

**In the National Company Law Tribunal  
Mumbai Bench**

MA 691 of 2019 in CP No.156/I&BC/MB/MAH/2017

Application Under **Section 30(1) & (6)** and **Order under section 31** of Insolvency  
& Bankruptcy Code 2016

In the matter of

**Ricoh India Limited**

By Mr. Krishna Chamadia  
.....Applicant/ Resolution Professional

Order delivered on: 28.11.2019

Coram: Hon'ble Shri M.K. Shrawat, Member (Judicial)  
Hon'ble Shri Chandra Bhan Singh, Member (Technical)

For the Applicant : Sr. Adv. Mr. Zal Andhyarujina a/w Ms. Pooja Mahajan a/w Mr.  
Mustafa Kachwala a/w Ms. Mahima Singh i/b Kachwala Misar  
& Co., for the RP.  
Sr. Adv. Mr. Pradeep Sancheti a/w Mr. Vishal Shriyan, for  
Resolution Applicant.

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

**ORDER**

1. An Application has been moved on 18.02.2019 by the Learned Resolution Professional by invoking the Provisions of Section 30(6) of the Insolvency & Bankruptcy Code, 2016 read with Regulation 39(4) of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 for approval of a Resolution Plan. On receiving this Application along with Resolution Plan an Order is hereunder passed as prescribed **U/s 31(1) of The Code.**
2. The Corporate Debtor Ricoh India Ltd. had filed a Petition by invoking the Provisions of Section 10 of The Code read with Rule 7 of The Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules 2016 in January 2018.
3. After considering the merits of the case, the said Petition was **admitted** vide an **Order dated 14.05.2018 (CP No.156/I&BP/NCLT/MB/2018).** Mr.

Krishna Chamadia was appointed as the Interim Resolution Professional (IRP). The confirmation of the said IRP as the Resolution Professional (RP) was voted on in the first CoC meeting dated 15.06.2018. In the second CoC meeting dated 17.06.2018, the said IRP was confirmed as RP with 100% voting of CoC.

4. On 28.05.2018, the IRP made the Public announcement as per Regulation 6 of the CIRP Regulations in Form A in Business Standard, Navbharat Times and Maharashtra Times, inviting submission of proof of claims from the creditors of Ricoh on or before 08.07.2018.
5. The IRP prepared a List of Creditors in terms of Regulation 13 of the CIRP Regulations given as below:

<b>Particulars</b>	<b>Admitted Claims (₹)</b>
Financial Creditors	17,28,28,11,914/-
Operational Creditors (Suppliers)	7,90,16,89,100/-
Operational Creditors (Workmen & Employees)	1,14,95,484
Statutory Liabilities	Nil
Other Creditors	1,60,430/-
<b>Total</b>	<b>2519,61,56,928/-</b>

6. The break up of Financial Creditors is as follows:

<b>Name of Financial Creditor</b>	<b>Claims Admitted (₹)</b>	<b>Voting Share (%)</b>
Duetsche Bank	1,36,66,71,090	68.76%
Citi Bank N.A. India	30,29,53,159	15.59%
Corporation Bank	27,77,20,676	13.51%
Kotak Mahindra Bank	2,10,68,082	0.97%
Bank of India	1,92,55,164	1.16%
Citi Bank N.A., Tokyo	-	Nil
Ricoh Asia Pacific Pte. Ltd.	2,09,47,39,726	Nil
Ricoh Company Ltd.	13,20,04,04,017	Nil
<b>Total</b>	<b>17,28,28,11,914</b>	<b>100%</b>

7. The claim of non-related Financial Creditors is ₹198,76,68,171 as Ricoh Asia Pacific Pte. Ltd. and Ricoh Company Ltd. are related parties. The claim of non-related Operational Creditors (other than workmen and employees) is ₹19,07,33,409/-.
8. The IRP constituted a CoC in terms of Section 18(1)(c) and 21 of the I&B Code and the Report certifying constitution of the CoC was filed by the IRP before the Tribunal in terms of Regulation 17(1) of the CIRP Regulations.
9. The IRP appointed two registered valuers, GAA Advisory LLP and Mott Macdonald private Limited to determine the Fair Value and Liquidation Value of the Corporate Debtor in terms of Regulation 35 of the CIRP Regulations.
10. The IRP prepared the Information Memorandum in terms of Section 29 of the I&B Code and provided the same to members of CoC in terms of Regulation 36 of the CIRP Regulations after receipt of undertakings to maintain confidentiality.
11. On 04.07.2018, the third CoC meeting was held wherein the eligibility criteria for Expression of Interest (“EoI”) was discussed, deliberated and decided upon.
12. The advertisement inviting EoI in terms of Section 25(2)(h) of the I&B Code was published in the ‘Mint’ Newspaper on 09.07.2018. As per the advertisement, the last date for submission of EoI was 21.09.2018.
13. The EoIs were received from nine entities including a mix of competitors, distributors, strategic entities, PE funds and ARCs (“the prospective Resolution Applicants”).
14. The RP issued the Process Memorandum on 17.08.2018 inviting the PRAs to submit their respective Resolution Plans. On receipt of undertakings of confidentiality, the PRAs were given access to the Virtual Data Room containing relevant information for submission of resolution plans. The

timeline for submission of resolution plans was extended from time to time considering the requests made by the PRAs.

15. Finally, on 08.01.2019, the RP received resolution plans from two Resolution Applicants:
  - i. Kotak Investment Advisor Limited (“Kotak”).
  - ii. Karvy Data Management Systems Limited (“Karvy”).
16. In the Ninth CoC meeting dated 09.01.2019, both the resolution plans were opened. Karvy had not furnished the Bid Bond Guarantee and hence, the CoC decided to grant one week’s time to cure the non-compliance.
17. On 11.01.2019, the RP received an email from WeP Peripherals (“WeP”) stating that it could not file the resolution plan due to unavoidable circumstances, seeking condonation of delay and an extension of time till 14.01.2019 to submit its resolution plan. The request was acceded to by the RP.
18. WeP submitted its resolution plan jointly with Sattva Real Estate Private Limited on 13.01.2019. In the 11<sup>th</sup> CoC meeting dated 24.01.2019, the CoC ratified the consideration of the WeP Plan which was submitted after the last date.
19. On 27.01.2019, the consortium of Kalpraj Dharamshi & Rekha Jhunjhunwala (Successful Resolution Applicant) submitted their Resolution Plan to the RP.
20. In the 12<sup>th</sup> CoC meeting dated 30.01.2019, the CoC approved the consideration of WeP’s Resolution Plan and the plan of Kalpraj Dharamshi & Rekha Jhunjhunwala, both of which were received after the last date.
21. In the 13<sup>th</sup> CoC meeting dated 08.02.2019, the CoC decided not to consider the Plan of Karvy as it had not submitted the Bank Guarantee and the plan of WeP as the plan was conditional and it failed to submit a revised plan. It was further decided to put the resolution plan of Kotak and Successful Resolution Applicant to vote.

22. It is further submitted that in the 14<sup>th</sup> CoC meeting dated 11.02.2019, 30 minutes before the commencement of meeting, Kotak sends an email with certain changes in resolution plan. In view of this development, the CoC directed both the resolution applicants to submit revised plan by 12.02.2019, which was duly done by both the resolution applicants.
23. In the 15<sup>th</sup> CoC meeting dated 13.02.2019, the CoC decided to put both the resolution plans for voting. The voting was conducted from 13.02.2019 to 14.02.2019, whereby the Resolution Plan of consortium of Mr. Kalpraj Dharamshi & Rekha Jhunjhunwala (Successful Resolution Applicant) was approved by 84.36% of voting share of CoC. The Successful Resolution Applicant furnished a Performance Bank Guarantee of ₹30 crore in favour of Deutsche Bank on 16.02.2019 pursuant to approval of Resolution plan by CoC.
24. To throw a light on the background of the Successful Resolution Applicant, it has been stated that Mr. Kalpraj Dharamshi has made various successful investments and as on 31.03.2018, the Net Worth of Mr. Kalpraj Dharamshi is ₹453 crore. Mr. Kalpraj Dharamshi along with his wife holds 4,75,000 equity shares of the Corporate Debtor amounting to 1.19% shareholding in the Corporate Debtor. Further, Mrs. Rekha Jhunjhunwala's Net Worth is stated to be ₹1,545 crore.
25. The Successful Resolution Applicant propose to implement the plan via a Special Purpose Vehicle "BidCo" which is proposed to be formed after the approval from CoC but before approval of Resolution Plan by this Bench. The Successful Resolution Applicant shall be the directors of BidCo and the shareholding of the BidCo shall be as follows:

<b>BidCo</b>	<b>No. of Shares</b>	<b>Share Capital (₹ Cr)</b>	<b>Shareholding (%)</b>	<b>Face Value (₹)</b>
Kalpraj Dharamshi	1,60,00,000	16.00	50.00%	10.00

Rekha Jhunjhunwala	1,60,00,000	16.00	50.00%	10.00
<b>Total</b>	<b>3,20,00,000</b>	<b>32.00</b>	<b>100.00%</b>	

26. The Successful Resolution Plan proposes a merger of BidCo with the Corporate Debtor, thereby resulting in infusion of ₹32 crore into the Corporate Debtor. In addition, the Successful Resolution Plan provides for a fund infusion of ₹21 crore into the Corporate Debtor by way of issuance of unsecured optionally convertible debentures (“OCDs”) to the Successful Resolution Applicant by the Corporate Debtor. Hence, the Resolution Plan is a proposal of infusion of ₹53 crore (“**Upfront Fund Infusion**”) into the Corporate Debtor by way of merger with BidCo and by issuing OCDs.
27. The Resolution Plan envisages two scenarios for restructuring the share capital of the Corporate Debtor.
- i. The Successful Resolution Applicant shall pay ₹2.49 crore to the non-public shareholders of the Corporate Debtor, being NRG and RCL, for purchase of their entire shareholding in the Corporate Debtor. (Scenario 1)
  - ii. In case NRG and RCL do not agree to such purchase, the shares of NRG and RCL shall be cancelled with no payouts to them. (Scenario 2)
28. The Resolution Plan further proposes the delisting of the Corporate Debtor and provides that in case the public shareholders wish to exit the Corporate Debtor, the Successful Resolution Applicant shall offer an exit price of ₹50 crore to the public shareholders. Assuming all public shareholders accept this offer, the Successful Resolution Applicant shall be paying ₹52.49 crore to the public shareholders.

**29. Payouts and Settlement of the Stakeholders:**

The below table encapsulates summary of payments under the Successful Resolution Plan, along with source of funds:

Category	Particulars	Claim Amount Admitted (INR)	Amount Proposed/ Treatment	
<b>FROM UPFRONT FUND INFUSION</b>				
<b>CIRP Cost</b>	CIRP Costs	6,00,00,000 (estimated)	6,00,00,000 (estimated)	
<b>Non-Related OCs and Other Creditors</b>	Non-Related Operational Creditors (other than Workmen/Employees) (A)	19,07,33,409	19,07,33,409	
	Workmen and Employees (B)	1,14,95,484	1,14,95,484	
	Other Creditors (other than FCs and OCs) (C)	1,60,430	1,60,430	
	Statutory Dues (D)	Nil	Nil	
	<b>TOTAL (A+B+C+D)</b>	<b>26,23,89,323</b>	<b>26,23,89,323</b>	
<b>Related Party FC</b>	Ricoh Company Ltd., Japan	13,20,04,04,017	1,00,00,000 (for assignment)	
	Ricoh Asia Pacific Pte. Ltd., Singapore	2,09,47,39,726		
<b>Related Party OC</b>	Ricoh Company Ltd., Japan	2,60,95,176		
	Ricoh Asia Pacific Operations Ltd, Hong Kong	7,66,00,83,908		
	Ricoh Asia Pacific Pte Ltd, Singapore	1,05,91,830		
	Ricoh Australia Pty Ltd	7,19,732		
	Ricoh Europe PLC	1,34,65,045		
	<b>TOTAL RELATED PARTY (E)</b>	<b>23,00,60,99,434</b>		<b>1,00,00,000</b>
	<b>GRAND TOTAL (A+B+C+D+E)</b>	<b>23,26,84,88,757</b>		<b>27,23,89,323</b>
<b>PROPOSAL FOR NON-RELATED FINANCIAL CREDITORS</b>				
<b>Collateralised FC</b>	Corporation Bank	27,77,20,676	Note 1	
	Kotak Mahindra Bank	2,10,68,082		
	Bank of India	1,92,55,164		
	Citi Bank N.A., India	30,29,53,159		
<b>Non-collateralised FC</b>	Deutsche Bank	1,36,66,71,090	Note 2	
<b>PROPOSAL FOR SHAREHOLDERS – DIRECT PAYMENT BY SUCCESSFUL RESOLUTION APPLICANT</b>				
<b>Public Shareholders</b>	Payment to public shareholders (in case they opt for exit from the Company)	NA	52,49,00,000	
<b>Promoter Shareholders</b>	Payment to RCL and NRG in case they accept proposal to transfer their shares	NA	2,49,00,000	

**Note 1:** Successful Resolution Applicant shall replace the Collateralised FCs as soon as practically possible after the NCLT Approval Date and in the interim, shall honour the existing arrangement by continuing with the cash or fixed deposit collateral that has been provided to the Collateralised FC till the conclusion of the related projects or expiry of bank guarantee whichever is earlier.

**Note 2:** Successful Resolution Applicant shall replace the bank guarantee that has been provided by the Uncollateralised FC through the means of a new bank guarantee. In the interim, the Successful Resolution Applicant shall provide a stand by letter of credit to the Uncollateralised FC which shall be valid till expiry of guarantee given by Uncollateralised FC to Department of Post or replacement of bank guarantee of Uncollateralised FC whichever is earlier.

It is submitted in the Resolution Plan that as per the List of Creditors, the claims of the Collateralised FC are fully collateralised through cash or fixed deposits held by either the Corporate Debtor or Ricoh Company Ltd. The Resolution Applicant intends to replace the Collateralised FCs as soon as practically possible after the NCLT Approval Date (since it involves co-ordination, support and approval from third parties) and till such Collateralised FCs are replaced, the Resolution Applicant shall honour the existing arrangement by continuing with the cash or fixed deposit collateral that has been provided to the Collateralised FC till the conclusion of the related projects or expiry of bank guarantee whichever is earlier. Once the bank guarantee expires or the corresponding project is complete, the collateral for the same shall be returned to the entity which has provided the same. It is clarified that the existing arrangement referred above does not include any charge created on the cash / cash deposits / any other assets of the Corporate Debtor after Insolvency Commencement Date and in the event any such charge has been created, it shall stand fully satisfied and discharged by virtue of the order of the NCLT approving this Resolution Plan.

The Resolution Applicant shall replace the guarantee that has been provided by the Uncollateralised FC through the means of a new guarantee, to the Department of Post from a bank / financial institution acceptable to the Department of Post. This shall be done as per the timelines of the Resolution Plan given in clause 5.3 of the Resolution Plan.

30. **Discretionary Payment to Ricoh Company Limited:**

The Resolution Applicant, at their sole discretion, intend to pay INR 50 Crore to Ricoh Company Limited at any time after the expiry of 9 years from the Transfer Date to obtain operational support necessary to run the business.

31. It is further submitted that the RP has produced on record Form-H as the Compliance Certificate under Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 to the effect that the contents of the Successful Resolution Plan meet all the requirements of the Code and the CIRP Regulations.

32. The Successful Resolution Applicant have submitted the affidavit (as required under the Code) on compliance with Section 29A of the Code. Basis the due diligence conducted by the Applicant and his consultants, the Applicant is of the view that the Successful Resolution Applicant is not disqualified under Section 29A of the Code.

33. The Resolution Plan as approved by CoC is incorporated herein below:

*DATED FEBRUARY 12, 2019*

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**THE RESOLUTION PLAN FOR RICOH INDIA LIMITED**

*SUBMITTED BY:*

**Mr. Kalpraj Dharamshi**  
*and*  
**Mrs. Rekha Jhujhunwala**

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## RESOLUTION PLAN

To,

**Mr. Krishna Chamadia**

Resolution Professional

In the matter of Ricoh India Limited

B, 1805, Raheja Heights, Off General, A.K. Vaidya Marg,

Dindoshi, Malad, East, Maharashtra

Dear Sir,

Subject: Resolution Plan for Ricoh India Limited in respect of its Corporate Insolvency Resolution Process.

### 1. INTRODUCTION OF THE RESOLUTION APPLICANT

#### 1. Resolution Applicant

1.1 We in our capacity as investors hereby submit this comprehensive resolution plan ("**Resolution Plan**") under the Insolvency and Bankruptcy Code, 2016 ("**IBC**") as amended from time to time. The Resolution Applicant ("**Resolution Applicant**") is defined to mean:

- (i) Mr. Kalpraj Dharmashi; and
- (ii) Mrs. Rekha Jhunjunwala.

Please note that the plan will be implemented through a SPV, "BidCo" which is to be formed after CoC approval of the Resolution Plan but before NCLT approval of the Resolution Plan.

The shareholding of the BidCo shall be as follows:

BidCo	Number of Shares	Share Capital (INR Cr)	Shareholding %	Face Value (INR)
Kalpraj Dharamshi	1,60,00,000	16.00	50.00%	10.00
Rekha Jhunjunwala	1,60,00,000	16.00	50.00%	10.00
<b>Total</b>	<b>3,20,00,000</b>	<b>32.00</b>	<b>100.00%</b>	

The Directors of the BidCo shall be as follows:

Name of the Director	Designation	DIN
Kalpraj Dharamshi	Director	00056433
Rekha Jhunjunwala	Director	01226765

#### 1.2 Brief profile of Mr. Kalpraj Dharmashi

Mr. Kalpraj Dharamshi has completed his graduation in commerce from the University of Mumbai and his Intermediate in Chartered Accountancy from the Institute of Chartered Accountants of India. He started his stock market intermediary operations in 1988 and acquired his BSE membership in 1994 followed by NSE membership in 1997.

The operations are carried out in the name of Dharamshi Securities Pvt. Ltd. which services institutional and retail clients across India. Mr. Kalpraj Dharamshi has been running his business operations for the last twenty six years managing around fifty employees. The staff attrition levels in the organization are very low with the average working period of the employees exceeding a decade. Mr. Kalpraj Dharamshi uses his own funds for his investments and business and does not use debt as source of funds. In the last twenty six years neither Mr. Kalpraj Dharamshi nor his business have faced regulatory penalties. He has been recognized as the "Highest Tax Payer" by the Income Tax department.

He is an astute investor adept at investing in the early stages of an industry upcycle and was interviewed in the TV series “Wizards of Dalal Street” aired on CNBC TV18.

He is also a long term investor in the Corporate Debtor currently he alongwith his wife holds 4,75,000 equity shares of the Corporate Debtor.

#### **1.2.1 Some successful investments & net worth**

Around 2002 he reasoned that infrastructural bottlenecks had to be eased to support economic growth which would result in order inflows to firms engaged in engineering, capital goods and infrastructure firms. He has invested in Bharat Electronics Ltd., Elecon Engineering Ltd. and Nagarjuna Construction Company Ltd. He exited his investment in Elecon Engineering Ltd. at 55x of his original investment after a period of four years while the other investments appreciated 12x in four years. Around the same period, he had identified the nascent organized retail industry and invested in Pantaloon Retail Ltd. He exited his investment at 40x his original investment after a holding period of three years.

**As of March 31, 2018, Mr. Dharmashi had a Net worth of around INR 453 Cr. (Indian Rupees Four Hundred Fifty Three Crores Only).**

#### **1.3 Brief Profiles of Mrs. Rekha Jhunjunwala**

Mrs. Rekha Jhunjunwala is an ace investor and invests in Indian markets since very early part of her career. She is the wife of Mr. Rakesh Jhunjunwala. She is a commerce graduate from Chinai college of commerce, Mumbai.

#### **1.3.1 Some successful investments & net worth**

Mrs. Jhunjunwala has made some very successful investments in her career including Delta Corp (5x returns), Escorts Ltd (6x returns), Geojit Financial (11x returns), Lupin (4x returns) for periods ranging from five to ten years. Apart from that she is on board of companies such as OHM Educomp Foundation Private Limited and Jalaram Baba Children’s Nest Education Private Limited, which has around 200 hundred employees.

Mrs. Jhunjunwala owns 18 percent stake in Pegasus Assets Reconstruction Private Limited, a private sector Asset Reconstruction Company (ARC) registered with Reserve Bank of India. It has acquired dues of over INR 7,500 Cr. (Indian Rupees Seventy Five Hundred Crores Only) of distressed loans / non-performing loans transactions from more than 50 banks and financial institutions till FY2018.

**As of March 31, 2018, the net worth of Mrs. Jhunjunwala was INR 1,545 Cr. (Indian Rupees One Thousand Five Hundred Forty Five Crores Only).**

DEFINITIONS AND INTERPRETATION

Unless otherwise defined in this Resolution Plan, the following capitalized terms shall have the following meanings, unless repugnant to the subject, matter or context thereof:

<b>Definitions/ Abbreviation</b>	<b>Meaning</b>
<b>Adjudicating Authority</b>	<i>shall mean the National Company Law Tribunal, Mumbai</i>
<b>Applicable Laws</b>	<i>shall mean any statute, treaty, law, code, regulation, ordinance, rule, judgment, order, decree, bye-law, approval of any Governmental Authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law, of any of the foregoing by any Governmental Authority having jurisdiction over the matter in question at any time including but not limited to the Code, CIRP Regulations, Companies Act, Competition Act and FEMA each as amended from time to time.</i>
<b>Assignment Agreement</b>	<i>shall mean a Deed of Assignment or Assignment Agreement as may be required by the Resolution Applicant for assignment of claim of Related Party FC and Related Party OC along with the requisite underlying Security and Security Documents.</i>
<b>Assignment</b>	<i>shall mean assignment of Financial Debt / Operational Debt by executing and delivering requisite documents to the satisfaction of the Resolution Applicant including Assignment Agreement.</i>
<b>Associates</b>	<i>shall mean the companies mentioned to be the subsidiaries and associates in the annual report of Ricoh India Limited for financial year 2017-18 including I.D.C. Electronics Ltd</i>
<b>BidCo</b>	<i>shall mean the private limited company to be incorporated by the Resolution Applicants prior to NCLT Approval Date.</i>
<b>Board or Board of Directors</b>	<i>shall mean the board of directors of the Corporate Debtor.</i>
<b>CIRP</b>	<i>shall mean the corporate insolvency resolution process.</i>
<b>CIRP Regulations</b>	<i>shall mean Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as amended.</i>
<b>Claim</b>	<i>shall include a right to payment, right to remedy arising pursuant to a contract, under any law for the time being in force, if such breach gives rise to a right to payment, whether or not such right is reduced to judgment, fixed, disputed, undisputed, legal, equitable, matured, not matured, secured or unsecured, contingent, crystallised or fructified, of any nature whatsoever including interest, damages, sanctions, penalties and fines whether claimed by any Governmental Authority, supplier, creditor or any other person</i>
<b>CoC</b>	<i>shall mean the committee of creditors of the Corporate Debtor constituted by the Resolution Professional in accordance with the provisions of the Code</i>
<b>CoC Approval</b>	<i>shall mean the approval of the Resolution Plan by the Committee of Creditors of the Corporate Debtor</i>
<b>Companies Act</b>	<i>shall mean the Companies Act, 2013 as amended from time to time and all rules, regulations, notifications and circulars issued pursuant thereto from time to time</i>
<b>Code or IBC</b>	<i>shall mean the Insolvency and Bankruptcy Code, 2016 as amended from time to time</i>
<b>Corporate Debtor or Company or Ricoh India</b>	<i>shall mean Ricoh India Limited</i>
<b>Consolidation of Share Capital</b>	<i>shall have the meaning as prescribed in clause 5.2.3</i>
<b>Cancellation of Shares</b>	<i>shall have the meaning as prescribed in clause 5.2.2</i>

<b>Definitions/ Abbreviation</b>	<b>Meaning</b>
<b>Debt</b>	<i>shall mean as to any Person, any indebtedness for or in respect of (without limitation) any moneys borrowed, any amounts admitted (in writing including in the books) to be owed and due, any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent, any amount raised pursuant to issue of bonds, notes, debentures, loan stock or any similar instrument, any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing, any obligation, whether conditional or otherwise, in respect of any instruments or securities (whether debt or equity or otherwise), which incorporates an assured return, and the amount of any crystallized liability in respect of any guarantee, letter of comfort, underwriting, hedging, indemnity or any similar assurance or undertaking</i>
<b>Encumbrance</b>	<i>shall mean any right, title or interest existing or created or purported to be created in any manner whatsoever including by way of or in the nature of a sale, agreement to sell, assignment, co-ownership, attachment, pledge, hypothecation, charge, lien, option or right of pre-emption, entitlement to ownership (including usufruct and similar entitlements) and any other interest or right held, or any statutory liability recoverable by sale of property, or any claim, right or lien whatsoever that could be raised or exercisable by a third party and the term "Encumber" shall be construed accordingly</i>
<b>Existing Shareholders</b>	<i>shall mean the parties holding the Equity Shares of the Corporate Debtor</i>
<b>Financial Creditor or FC</b>	<i>shall have the meaning assigned to it in the IBC</i>
<b>Financial Debt</b>	<i>shall mean all the amounts of the Debt payable to the Financial Creditors</i>
<b>FY</b>	<i>shall mean Financial Year ending 31<sup>st</sup> March of the respective year</i>
<b>IBC</b>	<i>shall mean the Insolvency and Bankruptcy Code, 2016, as amended</i>
<b>Information Memorandum or IM</b>	<i>shall have the meaning ascribed to it in the IBC</i>
<b>IndAS</b>	<i>shall mean the Indian Accounting Standards Rules 2015 and as amendment</i>
<b>INR</b>	<i>shall mean Indian Rupees</i>
<b>INR Cr.</b>	<i>shall mean Indian Rupees in Crores</i>
<b>Insolvency Commencement Date</b>	<i>shall mean date of commencement of CIRP, i.e., 14 May 2018.</i>
<b>Insolvency Resolution Process Cost or CIRP Cost</b>	<i>shall have the meaning ascribed to it in the IBC;</i>
<b>Interim Management Costs</b>	<i>shall have the meaning as prescribed in clause 5.4.5</i>
<b>List of Creditors</b>	<i>shall mean the list of creditors of the Corporate Debtor dated January 24, 2019 as uploaded on the website of the Corporate Debtor;</i>
<b>Monitoring Agent</b>	<i>shall have the meaning as prescribed in Clause 5.4.3</i>
<b>Monitoring Committee</b>	<i>shall have the meaning as prescribed in Clause 5.4.1</i>
<b>NCD</b>	<i>shall mean Non-Convertible Debentures;</i>
<b>NRG</b>	<i>shall mean NRG Group Limited;</i>
<b>NCLT Approval Date</b>	<i>shall mean the date of approval of the Resolution Plan by National Company Law Tribunal, Mumbai;</i>
<b>Operational Creditor or OC</b>	<i>shall have the meaning ascribed to it in the IBC;</i>
<b>Operational Debt</b>	<i>shall mean the amount owed to Operational Creditors;</i>
<b>Person</b>	<i>shall mean an individual, a partnership firm, an association, a corporation, a limited company, a trust, a body corporate, bank or financial institution or any other body, whether incorporated or not;</i>
<b>Public Shareholders</b>	<i>shall mean shareholders of the Corporate Debtor as on Insolvency Commencement Date (excluding NRG and RCL);</i>
<b>Reconstitution of Capital</b>	<i>shall mean Reduction in Share Capital and Consolidation of Share Capital have the meaning as prescribed in Clause 5.2.3;</i>

<b>Definitions/ Abbreviation</b>	<b>Meaning</b>
<b>Reduction in Share Capital</b>	shall have the meaning as prescribed in Clause 5.2.3;
<b>Reconstituted Board of Directors</b>	shall have the meaning as prescribed in Clause 7.3.1;
<b>Related Party Creditor</b>	shall mean the related party creditors of Ricoh India Limited as mentioned in the List of Creditors;
<b>Related Party FC</b>	shall have the meaning as prescribed in Clause 4.2;
<b>Collateralised FC</b>	shall have the meaning as prescribed in Clause 4.2;
<b>Non-collateralised FC</b>	shall have the meaning as prescribed in Clause 4.2;
<b>Related Party OC</b>	shall have the meaning as prescribed in Clause 4.3;
<b>Non-Related Party OC</b>	shall have the meaning as prescribed in Clause 4.3;
<b>ROC</b>	shall mean Registrar of Companies of the Ministry of Corporate Affairs of India;
<b>Resolution Applicant</b>	shall mean the investors Mr. Kalpraj Dharamshi and Mrs. Rekha Jhujhunwala;
<b>Resolution Professional or RP</b>	shall mean Mr. Krishna Chamadia, Registration Number (IBBI/IPA-001/IP-P00694/2017-2018/11220), who has been appointed as resolution professional by the Committee of Creditors for conducting the CIRP Process of the Corporate Debtor. For the purposes of various information/data provided to the Resolution Applicant, the reference to the Resolution Professional/RP in this Resolution Plan shall include the reference to the representatives of the Resolution Professional, his process advisor and their consultants;
<b>Resolution Plan</b>	shall mean this plan submitted by the Resolution Applicant in relation to the Corporate Debtor;
<b>RoC Charges</b>	shall mean the charges against Ricoh India Ltd as defined in Annexure 1;
<b>Ricoh Japan or RCL or Ricoh</b>	shall mean Ricoh Company Ltd., Japan;
<b>Ricoh India</b>	shall mean Ricoh India Limited or the Corporate Debtor;
<b>SBLC</b>	shall mean Stand by Letter of Credit;
<b>SEBI</b>	shall mean Securities and Exchange Board of India;
<b>Share Capital</b>	shall mean the entire equity share capital of the Corporate Debtor; and
<b>Transfer Date</b>	shall mean the date of completion of merger with BidCo or date on which payments / settlements are made towards the claims of the operational creditors, the claims of the employees and workmen and collateralisation / settlement of the financial creditors as provided under the Resolution Plan, whichever is earlier.

All other capitalised terms defined hereinafter in the Resolution Plan shall have the respective meaning ascribed thereto, wherever such term is used in the Resolution Plan.

## **2. OUR UNDERSTANDING OF THE CORPORATE DEBTOR**

- 2.1 Ricoh India Limited ("Ricoh India" or "the Corporate Debtor") is a subsidiary of Ricoh Company Ltd., Japan ("RCL"). RCL is a leading global supplier of office automation equipment, including copiers, facsimiles machines, data processing systems, and related supplies.
- 2.2 The Corporate Debtor has been present in India for over 37 years, and operates through a pan-India network of 7 offices and over 1,000 business partners. It is engaged in two key lines of business – printing and ITS.
- 2.2.1 The printing business pertains to selling, distributing and providing after sales support in relation to office printing and production printing ("**RIL Printing Business**"). The products sold are sourced from Ricoh group entities overseas and then sold in India either directly to the end customer or to distributors.

- 2.2.2 *The ITS business pertains to information technology projects that involve installation of hardware followed by an operations and maintenance phase ("**RIL ITS Business**"). This business deals primarily with government sector clients and public enterprises.*
- 2.3 *The Corporate Debtor has recorded a turnover of INR 689 Cr. (Indian Rupees Six Hundred Eighty Nine Crores Only) during financial year 2017-18.*
- 2.4 *The Corporate Debtor is listed on the Bombay Stock Exchange. However, trading of the stock has been suspended by the stock exchange since December 2016. The corporate identification number of the Corporate Debtor is L74940MH1993PLC074694 and registered office is located at 1132, 3rd Floor, 11 Solitaire Corporate Park Andheri Ghatkopar Link Road, Chakala, Andheri (E), Mumbai City MH 400093 IN.*
- 2.5 *The Corporate Debtor had approached SEBI to look into the affairs of the Company and take legal action. The subsequent report of SEBI after the detailed investigation substantiated the irregularities in the operations and financial report of the Corporate Debtor.*
- 2.6 *In October 2017, Ricoh Company Ltd withdrew financial support to the Corporate Debtor and also ceased selling hardware/ printers to the Corporate Debtor for further sale in the Indian market.*
- 2.7 *As per the annual report for financial year 2017-18, the Corporate Debtor has no subsidiary company.*
- 2.8 *The Corporate Debtor has an associate company, I.D.C. Electronics Ltd in which it holds 46% equity shares.*

### **3. TREATMENT OF STAKEHOLDERS**

#### **3.1 Treatment of outstanding CIRP Cost**

*In terms of Section 30(2) (a) of the IBC, the CIRP Costs are to be paid in priority to any other creditor of the Corporate Debtor. Any unpaid or outstanding Insolvency Resolution Process Cost shall be paid from the money infused in the Corporate Debtor as per clause 5.2.4 and clause 5.2.5. The outstanding CIRP Cost shall be paid as per the timelines prescribed in clause 5.3.*

*The outstanding Insolvency Resolution Process Cost shall be paid in compliance with the Applicable Law in priority to any other creditor of the Company. The Resolution Applicant reserves the right to seek details of the outstanding CIRP Cost and requisite documents evidencing the amounts incurred for the outstanding CIRP Cost.*

#### **3.2 Treatment of Financial Creditors**

*As per the List of Creditors, the total amount of claims of Financial Creditors admitted by the RP is **INR 1,728.28 Cr.** (Indian Rupees Seventeen Hundred and Twenty Eight Crores and Twenty Eight Lakhs Only). We have sub-categorised this amount and propose the payments as follows:*

<b>Definition</b>	<b>Particulars</b>	<b>Claim Amount Admitted (INR)</b>
"Related Party FC"	Ricoh Company Ltd., Japan	13,20,04,04,017
	Ricoh Asia Pacific Pte. Ltd., Singapore	2,09,47,39,726
"Collateralised FC"	Corporation Bank	27,77,20,676
	Kotak Mahindra Bank	2,10,68,082
	Bank of India	1,92,55,164
	Citi Bank N.A., India	30,29,53,159
"Non-collateralised FC"	Deutsche Bank	1,36,66,71,090
	<b>Total</b>	<b>17,28,28,11,914</b>

*As per the List of Creditors, the claims of the Collateralised FC are fully collateralised through cash or fixed deposits held by either the Corporate Debtor or Ricoh Company Ltd. The Resolution Applicant intends to replace the Collateralised FCs as soon as practically possible after the NCLT Approval Date (since it involves co-ordination, support and approval from third parties) and till such Collateralised FCs are replaced, the Resolution Applicant shall honour the existing arrangement by continuing with the cash or fixed deposit collateral that has been provided to the Collateralised FC till the conclusion of the related projects or expiry of bank guarantee whichever is earlier. Once the bank guarantee expires or the corresponding project is complete, the collateral for the same shall be returned to the entity which has provided the same. It is clarified that the existing arrangement referred above does not include any charge created on the cash / cash deposits / any other assets of the Corporate Debtor after Insolvency Commencement Date and in the event any such charge has been created, it shall stand fully satisfied and discharged by virtue of the order of the NCLT approving this Resolution Plan.*

*The Resolution Applicant shall replace the guarantee that has been provided by the Uncollateralised FC through the means of a new guarantee, to the Department of Post from a bank / financial institution acceptable to the Department of Post. This shall be done as per the timelines of the Resolution Plan given in clause 5.3. We understand that replacing the guarantee given to the Department of Post involves co-ordination and support from third parties and may hence take time. We shall therefore, in the interim provide a stand by letter of credit to the Uncollateralised FC which shall be valid till expiry of guarantee given by Uncollateralised FC to Department of Post or replacement of bank guarantee of Uncollateralised FC, whichever is earlier. Any encumbrance created on the assets of the Company to secure the claims of the Uncollateralised FC shall stand fully extinguished immediately upon provision of SBLC to Uncollateralised FC or replacement of bank guarantee of Uncollateralised FC, whichever is earlier.*

*The Resolution Applicant or the BidCo proposes to make a payment of **INR 1.00 Cr.** (Indian Rupees One Crore Only) to the Related Party FC and Related Party OC (as defined in clause 4.3) in return for Assignment of these claims to the BidCo. This amount will be paid proportionately to the Related Party FC and Related Party OC in accordance with their admitted claim amount. The amount will be paid as per the timelines of the Resolution Plan given in clause 5.3. Upon payment of **INR 1.00 Cr.** (Indian Rupees One Crore Only), all of the claims of the respective Related Party FC and Related Party OC would stand fully extinguished and the Claims of the respective Related Party FC and Related Party OC, together with all of their rights, title and interest in the underlying contracts, deeds and documents and all collateral (if any) to secure shall stand irrevocably assigned to the BidCo and shall transfer/deliver or cause to be transferred / delivered to the BidCo, all such original documents, deeds and/or writings, and produce the same promptly upon any request by the Resolution Applicant.*

If the Related Party FC and Related Party OC fail to assign the admitted claim amount within timelines prescribed in clause 5.3, for any reason whatsoever, the claim shall stand permanently extinguished on such date, and the Resolution Applicant and/or Corporate Debtor shall not be liable to make any payments in relation to these claims.

### 3.3 **Treatment of Operational Creditors (other than workmen/employees)**

As per the List of Creditors, the total amount of claims of Operational Creditors admitted by the RP is **INR 790.17 Cr.** (Indian Rupees Seven Hundred and Ninety Crore and Seventeen Lakhs Only). We have sub-categorised this amount and propose the payments as follows:

<b>Definition</b>	<b>Particulars</b>	<b>Claim Amount Admitted (INR)</b>
"Related Party OC"	Ricoh Company Ltd., Japan	2,60,95,176
	Ricoh Asia Pacific Operations Ltd, Hong Kong	7,66,00,83,908
	Ricoh Asia Pacific Pte Ltd, Singapore	1,05,91,830
	Ricoh Australia Pty Ltd	7,19,732
	Ricoh Europe PLC	1,34,65,045
"Non-Related Party OC"	Other Non-Related Party Operational Creditors of Ricoh India Limited	19,07,33,409
	<b>Total</b>	<b>7,90,16,89,100</b>

As a part of the Resolution Plan, the Resolution Applicant shall pay in full i.e. **INR 19.07 Cr.** (Indian Rupees Nineteen Crores and Seven Lakhs Only) to the Non-Related Party OC, as a full and final settlement towards their claims. The payment shall be made from the money infused in the Corporate Debtor as per clause 5.2.4 and clause 5.2.5. The amount will be paid as per the timelines of the Resolution Plan given in clause 5.3.

For settlement / payment of Related Party OC, please refer clause 4.2 above.

The Resolution Applicants, at their sole discretion, intend to pay INR 150 Cr. (Indian Rupees One Hundred and Fifty Crore Only) to RCL at any time after the expiry of 9 years from the Transfer Date to obtain operational support necessary to run the business.

### 3.4 **Treatment of Workmen and Employees Dues**

As per the List of Creditors, the total amount of claim of Workmen & Employees admitted by the RP is **INR 1.15 Cr.** (Indian Rupees One Crore and Fifteen Lakhs Only). The Resolution Applicant shall pay in full i.e. **INR 1.15 Cr.** (Indian Rupees One Crore and Fifteen Lakhs Only) or the actual admitted claim amount with respect to claim of workmen/employees. The payment shall be made from the money infused in the Corporate Debtor as per clause 5.2.4 and clause 5.2.5.

The amount will be paid as per the timelines of the Resolution Plan given in clause 5.3. It is clarified that so far as the Corporate Debtor is concerned, all obligations of the Corporate Debtor towards each Workman / Employee shall stand fully and permanently settled on and from the date the payments specified in this clause are paid to each of such Workman / Employee.

### 3.5 **Treatment of Statutory Authorities**

<b>Definition</b>	<b>Name of the Creditor</b>	<b>Submitted amount in INR</b>
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"Unadmitted Statutory Creditors"	Deputy Commissioner, Sales Tax Maharashtra	3,47,33,90,103
	Commercial Tax Officer, Bhopal	1,22,12,857
	State Tax Officer, Gandhinagar	51,06,36,046
	<b>Total</b>	<b>3,99,62,39,006</b>

We understand that the admitted claim amount for statutory dues admitted is **NIL**. The Resolution Applicant proposes to pay **NIL** to Statutory Authorities including Unadmitted Statutory Creditors, as a part of the Resolution Plan. As on NCLT Approval Date, the claim (whether crystallised on the NCLT Approval Date or not) shall stand permanently extinguished, and the Resolution Applicant and/or Corporate Debtor shall not be liable to make any payments, whether admitted or not in relation to these claims.

### 3.6 **Treatment of creditors other than Financial Creditors, Operational Creditors and Workmen & Employees**

As per the List of Creditors, the total amount of claims of creditors other than Financial Creditors, Operational Creditors and Workmen & Employees admitted by the RP is **INR 1,60,430** (Indian Rupees One Lakh Sixty Thousand Four Hundred and Thirty Only).

As part of the Resolution Plan, Resolution Applicant proposes to pay in full i.e. **INR 160,430** (Indian Rupees One Lakh Sixty Thousand Four Hundred and Thirty Only) towards full and final settlement/discharge of the entire amounts of the Debt of all Other Creditors (i.e. excluding the Financial Creditors, Operational Creditors and Workmen & Employees). The payment shall be made from the money infused in the Corporate Debtor as per clause 5.2.4 and clause 5.2.5.

The amount will be paid as per the timelines of the Resolution Plan given in clause 5.3.

### 3.7 **Treatment of Existing Shareholders**

The share capital of the Corporate Debtor shall be reorganised as a part of the implementation. Please refer clause 5.2 for details.

### 3.8 **Summary of key payments**

Amount	Details	Amount
<b>Upfront Cash Recovery</b>	Payment of unpaid CIRP cost as intimated by the RP	As per actuals
	Payment to Related Party FC and Related Party OC	INR 1.00 Cr.
	Payment to Workmen & Employees	INR 1.15 Cr.
	Payment to Non-Related Party OC	INR 19.07 Cr.
	Payment to Other Creditors	INR 0.02 Cr.
	<b>Total</b>	<b>INR 21.24 Cr.</b>
<b>Fresh Equity for improving business operations</b>	Through merger (share capital of BidCo)	INR 32.00 Cr.
	Through unsecured optionally convertible debentures (as per terms set out in clause 5.2.5)	INR 21.00 Cr.
	Replacement of Deutsche Bank guarantee (without blocking funds of the Corporate Debtor) yielding same results as infusing additional equity	INR 136.67 Cr.
	Replacement of guarantees of Collateralised FC as per clause 4.2 leading to lenders not continuing with company	INR 62.10 Cr.
	<b>Total</b>	<b>INR 251.77 Cr.</b>

<b>Payment to shareholders</b>	Potential upfront payout to minority	INR 52.49 Cr.
	Payout to RCL and NRG as per proposed transfer of shares as per clause 5.2.2	INR 2.49 Cr.
	<b>Total</b>	<b>INR 54.98 Cr.</b>
<b>Payment to RCL</b>	Payment to RCL as per clause 4.3 (for operational support).	INR 150.00 Cr.
	<b>Total</b>	<b>INR 150.00 Cr.</b>

#### **4. TERM, IMPLEMENTATION AND SUPERVISION OF THE RESOLUTION PLAN**

##### **4.1 Term of the Resolution Plan and Implementation Schedule**

4.1.1 In terms of Section 31(1) of the IBC, this Resolution Plan shall become binding on the Corporate Debtor and its employees, members, creditors, guarantors, shareholders and other stakeholders including the tax authorities, stamp duty authorities, any other Governmental Authority involved in this Resolution Plan on the date on which this Resolution Plan is approved by the NCLT.

4.1.2 The effectiveness and implementation of the Resolution Plan by the Resolution Applicant shall be subject to the approval of the NCLT. Notwithstanding anything set out in this Resolution Plan, the implementation of this Resolution Plan by the Resolution Applicant shall not be conditional upon satisfaction of any conditions other than approval of the NCLT.

##### **4.2 Implementation of the Resolution Plan**

###### **4.2.1 Incorporation of BidCo**

The Resolution Applicant shall incorporate a special purpose vehicle, BidCo, after CoC approval of the Resolution Plan but before NCLT approval of the Resolution Plan. The shareholding of the BidCo shall be as follows:

<b>Shareholders</b>	<b>Number of Shares</b>	<b>Share Capital (INR Cr.)</b>	<b>Shareholding %</b>	<b>Face Value (INR)</b>
Kalpraj Dharamshi	1,60,00,000	16.00	50.00%	10.00
Rekha Jhunjunwala	1,60,00,000	16.00	50.00%	10.00
<b>Total</b>	<b>3,20,00,000</b>	<b>32.00</b>	<b>100.00%</b>	

The Directors of the BidCo shall be as follows:

<b>Name of the Director</b>	<b>Designation</b>	<b>DIN</b>
Kalpraj Dharamshi	Director	00056433
Rekha Jhunjunwala	Director	01226765

Further, since the Resolution Applicant are individuals, in our view, the definition of connected persons under the Code is not applicable.

###### **4.2.2 Transfer of NRG and RCL Shares**

As per the latest publicly information, the shareholding as on 31 December 2018 is as follows:

<b>Shareholders</b>	<b>Number of Shares</b>	<b>Share Capital (INR Cr.)</b>	<b>Shareholding %</b>
Ricoh Company Ltd.	1,83,10,578	18.31	46.04%
NRG Group Limited	1,09,59,792	10.96	27.56%
Public Shareholders	1,04,97,791	10.50	26.40%
<b>Total</b>	<b>3,97,68,161</b>	<b>39.77</b>	<b>100.00%</b>

As veteran investors in the market we are aware of the efforts taken by a promoter company to run an enterprise. We understand that the NRG Group infused an amount of ~INR 1,123 Cr. in the Corporate Debtor at a time when the Company was dealing with financial stress due to irregularities in the operations, with a view to revive business operations. Unfortunately the revival attempts could not fructify leading the Corporate Debtor to file for Insolvency. In recognition of the same, as a goodwill gesture, we would like to buy the shares of NRG and RCL for a token consideration of INR 0.85 per share, as detailed below, instead of outright extinguishment without consideration. For the purposes of this Resolution Plan, the Resolution Applicant has assumed that the shares of the Corporate Debtor held by NRG and RCL are free from all Encumbrances.

<b>Shareholders</b>	<b>Number of Shares</b>	<b>Payment (INR Cr.)</b>	<b>Price per share (INR)</b>
Ricoh Company Ltd.	1,83,10,578	1.56	0.85
NRG Group Limited	1,09,59,792	0.93	0.85
<b>Total</b>	<b>2,92,70,370</b>	<b>2.49</b>	

We however understand that NRG Group and / or RCL may or may not accept the terms of our offer. Hence in the interest of clarity, we are laying out the mechanism that will be used to implement the Resolution Plan in either scenario.

If NRG and RCL fail to transfer their shares to the Resolution Applicant for any reason whatsoever, the shares of the Corporate Debtor held by Ricoh Company Ltd and NRG Group Limited shall stand fully extinguished as a part of this Resolution Plan ("**Cancellation of Shares**"). The Resolution Applicant and/or Corporate Debtor shall neither be liable to make any payments in relation to these claims / shares nor be required take any further corporate action (including separate application to NCLT) for extinguishment of shares of RCL and NRG.

Within timeline stipulated in clause 5.3, the Resolution Applicant and/or Corporate Debtor shall undertake discussion with NRG Group Limited and RCL for the transfer of equity shares held by NRG and RCL respectively in the manner laid out in clause 5.2.3. If such discussion results in an agreement to transfer shares then the Resolution Plan shall be implemented via "Scenario A", else the Resolution Plan shall be implemented via "Scenario B". Scenario A and Scenario B are only relevant for clauses 5.2.3 and 5.2.4. Rest of the Resolution Plan is not impacted in any way by these scenarios.

#### 4.2.3 **Reconstitution of Share Capital**

##### **a) Scenario A**

After the transfer of NRG and RCL shares, the following would be the shareholding of the Company before reconstitution.

<b>Proposed</b>	<b>Number of Shares</b>	<b>Share Capital (INR Cr.)</b>	<b>Shareholding %</b>	<b>Face Value (INR)</b>
Resolution Applicant	2,92,70,370	29.27	73.60%	10.00
Transferred from NRG	1,09,59,792	10.96	27.56%	10.00
Transferred from RCL	1,83,10,578	18.31	46.04%	10.00
Public Shareholders	1,04,97,791	10.50	26.40%	10.00
<b>Total</b>	<b>3,97,68,161</b>	<b>39.77</b>	<b>100.00%</b>	

The share capital of the Corporate Debtor shall be reconstituted as follows. The share capital of the Resolution Applicant (which means shares transferred from NRG Group Limited of INR 10.96 Cr. divided into 1,09,59,792 equity shares, the share capital of Ricoh Company Ltd of INR 18.31 Cr. divided into 1,83,10,578 equity shares) and the share capital of the existing Public Shareholders of INR 10.50 Cr. divided into 1,04,97,791 equity shares shall stand

reduced from face value of INR 10.00 to face value of INR 4.00 ("**Reduction in Share Capital**").

<b>Proposed</b>	<b>Number of Shares</b>	<b>Share Capital (INR Cr.)</b>	<b>Shareholding %</b>	<b>Face Value (INR)</b>
Resolution Applicant	2,92,70,370	11.71	73.60%	4.00
Transferred from NRG	1,09,59,792	4.38	27.56%	4.00
Transferred from RCL	1,83,10,578	7.32	46.04%	4.00
Public Shareholders	1,04,97,791	4.20	26.40%	4.00
<b>Total</b>	<b>3,97,68,161</b>	<b>15.91</b>	<b>100.00%</b>	

Upon Reduction in Share Capital, the shares shall be immediately consolidated into equity shares with face value INR 10.00 each ("**Consolidation of Share Capital**"). Any fractional entitlements of equity shares resulting from such consolidation shall be rounded off to the nearest whole integer. Indicative table below, assuming no rounding up is required on account fractional entitlement.

<b>Proposed</b>	<b>Number of Shares</b>	<b>Share Capital (INR Cr.)</b>	<b>Shareholding %</b>	<b>Face Value (INR)</b>
Resolution Applicant	1,17,08,148	11.71	73.60%	10.00
Transferred from NRG	43,83,917	4.38	27.56%	10.00
Transferred from RCL	73,24,231	7.32	46.04%	10.00
Public Shareholders	41,99,116	4.20	26.40%	10.00
<b>Total</b>	<b>1,59,07,264</b>	<b>15.91</b>	<b>100.00%</b>	

**b) Scenario B**

After the cancellation of NRG and RCL shares, the following would be the shareholding of the Company before reconstitution.

<b>Proposed</b>	<b>Number of Shares</b>	<b>Share Capital (INR Cr.)</b>	<b>Shareholding %</b>	<b>Face Value (INR)</b>
Ricoh Company Ltd.	-	-	-	-
NRG Group Limited	-	-	-	-
Public Shareholders	1,04,97,791	10.50	100.00%	10.00
<b>Total</b>	<b>1,04,97,791</b>	<b>10.50</b>	<b>100.00%</b>	

The share capital of the Corporate Debtor shall be reconstituted as follows. The share capital of the existing Public Shareholders of INR 10.50 Cr. divided into 1,04,97,791 equity shares shall stand reduced from face value of INR 10.00 to face value of INR 4.00 ("**Reduction in Share Capital**").

<b>Proposed</b>	<b>Number of Shares</b>	<b>Share Capital (INR Cr.)</b>	<b>Shareholding %</b>	<b>Face Value (INR)</b>
NRG Group Limited	-	-	-	-
Ricoh Company Ltd.	-	-	-	-
Public Shareholders	1,04,97,791	4.20	100.00%	4.00
<b>Total</b>	<b>1,04,97,791</b>	<b>4.20</b>	<b>100.00%</b>	

Upon Reduction in Share Capital, the shares shall be immediately consolidated into equity shares with face value INR 10.00 each ("**Consolidation of Share Capital**"). Any fractional entitlements of equity shares resulting from such consolidation shall be rounded off to the

nearest whole integer. Indicative table below, assuming no rounding up is required on account fractional entitlement.

<b>Proposed</b>	<b>Number of Shares</b>	<b>Share Capital (INR Cr.)</b>	<b>Shareholding %</b>	<b>Face Value (INR)</b>
NRG Group Limited	-	-	-	-
Ricoh Company Ltd.	-	-	-	-
Public Shareholders	41,99,116	4.20	100.00%	10.00
<b>Total</b>	<b>41,99,116</b>	<b>4.20</b>	<b>100.00%</b>	

**c) Applicable for both the Scenarios**

*The Corporate Debtor shall not be required to make any separate application before NCLT under the provisions of the IBC and that the approval of this Resolution Plan by NCLT shall be treated as if the necessary approvals required to have been obtained under the Companies Act, including consent of shareholders or creditors of the Corporate Debtor and applications for merger or capital reduction or share consolidation to NCLT or any other person / appropriate authority, as required under the Companies Act, together with the process laid down under the Companies Act, have been obtained and duly complied with.*

*No further approval of NCLT will be required to give effect to the Reconstitution of Share Capital under the Companies Act and there shall be no requirement to add "and reduced" in the name of the Corporate Debtor as the approval of the Resolution Plan by NCLT shall be deemed to be an order under Section 66 of the Companies Act along with other applicable provisions of the Companies Act, sanctioning and approving all matters hereto.*

*The Reconstitution of Share Capital will be approved and implemented pursuant to the provisions of the IBC, specifically, Regulation 37 of the CIRP Regulations read with Section 31 of the IBC. The compliance with the provisions of the Resolution Plan and the Reconstitution of Share Capital shall be deemed to be in accordance with and constitute compliance with any and all provisions of Applicable Law that would have otherwise applied to a similar reduction of capital under the Companies Act, the Income Tax Act 1961 and/ or under rules/ circulars/ regulations issued thereunder. In the event of any delay in the implementation of the Reconstitution of Share Capital (for any approval / consent or otherwise), the Resolution Applicant shall have the right to implement the Reconstitution of Share Capital immediately once such approval / consent is in place.*

**4.2.4 Merger of BidCo and Corporate Debtor**

*The BidCo shall be merged into the Corporate Debtor (by means of a reverse merger and consequently, all the assets and liabilities of the Corporate Debtor would be accounted on fair value basis under IndAS 103). The appointed date for the Merger shall be NCLT Approval Date.*

**a) Scenario A**

*Shares of the Corporate Debtor shall be issued to the Resolution Applicant (shareholders of the BidCo) in a swap ratio of 1:1 resulting in the Resolution Applicant owning ~91% of the shares of the Corporate Debtor. The Resolution Applicant shall have the right (but no obligation) to revise the swap ratio in such a manner which will increase the shareholding of Public Shareholders to more than the ~9% envisaged herein. Indicative table below assuming no exit from public shareholders.*

<b>Proposed</b>	<b>Number of Shares</b>	<b>Share Capital (INR Cr)</b>	<b>Shareholding %</b>	<b>Face Value (INR)</b>
Resolution Applicant	4,37,08,148	43.71	91.23%	10.00
New Shares	3,20,00,000	32.00	66.80%	10.00
Transferred from NRG	43,83,917	4.38	9.15%	10.00
Transferred from RCL	73,24,231	7.32	15.29%	10.00
Public Shareholders	41,99,116	4.20	8.77%	10.00
<b>Total</b>	<b>4,79,07,264</b>	<b>47.91</b>	<b>100.00%</b>	

#### **b) Scenario B**

Shares of the Corporate Debtor shall be issued to the Resolution Applicant (shareholders of the BidCo) in a swap ratio of 1:1 resulting in the Resolution Applicant owning ~88% of the shares of the Corporate Debtor. The Resolution Applicant shall have the right (but no obligation) to revise the swap ratio in such a manner which will increase the shareholding of Public Shareholders more than the ~12% envisaged herein. Indicative table below assuming no exit from public shareholders.

<b>Proposed</b>	<b>Number of Shares</b>	<b>Share Capital (INR Cr.)</b>	<b>Shareholding %</b>	<b>Face Value (INR)</b>
Resolution Applicant (New shares)	3,20,00,000	32.00	88.40%	10.00
Public Shareholders	41,99,116	4.20	11.60%	10.00
<b>Total</b>	<b>3,61,99,116</b>	<b>36.20</b>	<b>100.00%</b>	

#### **4.2.5 Issuance of OCDs to Resolution Applicant**

The Corporate Debtor will issue unsecured optionally convertible debentures ("OCDs") to the Resolution Applicant as below:

<b>PARTICULARS</b>	<b>INDICATIVE TERMS</b>
Amount	INR 21.00 Cr. (Indian Rupees Twenty One Crores Only)
Face Value	The face value of OCD shall be INR 10.00
Interest	<ul style="list-style-type: none"> <li>▪ The holders of OCD shall be entitled to receive interest at a coupon rate of 0.01% or such higher rate as may be approved by the Reconstituted Board of Directors.</li> <li>▪ The interest shall be payable on an annual basis.</li> </ul>
Period	<ul style="list-style-type: none"> <li>▪ The OCD shall be converted/ redeemed at any time as decided by the Resolution Applicant</li> <li>▪ Further, after the end of 7 years it shall be redeemed if not converted/ redeemed.</li> </ul>
Conversion	Each OCD shall be converted into equal number of equity shares of the Company.
Redemption	The OCD shall be redeemed at an internal rate of return of 12.00%.

#### **4.2.6 Delisting of Corporate Debtor**

Corporate Debtor shall take the following steps for delisting of its equity shares in accordance with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time, read together with the Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2018 issued by the SEBI on May 31, 2018 ("Delisting Regulations"):

- a) Corporate Debtor shall, as per timelines defined in clause 5.3, intimate the concerned stock exchange to delist its shares from the recognised stock exchange.

- b) The intimation shall be accompanied by a copy of the Resolution Plan as approved by the NCLT.
- c) Since the admitted dues of the Corporate Debtor are ~ INR 2,520 Cr. (Indian Rupees Two Thousand Five Hundred and Twenty Crore Only), we understand that the liquidation value due to equity holders is expected to be NIL and hence the Resolution Applicant is not liable to pay exit price to the Public Shareholders as a part of the delisting process. Nonetheless, the Resolution Applicant shall offer an exit price of INR 50 per share to the Public Shareholders.

#### 4.3 **Implementation Schedule**

Following steps shall take place in the order of sequence (except otherwise mentioned in any step for any part of the step) mentioned below on the NCLT Approval Date and as an integral part of the Resolution Plan. It is provided that the procedure, timeline and the sequence of steps listed below are only indicative and that they may be rearranged / changed as may be required / directed based on discussions with necessary Governmental Authorities / stock exchange (due to any past non-compliances of the Corporate Debtor or otherwise), and at all times in compliance with Applicable Law.

<b>Step</b>	<b>Process</b>	<b>Indicative Timeline (in Business Days)</b>
1.	Identification of the Monitoring Committee for implementation of the Resolution Plan from the NCLT Approval Date up to completion of the merger	Between CoC Approval and NCLT Approval
2.	Incorporation of BidCo. by Resolution Applicant with capital by way of equity	Between CoC Approval and NCLT Approval
3.	Receipt of the certified copy of the order of the NCLT sanctioning the Resolution Plan and fulfilment of conditions prescribed, if any, by NCLT in its said order along with the scheme of merger of Corporate Debtor	X
4.	Monitoring Committee to take over control	X
5.	Corporate Debtor to inform to stock exchange regarding NCLT Order and proposed delisting plans and issue of new shares by Corporate Debtor (via reverse merger)	X+1
6.	Resolution Applicants to provide exit option letters to existing Public Shareholders as part of the delisting process as per clause 5.2.6	X+5
7.	Deemed transfer or cancellation of NRG and Ricoh shares as per clause 5.2.2	X+5
8.	Deemed assignment of claims or write up of claims of Related Party FC and Related Party OC as per clause 4.2	X+20
9.	Corporate Debtor to issue OCDs to Resolution Applicant as per clause 5.2.5	X+20
10.	Reconstitution of Share Capital of Corporate Debtor as per clause 5.2.3 and increase in authorized share capital	X+20
11.	Actions in relation to merger of BidCo with the Corporate Debtor (including issuance of equity to Resolution Applicants as per clause 5.2.4)	X+20

12.	<p>Corporate Debtor to undertake following:</p> <p>a) Settlement of / Payment of CIRP dues as per clause 4.1</p> <p>b) Settlement of / Payment to workmen &amp; employee as per clause 4.4</p> <p>c) Settlement of / Payment to Operational Creditors as per clause 4.3</p> <p>d) Settlement of/ Payment of Financial Creditors as per clause 4.2</p> <p>e) Settlement of / Payment to other creditors and other stakeholders as per clause 4.5 and 4.6 clause</p>	X+20
13.	Reconstituted Board to take over	X+20
14.	Payment to NRG and RCL for share transfer, if required	X+24
15.	Payment of exit price to Public Shareholders	X+24
16.	Corporate Debtor to submit an application to relevant exchange for delisting	X+24

#### 4.4 **Supervision of the Resolution Plan from the NCLT Approval Date till the Transfer Date:**

4.4.1 On and from the NCLT Approval Date and until the Transfer Date, a Monitoring Committee, ("**Monitoring Committee**") shall be appointed for the Corporate Debtor. The Monitoring Committee shall be in the form of a committee comprising of three (3) members, being one (1) nominated by the Resolution Applicant, one(1) nominated by the CoC and the Mr. Krishna Chamadia. The Monitoring Committee shall supervise the implementation of the Resolution Plan and shall be required and entitled to do all such acts, deeds, matter and things as may be necessary, desirable or expedient in order to implement and give effect to this Resolution Plan and shall act under the supervision of the NCLT. The day to day functioning of the Corporate Debtor shall be monitored, controlled and managed by the Monitoring Committee. The Monitoring Committee shall have the same functions, powers and protections as ascribed to the Resolution Professional under the IBC. Until the Transfer Date, the CoC shall continue with its roles and responsibilities, and have protections, as set out in the IBC including approving the matters as are being approved during the CIRP Period. All decisions of the Monitoring Committee shall be taken by the unanimous consent of the members of the Monitoring Committee.

4.4.2 The fees of the Monitoring Committee / Monitoring Agent and the costs incurred by the Monitoring Committee/ Monitoring Agent for continuing the business of the Corporate Debtor shall be met from the internal accruals of the Corporate Debtor in the first instance. Any shortfall shall be met by the Resolution Applicant.

4.4.3 On the NCLT Approval Date, Mr. Krishna Chamadia (acting in association with Ernst & Young), who is acting as the RP and therefore experienced in managing the affairs of the Company during the CIRP shall be appointed as a monitoring agent ("**Monitoring Agent**"). In the event Mr. Krishna Chamadia refuses to or is unable to continue post approval of this Resolution Plan by the NCLT, the Monitoring Committee (as defined below) shall appoint an independent person to act as the Monitoring Agent and such person shall discharge all functions on the Monitoring Agent as envisaged under this Resolution Plan.

4.4.4 The Monitoring Agent, from NCLT Approval Date till Transfer Date, acting on the sole instructions of the Monitoring Committee shall perform duties inter alia similar to that of a resolution professional under the CIRP.

- 4.4.5 *Resolution Applicant shall (prior to the NCLT Approval Date) agree on the fees, costs and expenses which may be incurred by the Monitoring Committee/ Monitoring Agent in discharging their duties as set out above till the Transfer Date (the "**Interim Management Costs**"). The Interim Management Costs will be commercially agreed and shall be funded on a monthly basis from the cash flows of the Company.*
- 4.4.6 *It is clarified that until the Transfer Date, the Corporate Debtor shall not make any payments (including interest) in respect of any claim which has been incurred prior to the Insolvency Commencement Date. It is clarified that this shall not prohibit the Monitoring Agent from making payments in relation to bank guarantees issued to customers for existing projects of the ITS Business and/ or payments to banks in relation to letters of credit issued to import hardware and/or accessories and/or spares and/or consumables for the Printing Business.*
- 4.4.7 *The existing Board of Directors of the Corporate Debtor shall continue to be suspended together with their powers, which shall be carried out by the Monitoring Committee from the NCLT Approval Date till the Transfer Date. However, if this is not permitted for any reason, then the board of directors of the Corporate Debtor shall be re-constituted on the NCLT Approval Date by the Monitoring Committee (who shall nominate the members as directors of the Corporate Debtor) and shall remain in force till the Transfer Date. On and from the Transfer Date, the Reconstituted Board of the Corporate Debtor shall take over the control and management of the Corporate Debtor and the existing board of Directors shall be deemed to have resigned as directors from the Board of the Corporate Debtor. From the NCLT Approval Date till the Transfer Date, any and all decisions which could otherwise have been taken by the existing Board of the Corporate Debtor shall be taken by the Monitoring Committee and that the existing Board of the Corporate Debtor's shall have no authority whatsoever to conduct the business of the Corporate Debtor. Any decisions taken by the existing Board of the Corporate Debtor shall be null and void and shall not be binding on the Monitoring Committee and/or the Corporate Debtor. The Monitoring Committee shall be responsible for carrying out their obligations with respect to the management and control of the Corporate Debtor. The existing Board and the members of the Monitoring Committee shall be subject to and bound by the terms of this Resolution Plan. Further, the members of the Monitoring Committee shall resign with effect from the Transfer Date.*
- 4.4.8 *The Monitoring Agent shall not take any actions which are specified in Section 28 of the IBC or materially impact the Resolution Plan without prior approval of the Monitoring Committee.*
- 4.4.9 *On and from the NCLT Approval Date till the Transfer Date, the Monitoring Committee shall:*
- (i) carry on the business with reasonable diligence and business prudence and in the same manner and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letter of comfort or commitment, either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except (i) when the same is expressly provided in this Resolution Plan; or (ii) when the same is in the ordinary course of business as carried on, as on the date of approval of this Resolution Plan.*
  - (ii) except as provided in the Resolution Plan, not make any change in capital structure of the Corporate Debtor either by way of any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of re-organisation of capital of the Corporate Debtor; and*
  - (iii) not alter or substantially expand the Corporate Debtor's business, or undertake (i) any material decision in relation to its business and affairs and operations other than that in the ordinary course of business; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and (iii) any new business, or discontinue any existing business or change the capacity of facilities other than that in the ordinary course of business.*

*On and from the Transfer Date, the Reconstituted Board of the Corporate Debtor shall take over the complete management control of the Corporate Debtor and the Monitoring Committee shall stand automatically dissolved.*

## **5. GUARANTEES**

### **5.1 Submission of Cash Earnest Money Deposit ("Cash EMD")**

*The Resolution Applicant has transferred an amount of INR 10 Cr. (Indian Rupees Ten Crores Only) by way of RTGS Funds Transfer (with UTR number HDFCR52019012862295505) to the bank account of the Corporate Debtor on January 28, 2019.*

### **5.2 Submission of Performance Bank Guarantee**

*In the event this Resolution Plan is approved by the CoC, the Resolution Applicant would if required submit a performance bank guarantee or cash deposit for an amount of INR 30 Cr. (Indian Rupees Thirty Crores Only) ("**Performance Bank Guarantee**" or "**Cash PG**"). If the Cash EMD has not been returned to the Resolution Applicant at the time of submission of Performance Bank Guarantee or Cash PG, the amount of the Performance Bank Guarantee or Cash PG shall be INR 20 Cr. (Indian Rupees Twenty Crore Only)*

## **6. MANAGEMENT AND CONTROL OF AFFAIRS OF THE CORPORATE DEBTOR**

### **6.1 From the date of CoC Approval Date up to the NCLT Approval Date**

*From the submission of this Resolution Plan up to the NCLT Approval Date, the Resolution Professional shall continue to manage the business and operation of the Corporate Debtor as per the requirement of Section 23(1)(proviso) of the IBC.*

### **6.2 From NCLT Approval Date up to the Transfer Date**

**6.2.1** *Immediately on the NCLT Approval Date, the Resolution Professional shall begin the process of delivering and handing over to the Monitoring Committee, the physical custody of all the dossiers, master files and all records and documents in any and all forms - physical or electronic with respect to the business of the Corporate Debtor which are in his possession.*

**6.2.2** *During the period from the NCLT Approval Date and up to the Transfer Date, the Corporate Debtor shall be managed by the Monitoring Committee, as set out in this Resolution Plan, which shall be immediately appointed as per the terms hereof upon sanction of the Resolution Plan by the NCLT.*

### **6.3 From the Transfer Date**

**6.3.1** *The existing Board of Directors of the Company shall be replaced by a new Board of Directors constituted with adequate representation of the Resolution Applicant and independent directors in compliance with Applicable Law ("**Reconstituted Board**").*

**6.3.2** *The Resolution Applicant shall have the right to replace the existing auditors (statutory, internal and secretarial) of the Company and appoint new auditors as deemed fit upon acquisition of the control over the Company pursuant to the Resolution Plan i.e. after Transfer Date.*

**6.3.3** *The Resolution Applicant believe that existing key managerial personnel of the Corporate Debtor are already in place to supervise operations of the Corporate Debtor. The existing management team shall continue to run the operations of the Corporate Debtor. The*

*Corporate Debtor reserves the right to replace the existing management team and/or augment the management team as deemed necessary.*

6.3.4 *Upon acquisition of the control over the Company the Resolution Applicant proposes that the existing employees of the Company will continue to be employed by the Company. Suitable augmentation of human resources to implement the Resolution Plan will be undertaken as deemed necessary. The Resolution Applicant reserves the right to replace/remove existing employees to bring in operational efficiencies in the Company.*

#### **6.4 Amendment of the Constitutional Documents of the Corporate Debtor**

6.4.1 *The Resolution Applicant reserves the right to make necessary amendments to the Constitutional Documents of the Corporate Debtor to align these constitutional documents in accordance with the business / operational requirements. It is clarified that the approval of the NCLT and the Committee of Creditors, shall be deemed to be their consent/approval also to the amendment of the Memorandum of Association and Articles of Association of the Corporate Debtor and no approval or consent shall be necessary from any other Person/ Authority in relation to any of the actions listed in this plan or under any agreement, the constitution documents of the Corporate Debtor or under any Applicable Law for purposes for consummating the actions listed in this plan.*

#### **6.5 Change in name of the Corporate Debtor**

6.5.1 *The name of the Corporate Debtor will be changed to another name as may be approved by the Registrar of Companies.*

*In terms of the circular (ref IBC/01/2017) dated 25 October 2017 issued by the Ministry of Corporate Affairs, the approval of the NCLT shall constitute adequate approval for change of name of the Company by the Resolution Applicants in accordance with the Companies Act and other Applicable Laws and accordingly, no approval or consent shall be necessary from any other person/ authority in relation to the proposed name change of the Corporate Debtor.*

### **7. PLAN FOR REVIVAL PROPOSAL**

7.1 *The Corporate Debtor is engaged in the business of office imaging equipment, production print solutions, document management systems and information technology services.*

7.2 *In October 2017, Ricoh Company Ltd withdrew financial support to the Corporate Debtor and also ceased selling hardware/ printers to the Corporate Debtor for further sale in the Indian market.*

7.3 *While the Company was already struggling with operations, as is evidenced by the deteriorating financial position, this further impacted the operations of the Corporate Debtor.*

7.4 *In May 2018, Ricoh India Limited went under Corporate Insolvency Resolution Process (CIRP) of the Insolvency and Bankruptcy Code 2016 (IBC) in terms of Order passed by the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench with effect from 14th May 2018.*

7.5 *We understand that since then the affairs, business and assets of Corporate Debtor are being managed by the Resolution Professional Mr. Krishna Chamadia appointed as Interim Resolution Professional by NCLT vide its Order dated 14th May 2018 and continued as Resolution Professional by the Committee of Creditors in its Meeting held on 15th June 2018 under provisions of the Code.*

7.6 *We understand that business is being run by the RP as follows:*

- 7.6.1 *The focus of the Printing Business is to provide after sales support by procuring relevant spares and consumables from Ricoh entities or distributors of Ricoh on an arm's length basis.*
- 7.6.2 *The focus of the ITS Business is to provide operations and maintenance services to the clients.*
- 7.7 *Our strategy for the business is as follows:*
- 7.7.1 *We will use reasonable endeavours to enter into long term distribution agreement with Ricoh Company Ltd. We expect such a distribution agreement to typically contain pricing of the key products, territory exclusivity, payment terms, support for marketing activities etc. We understand that it would be beneficial for RCL to enter into such an agreement with us as it can offer them the opportunity to continue selling their products in the growing Indian market. From our perspective, having a long term agreement will give us better visibility on prices and make our procurement process more efficient. It is clarified that an entry into long term distribution agreement with Ricoh Company Ltd. shall not be the condition precedent for implementation of this Resolution Plan.*
- 7.7.2 *In the meanwhile, we shall focus on procuring products on an arm's length basis from Ricoh overseas entities or other overseas distributors of Ricoh.*
- 7.7.3 *We also intend to explore tie ups/ arrangement with other market participants which may include distributors of Ricoh.*
- 7.7.4 *Further, we understand that the majority of the projects of the ITS Business are currently in the phase of operations and maintenance and hence our focus will be to ensure that the operations continue to run without interruption. While we understand that the current team of RIL employees overseeing these projects are equipped to continue this process, we reserve the right to bring in experts / consultants as full time employees, contractual employees or advisors to help streamline processes and execute the projects in a more efficient manner.*
- 7.8 *We reserve the right to make changes in the management teams including the senior management to keeping the operational viability in consideration.*
- 7.9 *Given the limited amount of information available to us, our financial projections for the business are as below. We are happy to revise the same subject to receipt of information on latest financials from the RP.*

INR Cr.	Audited			Forecast	Forecast	Forecast	Forecast
	FY16	FY17	FY18	Year 1	Year 2	Year 3	Year 3
	FY16	FY17	FY18	FY20	FY21	FY22	FY23
Revenue from operations	1,067	1,218	681	500	525	578	647
CoGS	618	1,041	688	425	394	404	440
<b>Gross Profit</b>	<b>449</b>	<b>177</b>	<b>(8)</b>	<b>75</b>	<b>131</b>	<b>173</b>	<b>207</b>
Gross Margin	42%	14%	-1%	15%	25%	30%	32%
Employee benefits	125	124	105	76	76	76	76
Other Expenses	656	223	165	80	80	84	88
<b>Operating EBITDA</b>	<b>(332)</b>	<b>(170)</b>	<b>(277)</b>	<b>(81)</b>	<b>(25)</b>	<b>13</b>	<b>43</b>
EBITDA %	-31%	-14%	-41%	-16%	-5%	2%	7%

## **8. OTHER RELEVANT PROVISIONS**

### **8.1 Negotiation with the CoC and Amendments up till approval by CoC of the Resolution Plan**

8.1.1 *The Resolution Applicant understands and agrees that the CoC may call it for negotiation of the terms and conditions of this Resolution Plan.*

8.1.2 *The Resolution Applicant reserves the right to accept or not accept any term or condition as may be sought by the CoC. Further, the Resolution Applicant reserves the right to make necessary changes/amendments in this Resolution Plan upon such negotiation and discussion with the CoC.*

8.2 *It is clarified that all costs and fees related to any pending disputes, ongoing litigations or any appeals filed on or prior to Transfer Date, where such disputes/ litigations pertain to CIRP of the Corporate Debtor and or the Resolution Plan, and wherein the RP is or has been made a party, such costs and expenses shall be met out of the internal accruals of the Corporate Debtor. For the purpose of foregoing, the Resolution Applicants agree that a separate account shall be opened for an amount not exceeding **INR 2 Cr ("Escrow Account")**. The Escrow Account shall be opened on the Transfer Date for a period not exceeding 12 months ("**Escrow Period**"). The Escrow Account shall be solely operated by the Monitoring Committee. Upon expiry of the Escrow Period, any residue amount lying in the Escrow Account shall be automatically remitted to the designated bank account of the Corporate Debtor.*

### **8.3 Assumptions and Qualifications**

8.3.1 *This Resolution Plan has been prepared assuming that:*

(a) *All the claims for the entire Financial Debt of the Corporate Debtor have been duly made and submitted by all the Financial Creditors of the Corporate Debtor to the Resolution Professional and all of them are fully covered hereto are true, correct, complete, accurate and not misleading in any respect, and there are no other claims or any other Financial Debt of the Corporate Debtor apart from what is stated hereto.*

(b) *All the claims of the Operational Creditors duly claimed and admitted by the Resolution Professional and approved by the CoC are true, correct, complete, accurate and not misleading in any respect, and there are no other claims or any other Operational Debt of the Corporate Debtor apart from what is stated hereto.*

(c) *After commencement of CIRP, the Resolution Professional has paid all the liabilities, obligations and Statutory Dues of the Corporate Debtor as applicable for the CIRP Period except to the extent it forms part of the outstanding CIRP Cost.*

### **8.4 Survival and Severability**

8.4.1 *Every provision contained in this Resolution Plan shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable in any respect under any Applicable Law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.*

8.4.2 *Till the full implementation of this Resolution Plan, the Financial Creditors shall not do or permit to be done or be party or privy to any act, deed, matter or thing which may, in any way, prejudicially affect the rights or interest of the Resolution Applicant or the Corporate Debtor as contemplated under this Resolution Plan, subject to Applicable Law*

8.4.3 *Save and except for causing implementation of the actions required from the Resolution Professional and/or the Financial Creditors under this Resolution Plan, the Resolution Applicant and the Corporate Debtor shall not do or permit to be done or be party or privy to any act, deed, matter or thing which may, in any way, prejudicially affect the rights or interest of the Financial Creditor or the Resolution Professional, subject to Applicable Law.*

8.5 **Further Assurances of the Financial Creditors**

*Subject to full compliance of this Resolution Plan by the Resolution Applicant, and for the Financial Creditors to comply with this Resolution Plan, the Financial Creditors shall, at any time and from time to time upon the request of the Resolution Applicant promptly and duly execute and deliver all such further instruments and documents, and do or procure to be done all such acts or things, as of the Resolution Applicant may reasonably deem necessary in obtaining the full benefits of this Resolution Plan and of the rights herein granted and do or procure to be done each and every act or thing which the Resolution Applicant may from time to time reasonably require to be done for the purpose of enforcing the Resolution Applicant rights under this Resolution Plan.*

8.6 **Remedial Actions**

8.6.1 *In the event, the Resolution Applicant faces any difficulty including non-cooperation in implementation of this Resolution Plan, execution of the necessary documents, handing over the management, affairs and assets, books and records of the Corporate Debtor and/or with respect to any other matter required in connection with or with respect to implementation of this Resolution Plan, the Resolution Applicant shall be entitled to make necessary applications to the NCLT for necessary directions/order in this regard or take such other remedial actions as the Resolution Applicant may deem fit.*

8.6.2 *In the event, that any difficulty or ambiguity arises in interpretation of any provision of this Resolution Plan or otherwise, the Resolution Applicant shall be entitled to make necessary applications to the NCLT to remove such difficulty or ambiguity without the requirement of any further approval of the CoC or any Financial Creditors.*

8.7 **Declaration for compliance with the Applicable Law**

*As per the requirement of Section 30(2) (e) of the IBC, the Resolution Applicant hereby declare that this Resolution Plan is not in contravention of the provisions of any Applicable Laws.*

**9. EFFECT OF THE RESOLUTION PLAN**

9.1 *In terms of Section 31(1) of the IBC, this Resolution Plan shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders including the tax authorities, stamp duty authorities, any other Governmental Authorities on and from the NCLT Approval Date.*

9.2 *Upon approval of this Resolution Plan by the NCLT, the following settlements shall be deemed to have been approved by the NCLT and be binding on all stakeholders of the Corporate Debtor including its employees, shareholders, members, creditors, guarantors, tax authorities, stamp duty authorities and any other Governmental Authorities:*

(a) *With effect from the NCLT Approval Date and upon settlement of claims by the Resolution Applicant as contemplated in this Resolution Plan, any and all claims or demands made by or liabilities or obligations owed or payable to (including any demand for any losses or damages, principal, interest, compound interest, penal interest and other charges already accrued / accruing or in connection with any third*

*party claims) any actual or potential Creditors of the Corporate Debtor, any actual or potential Statutory Dues of the Corporate Debtor or in connection with any existing Debt of the Corporate Debtor, any future claim or demand arising out of any exercise of subrogation rights in future by any person with respect to any payment made by such person for existing Debt of the Corporate Debtor, whether admitted or not, due or contingent, asserted or unasserted, assessed or unassessed, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the profit and loss statement or in the list of Creditors, the balance sheets of the Corporate Debtor or the profit and loss account statements of the Corporate Debtor, in relation to any period prior to the NCLT Approval Date shall be deemed to be permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.*

- (b) *With effect from the NCLT Approval Date and upon settlement of claims by the Resolution Applicant as contemplated in this Resolution Plan, all Tax liabilities, claims, demands, made by, or liabilities or obligations owed or payable to or assessed or unassessed by the Central government, the State governments, any regulatory or local authority or body or any agency or instrumentality thereof or any other Governmental Authority, in relation to any dues, direct or indirect Taxes, duties (including stamp duties, value added tax, customs, octroi, excise duty, service tax, goods and service tax, provident fund contributions or payments, employee state insurance and gratuity contributions, real estate taxes or other duty or taxes of any kind), penalties, fees, interest, fines, levies, cesses, assessments or additions or any other charges or payments whatsoever (including without limitation, the direct or indirect Tax liabilities and any liabilities in relation to any consent, privilege, entitlement, exemption, benefit, licence, approval, permit, registration, ruling, exemption, no-objection certificate or other authorisation or permission granted to the Corporate Debtor or in relation to the Corporate Debtor, whether or not such consent, privilege, entitlement, exemption, benefit, licence, approval, permit, registration, ruling, exemption, no – objection certificate or other authorisation or permission is subsisting, lapsed or expired), whether admitted or not, due or contingent, asserted or unasserted, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the financial statements of the Corporate Debtor or the list of Operational Creditors, in relation to any period prior to the NCLT Approval Date will be deemed to be permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto. Further, for avoidance of any doubt, the above shall also apply to the claims of the Unadmitted Statutory Creditors as mentioned in clause 4.5.*
- (c) *With effect from the NCLT Approval Date and upon settlement of claims by the Resolution Applicant as contemplated in this Resolution Plan, any and all claims, demands, penalties, charges, fees, etc. that may be made or arising against the Corporate Debtor in relation to any payments required to be made by the Corporate Debtor in relation to any breach, contravention or non-compliance of any Applicable Law including but not limited to the property laws, labour laws i.e. the Employee State Insurance Act, the Provident Fund Act, the Payment of Bonus Act, the Contract Labour Act, the Minimum Wages Act, the Equal Remuneration Act, the Gratuity Act, etc. (whether or not such claim was notified to or claimed against the Corporate Debtor at such time, and whether or not such Government Authority was aware of such claim at such time), in relation to the period prior to the NCLT Approval Date, shall be deemed to be permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Corporate Debtor or the Resolution Applicant shall at no point of time, directly or indirectly, have any obligation, liability or duty in relation*

thereto.

- (d) *With effect from the NCLT Approval Date and upon settlement of claims by the Resolution Applicant as contemplated in this Resolution Plan, all liabilities, obligations including payment obligations of the Corporate Debtor arising out of any Proceedings, inquiries, investigations, orders, show causes, notices, suits, litigation etc. in respect of the Corporate Debtor, whether civil or criminal, pending before any authority, court, Tribunal or other forum prior to the NCLT Approval Date including which are already crystallised or may crystallize subsequent to the NCLT Approval Date in respect of on-going or potential Proceedings at all levels, shall stand settled and extinguished, and the Corporate Debtor shall have no liability in respect of such liabilities, obligations and payment obligations. However, all Proceedings, inquiries, investigations, orders, show causes, notices, suits, litigation etc. initiated by the Corporate Debtor in respect of claiming a certain amount shall remain outstanding, and the Corporate Debtor shall be entitled to pursue the same for recovery of such amounts claimed;*
- (e) *With effect from the NCLT Approval Date and upon settlement of claims by the Resolution Applicant as contemplated in this Resolution Plan, any invocation or appropriation or other enforcement action or Proceedings (initiated before any forum) and all liabilities, obligations including payment obligations of the Corporate Debtor arising out of all inquiries, investigations, whether civil or criminal, notices, causes of action, suits, claims, disputes, litigation, arbitration or other judicial, regulatory or administrative or other Proceedings by any Person against, or in relation to, or in connection with the Corporate Debtor, pending or threatened, present or future, in relation to any period prior to the NCLT Approval Date, whether or not set out in the financial statements of the Corporate Debtor, will be deemed to have been permanently extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.*
- (f) *With effect from the NCLT Approval Date and upon settlement of claims by the Resolution Applicant as contemplated in this Resolution Plan, in the event any Person who has any claim(s) against the Corporate Debtor (including Financial Creditors, Operational Creditors, Other Creditors, Governmental Authorities, or otherwise) pertaining to a period prior to the NCLT Approval Date, has not submitted its claim(s) (whether or not it was aware of such claim at such time), or if the claim(s) filed by any such Person has been rejected by the Resolution Professional, then: (i) all such obligations, claims and liabilities of the Corporate Debtor (whether crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, whether or not set out in the financial statements of the Corporate Debtor); (ii) all liabilities, obligations including payment obligations of the Corporate Debtor arising out of any and all Proceedings initiated before any forum by or on behalf of any Person to enforce any rights or claims against the Corporate Debtor or enforce or invoke any security interest over the assets of the Corporate Debtor; and (iii) all claims of such Persons against the Corporate Debtor, in each case, relating to the period prior to the NCLT Approval Date, shall immediately, irrevocably and unconditionally stand extinguished and settled by virtue of the order of the NCLT approving this Resolution Plan and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.*
- (g) *With effect from the NCLT Approval Date and upon settlement of claims by the Resolution Applicant as contemplated in this Resolution Plan, the Corporate Debtor and its directors, key managerial personnel, officers and employees appointed after the NCLT Approval Date shall not be held liable in respect of all statutory/regulatory non-compliances having occurred prior to the NCLT Approval Date, including with respect to various provisions of Applicable Laws including but not limited to the Companies Act, 1956 and/or Companies Act, 2013 and/or the Taxation Laws and also*

*of non-preparation and non-approval of financial statements for any of the financial years prior to the NCLT Approval Date.*

- (h) *With effect from the NCLT Approval Date and upon settlement of claims by the Resolution Applicant as contemplated in this Resolution Plan, the Corporate Debtor and the Resolution Applicant shall be entitled to review, revisit and modify all existing contracts entered into by the Corporate Debtor prior to the NCLT Approval Date, including the contracts which are entered into with related parties of the Corporate Debtor the Corporate Debtor shall have no liability or obligation to pay the relevant counterparty to such contracts any sums payable for period prior to the NCLT Approval Date, nor shall the Corporate Debtor or the Resolution Applicant be liable to pay damages to the relevant counterparty and prior approval of the counterparties of any contract, agreement, shall not be required to be obtained for change in control / ownership / constitution of the Corporate Debtor pursuant to the terms of this Resolution Plan and all claims (whether pending, contingent or otherwise) made against the Corporate Debtor by the counterparties to such contracts / arrangements / purchase orders / work orders in relation to period up to the NCLT Approval Date shall stand settled and/or extinguished by virtue of the order of the NCLT approving this Resolution Plan and the Corporate Debtor or the Resolution Applicant shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.*
- (i) *The cancellation of existing equity share capital of the Corporate Debtor, reduction in share capital of the Corporate Debtor, consolidation of share capital of the Corporate Debtor, increase in authorised share capital of the Corporate Debtor, appointment of statutory auditor and issuance or allotment of Equity Shares, amendment of the memorandum of association and articles of association of the Corporate Debtor, appointment of new directors on the Board of the Corporate Debtor and implementation of various other actions and matters contemplated in this Resolution Plan, shall not require any corporate action by the Corporate Debtor or any other approvals by the Corporate Debtor after approval of this Resolution Plan by the NCLT as per Section 30(2) of the IBC.*
- (j) *The Moratorium granted by the Hon'ble NCLT vide its order dated 14<sup>th</sup> May 2018 shall continue till Transfer Date.*
- (k) *All the non-compliances (including but not limiting to violations in relation to rules and regulations made by SEBI) by the Corporate Debtor should be regularised and all penalties payable in relation to the non-compliances stand waived off.*
- (l) *The voting rights of the shares held by NRG and Ricoh shall be kept at abeyance till such shares are either transferred to the Resolution Applicant or cancelled as per clause 5.2.2.*
- (m) *This Resolution Plan is being submitted only for the Corporate Debtor. This Resolution Plan has not considered settlement of any liability of any of the Associates. The Associates shall continue to be investments of the Corporate Debtor. However, on and from the NCLT Approval Date, no liabilities of the Associates shall be treated as any liability of the Corporate Debtor or the Resolution Applicants by virtue of any arrangement, of whatsoever nature.*
- (n) *With effect from NCLT Approval Date, all the RoC Charges shall be deemed as satisfied and discharged and the same shall not be treated as a liability of the Corporate Debtor or the Resolution Applicant by virtue of any arrangement, of whatsoever nature.*
- (o) *With effect from NCLT Approval Date, any charge created, after Insolvency Commencement Date, on the cash / cash deposits / any other assets of the Corporate Debtor shall stand fully satisfied and discharged by virtue of the order of the NCLT approving this Resolution Plan.*

- (p) *The authorised share capital of the Corporate Debtor shall stand increased to INR 100 Cr. (Indian Rupees Hundred Crore Only) i.e. authorised shares of 10 Cr. (Ten Crores Only) with face value of INR 10 (or any amount as may be required by the Resolution Applicant) and the capital clause of the memorandum of association of the Corporate Debtor shall stand accordingly amended.*

## **10. RELIEFS AND CONCESSIONS**

For effective implementation of this Resolution Plan for the benefit of all stakeholders of the Corporate Debtor, the Hon'ble NCLT is humbly requested to kindly consider and grant the following reliefs and concessions:

- 10.1 *that the Hon'ble NCLT be pleased to give or issue necessary directions, instructions to the Central Board of Direct Taxation ("CBDT"), Central Board of Indirect Taxes, Customs, Value Added Tax authorities, State Governments Tax authorities to grant the reliefs/exemptions/waivers from applicability of sections 79, 170 and 281 of the Income-tax Act, 1961, for the purposes of implementation of this Resolution Plan;*
- 10.2 *that the Hon'ble NCLT be pleased to give or issue necessary directions, instructions to the CBDT, Central Board of Indirect Taxes, Customs, and Value Added Tax authorities to exempt income/gain/profits, if any, arising as a result of giving effect to the Resolution Plan and from being subjected to income tax in the hands of the Corporate Debtor or the Resolution Applicant under the provisions of value added tax, customs, octroi, excise duty, service tax, goods & service tax, Income-tax Act including but not limited to any income tax and MAT liability arising on capital reduction in Corporate Debtor, consolidation of share capital of Corporate Debtor, write off/ write down of current amounts due to employees, vendors, Operational Creditors Financial Creditors, value of assets, value of inventories, etc. without any impact on brought forward tax and book loss / depreciation; and waive all liabilities whether crystallised or not in respect of Taxes (including interest and penalty) arising in respect of periods up to the NCLT Approval Date;*
- 10.3 *that the Hon'ble NCLT be pleased to give or issue necessary directions, instructions to all relevant Governmental Authorities to grant relief/concessions from payment of fees, charges, stamp duty, registration fees (including fees payable to the jurisdictional ROC) for various actions contemplated under this Resolution Plan (including capital reduction, issuance of shares, Reconstitution of Share Capital (including increase in authorised share capital), transfer of shares / NCDs / securities, Assignment of the Financial Debt, Assignment of Operational Debt, Merger of BidCo with Corporate Debtor and any other action taken to implement the Resolution Plan) and that the fees payable to the ROC in respect of amendment of memorandum of association and articles of association of the Corporate Debtor for allotment of fresh shares to the Resolution Applicant and/or its nominees and other relevant parties be waived and the ROC be directed to approve the relevant forms under the Companies Act and rules thereto without payment of fees in respect thereof;*
- 10.3.1 *that the Corporate Debtor and/or BidCo shall not be required to make any separate application before the Hon'ble NCLT under the provisions of the IBC and that the approval of this Resolution Plan by the Hon'ble NCLT shall be treated as if the necessary approvals required to have been obtained under the Companies Act, including consent of shareholders or creditors of the Corporate Debtor and applications to any other appropriate authority, as required under the Companies Act, together with the process laid down under the Companies Act, have been obtained and duly complied with;*
- 10.3.2 *that the Reconstitution of Share Capital set out in the Resolution Plan is approved and implemented pursuant to the provisions of the IBC, specifically, Regulation 37 of the CIRP Regulations read with Section 31 of the IBC. The compliance with the provisions of the Resolution Plan and the Scheme of Arrangement shall be deemed to be in accordance with and constitute compliance with any and all provisions of law that would have otherwise*

*applied to a similar merger or reduction of capital under the Companies Act, the Income Tax Act 1961 and/ or under rules/ circulars/ regulations issued thereunder; and*

- 10.3.3 that the approval of the Hon'ble NCLT pursuant to Section 31 of the IBC shall constitute adequate approval for issuance of Equity Shares and OCDs by the Corporate Debtor to the Resolution Applicant, merger of BidCo with the Corporate Debtor pursuant to the Resolution Plan, in accordance with all provisions of Applicable Law. Accordingly, no further actions and requirements (including procedural requirements for issuance of equity shares and OCDs prescribed under the Companies Act), approval, application or consent shall be necessary on the part of Corporate Debtor or from any other Person/ Governmental Authority in relation to either of these actions under any agreement, the constitution documents of the Corporate Debtor or under any Applicable Law;*
- 10.4 that the approval of the Hon'ble NCLT pursuant to Section 31 of the IBC shall constitute adequate approval for Assignment of Financial Debt and Operational Debt as envisaged in clause 4.3. Accordingly, no further approval, application or consent shall be necessary from any Person or Governmental Authority (including Reserve Bank of India), in relation to either of these actions under any agreement, the constitution documents of the Corporate Debtor or under any Applicable Law;*
- 10.5 that the approval of the Hon'ble NCLT pursuant to Section 31 of the IBC shall constitute adequate approval for transfer of NRG shares and RCL shares as envisaged in clause 4.3. Accordingly, no further approval, application or consent shall be necessary from any Person or Governmental Authority, in relation to these actions under any agreement, the constitution documents of the Corporate Debtor or under any Applicable Law;*
- 10.5.1 that the approval of the Hon'ble NCLT pursuant to Section 31 of the IBC shall for constitute due compliance with the Foreign Exchange Management Act, 1999 and rules made thereunder in relation to transfer of NRG shares and RCL shares as envisaged in clause 4.3. Accordingly, no further action on the part of Resolution Applicant and / NRG, RCL (including adherence to pricing guidelines, reporting in Form FC TRS) shall be necessary; and*
- 10.5.2 In the event any approval/filing is required under applicable law for purposes of assignment and/or enforcement of security interest, then, upon approval of the Hon'ble NCLT pursuant to Section 31 of the IBC, such approval shall be deemed to be provided. It is hereby clarified, all the expenses, charges, fees, stamp duties to be incurred for assignment of the rights and interest as mentioned hereinabove shall be waived.*

Yours faithfully,

**Mr. Kalpraj Dharamshi**

Address: Quest, 1073 Rajabhau Desai Marg Prabhadevi, Mumbai - 400025

E-mail address: [kalpraj@dharamshi.net](mailto:kalpraj@dharamshi.net)

**On behalf of Rekha Jhunjunwala**

Address: 16-17C IL Palazzo CHS, Little Gibbs Road, Malabar Hills, Mumbai - 400006

**Annexure 1**

<i>SRN</i>	<i>Charge ID</i>	<i>Charge Holder Name</i>	<i>Date of Creation</i>	<i>Date of Modification</i>	<i>Date of Satisfaction</i>	<i>Amount (INR Cr)</i>	<i>Address</i>
Y102 5934 6	90159 576	THE FUJI BANK LTD.	09/12/1996	20/03/1997	-	9	MAKER CHAMBERS III, JAMNALAL BAJAJ MARG, NARIMAN POINT, MUMBAI 400001
Y102 5932 7	90159 557	MIZUHO CORPORATE BANK LIMITED	13/09/1996	29/11/2006	-	18	MAKER CHAMBERS III, 1ST FLOOR, JAMNALAL BAJAJ ROAD, NARIMAN POINT, MUMBAI 400021
Y102 5617 4	90156 404	THE SIAM COMMERCIAL BANK	02/09/1996	-	-	6	P. C. L. 86, 8TH FLOOR, 220 NARIMAN POINT, MUMBAI 400021
Y102 5932 4	90159 554	THE SIOM COMMERCIAL BANK	02/09/1996	26/08/1997	-	6	PCL. MAKER CHAMBER VI, NARIMAN POINT, MUMBAI 400021
Y102 5930 1	90159 531	THE SIAM COMMERCIAL BANK	02/06/1996	02/09/1996	-	6	PCL. MAKER CHAMBER VI, NARIMAN POINT, MUMBAI 400021
Y102 5927 7	90159 507	SOCIETE GENERALE	09/02/1996	-	-	2	MAKER CHAMBER IV, NARIMAN POINT, MUMBAI 400021
Y102 5570 8	90155 938	CREDIT LYONNAIS	05/07/1994	-	-	4	SCINDIA HOUSE, NAROTTAM MORARJES MARG, MUMBAI 400038
					<i>Total</i>	<i>51</i>	

34. It is further stated that on 16.02.2019 there was an addendum to the Resolution Plan which was accepted by the CoC. The addendum Resolution Plan is incorporated herein:

*DATED FEBRUARY 16, 2019*

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**ADDENDUM TO RESOLUTION PLAN FOR RICOH INDIA LIMITED**

*SUBMITTED BY:*

***Mr. Kalpraj Dharamshi***  
*and*  
***Mrs. Rekha Jhujhunwala***

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**ADDENDUM TO RESOLUTION PLAN**

To,

**Mr. Krishna Chamadia**

Resolution Professional

In the matter of Ricoh India Limited

B, 1805, Raheja Heights, Off General, A.K. Vaidya Marg,  
Dindoshi, Malad, East, Maharashtra

Dear Sir,

**Subject:** Addendum to Resolution Plan for Ricoh India Limited in respect of its Corporate Insolvency Resolution Process.

This is with reference to the resolution plan dated 12 February 2019 submitted by Mr. Kalpraj Dharamshi and Mrs. Rekha Jhunjhunwala for the resolution of Ricoh India Ltd. We understand that we have been declared as the Successful Applicant after voting by the CoC on our Resolution Plan. Post this we have received a request from the CoC to address certain aspects in our Resolution plan. In this context, we are submitting this addendum altering the Resolution Plan dated 12 February 2019 submitted by us. This addendum shall form an integral part of the resolution plan dated 12 February 2019 and shall be read along with the Resolution Plan. All references in the Resolution Plan to "the Resolution Plan" shall include the reference to this Addendum, wherever the context so requires.

The following shall be inserted in **Clause 4.3 "Treatment of Operational Creditors (other than workmen/employees)":**

We understand that Connect Residuary Pvt Ltd has submitted a claim of INR 25.52 Cr. which has not been admitted by the RP. The Resolution Applicant proposes to pay NIL to Connect Residuary Pvt Ltd (and any other Operational Creditors whose claim does not form a part of the admitted claims in the List of Creditors) as a part of the Resolution Plan. This shall apply even if any such claims, including but limited to claim made by Connect Residuary Pvt Ltd, are admitted at a later date by RP or the Adjudicating Authority.

The table in **Clause 5.3 "Implementation Schedule"** should be replaced with the following:

<b>Step</b>	<b>Process</b>	<b>Indicative Timeline (in Business Days)</b>
17.	Identification of the Monitoring Committee for implementation of the Resolution Plan from the NCLT Approval Date up to completion of the merger	Between CoC Approval and NCLT Approval
18.	Incorporation of BidCo. by Resolution Applicant with capital by way of equity	Between CoC Approval and NCLT Approval

19.	<i>Receipt of the certified copy of the order of the NCLT sanctioning the Resolution Plan and fulfilment of conditions prescribed, if any, by NCLT in its said order along with the scheme of merger of Corporate Debtor</i>	X
20.	<i>Monitoring Committee to take over control</i>	X
21.	<i>Corporate Debtor to inform to stock exchange regarding NCLT Order and proposed delisting plans and issue of new shares by Corporate Debtor (via reverse merger)</i>	X+1
22.	<i>Resolution Applicants to provide exit option letters to existing Public Shareholders as part of the delisting process as per clause 5.2.6</i>	X+5
23.	<i>Deemed transfer or cancellation of NRG and Ricoh shares as per clause 5.2.2</i>	X+5
24.	<i>Deemed assignment of claims or write up of claims of Related Party FC and Related Party OC as per clause 4.2</i>	X+20
25.	<i>Corporate Debtor to issue OCDs to Resolution Applicant as per clause 5.2.5</i>	X+20
26.	<i>Reconstitution of Share Capital of Corporate Debtor as per clause 5.2.3 and increase in authorized share capital</i>	X+20
27.	<i>Actions in relation to merger of BidCo with the Corporate Debtor (including issuance of equity to Resolution Applicants as per clause 5.2.4)</i>	X+20
28.	<i>Corporate Debtor to undertake following: f) Settlement of / Payment of CIRP dues as per clause 4.1 g) Settlement of / Payment to workmen &amp; employee as per clause 4.4 h) Settlement of / Payment to Operational Creditors as per clause 4.3 i) Settlement of / Payment of Financial Creditors as per clause 4.2 (including providing SBLC to Uncollateralised FC) j) Settlement of / Payment to other creditors and other stakeholders as per clause 4.5 and 4.6 clause</i>	X+20
29.	<i>Reconstituted Board to take over</i>	X+20
30.	<i>a) Payment to NRG and RCL for share transfer, if required b) Payment of exit price to Public Shareholders c) Corporate Debtor to submit an application to relevant exchange for delisting d) Implementation complete</i>	X+24
31.	<i>Release of Performance Bank Guarantee by the CoC</i>	X+39

The following shall be inserted in **Clause 6.2**:

The Performance Bank Guarantee shall be released in accordance with the schedule laid out in clause 5.3.

*The following shall be inserted in **Clause 9.2:***

*In the event of any litigation continuing beyond the Escrow Period, the Escrow Period shall be automatically extended till such time such litigations are ongoing or exhaustion of amount of INR 2 Cr lying in the Escrow Account, whichever is earlier.*

Yours faithfully,

**Mr. Kalpraj Dharamshi**

Address: Quest, 1073 Rajabhau Desai Marg Prabhadevi, Mumbai - 400025

E-mail address: [kalpraj@dharamshi.net](mailto:kalpraj@dharamshi.net)

**On behalf of Mrs. Rekha Jhunjunwala**

Address: 16-17C IL Palazzo CHS, Little Gibbs Road, Malabar Hills, Mumbai - 400006

35. The Liquidation Value and Fair Market Value of the Corporate Debtor is stated to be ₹443.50 Crore and ₹834 Crore respectively, as per average of the two valuations conducted by the respective valuers. One of the justifications for approval of this resolution plan is that the amount proposed under the plan is higher than liquidation value of the Corporate Debtor.

### **FINDINGS**

36. On hearing the submissions made by the Ld. Counsel for the Resolution Professional, the Resolution Plan in hand satisfies the minimum threshold of approval by 66% majority of the CoC. Hence, as per the CoC, the plan stands the requirement of being viable and feasible for revival of the Corporate Debtor. By and large, all the compliances have been done by the RP and the Resolution Applicant for making the plan effective after approval by this Bench.
37. The Resolution Applicant has sought extinguishment of all claims along with abatement of any related legal proceeding including criminal

proceedings. Furthermore, the Resolution Applicant seeks waiver of outstanding statutory dues and other claims as on the date of approval of the Resolution Plan. The exemption is also sought from the statutory dues of the Central Board of Direct Taxes (CBDT) and under the Stamps Act, from the levy of stamp duty and fees applicable in relation to this plan and its implementation.

38. The relief sought is hereby allowed by this Bench in view of the judgement of the respected Coordinate Bench at Chandigarh and Chennai in the matter of *State Bank of India V. MOR Farms Private Limited* [CA No. 71/2018 & 171/2018 in CP (IB) No. 51/Chd/Hry/2017], order dated 15.06.2018 and *SKR Wind Energy LLP v. Subburaj Spinning Mills Private Limited* [MA/31/IB/2019 filed in CP/655/IB/2017], order dated 12.03.2019. The relevant portion of the judgement of Chandigarh Bench is reproduced below for ready reference:

*“32. Before parting with this order, it is necessary to deal with the conditions laid down by the Resolution Applicant in the Resolution Plan, which were discussed by the CoC. One of the prayers made by the Resolution Applicant is seeking waivers of liability from any taxation dues for the previous periods which may arise in future and to exempt the Resolution Applicant from the pending export obligations in lieu of the benefits of duty on import of the machines. Learned representing the Financial Creditors and the Resolution Professional submit that the CoC could not make a decision with regard to such waiver as the same was not within their*

*competence. It is admitted proposition of fact that pursuant to the public announcement, no such claim has been made by the Government Department. The concern shown here-in is with regard to any dues that may arise in future in respect of the past period. With regard to the export obligations to which the corporate debtor was liable, it is submitted by learned counsel for the Resolution Professional and the learned counsel representing the promoter directors of the suspended Board of Directors that the corporate debtor had imported certain machines in the year 2012, 2013 and 2014 and there are pending obligations in lieu of the benefit of duty on the said import. The export obligation liable to be paid to the Government is to the tune of 14,20,52 USD. It is contended that the export obligation would become due latest by the year 2020-24.*

*33. We have given our thoughtful consideration to the submissions made by the learned counsel for the parties and the prayer made in the Resolution Plan and we find that since the corporate debtor defaulted in making the payment of the debt and is undergoing insolvency resolution process, it would be perfectly legal in exempting the Resolution Applicant from complying with the export obligations as it is taking over the corporate debtor on fulfilling certain conditions including payments to the Financial Creditors as agreed upon and the plan must be implemented free of any such conditions.*

*35. In view of the above discussion, the Resolution Plan Annexure A-25 stands approved granting waiver in respect of the past tax dues to the Government which may arise in future and exempt the*

*Resolution Applicant from the export obligations, which the corporate debtor had entered.”*

The relevant extract from the judgement of Chennai Bench is given below:

*“22. The Corporate Debtor shall be entitled to carry forward all accumulated business losses and unabsorbed depreciation as “set out” in the resolution Plan. All the statutory duties including taxes/cess/interest/penalty and other liabilities due to the operational creditors shall stand satisfied/waived off. The reason for these waivers and abatement is that the Operational Creditors and Financial creditors except those in whose favour the provision is made in the ‘Resolution Plan’ would not get anything in the event of liquidation of the Corporate Debtor, as per the waterfall mechanism provided under Section 53 of the I&B Code, 2016. Moreover, this is with a view to implement the Resolution Plan successfully as approved by the CoC.”*

39. The Resolution Applicant, who will step into the shoes of Corporate Debtor subsequent to approval of Resolution Plan by the Bench, shall not be held responsible for any outstanding statutory dues and other claims for the period before commencement of CIRP.
40. The Resolution Plan is binding on the Corporate Debtor and other stakeholders involved so that revival of the Debtor Company shall come into force with immediate effect and the “Moratorium” imposed under section 14 shall cease to have any effect henceforth. The Resolution Professional shall submit the records collected during the commencement of the Proceedings to the Insolvency & Bankruptcy Board of India for their record and also

return to the Resolution Applicant or New Promoters. Certified copy of this Order be issued on demand to the concerned parties, upon due compliance. That liberty is hereby granted for moving any Miscellaneous Application if required in connection with implementation of this Resolution Plan. That in respect of stepping by the New Promoters/Resolution Applicant into the shoes of the erstwhile Company and taking over the business, the provisions of Companies Act, 2013 shall be applicable and because of this reason a copy of this Order is to be submitted in the Office of the Registrar of Companies, Mumbai.

41. The RP is further directed to handover all records, premises/factories/documents to Resolution Applicant to finalise the further line of action required for starting of the operation. The Resolution Applicant shall have access to all the records/premises/factories/documents through Resolution Professional to finalise the further line of action required for starting of the operation.
42. The directions embodied and period of implementation provided hereinabove shall be effective from the date of receipt of this Order.

**SD/-**  
**CHANDRA BHAN SINGH**  
**MEMBER (TECHNICAL)**

**SD/-**  
**M.K. SHRAWAT**  
**MEMBER(JUDICIAL)**

**Date : 28.11.2019**  
JS