

Moser Baer India Limited

April 5, 2017

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	1,808.22 (1,808.22)	CARE D [Single D]	Reaffirmed
Short-term Bank Facilities	355 (355)	CARE D [Single D]	Reaffirmed
Total Facilities	2,163.22 (Rupees Two Thousand One Hundred Sixty Three crore and Twenty Two lakhs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities of Moser Baer India Limited (MBIL) continue to factor on delays in debt servicing by the company due to its weak liquidity position.

Detailed description of the key rating drivers

Key Rating Weaknesses

Ongoing delays in the servicing of term debt obligations

The weak financial profile of MBIL is marked by continuing losses, high debt level and negative net-worth. Further, the long-standing high receivables and substantial exposure to its loss making subsidiaries by MBIL puts pressure on the liquidity position of the company.

The company executed the Master Restructuring Agreement (MRA)/other definitive documents on December 27, 2012 with the lenders banks (except in case of J&K Bank), consequent to approval from Corporate Debt Restructuring Empowered Group (CDR-EG) to re-structure Company's existing debt obligations, including interest, additional funding and other terms (the CDR scheme). As per the CDR scheme, the repayments were supposed to commence from February 2014 (as per revised schedule). *However, the company continues to delay in its repayment obligations.*

Analytical approach: Standalone

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology-Manufacturing Companies](#)

[Financial ratios – Non-Financial Sector](#)

About the Company

MBIL, promoted in 1983 by Mr. Deepak Puri, began manufacturing time recorder units in technical collaboration with Maruzen Corporation, Japan, and Moser Baer Sumiswald, Switzerland. MBIL diversified into optical data storage in 1988, and has evolved as the leading manufacturer of removable data storage media such as floppy disks, Compact Discs (CDs), Digital Versatile Discs (DVDs), High Definition Digital Versatile Discs (HD-DVD), Blu-Ray Disc etc. MBIL has its manufacturing facilities located at Noida (2 units) and Greater Noida (1 unit). In 2005, the company entered into photo voltaic (PV) business through its wholly owned subsidiaries – Helios Photo Voltaic Ltd (HPVL) and Moser Baer Solar Limited (MBSL; formerly, PV Technologies India Ltd). As a forward integration move, the company has entered content distribution (home entertainment) of selling content (movies) on CDs/DVDs manufactured at its optical storage facilities. In 2012, the company had converted the part of CD/DVD lines into the state-of-the-art Blu Ray lines.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

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CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based-Long-term	-	-	-	730.00	CARE D
Term Loan-Long-term	-	-	February, 2022	1078.22	CARE D
Non-fund-based-Short-term	-	-	-	355.00	CARE D

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015	Date(s) & Rating(s) assigned in 2013-2014
1.	Fund-based-Long-term	LT	730.00	CARE D	1)CARE D (26-Apr-16)	1)CARE D (21-Apr-15)	1)CARE D (02-Apr-14)	1)CARE B (14-Feb-13)
2.	Term Loan-Long-term	LT	1078.22	CARE D	1)CARE D (26-Apr-16)	1)CARE D (21-Apr-15)	1)CARE D (02-Apr-14)	1)CARE B (14-Feb-13)
3.	Non-fund-based-Short-term	ST	355.00	CARE D	1)CARE D (26-Apr-16)	1)CARE D (21-Apr-15)	1)CARE D (02-Apr-14)	1)CARE A4 (14-Feb-13)

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