

**RICOH**  
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**RICOH INDIA LIMITED**

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18 November 2016

The Listing Department  
The BSE Limited  
Phiroze Jeejeebhoy Tower  
Dalal Street, Fort  
Mumbai – 400 001

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31  
DECEMBER 2015 CONCERNING RICOH INDIA LIMITED**

Dear Sir

We wish to inform you that the Board of Directors of the Company in their meeting held today have considered and approved the Unaudited Financial Results for the quarter ended 31 December 2015.

Enclose find herewith, scanned copy of the Unaudited Financial Results for the Quarter ended 31 December 2015 and Limited Review Report of the Statutory Auditors of the Company.

The above is for your kind information and record please.

Yours faithfully  
For Ricoh India Limited



Manish Sehgal  
Company Secretary

Encl: a/a

RICOH INDIA LIMITED  
(CIN - L74940MH1993PLC074694)  
Regd.Off. 801, 8th Floor, Akruti Star, MIDC Central Road, Near Marol Telephone Exchange, MIDC, Andheri - East, Mumbai - 400 093  
Website: www.ricoh.co.in, Email: ril.secretarial@ricoh.co.in

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2015

| PART I | Particulars   | Quarter ended    |                   |                  | Year to date     |                  | Year ended    |
|--------|---|------------------|-------------------|------------------|------------------|------------------|---------------|
|        |   | 31 December 2015 | 30 September 2015 | 31 December 2014 | 31 December 2015 | 31 December 2014 | 31 March 2015 |
|        |   | Unaudited        | Unaudited         | Unaudited        | Unaudited        | Unaudited        | Audited       |
| 1      | Income from Operations  |                  |                   |                  |                  |                  |               |
|        | a) Net Sales / Income from Operations   | (27,310)         | 66,145            | 40,902           | 83,121           | 100,914          | 163,702       |
|        | b) Other Operating Income   | 1,387            | -                 | 37               | 1,387            | 60               | 79            |
|        | Total Income from Operations (net) (a)+(b)  | (25,923)         | 66,145            | 40,939           | 84,508           | 100,974          | 163,782       |
| 2      | Expenses  |                  |                   |                  |                  |                  |               |
|        | a) Cost of Materials consumed   | -                | -                 | -                | -                | -                | -             |
|        | b) Purchase of stock-in-trade   | (22,305)         | 65,410            | 33,532           | 88,401           | 80,059           | 123,992       |
|        | c) Changes in Inventories of Stock in Trade   | (977)            | (6,173)           | (3,383)          | (17,822)         | (3,858)          | 1,045         |
|        | d) Employee benefits  | 3,225            | 3,059             | 2,368            | 9,198            | 7,116            | 10,105        |
|        | e) Depreciation and amortisation  | 429              | 422               | 503              | 1,243            | 1,666            | 2,144         |
|        | f) Other expenses   | 6,447            | 14,906            | 4,991            | 25,862           | 11,739           | 14,590        |
|        | Total Expenses  | (12,581)         | 77,624            | 38,010           | 106,881          | 96,722           | 151,877       |
| 3      | Profit / ( Loss ) from operations before other income, finance costs and exceptional items (1-2)  | (13,342)         | (11,479)          | 2,929            | (22,374)         | 4,251            | 11,905        |
| 4      | Other Income  | 6,439            | 123               | 120              | 6,767            | 395              | 1,680         |
| 5      | Profit / ( Loss ) from ordinary activities before finance costs & exceptional items (3+4)         | (6,903)          | (11,356)          | 3,049            | (15,607)         | 4,646            | 13,584        |
| 6      | Finance Costs   | 3,301            | 2,494             | 2,021            | 8,189            | 5,387            | 8,535         |
| 7      | Profit / ( Loss ) from ordinary activities after finance costs but before exceptional items (5-6) | (10,204)         | (13,850)          | 1,028            | (23,795)         | (740)            | 5,049         |
| 8      | Exceptional Items   | -                | -                 | -                | -                | -                | -             |
| 9      | Profit (+)/Loss (-) from ordinary activities before tax (7-8)                                     | (10,204)         | (13,850)          | 1,028            | (23,795)         | (740)            | 5,049         |
| 10     | Tax Expense   |                  |                   |                  |                  |                  |               |
|        | - Current year  | -                | 307               | (165)            | -                | (165)            | (2,206)       |
|        | - Deferred tax  | -                | (952)             | 192              | (864)            | 147              | 293           |
|        | - Income tax earlier year   | -                | (242)             | -                | (242)            | -                | 254           |
| 11     | Net Profit / ( Loss ) from Ordinary activities after tax (9+10)                                   | (10,204)         | (14,737)          | 1,055            | (24,902)         | (758)            | 3,390         |
| 12     | Extraordinary item (net of tax expense Rs. Nil)   | -                | -                 | -                | -                | -                | -             |
| 13     | Net Profit / ( Loss ) for the period (14-15)  | (10,204)         | (14,737)          | 1,055            | (24,902)         | (758)            | 3,390         |
| 14     | Paid up equity share capital (Rs. 10/- each)  | 3,977            | 3,977             | 3,977            | 3,977            | 3,977            | 3,977         |
| 15     | Reserves excluding revaluation reserves as per Balance Sheet                                      | -                | -                 | -                | -                | -                | 12,883        |
| 16.i   | Loss per share (before extraordinary items) (of Rs 10/-each) (not annualised):                    |                  |                   |                  |                  |                  |               |
|        | a) Basic  | (25.66)          | (37.06)           | 2.65             | (62.62)          | (1.91)           | 8.52          |
|        | b) Diluted  | (25.66)          | (37.06)           | 2.65             | (62.62)          | (1.91)           | 8.52          |
| 16.ii  | Loss per share (after extraordinary items) (of Rs 10/-each) (not annualised):                     |                  |                   |                  |                  |                  |               |
|        | a) Basic  | (25.66)          | (37.06)           | 2.65             | (62.62)          | (1.91)           | 8.52          |
|        | b) Diluted  | (25.66)          | (37.06)           | 2.65             | (62.62)          | (1.91)           | 8.52          |
| 17     | Debt Equity Ratio   |                  |                   |                  | (21.56)          | 5.88             | 4.16          |
| 18     | Debt Service Coverage Ratio   |                  |                   |                  | (0.04)           | 0.01             | 0.02          |
| 19     | Interest Service Coverage Ratio   |                  |                   |                  | (1.75)           | 1.17             | 1.97          |

PART II

Select Information for the Quarter ended 31 December 2015

| PART II | Particulars  | Quarter ended    |                   |                  | Year to date     |                  | Year ended    |
|---------|--|------------------|-------------------|------------------|------------------|------------------|---------------|
|         |  | 31 December 2015 | 30 September 2015 | 31 December 2014 | 31 December 2015 | 31 December 2014 | 31 March 2015 |
|         |  | Unaudited        | Unaudited         | Unaudited        | Unaudited        | Unaudited        | Audited       |
| A       | PARTICULARS OF SHAREHOLDING  |                  |                   |                  |                  |                  |               |
| 1       | Public shareholding  |                  |                   |                  |                  |                  |               |
|         | - Number of shares   | 10,497,791       | 10,497,791        | 10,497,791       | 10,497,791       | 10,497,791       | 10,497,791    |
|         | - Percentage of shareholding   | 26.4%            | 26.4%             | 26.4%            | 26.4%            | 26.4%            | 26.4%         |
| 2       | Promoter and Promoter group shareholding   |                  |                   |                  |                  |                  |               |
|         | a) Pledged/Encumbered  |                  |                   |                  |                  |                  |               |
|         | - Number of shares   | -                | -                 | -                | -                | -                | -             |
|         | - Percentage of shares (as a % of total shareholding of promoter and promoter group) | -                | -                 | -                | -                | -                | -             |
|         | - Percentage of shares (as a % of total share capital of the company)                | -                | -                 | -                | -                | -                | -             |
|         | b) Non-encumbered  |                  |                   |                  |                  |                  |               |
|         | - Number of shares   | 29,270,370       | 29,270,370        | 29,270,370       | 29,270,370       | 29,270,370       | 29,270,370    |
|         | - Percentage of shares (as a % of total shareholding of promoter and promoter group) | 100.0%           | 100.0%            | 100.0%           | 100.0%           | 100.0%           | 100.0%        |
|         | - Percentage of shares (as a % of total share capital of the company)                | 73.6%            | 73.6%             | 73.6%            | 73.6%            | 73.6%            | 73.6%         |

| Particulars                                    | Quarter ended 31 December 2015 |  |
|--|--------------------------------|--|
| B INVESTOR COMPLAINTS                          | 4                              |  |
| Pending at the beginning of the quarter        | 7                              |  |
| Received during the quarter                    | 11                             |  |
| Disposed of during the quarter                 | NIL                            |  |
| Remaining unresolved at the end of the quarter |                                |  |

For and on behalf of the Board  
of Ricoh India Limited

  
AT Rajan  
Managing Director & CEO  
DIN: 07487969

Place : New Delhi  
Date: 18 November 2016

**Notes to the Statement of unaudited results for the quarter ended 31 December, 2015:**

The results for the quarter ended 31 December 2015 should be read in conjunction with the results for the quarter and year ended 31 March 2016 which have been filed on today's date. Due to the falsification of accounts the Company has been restating its financial records. The extent of falsification of accounts will be confirmed in the audited accounts for the quarter and year ended 31 March 2016. On 19 July 2016 the Company gave an indication of the estimated unaudited loss for the year ended 31 March 2016 as Rs. 112,300 Lacs. The audited accounts for the quarter and year ended 31 March 2016 are published as of today's date showing a loss for the year of Rs. 111,773 Lacs.

As a result of the falsification of accounts and the matters identified it is not practicable to specifically allocate all of the necessary accounting adjustments and corrections to individual financial periods. To do so would require significant assumptions and consequent restatement of previous financial periods. In the view of the directors such assumptions and consequent restatement would not give the reader of the financial results any more reliable information.

Accordingly, the results for the quarter ended 31 December 2015 only include those accounting adjustments and corrections that can specifically be allocated to the quarter then ended and previous periods. These adjustments relate to incorrect revenue and profit recognition on contracts and the elimination of apparently fictitious sales that have inflated revenues. The effect of these adjustments is as follows:

*(Amount Rs. Lacs)*

|  | Adjustment relating to previous reporting periods | Adjustment relating to quarter ended 31 December 2015 | Total adjustment included in the quarter ended 31 December 2015 |
|--|---|---|---|
| <b>Sales:</b>  |   |   |   |
| - Apparently fictitious sales that inflate revenue   | (59,078)  | (7,960)   | (67,038)  |
| - Incorrect revenue recognition on contracts   | (3,107)   | (1,520)   | (4,627)   |
| <b>TOTAL SALES</b>   | <b>(62,185)</b>                                   | <b>(9,480)</b>  | <b>(71,665)</b>   |
| Value of one off adjustments that specifically relate to quarter ended 31 December 2015 and have been included in the results for that quarter | -   | 1,012   | 1,012   |
|  |   |   |   |
| <b>Impact on (Loss)/ profit</b>  | <b>-</b>  | <b>1,012</b>  | <b>1,012</b>  |

A commentary on the accounting adjustments and corrections, by period where practicable, is included within the results for the quarter and year ended 31 March 2016. As disclosed in the notes to the accounts for the quarter and year ended 31 March 2016 there are one off adjustments that

cannot be allocated by period. These are accounting errors/falsifications that due to their nature cannot be retrospectively analysed by period. Whilst it is possible that some element of these relate to previous periods, including the quarter ended 31 December 2015, any allocation would be subjective. These include categories such as: (i) inventory where the Company has had to make significant corrections and provisions. Whilst it is possible that similar issues existed at 31 December 2015, and the previous quarter ends, without having access to detailed inventory verification and records at each of those dates it is not possible to determine what errors, if any, existed at those dates and hence in which period the inventory errors arose; and (ii) reconciliation and accounting adjustments where again without being able to recreate all of the reconciliations and reliable accounting data at each balance sheet date it is not possible to determine in which period such errors arose. Where it has not been possible or practicable to allocate such adjustments the full impact is included in the quarter ended 31 March 2016.

The Company has previously disclosed segments comprising the sale of goods and the delivery of services. The Board of Directors consider that this does not represent the business since the sale of goods is usually an integral part of the delivery of services whether it be by way of Ricoh product or third party product. The Board of Directors also consider that the delivery of IT services is an adjacent activity that extends the Company's integrated offering to customers. As noted above the Company has made significant adjustments as a result of one off transactions which cannot readily be allocated to individual components of the business. In view of this for the quarter ended 31 December 2015 the Directors therefore regard the business as a single business segment.

#### **Post balance sheet events**

In accordance with the Petition of Ricoh Company Limited of 19 July 2016 and the Order of the National Company Law Tribunal of 24 August 2016, and as approved by the Extraordinary General Meeting on 14 October 2016, on 15 October 2016 the Board approved the cancellation of the existing 10,959,792 ordinary shares of Rs. 10 each held by NRG Group Limited and the preferential issue and allotment of 10,959,792 ordinary shares of Rs. 10 each at a premium of Rs. 1,014.65 for a total capital infusion of Rs. 112,300 Lacs. This capital infusion has been used to reduce bank borrowings.

As a result of the falsification of accounts referred to above the Company is working with a number of regulatory authorities. The Company has no reason to believe that any liabilities will arise out of its cooperation with any investigation by such authorities and hence no provision is included in the accounts at 31 December 2015.

The results for the quarter and year ended 31 March 2016 are published as of today's date. The annual report to shareholders for the year ended 31 March 2016 will be published shortly thereafter.

**For and on behalf of the Board of Ricoh India Limited**



**A T Rajan**  
**Managing Director & CEO**  
**DIN: 07487969**

**Place: New Delhi**  
**Date: 18 November, 2016**

# B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurgaon - 122 002, India

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## Independent Auditor's Review report to the Board of Directors of Ricoh India Limited

1. We were engaged to review the accompanying statement of unaudited financial results ('the statement') of Ricoh India Limited ('the Company') for the quarter and nine months ended 31 December 2015. The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. The financial results for the three months ended 30 June 2015 which are included in the results for the nine months period ended 31 December 2015 and periods earlier to 30 June 2015, set out in the accompanying Statement were reviewed/audited earlier by the then statutory auditors of the Company whose reports have been furnished to us.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is invited to Notes to the Statement which describe in a general and overall manner the irregularities and suspected fraudulent transactions noted during the period. In view thereof, the Company appointed an external firm along with an internal team (comprising representatives of other Ricoh companies) to carry out the investigation. Reports of the aforesaid investigations have been made available for our sighting (on a non-copy basis).

As a result of the external and the internal investigation, the Company has identified significant adjustments. These relate to recognition of adjustments / transactions which had remained out of books in earlier periods, disclosure of bank borrowings/ bills discounted, reversal of circular sale and purchase transactions with certain parties with minimal value addition considered fictitious by the management, correction of inventory values and provisions of receivable balances considered doubtful of recovery.

Based on our initial findings, our reading of the Report on preliminary findings dated 20 April 2016 of the external investigation team and communications sent by the Company to various regulatory authorities, we have a reason to believe that suspected offence involving a violation of applicable law, which may tantamount to fraud, may have been committed. Accordingly, we have made the necessary reporting to Central Government of suspected offence involving fraud being committed or having been committed as required by Rule 13(1)(ii) of the Companies (Audit and Auditors) Rules, 2014 [as amended by the Companies (Audit and Auditors) Amendment Rules, 2015] on 30 June 2016.

The Company has also requested Securities Exchange Board of India (SEBI) to consider conducting an investigation to ascertain if the incorrect standalone financial statements had any impact on the securities market and the investors, particularly under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange

Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

In view of the limitations pertaining to investigations elaborated in notes to the Statement read with our comments mentioned below in para 5, we are unable to comment on the appropriateness of amounts pertaining to each period, consequential impact thereof on the opening balances as at 1 April 2015 and 1 October 2015, the persons involved and the amount of fraud/misappropriation, and consequential impact on the Statement.

Based on the investigations, the management has concluded that revenue and cost have been overstated by Rs. 63,538 lacs and by Rs. 57,221 lacs for the nine months ended 31 December 2015 respectively with identified suspected parties. The difference between revenues and costs has been presented on a net basis as a part of other income. Further, subsequent to the period end, uncollected account receivable balances pertaining to these parties have been considered doubtful of recovery and provided for in the subsequent period.

The Company, however, has not made all the required adjustments in the financial results for the nine months period ended 31 December 2015.

Attention is invited to notes to the statement which states as below:

“Due to the falsification of accounts the Company has been restating its financial records. The extent of falsification of accounts will be confirmed in the audited accounts for the quarter and year ended 31 March 2016.”

“As a result of the falsification of accounts and the matters identified it is not practicable to specifically allocate all of the necessary accounting adjustments and corrections to individual financial periods. To do so would require significant assumptions and consequent restatement of previous financial periods. In the view of the directors such assumptions and consequent restatement would not give the reader of the financial results any more reliable information.

Accordingly, the results for the quarter ended 31 December 2015 only include those accounting adjustments and corrections that can specifically be allocated to the quarter then ended.”

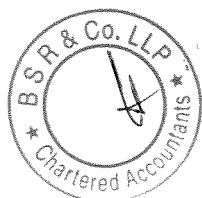
An illustrative list of such adjustments which have not been made in the financial results for the period ended 31 December 2015 is as below:

|   |
|---|
| • Shortages/ excesses identified as part of physical verification of fixed assets |
| • Provision for shortages / obsolete / slow moving inventories                    |
| • Provision for doubtful debts  |
| • Advances, Deposits written off  |
| • Provision for onerous contracts   |
| • Credit balances written back  |
| • Sales return pertaining to the current period and earlier periods               |

In view of the above, the financial results for the nine months period ended 31 December 2015 do not include all the required adjustments.

5 5.1 For most of the documents, originals were not available and hence we have had to carry out our review procedures on photo copies of those documents, to the extent made available to us.

5.2 In relation to items of financial results, we were not able to complete our review procedures due to non-availability of required information/ documentation/ satisfactory explanations. This includes non-availability of evidence to support certain sale and purchase transactions such as



carriers' receipts, goods received notes, proof of delivery, customer acknowledgment, effective cut-off and sales return procedures; and non-availability of significant information pertaining to other income, employee benefit expenses, other expenses,

Further, in respect of revenue contracts due to non-availability of complete documentations / sufficient information, the management has accounted for such contracts on the basis of significant assumptions. Accordingly, in view of aforementioned limitations, we are unable to comment on appropriate accounting of revenue recognized for these contracts, completeness of provisions towards onerous contracts, evaluation of potential impact of the irregularities and suspected fraudulent transactions on such contracts.

**5.3** In respect of inventories, further to our observations in para 4 above, the Company has not maintained proper records including reconciliation of goods purchased/sold in terms of quantity and value. Further, the reasons for material discrepancies noted during the physical verification, subsequent to period end, have not been investigated. Therefore, we are unable to comment on possible adjustment of these, if any, to the carrying value of inventories.

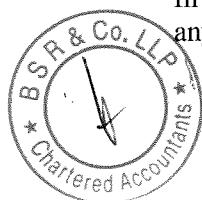
**5.4** In respect of receivables for machines given on lease, we were not able to complete our procedures due to non-availability of complete documentation / details e.g. absence of lease contracts, / details and reconciliation of amount collected till 31 December 2015/amount due as at period-end and analysis of nature of lease such as operating lease vs finance lease etc. Further, basis checking of limited number of samples made available to us, we have observed inaccuracies/ inconsistencies in details used for computation of lease receivable as at period end such as fair value of lease, lease terms, computation of interest rate implicit in the lease etc. In view of abovementioned observations, we are unable to comment on the carrying value of lease receivables balances and appropriateness of lease income recognised for the quarter and year.

**5.5** The Company's net worth has been completely eroded by its accumulated losses as at the end of the current period. However, in view of continued financial support, which is also evidenced by significant capital infusion subsequent to the period end, from a fellow subsidiary (second largest shareholder), management is of the view that the Company shall be able to continue as a going concern. Accordingly, the management considers it appropriate to prepare these financial results on a going concern basis.

**5.6** There are a number of matters pending litigation. In view of the matters described above, we are unable to state whether these financial results consider the complete impact of pending litigations on the financial position of the Company.

**5.7** In our view, the internal controls both operating and financial including information technology controls require considerable strengthening. In particular, controls over maintenance of books of account, proper supporting documentation need a thorough review.

In view of our observations in paras 4 and 5 above, we are unable to determine the adjustments, if any, that are necessary in respect of the financial results of the Company.




B S R & Co. LLP

Because of the very substantive nature and significance of the matters described in paragraphs 4 and 5 above and because of the limitation on work performed by us, we have not been able to obtain moderate assurance as to whether the accompanying statement of unaudited financial results has been prepared in accordance with the applicable accounting standards and other recognized accounting practices and policies or that the unaudited financial results are free of material misstatement or state whether the unaudited financial results are presented in accordance with the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*For B S R & Co. LLP*

*Chartered Accountants*

Firm registration number: 101248W/W-100022



**Vikram Advani**

Partner

Membership Number: 091765

Place: New Delhi

Date: 18 November 2016