as follows: -

#### Details of Attendance at Board Meeting and Annual General Meeting:-

Name of the Director	Category	Attendance Particulars		
		No. of Board Meetings		Last AGM
		Held	Attended	
Mr. K. Yoshida*	NED	1	Nil	No
Mr. M. Yoshino**	NED	6	1	No
Mr. K. Togashi***	NED	4	Nil	No
Mr. M. Shiratori***	ED	6	4	Yes
Mr. I. Uehara	NED	6	1	Yes
Mr. D. C. Singhania	NED/ID	6	6	Yes
Mr. U.P.Mathur	NED/ID	6	6	Yes
Mr. R. K. Pandey#	NED/ID	Nil	Nil	N/A
Mr. N. Maitra##	ED	6^	6^	Yes^

## Details of Directorship in other Company, Committee Membership/ Chairmanship in other Companies:-

Name of the Director	Category	No. of Directorship and Committee Membership/Chairmanship		
		Other Directorship	Committee Memberships	Committee Chairmanships
Mr. K. Yoshida*	NED	Nil	Nil	Nil
Mr. M. Yoshino**	NED	Nil	Nil	Nil
Mr. K. Togashi***	NED	Nil	Nil	Nil
Mr. M. Shiratori***	ED	Nil	Nil	Nil
Mr. I. Uehara	NED	Nil	Nil	Nil
Mr. D. C. Singhanian	NED/ID	Nil	Nil	Nil
Mr. U.P.Mathur	NED/ID	Nil	Nil	Nil
Mr. R. K. Pandey#	NED/ID	10	2	3
Mr. N. Maitra##	ED	Nil	Nil	Nil

Note:-

\* Resigned and ceased to be Director w.e.f 28<sup>th</sup> June 2007.

\*\* Resigned and ceased to be Director w.e.f 27<sup>th</sup> June 2008.

\*\*\* Resigned and ceased to be Director w.e.f 23<sup>rd</sup> July 2008.

# Appointed w.e.f 27<sup>th</sup> June 2008.

## Appointed as Managing Director w.e.f 23<sup>rd</sup> July 2008.

^ Attended as President & CEO.

## INFORMATION SUPPLIED TO THE BOARD

All the information under the above heads whenever applicable and materially significant as are necessary to understand a matter or to arrive at any decision or is material to any agenda are provided to the Board of Directors for discussion and information at the meeting.

Agenda papers for the Board Meetings are circulated to the members well in advance of each meeting so that all the Directors can actively participate in the deliberations on various agenda items put before them.

## DIRECTORS REMUNERATION

The Independent Non-Executive Directors are paid sitting fees only within the prescribed limits for the Board/ Committee meeting attended by them and no other remuneration was paid to any Non Executive Directors. The following table give details or remuneration paid to the Directors during the year 2007-08.

(Rupees)

Name of the Director	Salary and Perquisites	Performance Linked Incentive	Commission	Sitting fee	Total
Mr. K. Yoshida*	-	-	-	-	-
Mr. M. Yoshino**	-	-	-	-	-
Mr. K. Togashi***	-	-	-	-	-
Mr. I. Uehara	-	-	-	-	-
Mr. M. Shiratori***	2,723,358	-	-	-	2,723,358
Mr. D. C. Singhanian	-	-	-	60,000	60,000
Mr. U.P.Mathur	-	-	-	60,000	60,000

\* Resigned and ceased to be Director w.e.f 28<sup>th</sup> June 2007.

\*\* Resigned and ceased to be Director w.e.f 27<sup>th</sup> June 2008.

\*\*\* Resigned and ceased to be Director w.e.f 23<sup>rd</sup> July 2008.

**REMUNERATION POLICY**

The remuneration paid to the Non Executive Directors of the Company is decided by the Board of Directors. Presently only sitting fees amounting Rs 5000/- each for attending Board and Audit Committee meeting of the Company and Rs 10000/- for attending the Annual General Meeting is paid to the Non-Executive Independent Directors. The remuneration of the Executive Directors /Managerial personnel consists of fixed component and variable performance incentive within the parameters approved by the Shareholder and Ministry of Corporate Affairs, if required.

**SHAREHOLDING OF DIRECTORS**

None of the Directors of the Company holds any shares in the Company.

**CODE OF CONDUCT**

Ricoh's Board has laid down the Code of Conduct for all Board members and senior management personnel of the Company. The Code of Conduct is available on the website of the Company [www.ricoh.co.in](http://www.ricoh.co.in). All Board members and senior management personnel have affirmed compliance of Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

**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 role and terms of reference of the Audit Committee covers the areas mentioned in Clause 49 of the listing agreement with Stock Exchange and Section 292A of the Companies Act, 1956, as amended from time to time, besides other matters as may be referred by the Board of Directors. These, inter alia, include the Company's financial reporting process, disclosure of all the information to ensure that the financial statements are correct, sufficient and credible, reviewing of annual and quarterly statements before submission to the Board and reviewing the adequacy of internal control system with the management, the external and the internal auditors.

During the financial year ended 31<sup>st</sup> March 2008 the Audit Committee comprises of three Non-Executive Directors viz. Mr. D. C. Singhanian, Mr. U. P. Mathur and Mr. Masayoshi Yoshino. However, consequent to the resignation of Mr. M. Yoshino with effect from 27<sup>th</sup> June, 2008 the Audit Committee has been reconstituted on 27<sup>th</sup> June, 2008 by inducting Mr. R. K. Pandey and Mr. I.Uehara as its Members. Mr. U. P. Mathur is the Chairman of the Audit Committee. During the year the committee held 4 meetings on 28<sup>th</sup> June 2007, 31<sup>st</sup> July 2007, 26<sup>th</sup> October 2007 and 30<sup>th</sup> January 2008. The attendance records during the year (2007-08) were as under:

<b>Name of the Members</b>	<b>No. of Meetings attended</b>
Mr. U. P. Mathur	4
Mr. D. C. Singhanian	4
Mr. M. Yoshino	1

All members of the Audit Committee are financially literate. Mr. U. P. Mathur, Chairman of the Audit Committee has accounting and financial expertise. The Chairman of the Audit Committee attended the Annual General Meeting (AGM) held on 18<sup>th</sup> September, 2007.

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

## REMUNERATION COMMITTEE

### Terms of Reference and Policy

The terms of reference of the Committee include recommending to the Board of Directors, specific remuneration packages for the Executive Directors/ Managerial Personnel. The Remuneration Policy is directed towards rewarding performance, based on review of extent of achievement of the objectives. The remuneration policy is in consonance with the existing Industry practice.

The present committee consists Mr. U. P. Mathur, Mr. D. C. Singhania and Mr. R. K. Pandey all being Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director. The Composition and attendance details are as under:

Name of the Members	Designation	Attendance
Mr. U. P. Mathur	Chairman	2
Mr. D. C. Singhania	Member	2
Mr. M. Yoshino*	Member	NIL
Mr. R K Pandey**	Member	NA

\*Resigned w.e.f 27<sup>th</sup> June 2008

\*\* Appointed w.e.f 27<sup>th</sup> June 2008

## SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE MEETING

Mr. D. C. Singhania who is a Non- Executive Director chairs the Shareholders/Investors Grievance committee. Mr. Avneesh Chopra, Company Secretary is also the Compliance Officer of the Company. The Company has received 14 complaints during the year. All the complaints were redressed by the Company. All share transfers are completed within statutory time period from the date of receipt provided the documents meet the legal requirements in all respects.

The Shareholders/Investors Grievance committee approves and monitors transfers, transmission, splitting and consolidation of shares 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 Committee met 24 times during the year. There are no shares pending transfer.

## GENERAL BODY MEETINGS

The 15<sup>th</sup> Annual General Meeting of the Company 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.

Location and time, where last three AGMs held:				Number of Special Resolutions Passed
Financial Year	Date	Venue	Time	
2006-07	18 <sup>th</sup> September 2007	The Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai - 400 018	10.00 A.M	2
2005-06	19 <sup>th</sup> September 2006	The Indian Merchants Chamber, Conference Hall (Walchand Hirachand Hall) 4th Floor, 76 Veer Nariman Road, Churchgate, Mumbai - 400 020	9.30 A.M	1
2004-05	8 <sup>th</sup> September 2005	- as above-	10.00 A.M	3

**Details of Special Resolution passed in last 3 Annual General Meetings is as under:**

Financial Year	Particulars
2006-07	1. Appointment and Payment of Remuneration to Mr. N. Maitra as Manager (President & CEO). 2. Re-appointment of Mr. M. Shiratori as Whole Time Director for a further period of 3 years with Remuneration.
2005-06	1. Appointment of Mr. M. Shiratori as Whole Time Director without Remuneration.
2004-05	1. Appointment and Payment of Remuneration to the Managing Director of erstwhile Gestetner (India) Limited. 2. Appointment and Payment of Remuneration to Mr. K. Swetharanyan as President & CEO of the Company. 3. Delisting of Equity Shares from Ahmedabad Stock Exchange.

The Company has not passed any special resolution through postal ballot in the last years. Also as on date, there is no proposal to pass any special resolution through postal ballot.

**DISCLOSURES MADE BY MANAGEMENT**

The material financial and commercial transactions with related parties are reported to Audit Committee regularly. There are no materially significant related party transactions of the Company, which have conflict with the interests of the Company at large. Transactions with Senior Managerial Personnel are reported in case there is any personal interest involved. Details of transaction with related parties are reflected in the Annual Accounts under the head "Notes to Accounts".

The Company has complied with all the legal requirements related to Capital markets and there were no strictures passed/penalties levied by Stock Exchanges/ SEBI or any other regulatory body.

The Company has complied with all the mandatory requirements of the clause 49 pertaining to Corporate Governance of the Listing agreement with the stock exchange. The Company has filed its confirmation to that effect with the concerned stock exchange.

**MANAGEMENT**

Management Discussion forms part of Directors Report has a separate and detailed chapter on Management Discussion and Analysis which deals with industry structure and development, opportunities and threats, segment wise performance, outlook, risks and concerns of the Company and discussion on financials with respect to operations.

**MEANS OF COMMUNICATION**

The Company's quarterly results along with the Notes are normally published within 48 hours of approval by the Board in English and Regional language newspapers (viz. Free Press Journal in English and Navashakti in Marathi) circulating in the State of Maharashtra and are also faxed / intimated to the Stock Exchange. These are also uploaded at SEBI EDIFAR site.

**GENERAL SHAREHOLDER INFORMATION****Annual General Meeting**

<b>Date</b>	: 10 <sup>th</sup> September 2008
<b>Time</b>	: 9.30 a.m.
<b>Venue</b>	: The Indian Merchants Chamber, Conference Hall (Walchand Hirachand Hall) 4th Floor, 76 Veer Nariman Road, Churchgate, Mumbai - 400 020
<b>Financial Year</b>	: 1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>Book Closure</b>	: 1 <sup>st</sup> September 2008 to 10 <sup>th</sup> September 2008 (both days inclusive)
<b>Dividend Payment</b>	: The Board of Directors has recommended 5% dividend for the F. Y. 2007-08.
<b>Listing on Stock Exchanges</b>	: The shares of the Company are listed on Bombay Stock Exchange Limited.
<b>Stock Code at BSE</b>	: <b>517496</b>
<b>ISIN No.</b>	: <b>INE291B01015</b>



## Market Price Data

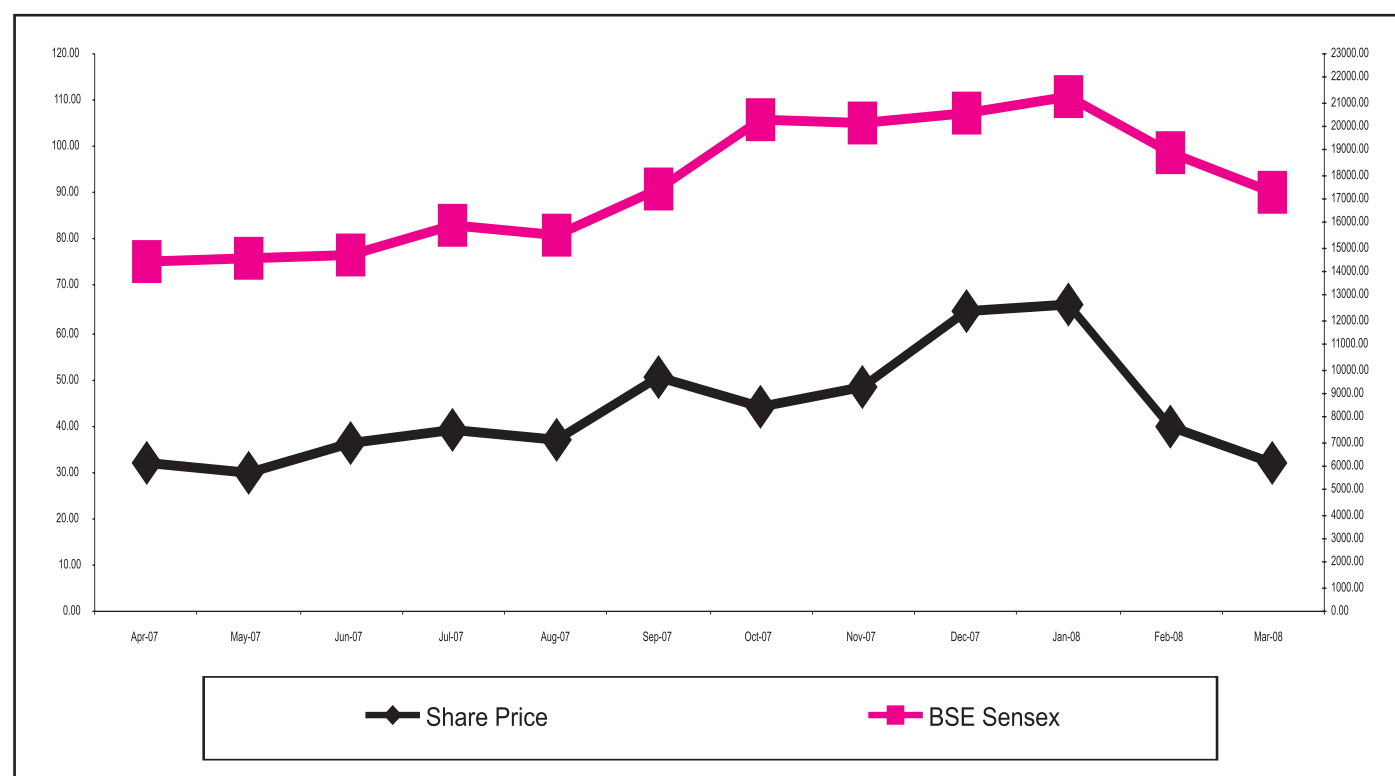
The monthly high and low quotation and the volume of shares traded on BSE are as under:

Period	Highest Rs.	Lowest Rs.	Volume No.
April-07	31.75	25.00	448457
May-07	30.00	26.10	468720
June-07	36.00	26.00	1316865
July-07	38.75	27.80	2417601
August-07	37.00	28.70	638099
September-07	50.40	29.60	2981657
October-07	43.80	32.75	1166626
November-07	47.95	35.00	945228
December-07	64.70	40.05	2597071
January-08	66.00	29.70	1627821
February-08	40.00	30.05	386468
March-08	31.60	22.10	560559

## Share Price Performance in comparison to the BSE Sensex

The following chart shows the performance of the Company shares as compared to the BSE Sensex during the year 2007-08.

Share Price of the Company - Its Performance at BSE from April 07 to March, 08



## Registrar and Transfer Agents :

M/s MCS Limited, Sri Venkatesh Bhawan, W-40, Okhla Industrial Area, Phase-II, New Delhi-110020.  
(Contact No. 011-41406149)

## Share Transfer System:

All share transfer and other communication regarding share certificates, change of address etc. should be addressed to Corporate Office of the Company 52-B, Okhla Industrial Estate, Phase-III, New Delhi. However, requests for Share transfer in physical form can be lodged with the Registrar and Transfer Agents.

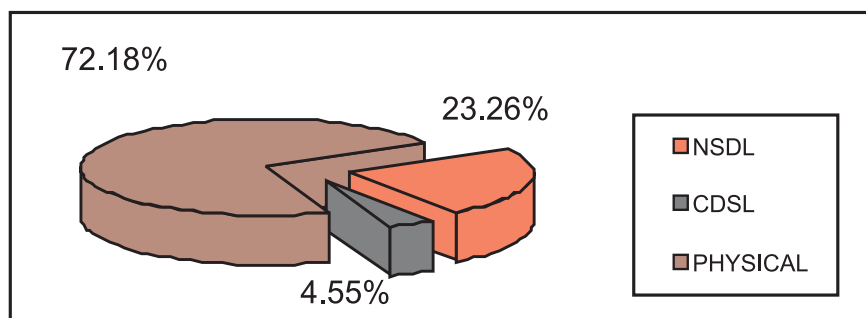
## Distribution of Shareholding:

Shareholding of Nominal Value of Rs.	Folio		Shares	
	Nos.	Percentage %	Nos.	Percentage%
1 to 500	12714	78.32	2219067	5.58
501 to 1000	1981	12.20	1462459	3.68
1001 to 2000	856	5.27	1254483	3.15
2001 to 3000	255	1.57	664869	1.67
3001 to 4000	98	0.60	352110	0.89
4001 to 5000	101	0.62	482318	1.21
5001 to 10000	131	0.81	975384	2.45
10001 to 50000	85	0.52	1727754	4.34
50001 to 100000	4	0.02	213077	0.54
100001 and above	9	0.06	30416640	76.48
<b>Total</b>	<b>16234</b>	<b>100.00</b>	<b>39768161</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity:**

The Company has arrangements with National Securities Depositories Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. As of 31<sup>st</sup> March, 2008, 27.81% of the Company's share capital had been converted into dematerialized mode.

Status of Dematerialization as on March 31<sup>st</sup>, 2008



The Company's shares are regularly traded on the Stock Exchange, Mumbai, as is seen from the Volume of shares indicated in the table containing Market Price Data.

**Outstanding GDRs / ADRs / Warrants or any other Convertible Instruments etc.**

As of 31<sup>st</sup> March, 2008, the Company has not issued any GDRs / ADRs / Warrants or any other Convertible Instruments.

**Plant Locations:**

A-9, GIDC Electronic Estate  
'K' Road, Sector15,  
Gandhinagar  
Gujarat - 382044

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

**Address for Correspondence and E-mail ID for Investors:****Corporate Office:**

52-B, Okhla Industrial Estate  
Phase III, New Delhi- 110020  
E-mail: ril.secretarial@ricoh.co.in

**Registered Office:**

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

**N. Majima**  
(Director)

**I. Uehara**  
(Director)

**N. Maitra**  
(Managing Director)

Place: New Delhi  
Dated: 23<sup>rd</sup> July 2008

**D. C. Singhanian**  
(Director)

**U. P. Mathur**  
(Director)

**R. K. Pandey**  
(Director)

## **PRACTISING COMPANY SECRETARY'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE (CLAUSE 49) OF THE LISTING AGREEMENT**

To the Members of  
RICOH INDIA LIMITED  
1104, Arcadia, 195 N.C.P.A Road  
Nariman Point, Mumbai-400021

We have examined the compliance of conditions of Corporate Governance by Ricoh India Limited for the year ended March 31, 2008 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

We state that in respect of investor grievances received during the year ended March 31, 2008, no investor grievances are pending for a period exceeding one month as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Rachna Aggarwal  
Practising Company Secretary  
Prop C.P. No. 4819.

Place: Delhi  
Date: 23-07-2008

### **Declaration on Compliance of Code of Conduct**

I, N. Maitra the Managing Director of Ricoh India Limited, do hereby declare & confirm that all the Board Members and Senior Managerial Personnel have affirmed to the Board of Directors, the Compliance of the Code of Conduct laid down by the Board.

**For and on Behalf of the Board of Directors**

**N. Maitra**  
(Managing Director)

Place: New Delhi  
Dated: 23<sup>rd</sup> July 2008

**AUDITOR'S REPORT TO THE MEMBERS OF RICOH INDIA LIMITED**

1. We have audited the attached Balance Sheet of Ricoh India Limited, as at 31st March, 2008 and also the Profit and Loss Account for the year ended on that date and Cash Flow Statement for the year ended on that date both annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - iii. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. On the basis of written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
    - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For SAHNI NATARAJAN AND BAHL**  
**(Chartered Accountants)**

**SURESH MALIK**

**(Partner)**

Membership No. 82224

Place: New Delhi

ate: July 23, 2008

**ANNEXURE TO THE AUDITOR'S REPORT**

(This is the annexure referred to in Para 4 of our Report of even date)

1. In respect of the fixed assets:
  - (a) The Company has maintained proper records showing the full particulars including quantitative details and situation of the fixed assets.
  - (b) We are informed that the fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
  - (c) In our opinion, the company has not disposed off substantial part of fixed assets during the year, which may have any impact on the going concern nature of the Company.
2. In respect of inventories:
  - (a) As explained to us, inventories except goods-in-transit has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.
5. To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
7. In our opinion and according to the information and explanations given to us, the internal audit system of the Company is commensurate with its size and nature of its business.
8. As explained to us, maintenance of the cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for any of the Company's product.
9. In respect of the statutory and other dues:
  - (a) According to the information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31st March, 2008 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, the following dues of Income-tax/Sales tax/Trade tax have not been deposited by the Company on account of disputes.

Particulars	Financial Year to which the matter pertains	Amount (Rs.)	Forum where dispute is pending
<b>Sales Tax/Trade Tax</b>	1984-85, 1993-94, 1995-96, 2006-07, 1997-98, 1998-99, 1999-00, 2001-02, 2002-03.	15,375,427	Sales Tax Appellate Tribunal
	2000-01, 2001-02, 2002-03	2,804,627	Assistant Commissioner Appeal
	2003-04, 2004-05	56,598,295	Joint Commissioner Appeal
	1994-95, 1995-96, 1996-97, 1997-98, 1997-98, 1998-99, 1998-99, 1999-00, 1999-00, 2001-02, 2003-04, 2004-05,	116,048,890	Additional Commissioner Appeal
	1998-99, 1999-00, 2000-01	32,891,607	Allahabad High Court
	1981-82, 1986-87, 1987-88 1992-93, 1998-99, 2000-01, 2001-02, 2001-02, 2001-02 2002-03, 2002-03, 2004-05	4,101,099	Deputy Commissioner of Sale tax/ Trade Tax Appeal
<b>Income Tax Act, 1961</b>	2002-03, 2002-03	12,093,105	CIT Appeal
	2000-01, 2003-04	10,733,004	Income Tax Appellate Tribunal

Note: The Company has deposited Rs. 89,827,564 against the above-mentioned cases, which has been shown in the loans and advances under "Balances with Government Authorities".

10. The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses either during current financial year or in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions/banks. The company has not obtained any borrowings by way of debentures during the year.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, no term loans were availed by the Company during the year.
17. According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima-facie, not been used during the year for long term investments.
18. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under section 301 of the Act.
19. In our opinion and according to the information and explanations given to us, the company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
20. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the Company, has been noticed or reported by the Company during the year.

For SAHNI NATARAJAN AND BAHL  
(Chartered Accountants)

SURESH MALIK  
(Partner)  
Membership No. 82224

Place: New Delhi  
Date: July 23, 2008



**RICOH INDIA LIMITED****BALANCE SHEET AS AT MARCH 31, 2008**

	<b>Schedule</b>	<b>As at March 31,2008 Rs.'000</b>	<b>As at March 31,2007 Rs.'000</b>
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share capital	1	397,674	447,674
Reserves and surplus	2	457,074	317,517
<b>Total</b>		<b>854,748</b>	<b>765,190</b>
<b>APPLICATIONS OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross block	3	452,540	429,617
Less : Depreciation		319,668	264,012
Net block		132,872	165,605
Capital Work in Progress		5,779	1,419
		138,651	167,024
<b>Investments</b>	4	4	4
<b>Deferred Tax Asset (Refer Note 16 to Shedule 18)</b>		19381	7,958
<b>Current Assets, Loans and Advances</b>			
Inventories	5	295,436	232,599
Sundry debtors	6	375,832	359,325
Cash and bank balances	7	366,091	255,205
Loans and advances	8	238,515	179,430
		1,275,874	1,026,558
<b>Less: Current Liabilities and Provisions</b>			
Current liabilities	9	517,629	408,149
Provisions	10	61,533	28,205
		579,162	436,354
<b>Net current assets</b>		<b>696,712</b>	<b>590,204</b>
<b>Total</b>		<b>854,748</b>	<b>765,190</b>
<b>Significant accounting policies</b>			
<b>Notes to accounts</b>	17		
	18		

Schedule 1 to 18 form an integral part of the final accounts

As per our report of even date attached

**For SAHNI NATARAJAN AND BAHL**

Chartered Accountants

**(SURESH MALIK)**

Partner

Membership No. 82224

Place: New Delhi

Date : July 23, 2008

**For and on Behalf of Board****N. Majima**  
Director**I.Uehara**  
Director**D.C. Singhania**  
Director**U.P.Mathur**  
Director**R.K. Pandey**  
Director**N.Maitra**  
Managing Director**Manoj Kumar**  
VP- Finance**A.Chopra**  
Company Secretary

**RICOH INDIA LIMITED**
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008**

	Schedule	Year Ended March 31,2008 Rs.'000	Year Ended March 31,2007 Rs.'000
<b>INCOME</b>			
Sales and other income	11	2,206,463	2,042,534
Less: Excise duty paid		526	1,507
		<b>2,205,937</b>	<b>2,041,027</b>
<b>EXPENDITURE</b>			
Cost of goods and materials	12	1,065,790	1,024,543
Employees' remuneration and benefits	13	362,045	287,292
Manufacturing, selling and distribution expenses	14	235,878	176,654
Other expenses	15	191,807	185,518
Interest & finance charges	16	16,106	19,834
Exchange loss (Net)		(1,835)	7,836
Depreciation		25,319	22,926
Amortisation of Goodwill		35,816	35,816
		<b>1,930,927</b>	<b>1,760,419</b>
Profit for the Year before tax		<b>275,011</b>	<b>280,608</b>
<u>Provision for Taxation:</u>			
On Normal profit		(116,500)	(64,000)
For earlier years		(803)	(4,763)
Deferred Tax		11,061	(10,857)
Fringe benefit tax		(5,244)	(3,981)
Profit after Tax		<b>163,524</b>	<b>197,007</b>
Brought forward from the previous year		<b>316,797</b>	<b>119,789</b>
Adjustment made in accordance with the for transitional provisions of Accounting Standard 15 on Employee Benefit [Net of Deferred Tax Asset Rs. 362k (previous year Nil)]		<b>(704)</b>	<b>-</b>
		<b>316,093</b>	<b>119,789</b>
Profit available for appropriation		<b>479,617</b>	<b>316,797</b>
Capital Redemption Reserve		(50,000)	-
Proposed Dividend		(19,883)	-
Corporate Dividend Tax		(3,379)	-
<b>Balance carried to balance sheet</b>		<b>406,354</b>	<b>316,797</b>
<b>Significant accounting policies</b>	17		
<b>Notes to accounts</b>	18		

**Schedule 1 to 18 form an integral part of the final accounts**

Earning Per Share -Basic & Diluted	4.11	4.86
(Equity shares, par value Rs.10/- each)		
(Refer Note 12 to Schedule 19)		

As per our report of even date attached  
**For SAHNI NATARAJAN AND BAHL**  
Chartered Accountants

**For and on Behalf of Board**

**N. Majima**  
Director

**I.Uehara**  
Director

**D.C. Singhania**  
Director

**U.P.Mathur**  
Director

(SURESH MALIK)  
**Partner**  
**Membership No. 82224**  
**Place: New Delhi**  
**Date : July 23, 2008**

**R.K. Pandey**  
Director

**N.Maitra**  
Managing Director

**Manoj Kumar**  
VP- Finance

**A.Chopra**  
Company Secretary

**RICOH INDIA LIMITED****Schedules to the Balance Sheet as at March 31, 2008**

<b>Schedule 1</b>	<b>Year ended</b>	<b>Year ended</b>
<b>SHARE CAPITAL</b>	<b>March 31, 2008</b>	<b>March 31, 2007</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Authorised Capital</b>		
45,000,000 (previous year 45,000,000)		
Equity Shares of Rs.10/- each	<b>450,000</b>	450,000
500,000 7.5% Cumulative Redeemable Preference Shares of Rs.100/- each.	<b>50,000</b>	50,000
(Previous Year 500,000 7.5% Cumulative Redeemable Preference Shares of Rs.100/- each)		
<b>Total</b>	<b>500,000</b>	500,000
<b>Issued and Subscribed Capital</b>		
39,768,161 (previous year 39,768,161)		
Equity Shares of Rs.10/- each	<b>397,682</b>	397,682
Nil 7.5% Cumulative Redeemable Preference Shares of Rs.100/-each	-	50,000
(Previous Year 500,000 7.5% Cumulative Redeemable Preference Shares of Rs.100/- each)		
<b>Total</b>	<b>397,682</b>	447,682
<b>Paid up Capital</b>		
39,766,961 (previous year 39,766,961)		
Equity Shares of Rs.10/- each	<b>397,670</b>	397,670
( Of the above 28,989,792 are issued in pursuant to a scheme of arrangement without payment being received in cash)		
Add : Forfeited shares	<b>4</b>	4
Less : Calls in arrears	<b>397,674</b>	397,674
Nil 7.5% Cumulative Redeemable Preference Shares of Rs.100/-each	-	50,000
(Previous Year 500,000 7.5% Cumulative Redeemable Preference Shares of Rs.100/- each)		
<b>Total</b>	<b>397,674</b>	447,674

**NOTES :**

1. Of the above 18,310,578 (previous year 18,310,578) Equity Shares of Rs.10/- each and Nil 7.5% Cumulative Redeemable Preference Shares of Rs.100/- each (previous year 500,000 7.5% Cumulative Redeemable Preference Shares of Rs.100/- each ) are held by Ricoh Company Limited, Japan, holding company of the Company.
2. Of the above 10,959,792 (previous year 10,959,792) Equity Shares of Rs.10/- each are held by NRG Holding Plc., U.K. (erstwhile Gestetner Holding Plc, U.K.), being the subsidiary of Ricoh Company Limited, Japan.
3. 500,000 7.5% (previous year Nil) Cumulative Redeemable Preference Shares were redeemed during the year.

<b>Schedule 2</b>	<b>As at</b>	<b>As at</b>
<b>RESERVES &amp; SURPLUS</b>	<b>March 31,2008</b>	<b>March 31,2007</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	<b>720</b>	720
<b>Capital Redemption Reserve</b>	<b>50,000</b>	-
<b>Profit &amp; Loss Account</b>	<b>406,354</b>	316,797
	<b>457,074</b>	317,517

## SCHEDULE 3 FIXED ASSETS

Rs'000

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTIZATION				IMPAIRMENT LOSS				WDV as at	
	As on 1.4.07	Additions	Deductions	As on 31.3.08	As on 1.4.07	Additions	Deductions	As on 31.3.08	As on 1.4.07 (Accumulated loss for earlier years)	Additions	Deductions	As on 31.3.08	31.3.08	31.3.07
Goodwill	179,082	-	-	179,082	107,449	35,816	-	143,265	-	-	-	-	35,816	71,633
Leasehold Land	10,790	-	-	10,790	2,380	113	-	2,492	-	-	-	-	8,298	8,412
Factory Buildings	40,655	14	-	40,669	15,158	1,395	-	16,553	-	-	-	-	24,116	25,497
Plant & Machinery	40,633	221	902	39,952	36,367	697	767	36,297	567	-	-	567	3,088	3,698
Furniture, Fixtures Office Equ.	33,275	3,652	3,278	33,650	21,587	2,535	2,106	22,017	-	-	-	-	11,633	11,688
Computer Hardwares	51,282	8,656	1,749	58,189	31,118	7,413	1,749	36,782	-	-	-	-	21,407	20,164
Computer Softwares	47,416	11,562	-	58,978	35,639	8,811	-	44,450	-	-	-	-	14,528	11,777
Machines capitalized *	5,333	1,736	1,685	5,384	3,539	601	859	3,281	-	-	-	-	2,103	1,797
Vehicles	21,150	4,696	-	25,845	10,209	3,753	-	13,963	-	-	-	-	11,882	10,940
TOTAL	429,616	30,537	7,614	452,540	263,446	61,135	5,481	319,101	567	-	-	567	132,872	165,607
Capital WIP													5,779	1,419
TOTAL													138,651	
Previous year	414,874	25,649	10,906	429,617	214,194	58,742	9,491	263,445	640	-	-	640		167,026

1. \* During the period under review, the company has capitalised 166 (Previous year 45) Digital copier machines from its stock.

**RICOH INDIA LIMITED****Schedules to the Balance Sheet as at March 31, 2008**

<b>Schedule 4 INVESTMENTS</b>	<b>Year ended March 31, 2008 Rs.'000</b>	<b>Year ended March 31, 2007 Rs.'000</b>
<b>Trade investments</b>		
<b>Long term investments (unquoted) (at cost)</b>		
Investments in shares		
398,910 equity shares of Rs.10 each, fully paid up in IDC Electronics Limited (carried in the books at Rs.1/-)	-	-
<b>Non-trade investments</b>		
<b>Long term investments (unquoted) (at cost)</b>		
4 - 6 1/2 % Debentures of Rs. 1,000 each of Bengal Chambers of Commerce and Industry, fully paid up 1,000 equity shares of Rs. 10 each of Co-operative Stores Ltd., New Delhi, fully paid up	3	3
Less: Provision for diminution in value of investment	10 9	10 9
	1	1
	4	4
<b>Aggregate book value of investments</b>		
Unquoted	4	4
Quoted	-	-
	4	4
<b>Schedule 5 INVENTORIES</b>	<b>As at March 31,2008 Rs.'000</b>	<b>As at March 31,2007 Rs.'000</b>
(At lower of cost and net realisable value)		
Stores	2	3
Spare parts *	114,993	109,738
Finished goods **	179,104	120,138
Raw materials and components	1,236	2,598
Work-in -process	101	122
	295,436	232,599

\* includes goods in transit Rs.15,705 (Previous year Rs.15,571)

\*\* includes goods in transit Rs. 14,632 (Previous year Rs.14,386 )

## RICOH INDIA LIMITED

### Schedules to the Balance Sheet as at March 31, 2008

<b>Schedule 6</b> <b>SUNDRY DEBTORS</b>	<b>As at</b> <b>March 31,2008</b> <b>Rs.'000</b>	<b>As at</b> <b>March 31,2007</b> <b>Rs.'000</b>
Debts outstanding for a period exceeding six months		
Unsecured -		
Considered good	75,411	24,508
Considered doubtful	9,700	3,700
	85,112	28,209
*Other debts - Unsecured considered good	300,421	334,816
	385,532	363,025
Less: Provision for doubtful debts	(9,700)	(3,700)
	375,832	359,325

\* Includes Rs.85,691 towards Lease Receivable (Pr. Year Rs.69,431)

\* Includes Rs.5260 (previous year Rs.1661) due from Ricoh Co.Ltd.,Japan, Rs. Nil (previous year Rs.51 )due from Ricoh Malaysia, Sdn Bhd, Rs. 24 (previous year Rs. 637) due from Ricoh Hong Kong , Rs Nil (previous year Rs.2036) due from NRG International Ltd., Rs. Nil(previous year 869) due from Ricoh Corporation USA, Rs. Nil (previous year 1625) due from Ricoh South America Dist. Cen, Rs. Nil (previous year 125) due from Gestetner (pty) Ltd., Rs. Nil (previous year 153) due from Gestetner of Ceylon Ltd., Companies under the same management as defined in section 370 (1-B) of the Companies Act, 1956.

<b>Schedule 7</b> <b>CASH AND BANK BALANCES</b>	<b>As at</b> <b>March 31,2008</b> <b>Rs.'000</b>	<b>As at</b> <b>March 31,2007</b> <b>Rs.'000</b>
Cash in hand	1,588	1,008
Cheques in hand	142,422	174,304
Balance with scheduled banks:		
-in current accounts	172,544	35,666
-in dividend accounts	91	154
-in deposit accounts	49,129	43,756
(Provided as margin for bank guarantees-100%)		
Balance with non scheduled banks in current account *		
- Nepal Bank Limited, Kathmandu		
[maximum amount outstanding Rs. 6 ]	6	6
- Peoples Bank No.15, Rangoon		
[maximum amount outstanding Rs. 0.1]	0.1	0.1
Balance with non scheduled banks in fixed deposit account *		
- ANZ Grindlays Bank Plc., Sri Lanka		
[maximum amount outstanding Rs. 311]	311	311
	366,091	255,205

\* Refer Note 20 to Schedule 18

**RICOH INDIA LIMITED****Schedules to the Balance Sheet as at March 31, 2008**

<b>Schedule 8</b> <b>LOANS AND ADVANCES</b> (Unsecured and considered good)	<b>As at</b> <b>March 31,2008</b> <b>Rs.'000</b>	<b>As at</b> <b>March 31,2007</b> <b>Rs.'000</b>
Advances recoverable in cash or in kind or for value to be received	<b>109,732</b>	69,376
Sundry Deposits	<b>52,311</b>	49,913
Taxes paid-Incom Tax (Net of provision of Rs.64,000k)	<b>-</b>	10,075
Taxes paid-FBT [Net of provision Rs. 15,866k (previous year Rs.10,621k)]	<b>490</b>	303
Balances with government authorities	<b>95,011</b>	68,216
	<b>257,543</b>	197,883
Less: Provision for doubtful advances	<b>(19,028)</b>	(18,453)
	<b>238,515</b>	179,430

<b>Schedule 9</b> <b>CURRENT LIABILITIES &amp; PROVISIONS</b>	<b>As at</b> <b>March 31,2008</b> <b>Rs.'000</b>	<b>As at</b> <b>March 31,2007</b> <b>Rs.'000</b>
<b>Current Liabilities</b>		
<b>Sundry creditors</b>		
Micro, Small and Medium Enterprises	<b>-</b>	249
Others	<b>308,525</b>	213,145
Unclaimed dividend	<b>91</b>	154
Advances from customers	<b>31,186</b>	30,428
Security deposits from dealers	<b>18,643</b>	16,615
Hire purchase liabilities *	<b>-</b>	374
Other liabilities	<b>159,185</b>	147,183
	<b>517,629</b>	408,149
* Rs.Nil (Previous Year Rs.107) due within a year.		

<b>Schedule 10</b> <b>PROVISIONS</b>	<b>As at</b> <b>March 31,2008</b> <b>Rs.'000</b>	<b>As at</b> <b>March 31,2007</b> <b>Rs.'000</b>
Provision for Taxation-Income Tax (Net of Advance Tax &TDS of Rs. 173,142k)	<b>8,161</b>	-
Provision for Gratuity	<b>8,572</b>	9,365
Provision for Leave Encashment	<b>16,474</b>	14,584
Provision for Bonus	<b>2,185</b>	-
Provision for Managerial PF	<b>2,878</b>	4,257
Proposed Dividend	<b>19,883</b>	-
Tax on proposed Dividend	<b>3,379</b>	-
	<b>61,533</b>	28,205

## RICOH INDIA LIMITED

### Schedules to the profit & loss account for the year ended March 31, 2008

<b>Schedule 11</b>	<b>Year ended</b>	<b>Year ended</b>
<b>SALES AND OTHER INCOME</b>	<b>March 31,2008</b>	<b>March 31,2007</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
Sales	1,261,513	1,080,791
Income from maintenance and Machine rent, sale of spares and other services	933,630	853,083
	2,195,143	1,933,874
Other income		
Profit on sale of Fixed Assets	124	518
Profit on sale of Investments	1,558	119
Interest from Bank	3,994	2,197
[Gross of tax deducted at source Rs. 725 (previous year Rs.458)]		
Credit balance written back (includes Rs. Nil (previous year 93,957) towards custom duty liability written back)	473	102,865
Miscellaneous income	5,171	2,960
	2,206,463	2,042,534
<b>Schedule 12</b>	<b>Year ended</b>	<b>Year ended</b>
<b>COST OF GOODS AND MATERIALS</b>	<b>March 31,2008</b>	<b>March 31,2007</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
<b>Raw materials and components</b>		
Opening stock	2,598	3,665
Purchases	4,005	20,154
Closing stock	1,236	2,598
	5,366	21,221
<b>Change in work-in-process</b>		
Opening stock	122	312
Closing stock	101	122
	21	190
<b>Change in finished goods</b>		
Opening stock	120,138	157,638
Purchases	791,181	615,346
Less: Increase/(Decrease) in excise duty on opening & closing stock of finished goods (refer note 21 to schedule 18)	(2,599)	417
Closing stock	179,104	120,138
	729,616	653,264
<b>Components for sale and service of field machines</b>		
Opening stock	109,738	193,201
Purchases	336,042	266,405
Closing stock	114,993	109,738
	330,786	349,868
	1,065,790	1,024,543



**RICOH INDIA LIMITED****Schedules to the profit & loss account for the year ended March 31, 2008**

<b>Schedule 13</b>	<b>Year ended</b>	<b>Year ended</b>
<b>EMPLOYEES' REMUNERATION AND BENEFITS</b>	<b>March 31,2008</b>	<b>March 31,2007</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
Salaries ,wages and bonus [inclusive of VRS expenses of Rs.33487K (previous year Rs.Nil)]	<b>320,190</b>	242,072
Contribution to provident and other funds*	<b>27,051</b>	30,691
Staff welfare expenses	<b>14,803</b>	14,529
	<b>362,045</b>	287,292

\* The Gestetner Duplicators Pvt. Ltd. Provident Fund Trust had estimated amount of Rs.Nil (previous year Rs.2,759K) as interest shortfall. Accordingly, this amount had been charged to profit and loss account during the previous year.

<b>Schedule 14</b>	<b>Year ended</b>	<b>Year ended</b>
<b>MANUFACTURING, SELLING AND DISTRIBUTION EXPENSES</b>	<b>March 31,2008</b>	<b>March 31,2007</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
Stores & spare parts consumed	<b>114</b>	235
Power & fuel	<b>359</b>	429
Advertisement and business promotion	<b>72,764</b>	53,674
Commission on sales	<b>119,035</b>	87,772
Carriage, freight and octroi	<b>43,607</b>	34,544
	<b>235,878</b>	176,654

<b>Schedule 15</b>	<b>Year ended</b>	<b>Year ended</b>
<b>OTHER EXPENSES</b>	<b>March 31,2008</b>	<b>March 31,2007</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
Repairs to Plant and machinery	<b>113</b>	198
Repairs to Building	<b>200</b>	299
Repairs and maintenance - others	<b>4,283</b>	3,260
Rent	<b>48,025</b>	39,197
Power	<b>9,391</b>	8,477
Rates and taxes	<b>4,350</b>	4,121
Insurance	<b>6,248</b>	4,542
Communication Expenses	<b>25,973</b>	25,845
Printing and stationery	<b>9,921</b>	7,680
Traveling and conveyance expenses	<b>28,878</b>	30,121
Legal and professional charges	<b>12,656</b>	13,912
Loss on sale of fixed assets	<b>1,415</b>	250
Purchase of services	<b>25,501</b>	21,032
Advances, deposits, bad debts written off	<b>7,548</b>	13,685
Miscellaneous expenses	<b>7,305</b>	12,899
	<b>191,807</b>	185,518

<b>Schedule 16</b>	<b>Year ended</b>	<b>Year ended</b>
<b>INTEREST AND FINANCE CHARGES</b>	<b>March 31,2008</b>	<b>March 31,2007</b>
	<b>Rs.'000</b>	<b>Rs.'000</b>
Interest on fixed period Loans	44	6,598
Interest others	16,062	13,236
	<b>16,106</b>	<b>19,834</b>

## Schedule 17

### SIGNIFICANT ACCOUNTING POLICIES

#### a. Accounting Convention

The Financial statements are prepared under the historical cost convention, in accordance with applicable Accounting Standards and provisions of the Companies Act, 1956, as adopted consistently by the Company. All income & expenditure having a material bearing on the financial statement is accounted for on accrual basis and provision is made for all known losses and liabilities.

#### b. Fixed assets and depreciation

All fixed assets are stated at cost of acquisition or revaluation less depreciation and impairment loss. Depreciation on fixed assets is provided on the straight-line method based on estimated useful lives, as estimated by the management. Leasehold land is amortised over the period of lease. Assets costing less than Rs. 5000 are depreciated fully in the year of purchase. The management's estimate of the useful lives of fixed assets is as follows:

<b>Assets</b>	<b>Useful lives (in years)</b>
Goodwill	5
Buildings	30
Airconditioners	10
Plant and machinery	10
Office equipments	10
Computers & Software	5
Electrical Installations	10
Vehicles	6
Furniture & fixtures	10
Machines capitalized and assets under Facilities management contracts	3

#### c. Impairment of Asset :

The carrying amounts of assets in use are reviewed at each balance sheet date to determine whether there is any indication of impairment .If any such indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account . An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation, if no impairment loss has been recognized.

**d. Inventories**

Inventories are valued at lower of cost and net realisable value. The basis of determining cost for different categories of inventory are as follows :

Spare Parts & Consumables	Yearly Weighted Average Basis.
Raw materials and components	First in first out basis.
Work-in-process	Raw materials and component cost and appropriate share of labour and other overheads.

Finished goods

Trading	Yearly Weighted Average Basis
Manufactured	Raw materials and component cost and appropriate share of labour and other overheads.

**e. Investments**

Long term investments are carried at cost and provision is made to recognise any decline, other than temporary, in the carrying value of the investment. Current investments are stated at lower of cost and net realisable value, and provision is made to recognise any decline in the carrying value.

**f. Revenue recognition**

Revenue from sale of goods is recognised when significant risk and reward of ownership are transferred to the customer, which is at the point of dispatch of goods to the customer. Income from services is included in turnover when the contractual commitment to the customer has been fulfilled.

**g Retirement benefits**

- 1) Retirement benefits in the form of Provident fund and Superannuation/Pension are defined contribution schemes and the contribution is charged to the Profit and Loss Account of the year when the contribution to the respective funds are due. There are no obligations other than the contribution payable to the respective funds.
- 2) Gratuity is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.  
Gratuity benefit obligation recognised in the Balance Sheet represents the present value of the obligation as reduced by the fair value of plan assets.
- 3) Leave Encashment is provided for, on the basis of an actuarial valuation on Projected Unit Credit Method made at the end of each financial year.
- 4) Actuarial gains/losses are immediately taken to Profit and Loss Account and are not defined.

**h Foreign Currency Transactions**

Foreign Exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realised gains and losses on foreign exchange transactions during the year, are recognized in the profit and loss account. Foreign currency assets and liabilities are translated at year-end rates and resultant gains/ losses on foreign exchange translation, are recognized in the profit and loss account. Gains/ losses on the settlement and translation on foreign exchange liabilities incurred to acquire fixed assets from a country outside India are charged to profit and loss account.

## **In case of forward contracts:**

- a) The premium or discount on all such contracts arising at the inception of each contract is amortized as income or expense over the life of the contract.
- b) The exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the profit and loss account in the reporting period in which the exchange rates change.
- c) Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the period.

## **i Warranty**

The provision for warranty cost is made based on the technical estimates made by the management for the expenditure to be incurred.

## **j Income Taxes**

Income taxes and Fringe Benefit Taxes are accrued in the same period in which the related revenue and expenses arise. The differences that result between the taxable profit and the profit as per the financial statements are identified and thereafter deferred tax assets or deferred tax liabilities are recorded as timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted regulations. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only to the extent there is virtual certainty of realisation of such assets. In other situations, deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Such assets are reviewed at each balance sheet date for realisability.

## **k Borrowing Cost**

Borrowing cost that is directly attributable to acquisition, production or construction of qualifying asset is added to the cost of that asset. Other borrowing cost is recognised as an expense in profit and loss account.

## **l Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**SCHEDULE 18**  
**NOTES TO THE ACCOUNTS**

	Current year Rs. '000	Previous year Rs. '000
<b>1 Contingent liabilities not provided for :</b>		
a Income-tax demands disputed by the Company	22,826	28,080
b Sales tax demands disputed by the Company *	227,820	236,136
c Rent cases	11,324	11,324
* Does not include an amount of Rs. 9471K (Previous year 2,627 K) set aside by Additional Commissioner of Sales Tax and remanded back to the sales tax assessing authorities of the respective states to which the cases pertain, for passing orders based on law. Further, the Company has deposited Rs. 89,827 K (previous year 64,982 K) which have shown in loans & advances under "Balance with Government Authorities".		
<b>2 Arrears of fixed cumulative dividend on preference shares (exclusive of Dividend Distribution Tax).</b> (5,000,000 7.5% Cumulative Redeemable Preference Shares were redeemed during the year and arrears of fixed cumulative dividend on the Preference Shares have been Waived off by the Preference share holder)	-	11,250
<b>3 Auditors' remuneration *</b>		
As auditors'	2,100	2,000
Tax audit	100	100
Taxation matters	285	150
Out of pocket expenses	44	128
* exclusive of service tax.		

**4 (a) Capacities and production :**

	Licensed Capacity # (p.a.)		Installed Capacity * (p.a.)		Actual production	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Photocopiers (Nos.)	N.A.	N.A.	6,000	6,000	-	-
Electronic white copy board (Nos.)	N.A.	N.A.	3,600	3,600	-	-
Duplicating machines (Nos.)	N.A.	N.A.	13,100	13,100	518	2,278
Electronic stencil cutter (Nos.)	N.A.	N.A.	1,200	1,200	-	-

\* As certified by the management and relied on by the auditors being a technical matter.

# Licensing requirement for office automation, including the Company's products, have been dispensed.

## NOTES TO THE ACCOUNTS

## NOTES TO THE ACCOUNTS

Class of goods	Opening Stock			Purchases/Production					
	2007-2008		2006-2007		2007-2008			2006-2007	
	Qty. No.	Value Rs. 000	Qty. No.	Value Rs. 000		Qty. No.	Value Rs. 000	Qty. No.	Value Rs. 000
Photocopiers # Fax Machines Multi-function products #  Duplicating machines (Nos.) # Electronic stencil cutter (Nos.) Components for sale and service of field machines * Service Income	16	29	5	16		-	-	-	46
	3	11	3	11		-	-	-	-
	960	108,742	1,748	147,296	@	14,010	791,181	9,462	615,300
	534	11,357	465	10,315	\$	518	-	2,286	-
	-	-	3	-		-	-	-	-
	-	109,738	-	193,201		-	336,042	-	266,405
	-	-	-	-		-	-	-	-
		229,876		350,838			1,127,223		881,751
		Sales			Closing Stock				
		2007-2008	2006-2007		2007-2008			2006-2007	
	Qty. No.	Value Rs. 000	Qty. No.	Value Rs. 000		Qty. No.	Value Rs. 000	Qty. No.	Value Rs. 000
Photocopiers # Fax Machines Multi-function products #  Duplicating machines (Nos.) # Electronic stencil cutter (Nos.) Components for sale and service of field machines * Service Income	(49)	-	(11)	-		65	-	16	29
	-	-	-	-		3	9	3	11
	12,828	1,244,140	10,250	1,041,954		2,142	178,223	960	108,742
	1,012	17,373	2,217	38,838		40	565	534	11,357
	-	-	3	-		-	-	-	-
	-	426,175	-	354,239		-	113,026	-	109,738
	-	507,455	-	498,844		-	-	-	-
		2,195,143		1,933,875			291,824		229,876

5. Material consumed includes write down of slow / non-moving inventory amounting to Rs.3,514K (previous year Rs.943 K)

# SCHEDULE 18

## NOTES TO THE ACCOUNTS

### 6 Value and quantitative break up of consumption of raw material and packing materials

Particular	Unit	31-Mar-08		31-Mar-07	
		Quantity	Amount (Rs. '000)	Quantity	Amount (Rs. '000)
Metal	Tonnes	-	-	-	-
Chemicals	Tonnes	-	-	-	-
Paper and Tissues	Litres	-	-	-	-
	Rolls	-	-	-	-
Container and packing Components	Tonnes	-	-	-	-
	Pieces	-	226	-	567
	-	*	5,140	*	20,654
			<b>5,366</b>		<b>21,221</b>

\* Due to difference in units of measurement, it is not practical to provide the quantitative information in respect of purchased components.

## SCHEDULE 18

### NOTES TO THE ACCOUNTS

#### 7 Value of imported / indigenous raw materials and components, spare parts and percentage of each to the total consumption.

	2007-08		2006-07	
	Percentage	Value Rs. ' 000	Percentage	Value Rs. ' 000
Raw Material and components				
Imported	3	187	2	387
Indigenous	97	5,293	98	21,069
	100	5,480	100	21,456
	Current year		Previous year	
	Rs. ' 000		Rs. ' 000	

#### 8 CIF Value of imports

Raw material and components	407	230
Finished goods and spares parts	907,301	691,377

#### 9 Expenditure in foreign currency :

Travelling	577	769
Salaries	3,114	-
Others	430	-

#### 10 Earnings in foreign exchange

Export of goods on FOB basis	18,940	33,584
Others	4,276	2,399

#### 11 Dues from Erstwhile Joint Venture Partners:

The Company has outstanding dues amounting to Rs. 17,953 K from erstwhile Joint Venture partners ageing more than 3 years. The Company has filed civil suits against the erstwhile joint venture partners for recovery of the above stated amount in the Hon'ble High Court of Mumbai. The cases are yet to come up for hearing. In view of the pending civil suits against the erstwhile joint venture partners, necessary provision has been made in the books of accounts against the outstanding amount from joint venture partners. The management is hopeful of recovery of the said amount.

#### 12 Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The company has not issued any potential equity shares and accordingly, the basic earning per share and diluted earning per share are the same. Earnings per share has been computed as under:

	Rs.in '000 Year ended 31st March, 2008	Rs.in '000 Year ended 31st March, 2007
Profits after Taxation	163,524	197,007
Less: Dividend on 7.5% (previous year 7.5%)		
Cumulative Preference Shares [5,00,000 (500,000) shares of Rs. 100/- each]	-	3,750
Profit for the year attributable to equity shareholders	163,524	193,257
Weighted Average Number of equity shares outstanding at the beginning of the year	39,766,961	39,766,961
Earning Per Share-Basic & Diluted (Rs. Per Equity Share of Rs. 10/- each)	4.11	4.86



## SCHEDULE 18

### NOTES TO THE ACCOUNTS

#### 13 Leases given by the Company

##### Finance Leases :

The company gives Photo copiers on finance lease to selected companies. The machines are given for the major part of the estimated useful life of the asset.

Reconciliation between the gross lease recoverable and the present value of minimum lease payment (net lease recoverable) at the balance sheet date is as under.

	<b>As at 31.03.2008</b> <b>(Rs.in'000)</b>
Lease Recoverable (Gross)	137,704
Unearned Finance Income	52,013
Lease Recoverable (Net)	85,691

Gross lease recoverable and the present value of minimum lease payment receivable (net lease recoverable) at the balance sheet date for the following periods are as follows:

	<b>Within 1 year</b> <b>(Rs.In'000)</b>	<b>From 1 yr to 5 yr.</b> <b>(Rs.In'000)</b>	<b>More than 5 yrs.</b> <b>(Rs.In'000)</b>
Lease Recoverable (Gross)	<b>100,619</b>	<b>37,085</b>	-
Lease Recoverable (Net)	<b>53,266</b>	<b>32,425</b>	-

##### Operating Lease :

The company gives photocopiers on cancellable operating lease for a period for substantially less than the estimated useful life of the machine. The monthly rental accruing to the company on such leases is recognized as income in the profit and loss account in accordance with the provisions of Accounting Standard 19 issued by the Institute of Chartered Accountants of India.

#### 14 Managerial remuneration :

<b>Key Managerial Personnel</b>	<b>For the year</b> <b>ended 31.03.08</b> <b>Rs. in '000</b>	<b>For the year</b> <b>ended 31.03.07</b> <b>Rs. in '000</b>
Salary *	<b>7,592</b>	4,688
Contribution to provident and other funds #	<b>651</b>	534
Perquisites	<b>502</b>	1,811
	<b>8,744</b>	7,033
Director's sitting fees	<b>120</b>	100

\* excludes expense towards leave encashment, since the same is based on actuarial calculations for the company as a whole.

# Contribution to gratuity and superannuation fund has been calculated based on managements' estimate.

## SCHEDULE 18

### NOTES TO THE ACCOUNTS

#### 15 Related party transactions

##### (i) Related parties where control exists

Ricoh Company Limited, Japan (Holding company)

##### (ii) Related parties with whom transactions have taken place

**2007-08**

##### Fellow subsidiaries

Ricoh Europe B.V.  
GR Advanced Material Limited  
Ricoh Asia Pacific Operations Limited  
NRG International Limited  
Ricoh Hong Kong  
Ricoh Corporation USA  
Ricoh South America Dist.Cen

##### Key managerial personnel

Mr.N.Maitra, President & CEO  
Mr.Marc Shiratori

**2006-07**

##### Fellow subsidiaries

Ricoh Europe B.V.  
GR Advanced Material Limited  
NRG Dist.Holland  
NRG International Limited  
Ricoh Malaysia Sdn Bhd  
Ricoh Hong Kong  
Ricoh Corporation USA  
Ricoh South America Dist.Cen  
Gestetner Pty Limited  
Gestetner Ceylon Limited

##### Key managerial personnel

Mr.K.Swetharanyan, President & CEO

**SCHEDULE 18**  
**NOTES TO THE ACCOUNTS**

	For the year ended 31 March,2008	For the year ended 31 March,2007
<b>(iii) Transactions with related parties during the year</b>		
<b>Key Managerial personnel</b>		
- Managerial remuneration (exclusive of payment to relative) [Includes director's sitting fees Rs.120 K (previous year Rs.100 K)]	8,864	7,133
<b>Holding company</b>		
Purchase of finished goods,spares and components	813,892	644,038
Interest Expense	11,855	8,622
Commission earned	2,325	1,282
Warranty LSF Allowance	1,951	1,117
<b>Fellow subsidiaries</b>		
Purchase of finished goods	66,447	19,649
Sale of finished goods	2,792	5,498
<b>(iv) Outstanding balances</b>		
<b>Payables</b>		
- Ultimate holding company	238,336	192,289
- Key managerial personnel	282	-
- Fellow subsidiary	17,085	2,523
<b>Receivables</b>		
Amount receivable from subsidiary	24	891
	<b>As at 31.03.08</b>	<b>As at 31.03.07</b>
<b>16 Components of Deferred Tax Asset (Net) as on 31st March, 2008 are follows:</b>		
<b>Deferred Tax Assets</b>		
VRS Expenses	16,638,906	13,400,746
Leave Encashment	5,599,529	4,908,853
Provision for Doubtful debts and Advances	2,234,843	134,640
Merger Expenses	486,729	816,415
Superannuation & Managerial PF	-	990,164
Gratuity	362,459	-
Others	1,847,186	-
<b>TOTAL</b>	<b>27,169,652</b>	<b>20,250,818</b>
<b>Deferred Tax Liability</b>		
Depreciation	(4,860,355)	(9,733,215)
Other Assets	(2,928,500)	(2,559,879)
<b>TOTAL</b>	<b>(7,788,855)</b>	<b>(12,293,094)</b>
<b>Net Deferred Tax Asset/ (Liability)</b>	<b>19,380,797</b>	<b>7,957,724</b>

## SCHEDULE 18

### NOTES TO THE ACCOUNTS

17 Details of investments purchased and sold during the period 1 April 2007 to 31 March 2008 is as follows :

Name of Fund	Face Value	Purchased during the year		Sold during the year	
	Amount (Rs.)	Quantity No. of units	Amount (Rs.)	Quantity No. of units	Amount (Rs.)
Birla Sun Life	10	8,081,146	86,500,000	8,081,146	86,629,187
HDFC Liquid Fund	10	14,307,194	143,500,000	14,307,194	143,813,473
Sundaram mutual fund	10	10,467,948	105,000,000	10,467,948	105,398,521
Tata Liquid Fund	1,000	34,993	39,000,000	34,993	39,107,819
Reliance liquid fund	10	1,635,355	25,000,000	1,635,355	25,058,686
Reliance liquid fund	1,000	19,478	19,500,000	19,478	19,561,351
Prudential ICICI Mutual Fund	10	7,805,775	92,500,000	7,805,775	92,914,308
UTI Liquid Cash plan	1,000	57,875	59,000,000	57,875	59,075,031
<b>Total</b>		<b>42,409,763</b>	<b>570,000,000</b>	<b>42,409,763</b>	<b>571,558,376</b>

## 18 . Employee Benefits

### Net Gratuity Cost

- In accordance with the transitional provision of Accounting Standard (AS-15) (revised 2005) on “Employee Benefits”, an amount of Rs.7,03,911 has been adjusted against the opening balance of Profit & Loss Account, net of deferred tax.
- The employees’ Gratuity Fund Scheme managed by LIC of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

### I. Expenses recognised during the year.

Particulars	(Amount in Rupees)	
	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	34,44,502	21,62,395
Interest Cost	31,04,343	11,66,691
Expected return on plan assets	(28,40,473)	-
Actuarial (gain)/loss	38,83,335	(14,38,675)
Net Cost	75,87,707	18,90,411

**II. Net Asset/ Liability recognised in the Balance Sheet as at March 31, 2008**

(Amount in Rupees)		
Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Fair value of plan asset as at March 31, 2008	2,92,73,060	-
Present value of obligation as at March 31, 2008	3,79,27,137	1,64,74,049
Amount recognised in Balance Sheet	86,54,077	1,64,74,049

**III. Reconciliation of opening and closing balances of Defined Benefit obligation**

(Amount in Rupees)		
Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit obligation as at April 1, 2007	2,30,49,104	1,45,83,638
Current service cost	34,40,502	21,62,395
Interest cost	31,04,343	11,66,691
Actuarial (gain)/ loss on obligation	37,82,123	(14,38,675)
Benefit paid	(1,18,73,891)	-
Defined Benefit obligation as at March 31, 2008	3,79,27,137	1,64,74,049

**IV. Reconciliation of opening and closing balance of fair value of plan assets**

(Amount in Rupees)	
Particulars	Gratuity (Funded)
Fair value of plan asset as at beginning of the year	2,86,90,615
Expected return on plan assets	28,40,473
Actuarial gain/ (loss)	1,15,034
Employer Contribution	92,30,829
Benefits paid	(1,18,73,891)
Fair value of plan asset at year end	2,92,73,060
Actual return on plan assets	-

**V. Investment details**

(Amount in Rupees)	
Particulars	Gratuity (Funded)
Insurer Managed Funds	1,52,45,864

## VI. Actuarial assumption

Particulars	(Amount in Rupees)	
	Gratuity (Funded)	Leave Encashment (Unfunded)
Mortality Table (LIC)	1994-96	1994-96
Discount rate (per annum)	8%	8%
Expected rate of return on plan assets (per annum)	10%	-
Rate of escalation in salary (per annum)	5.5%	5.5%

### Retirement benefits:

#### Defined Contribution Plan as per AS- 15

Contribution to Defined Contribution Plan, as recognised as expense for the period are as under:

	(Amt. in Rs.)
Employer's Contribution to Provident Fund	1,10,02,751
Employer's Contribution to Pension Scheme	45,70,725
Employer's Contribution to Superannuation Fund	29,67,664

This is the first year the company has adopted Accounting Standard 15, 'Employee Benefits' (Revised) and, accordingly, details of the previous year are not disclosed

**SCHEDULE 18****NOTES TO THE ACCOUNTS****19 Segmentwise reporting :**

The company markets imaging products ( i.e.Photocopiers,Facsimile machines and Electronic White Boards) to various customers directly and also through dealers. Accordingly, channel of marketing ie.direct or indirect comprise the primary basis of segmental information set out in these financial statements.

Revenue and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment.

Other expenses like depreciation etc.are not specifically allocable to specific segment. Management believes that it is not practical to provide segment disclosures relating to these expenses and accordingly these expenses are separately disclosed as "Unallocated Corporate expenses"and adjusted only against the total income of the Company.

Segment assets and liabilities have been identified with the reportable segments,wherever possible.

There are no secondary reportable segments identified by the company.

(Rs. in '000)

	SEGMENTS				TOTAL			
	DIRECT CHANNEL		INDIRECT CHANNEL		TOTAL SEGMENT		OTHER INCOME	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
<b>External Revenue</b>	<b>1,207,665</b>	<b>1,092,116</b>	<b>986,952</b>	<b>840,250</b>	<b>2,194,617</b>	<b>1,932,366</b>	<b>11,320</b>	<b>2,205,937</b>
<b>TOTAL REVENUE</b>	<b>1,207,665</b>	<b>1,092,116</b>	<b>986,952</b>	<b>840,250</b>	<b>2,194,617</b>	<b>1,932,366</b>	<b>11,320</b>	<b>2,205,937</b>
<b>Segment Expenses</b>								
Cost of Good Sold DC	586,488	579,041	-	-	586,488	579,041	-	586,488
Cost of Good Sold( IDC)	-	-	479,302	445,502	479,302	445,502	-	479,302
Dealer Commission	-	-	77,113	59,024	77,113	59,024	-	77,113
<b>TOTAL EXPENSES</b>	<b>586,488</b>	<b>579,041</b>	<b>556,415</b>	<b>504,526</b>	<b>1,142,903</b>	<b>1,083,567</b>	-	<b>1,142,903</b>
<b>SEGMENT RESULT</b>	<b>621,177</b>	<b>513,075</b>	<b>430,537</b>	<b>335,724</b>	<b>1,051,714</b>	<b>848,799</b>	<b>11,320</b>	<b>1,063,034</b>
Unallocated corporate expenses	-	-	-	-	-	-	-	710,782
<b>OPERATING PROFIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>352,252</b>
Interest expense	-	-	-	-	-	-	-	16,106
Depreciation & Amortization	-	-	-	-	-	-	-	61,135
<b>NET PROFIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>275,011</b>
<b>OTHER INFORMATION</b>								
<b>CAPITAL EMPLOYED</b>								
Segment Assets-Segment Liabilities	-	-	-	-	-	-	-	-
as per reasonable estimate	-	-	-	-	-	-	-	-
Segment Assets	431,100	342,700	244,600	253,700	-	-	-	675,700
Segment Liabilities	159,300	116,500	147,300	105,100	-	-	-	306,600
Capital employed	271,800	226,200	97,300	148,600	-	-	-	369,100
Unallocated Assets	-	-	-	-	-	-	-	485,600
<b>Total Capital employed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>854,700</b>
								390,390
								765,190

- 20 The blocked accounts are included in the Company's accounts at the pre-devaluation rates of exchange. Necessary adjustment on account of any change in the rate of exchange would be made as and when remittance is received. Reply is awaited to the application made by the Company to the Central Government seeking permission to disclose the blocked accounts at predevaluation rate of exchange.
- 21 Excise duty relating to sales has been disclosed as a reduction from turnover. Excise duty related to difference between the closing stock and the opening stock has been disclosed in schedule 12 "Increase/(Decrease) in excise duty on opening & closing stock of finished goods".
- 22 During the year the Company has reduced the estimated useful life of fixed assets covered under the head Computers from 6 years to 5 years. Had the same method been followed for depreciating the assets under the head Computers the profit of the Company would have been higher by Rs. 2,438 k for the year ended 31st March 2008
- 23 The Company has initiated the process of identification of Micro and Small Suppliers as defined under Micro, Small and Medium Enterprises Development Act, 2006. Based on responses received so far and the profile of suppliers, Management is of the opinion that during the period ended 31st March 2008, the Company had no such amounts payable to such Suppliers.
- 24 **Regrouping of Figures:**  
The figures for the previous year have been regrouped wherever necessary.



## RICOH INDIA LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

PARTICULARS	Year ended 31st March 2008 Rs.'000	Year ended 31st March 2007 Rs.'000
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT/(LOSS)BEFORE TAX	275,011	280,608
Adjustments For :		
Depreciation / Amortisation	61,135	58,742
Loss/(profit) on sale of fixed assets	1291	(268)
Provision for bad debts/advances	6,575	-
Profit on sale of Investments (net)	(1,558)	-
Interest paid	16,106	19,834
Interest Received	(3,994)	(2,197)
Unrealised Foreign exchange loss/(gain)	2,229	(1,577)
<b>Operating profit/(loss) before working capital changes</b>	<b>356,795</b>	<b>355,142</b>
Adjustments for :		
(Decrease)/Increase in current liabilities and provisions	(7,769)	(179,814)
(Increase)/Decrease in inventories	62,836	122,227
(Increase)/Decrease in sundry debtors	(22,507)	(30,567)
Decrease/(increase) in loans and advances	39,742	22,358
<b>Cash generated from operations</b>	<b>303,425</b>	<b>289,346</b>
(Advance tax paid)/Refund of direct taxes	(98,953)	(58,815)
<b>NET CASH (USED) IN OPERATIONS (A)</b>	<b>204,472</b>	<b>230,531</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(34,897)	(26,445)
Sale of fixed assets	842	1,010
Investments in Mutual funds (net)	-	-
Profit on sale of Investments (net)	1,558	-
<b>NET CASH (USED) IN INVESTING ACTIVITIES (B)</b>	<b>(32,497)</b>	<b>(25,435)</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(14,634)	(19,857)
Interest Received	3,545	2,505
Redemption of Preference Share Capital	(50,000)	-
Increase/(Decrease) in secured loans	-	(111,860)
<b>NET CASH FROM FINANCING ACTIVITIES ( C)</b>	<b>(61,089)</b>	<b>(129,212)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>110,886</b>	<b>75,884</b>
<b>Cash and cash equivalents (opening balance) *</b>		
Cash and bank balances	255,205	179,321
	255,205	179,321
<b>Cash and cash equivalents (closing balance) #</b>		
Cash and bank balances	366,091	255,205
Cash Credit and demand Loans	-	-
	366,091	255,205

\* includes Rs.38,447 (Previous year Rs.16,538) unavailable cash on account of margin money.

# includes Rs 43,756 (Previous year Rs. 38,447) unavailable cash on account of margin money.

# includes Rs. 317 (Previous year Rs. 317) unavailable cash on account of blocked accounts.

a. The above cash flow statement has been prepared in accordance with the "Indirect method" as set out in the Accounting Standard 3 - Cash Flow Statements, issued by the Institute of Chartered Accountants of India.

b. Cash and cash equivalents consist of cash on hand and balances with scheduled and non scheduled banks.

c. This is the Cash Flow Statement referred to in our report of even date.

**For SAHNI NATARAJAN AND BAHL**  
Chartered Accountants

**(SURESH MALIK)**  
Partner  
Membership No. 82224  
Place: New Delhi  
Date : July 23, 2008

**N. Majima**  
Director

**R.K. Pandey**  
Director

**For and on Behalf of Board**

**I.Uehara**  
Director

**N.Maitra**  
Managing Director

**D.C. Singhania**  
Director

**Manoj Kumar**  
VP- Finance

**U.P.Mathur**  
Director

**A.Chopra**  
Company Secretary

## BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE SCHEDULE VI PART IV

### COMPANIES ACT, 1956

#### I. Registration Details

Registration No. **74694** State Code **11** (Refer Code List)

Balance Sheet Date **31** **03** **2008**  
Date Month Year

#### II. Capital Raised during the year ( Amount in Rs. Thousands )

Public Issue **NIL** Rights Issue **NIL** Bonus Issue **NIL** Private Placement **NIL**

#### III. Position of Mobilisation and Deployment of Funds ( Amount in Rs. Thousands )

Total Liabilities **854748** Total Assets **854748**  
Sources of Funds  
Paid - Up Capital **397674** Reserves & Surplus **457074** Secured Loans **NIL** Unsecured Loans **NIL**  
Application of Funds  
Net Fixed Assets **138651** Investments **4** Net Current Assets **696712**  
Misc. Expenditure **Nil** Accumulated Losses **Nil** Deferred Tax Assets **19381**

#### IV. Performance of Company ( Amount in Rs. Thousands )

Turnover **2205937** Total Expenditure **1930927**  
+ - Profit/Loss Before Tax **+** **275011** + - Profit/Loss After Tax **+** **163524**

Please Tick Appropriate box (+) for Profit (-) for Loss

Earning per Share in Rs. **4.11** Dividend Rate % **5%**

#### V. Generic Names of the Three Principal Products/Services of Company (as per monetary terms)

Item Code No.(ITC Code) **84433930**  
Product Description **PHOTO COPYING APPARATUS**

Item Code No.(ITC Code) **84433100**  
Product Description **COLOUR PRINTER**

Item Code No.(ITC Code) **84729020**  
Product Description **DIGITAL DUPLICATOR**

#### For and on Behalf of Board

**M. Majima**  
Director

**I.Uehara**  
Director

**D.C. Singhania**  
Director

**U.P.Mathur**  
Director

**R. K. Pandey**  
Director

**N.Maitra**  
Managing Director

**Manoj Kumar**  
VP- Finance

**A.Chopra**  
Company Secretary

DP ID*	
Client ID*	

# RICOH INDIA LIMITED

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

Regd. Folio No.	
No. of Shares Held	

# ATTENDANCE SLIP

I hereby record my presence at the 15<sup>th</sup> Annual General Meeting of the Company at The Indian Merchants Chamber, Conference Hall (Walchand Hirachand Hall) 4th Floor, 76 Veer Nariman Road, Churchgate, Mumbai - 400 020 on Wednesday, the 10<sup>th</sup> day of September, 2008 at 9.30 A.M.

## NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)

[illegible]

**NAME OF THE PROXY (To be filled in if the Proxy attends instead of the Member)**

[illegible]

**SIGNATURE OF THE MEMBER OR PROXY PRESENT)**

--

----- ✂ ----- (Please cut here and bring the above Attendance slip to the meeting) ----- ✂ -----

DP ID*	
Client ID*	

# RICOH INDIA LIMITED

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

Regd. Folio No.	
No. of Shares Held	

## PROXY FORM

I/We

of \_\_\_\_\_ in the district of \_\_\_\_\_

being a member/members of RICOH INDIA LIMITED hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ or failing him \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ as my/our proxy to attend and vote for me/us

on my/our behalf at the 15<sup>th</sup> Annual General Meeting of the Company at The Indian Merchants Chamber,

Conference Hall (Walchand Hirachand Hall) 4th Floor, 76 Veer Nariman Road, Churchgate, Mumbai - 400 020 on

Wednesday, the 10<sup>th</sup> day of September, 2008 at 9.30 A.M. and at any adjournment thereof. \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

FOR OFFICE USE ONLY

PROXY NO.

Signature \_\_\_\_\_

Revenue  
Stamp

Note : The form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

\* *Applicable for Investors holding shares in electronic form.*