

20<sup>th</sup> April 2016

To

The Listing Department  
The Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Fort  
Mumbai – 400 001.

**Subject: Ricoh India Limited, Scrip ID 517496 – financial results**

Dear Sir,

The shares of Ricoh India Limited (“**Company**”) are presently placed in Z category on account of non-filing of quarterly results for the September 2015 and December 2015 quarters. Such BSE classification was done with effect from March 28, 2016, through Notice Number 20160318-15, dated March 18, 2016 issued by the Bombay Stock Exchange (“**BSE**”). The Company has also received another Notice Number LIST/COMP/Reg.33 Sep-15-Dec-15/517496/10/2016-17, dated April 12, 2016 from the BSE regarding compliance regarding filing requirements and possible freezing of shareholding of promoters of the Company.

In this regard, we would like to bring to your attention the matters set-out below:

**Background:**

- (a) The Company has had a stellar record in compliance and the present situation is an unfortunate one for the Company as well, since the company is a victim of mismanagement and suspected fraud.
- (b) The Company had appointed new auditors – BSR & Co., LLP. On account of change in auditors, the new auditors were expected to take some time in conducting the limited review for the aforementioned quarters. However, during their limited review, the auditors requested further review of certain transactions undertaken by the Company. The Company in its disclosure made to the BSE on December 07,



**RICOH INDIA LIMITED**

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2015 disclosed that the Company has considered and taken note of the recommendation of BSR

- (c) The Audit Committee took action and appointed the firm of SS Kothari Mehta & Co to conduct an agreed upon procedure for the period of April 2015 to September 2015. BSR did not agree to the findings of SSKM. The Audit Committee then appointed the law firm of Shardul Amarchand Mangaldas & Co., which then appointed PricewaterhouseCoopers Private Limited for conducting forensic review of the Company (collectively the “**Independent Agency**”). The appointment of such Independent Agency was disclosed to the BSE on March 29, 2016 and April, 01, 2016.
- (d) Considering the nature of the review, the Board also instructed the following three persons to proceed on leave with pay: (i) Mr. Manoj Kumar, the MD and CEO; (ii) Mr. Arvind Singhal, the CFO; and (iii) Mr. Anil Saini, Senior Vice President and Chief Operating Officer. Subsequently, Mr. Manoj Kumar resigned from the Board and ceased to be the Managing Director. He is presently serving his notice period of six months. The leave of such employees was disclosed by the Company to the BSE on March 29, 2016 and April 01, 2016.
- (e) The Company has also appointed Mr. A.T. Rajan as the new Managing Director and CEO and has designated Mr. Bibek Chowdhury to temporarily discharge the functions of CFO. This was also disclosed to the BSE on April 01, 2016 and April 13, 2016.
- (f) The aforementioned steps demonstrate that the Audit Committee has proactively taken steps to ensure that the financial results could be declared as soon as possible. However, on account of the ongoing review process by the Independent Agency and the suspicion of fraud / potentially fraudulent transactions, BSR has not been able to finalize its audit and, the Company has not been able to declare its financial results.



- (g) Simultaneous with the submission of SAM & Co and PwC Report, an emergency meeting of the Audit Committee and the Board was called today, the 20<sup>th</sup> April 2016 to examine:
- (i) the preliminary findings of PwC Report and observations of SAM & Co on the same; and
  - (ii) to decide upon suggested immediate action to be taken.
- (h) Following upon the decisions the Audit Committee in its emergent meeting held today i.e 20<sup>th</sup> April 2016 has decided to advise the BSE of the preliminary finding, BSR as a statutory auditor will have to further follow-up the finalization of true and fair statement of accounts of RID. Based on the review of the preliminary findings of PwC from a forensic review of the two quarters commencing on April 01, 2015 to September 30, 2015 are as follows, the Audit Committee and the Board are of the opinion that the books of account and other relevant books and papers and financial statement for the quarter ended on June 30, 2015 and half year ended on September 30, 2015, do not reflect true and fair view of the state of the affairs of the company.
- (i) The Company is investigating the extent of deviations from true and fair view and also the reason for the same, including but not limited to, internal control issues, complacency of certain employees and suspicions of fraud.



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- (j) The Company would be making a voluntary intimation to the Securities and Exchange Board of India and the Central Government regarding the aforementioned matters.

For and on behalf of the Audit Committee  
Of **Ricoh India Limited**



Mr. U. P. Mathur  
Director



Mr. R. K. Pandey  
Director



Ms. Ashish Garg  
Director

For Ricoh India Limited  
  
Manish Sehgal  
Company Secretary