

RICOH INDIA LIMITED

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25 May 2018

The Listing Department
BSE Limited
PJ Towers, Fort
Mumbai – 400 001

**DISCLOSURE UNDER REGULATION 30 OF SEBI (LODR) REGULATIONS,
2015 FROM RICOH INDIA LIMITED, SCRIP ID - 517496**

Dear Sir

This has reference to disclosure dated 29 January 2018 submitted by the Company to your good Office vide which the Company has informed you that Ricoh India Limited had filed an Application under Section 10 of the Insolvency and Bankruptcy Code, 2016 to initiate Corporate Insolvency Resolution Process.

The Company hereby inform you that Hon'ble NCLT, Mumbai Bench vide its Order No. C.P. (IB) – 156/MB/2018 dated 14 May 2018 has admitted Petition filed under Section 10 of Insolvency and Bankruptcy Code, 2016 by Ricoh India Limited.

The said Order of the Hon'ble NCLT, Mumbai Bench is enclosed with the letter for your kind consideration.

Yours faithfully

For **Ricoh India Limited**



Manish Sehgal
Company Secretary

Encl: a/a

In the National Company Law Tribunal
Mumbai Bench.

No. C.P. (IB)-156/MB/2018

Under Section 10 of Insolvency & Bankruptcy Code, 2016

In the matter of

Ricoh India Limited : Petitioner

Heard on: 20.03.2018
Order delivered on 14.05.2018

Coram:

Hon'ble Shri M.K. Shrawat, Member (Judicial)

For the Petitioner(s) : 1. Mr. Ravi Kadam, Sr. Advocate,
2. Mr. Ashish Kamat, Advocate,
3. Mr. Sulabh Rewari, Advocate,
4. Ms. Neha Mathen, Advocate,
5. Mr. Viraj Parikh, Advocate, i/b. Keystone Partners.

Per M.K. Shrawat, Member (Judicial).

ORDER

1. The Petitioner has submitted Form No.6 under Section 10 of Insolvency Code to be read with Rule-7 of Insolvency and Bankruptcy Rules, 2016 on 29.01.2018 to initiate Insolvency Proceedings against itself in the capacity of Corporate Debtor (Petitioner).

The description of the Debt in the application is as under :-

A) The details of "Financial Creditors":-

Name of Financial Creditor	Total Debt raised
Bank of India	INR 4,95,06,606
Corporation Bank	INR 48,23,64,682
ICICI Bank Limited	INR 1,65,34,194
Kotak Mahindra Bank	INR 25,61,65,454
Deutsche Bank	INR 136,66,71,090
Ricoh Company Limited	INR 1308,71,06,215.54
Ricoh Asia Pacific Pte Limited	INR 200,00,00,000
Connect Residuary Pvt. Ltd.	INR 6,18,72,863

B) The details of "Operational Creditors" :-

- i) A long list of Local Vendors (Part-A) totalling ₹8,43,25,967/-;
- ii) A long list of Local Vendors (Part-B) totalling ₹49,66,43,639/-;
- iii) A list of Foreign Vendors (Part-C) totalling ₹617,84,57,996/-

(As per the Petitioner, total of Part-A+B+C amounted to ₹559,74,88,391/- Debt amount in default).

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2. That voluminous compilation is submitted by the Petitioner to demonstrate the nature of the Debt with connected evidences, Loan Agreements and Bank Guarantees issued. To keep brevity in mind, the entire list of the Bank Loans is not reproduced, more so, because of the reason that the Petitioner itself has *suo moto* admitted the outstanding Debt of the Consortium of Banks. This Petition also contains a list of Bank Guarantees issued by the Banks. The Petitioner has accepted the Liability of outstanding Debt and as a consequence, seeking declaration as "Insolvent" under the provisions of the Insolvency Code.

3. At this juncture it is worth to mention that in one of the case titled as "Fourth Dimension Solution Limited V/s RICOH India Limited" in CP No. 1512/IB/NCLT/MB/MAH/2017 Under Section 9 of Insolvency & Bankruptcy Code, 2016, Order dated 19.03.2018, the Petition was "**dismissed**". The Petition being dismissed, hence the Corporate Debtor RICOH India Limited (Petitioner in the impugned Petition now under consideration) could not be declared "Insolvent". A statement at Bar has also been made that against the Petitioner RICOH India Limited no Insolvency Proceedings have ever been commenced by any NCLT Bench so far. It is therefore, pleaded that the Petitioner is entitled to move this Petition to be admitted U/s.10 of the Insolvency Code.

4. The Learned Counsel has stated that few of the main objects of the Company Ricoh India Limited are : "*To carry on the business of manufacturers, distributors, importers, exporters, buyers, sellers, agents and stockists and to market, lease, rent out, assemble alter, service, repair, refurbish, store, put to commercial use in any manner, and otherwise deal in any manner in all types of photocopying and allied equipments including photocopiers and their systems.*" Learned Counsel has further stated that Ricoh India Limited is a global information and technology Company. The Company manufactures and markets office automation equipment, electronic devices and photographic instruments. Ricoh's diverse product line includes facsimiles, image scanners, printers, digital cameras and personal computers, as well as a full range of analog, digital and color copiers. It is clarified that the present Petition is in respect of

various Debts pertaining to Supply and Service of Hardware towards the Rural Information and Communication Technology Solution Project in India. .

5. From the side of the Applicant a brief summary of the events and the total Debt in default is narrated as under :-

1. *The requirements for a corporate debtor to commence insolvency resolution process is set out in section 10 of the IBC r/w Form 6 (at pg. 212 of bare act). The petition can only be refused in terms of section 11 IBC.*
2. *In terms of Form 6, The applicant has prepared financial statement as on 18.01.2018, showing a net loss of INR 604 crores (Tab 4 pg. 106). Form 6 requires financial statements to be drawn up as at a date not earlier than 14 days from the date of the application.*
3. *The applicant is also unable to pay operational creditors despite receiving demands -*
 - i. *Ingram Micro India Pvt. Ltd. (amount in default is Rs. 2.92 crores) (demand letter at pg. 61 – Tab 3)*
 - ii. *EdiQue Solutions Pvt. Ltd. (amount in default is Rs. 2.45 crores) (demand notice under IBC together with invoices at pgs. 62-64 – Tab 3)*
 - iii. *Redington (India) Ltd. (amount in default is Rs. 1.03 crores) (emails at pgs. 75-79 – Tab 3)*
 - iv. *Hewlett Packard Enterprise India Pvt. Ltd. (amount in default is Rs. 31 lakhs) (emails at pgs. 80-84 –Tab 3)*
 - v. *Siemens Industry Software (India) Pvt. Ltd. (amount in default is Rs. 17 lakhs) (emails at pgs. 85-87 –Tab 3)*
 - vi. *Yuma Technologies Pvt. Ltd. (amount in default is Rs. 8 lakhs) (emails at pgs. 88-90 – Tab 3)*
 - vii. *Ricoh Company Ltd. (amount in default is Rs. 1.98 crores) debit notes at pgs. 91-99 – Tab 3)*
 - viii. *Ricoh Asia Pacific Operations Ltd. (amount in default is Rs. 731 crores approx.) (demand letter at pgs. 100-102 – Tab 3)*

The total operational debt is INR 793 crores.
4. *The applicant has committed defaults, as it is unable to pay debts despite receiving demands from financial creditors*
 - i. *Connect Residuary Pvt. Ltd. (amount in default is INR 6.18 crores)*
(sample invoices at pgs. 38-43 – Tab 2)
 - ii. *Ricoh Company Ltd. Japan (amount in default is INR 1308 crores)*
(demand letter at pgs. 36-37 – Tab 2)

The total financial debt is INR 1732 crores.
5. *In re: Fourth Dimension Solution Limited, the petition remains pending, and since it has not been admitted, section 11(a) of the IBC is inapplicable, and the applicant is not disentitled from filing the present petition.*
6. *The minority shareholders of the applicant have filed a company petition under sections 241 and 242 of the Companies Act, 2013, seeking inter alia, that the promoter shareholders of the applicant purchase the equity shares of the minority shareholders.*
 - a. *This company petition has been filed after the applicant's petition under Section 10;*
 - b. *The two proceedings operate in separate fields, and the filing of this company petition cannot impede adjudication of the applicant's petition under section 10; and*
 - c. *A shareholder does not have locus standi in proceedings under Section 10 of the IBC, and cannot object to the applicant's petition. Shareholders' entitlements will be ascertained in accordance with the IBC."*

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6. The Ld. Sr. Advocate has stated that in a situation when a Petition U/s 10 is submitted by a Corporate entity to initiate CIRP against itself due to default committed in repayment of Loan, the only requirement is that the requisite Form should be submitted containing relevant particulars along with the documents relating to the outstanding Debt. In the case of M/s. Unigreen Global Private Limited (Company Appeal AT Insolvency No.81 of 2017) vide Order dated 1st December 2017, the Hon'ble NCLAT has laid down certain principles to deal with the Petition filed under Section 10 of The Code. In the said cited decision, the case was restored back to the stage of NCLT due to the reason that NCLT had dismissed that Petition filed under Section 10 of The Code. It is pleaded that on the same lines, this Petition deserves Admission.

7. In this case RICOH India Limited has approached Securities & Exchange Board of India (SEBI) to look into the affairs of the Company and take legal action. SEBI has initiated investigation and thereupon took serious note of the irregularities committed by Key Managerial persons and other Directors. Vide Order dated 12.02.2018 restrained the persons involved, inclusive of KMP and Directors, restraining them from accessing the Security Marketing areas entering into any transaction in Securities. This evidence and the Order (WTM/GM/CFD/87/2017-18) is a direct evidence that the affairs of the Corporate Debtor were not managed as per Law, hence fit to be processed under the provisions of the Insolvency Code.

7.1. The compilation contains several Agreement of Guarantees issued by Banks for due performance of the Contract and failing which agreeing to compensate the contracting party. For example, one "Agreement of Guarantee" was executed on 21.12.2012 wherein Bank of India is referred as "the Guarantor" and the contracting party viz. Centre for Development of Advance Computing (CDAC, Kolkata) for a sum of ₹4,10,122/- for which Guarantor had agreed to give guarantee for the due performance of the contract by the Contractor, failing which, the Guarantor agreeing to compensate CDAC to an amount of ₹4,10,122/- for a period of 36 months. On the same lines, an Agreement was executed covering the Supply, Installation and Commissioning of Hardware, Chief Electoral Office and District Election Office, Government of Jharkhand. In this Agreement, Bank of India, Janpat, New Delhi having Trust in favour of the client

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indemnified the other side for a sum of ₹22,42,000/- against any loss or damage. Likewise, in respect of supply of Photocopier against a Purchase Order of Director General, Coast Guard, New Delhi, the Bank of India, New Delhi undertook a performance guarantee against supply of goods. Also there was an Agreement with Centre for Railway Information System, New Delhi for a Work Order of ₹10,82,000/- for which Bank of India, New Delhi stood as a Guarantor. To keep brevity in mind, the description for rest of the Bank Guarantees issued by several Banks such as Bank of India, Corporation Bank, ICICI Bank, Kotak Mahindra, Deutsche Bank etc. are not reproduced. Likewise, there is a long list of Financial Creditors and Operational Creditors describing the nature of Debt and the failure on the part of the Corporate Debtor not reproduced to keep this Order short but with an observation that the Insolvency Professional shall take cognizance of all the Debts during the process of Insolvency.

8. On going through the various evidences and documents submitted by the Petitioner, I am of the view that it is amply demonstrated that the Applicant is indebted of Financial Creditors as well as Operational Creditors. All such evidences have also established that there was occurrence of "default" in payment of outstanding Debt. The Debt amount is substantially large and prima facie the Debtor appears to be unable to pay-off the Debt due to precarious financial condition. As a consequence, the present Petition U/s.10 of the I&B Code as filed by the Corporate Debtor itself deserves to be admitted.

9. The Corporate Debtor has proposed the name of the IRP Mr. Krishna Chamadia, Registration No. IBBI/IPA-001/ip-P00694/2017-18/11220, Address: B-1804, Raheja Heights, Off Gen. A.K. Vaidya Marg, Dindoshi, Malad (East), Mumbai – 400 097. The IRP has given his consent in Form No.2, and also certified that no disciplinary proceedings are pending against him, placed on record. On due consideration, the appointment of the proposed IRP is hereby confirmed.

10. The Petition is hereby "Admitted". As a consequence, the Moratorium shall commence as prescribed under section 14 of the I&B Code which prohibits as under :-



- (a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- (b) transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;
- (c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of **its property** including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act);
- (d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.
- (e) That supply of essential goods or services to the corporate debtor, if continuing, shall not be terminated or suspended or interrupted during Moratorium period.
- (f) That the provisions of sub-section (1) Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- (g) That the order of Moratorium shall have effect from the date of this order till completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, as the case may be.
- (h) That the public announcement of the corporate insolvency resolution process shall be acted upon immediately as specified under section 13 of the Code.

11. That Mr. Krishna Chamadia appointed as Interim Resolution Professional (IRP) to carry out the functions as mentioned under Insolvency & Bankruptcy Code. The so appointed IRP shall perform the duties as assigned under Section 18 and under section 15 of the Code. The IRP shall inform the progress of the Insolvency Proceedings and submit the report of the compliance of the directions of this Order within 30 days to this Bench. A liberty is granted to intimate even at an early date, if need be.

12. Accordingly, this **C.P. (IB)-156/MB/2018** stood **Admitted**.

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13. The Corporate Insolvency Resolution Process (CIRP) is commenced from the date of this order.

Date : 14.05.2018
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SD/-
M.K. SHRAWAT
Member (Judicial)