

EXPRESSION OF INTEREST
MOSER BAER INDIA LIMITED
ELIGIBILITY CRITERIA

1. BACKGROUND

Moser Baer India Ltd. ("MBIL" or "Company") a Listed Public Limited Company operates in the Storage Media and LED segment. The Company manufactures optical storage devices including CDR, DVDR and next generation advanced formats like BDR/BDRE and solid state flash media mainly USB drives and COB drives and LED Lighting for Domestic, Industrial and commercial use.. It supplies its products across 100 countries and maintains its position as one of the world's leading players in the global Storage Media industry with its wide range of high quality products.

MBIL originally commenced its activity with the manufacturing of Floppy Disk and the manufacturing facility for the same was located in Noida SEZ (NSEZ). Subsequently, with the obsolesce of Floppy Disk the unit at NSEZ, the Company moved into manufacturing of CDs and a new plant for manufacturing of CD was installed in Sector-80 Noida. Over a period of time, the operations of the Company grew and MBIL also entered the market of Solid State Media and a common facility was established at Greater Noida. The three manufacturing facilities owned by the Company and other properties located in the region are detailed below. Here it should be noted that the 3 manufacturing units are formed of multiple plots –

- (1) Plot No.66, in the Noida Special Economic Zone (NSEZ), NOIDA,
- (2) Plot No.87 in the NSEZ , NOIDA,
- (3) Plot No. 164, Block A, Sector – 80, Phase – II, NOIDA.
- (4) Plot No 164-A, Block No. A Sector 80, Phase II, NOIDA.
- (5) Plot No. A-162, Sector-80, Phase-II, NOIDA, U.P.
- (6) Plot No. A- 119 to 124, Sector-80, NOIDA, Phase-II, U.P,
- (7) Plot No. A- 125 , Sector-80, NOIDA, Phase-II, U.P,
- (8) Plot No. 66, Udyog Vihar, Greater NOIDA.

2. BUSINESS STRATEGY OUTLINE

Moser Baer continues to focus on its key strengths - wide geographic presence across the world, broad product portfolio across all formats, strong focus on quality and a strong distributor network. In a period spanning three decades, the Company has globally developed itself as a preferred OEM partner through its high quality and credible products supplied across the globe, and is thus well placed to target the market opportunities even in the mature phase of the industry.

Regulatory action by the Government of India against dumping of USB drives by players from select countries has allowed Moser Baer the opportunity to recover its market share in the Solid State Media segment through sale of the Moser Baer and other OEM branded products.

The Company is also moving towards establishing itself in the Indian LED lighting market, with a large number of B2B clients and an initial foray into the B2C segment leveraging existing capabilities, brand recognition and distribution network. Moser Baer is well positioned to tap this opportunity in India on account of the strong Brand recall and key capabilities including:

- Precision Mouldings Assets and capabilities (from its Optical Media Business)
- Surface Mount Technology (SMT) Assets and capabilities (from its Solid State Media Business)
- Relevant experience and knowhow relating to Product Quality and Reliability, Design, Product Development, Testing and Optics
- Global Sourcing strengths and
- Strengths in Indian Sales, Marketing and Distribution which can be synergistically exploited

Moser Baer continues to remain one of the leading players in the global Storage Media industry both in terms of low cost mass manufacturing and in offering a wide range of high quality products. Company's strong focus on quality and service has resulted in continued business alliances with leading OEMs across the world.

In the near future, the Solid State Media segment is expected to continue to exhibit a healthy growth trend, given the market demand, regulatory action against predatory imports, strong relationships with OEM customers and a strong brand equity that Moser Baer enjoys in India, and is limited only by the current liquidity constraints. The Company continues to focus on

product innovation, while upholding its high quality standards, increasing in its cost competitiveness and widening its distribution network.

The Company had ventured into the Solid State Lighting business some time ago as a strategic initiative to build a potential new business growth segment by leveraging its existing manufacturing facilities and capabilities., The Company moved further, despite constraints, towards establishing itself as a key player in the Indian LED market, with a large number of B2B clients and an initial foray into the B2C segment.

The Company continues to produce LED lighting products in its manufacturing facility (with imported LED Chips and a few other components), while leveraging the existing asset and skill base. The Company will however continue to work with outsourced contract manufacturers also to manufacture select LED products designed by Moser Baer as per the quality specifications.

The Company is scaling up operations in LED lighting space by leveraging its brand equity and expanding its distribution network nationally as also in making further inroads into the burgeoning B2B segment. However, its ability to grow rapidly is still hampered by the limited availability of liquidity, an aspect which is being addressed in the revival strategy.

Moser Baer's LED business model does not require any immediate capital expenditure since the company utilizes its existing assets and manufacturing knowhow.

The Company has been taking several steps for its strategic transformation towards facilitating a turnaround in its business operations. These include:

- Rationalisation of business portfolio/ refocusing on product lines
- Transition of technology
- Implementation of new strategy aimed at a greater domestic focus
- Consolidation of manufacturing operations at one location
- Other internal restructuring measures, targeted at significant reduction in operating costs

Due to continuous decline in global market demand of Optical media, the new development has been considerably slowed down. After introduction of multilayer high definition format in year 2009 -10, there is no new product developed for retail customers.

Therefore, the Company is mainly focusing on the innovation related to the cost optimization activities on optical media to make this business sustainable. Besides optical media MBIL is also

focusing on Flash Memory business as well as LED lighting products. A number of new products developed through design and process innovation using existing assets of the company. These innovations have been successfully incorporated into some of the Company's products and an ongoing effort is being made to improve the utilization of this innovation and produce newer innovative products with enhanced features.

The Company successfully established Moser Baer brand in the domestic market for COB, OTG, and USB 2.0. Company also introduced USB 3.0, SSD 120 GB and SSD 240 GB .

Besides flash memory, LED Lighting Business has made rapid strides in introducing various new products with top of the line performance characteristics in response to the market demands. While in-house LED Panel Light was introduced & Street Light range was expanded to introduce lower & higher wattages to the current range, Flood Lights & COB lights were added to the existing range of product offerings. With the Government of India introducing the Compulsory Registration Scheme (CRS) for select LED products, Moser Baer LED Team successfully registered the relevant products with the BIS. The LED Driver (considered the heart of a LED Lighting Product) was upgraded to higher Reliability standards.

Post implementation of anti-dumping duties for USB 2.0 for products from China and Taiwan, Moser Baer along with its OEMs has significantly expanded its market share.

The Company imported the Technology for BDRE (ODM Process) from Panasonic in the year 2010 and Technology for BDR (ODM Process) from Panasonic in 2011

The specific areas in which Research & Development was carried out by the Company and the benefits derived as a result thereof are as follows:

1. Specific areas in which R&D carried out by the Company
 - a. Development of USB3.0 compatible, High speed, flash memory
 - b. Development of alternate thermoplastics/ solvents for Optical Media

2. Benefits derived as a result of the above R & D
 - a. MBIL has gained significant market share in Flash memory with introduction of new variants & high capacity flash product to meet market requirement.
 - b. MBIL significantly improved its cost competitiveness on LED products through backward integration and manufacturing of components using existing assets.

3. Future plan of action

- a. Enhance focus on development of value added features in LED
- b. Continue to work on Flash memory with enhanced features and compatibility
- c. Development of the ecosystem/ capabilities for LED vendor development
- d. Alternate thermoplastic/solvents for Optical media

4. Other items

- a. Foreign exchange earnings and outgo: Total foreign exchange earned comprising of FOB value of exports, interest, and insurance claims received was Rs. 2,288 million, whereas total foreign exchange used (comprising of CIF value of imports, Royalty and other outgoings) was Rs. 1,122 million.

3. CIRP PROCESS

The Corporate Debtor (MBIL) is currently under Corporate Insolvency Resolution Process (CIRP) as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC), pursuant to an order of Hon'ble NCLT, Delhi dated November 14, 2017.

Mr. Devendra Singh, acting in his capacity as the Resolution Professional (RP) for the Corporate Debtor, hereby under Sections 25(2)(h) of IBC invites Expression of Interest (EOI) from prospective lenders, investors and any other persons (Potential Resolution Applicant) for the purpose of submission of Resolution Plan in respect of the Corporate Debtor within the time lines indicated under Regulation 39(1) of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) CIRP Regulations, 2016.

4. ELIGIBILITY CRITERIA

Please refer to Annexure 'B'

5. SUBMISSION OF EOI:

- a. Expression of Interest (EOI) is invited in a sealed envelope superscripted as "Expression of Interest" for participating in CIRP of MBIL, in the format as set out in Annexure 'A'.
- b. Applicants should meet the Eligibility Criteria as set out in Annexure 'B'.
- c. Applicants shall submit the EOI along with the supporting documents set out in Annexure 'C'

- d. The details of the Applicant as set out in Annexure 'D'.
- e. Applicant shall submit the sealed envelope containing a complete set of the EOI in hard copy along with the Annexures stated above, to the following address by post or deliver in person:

DEVENDRA SINGH
RESOLUTION PROFESSIONAL
IN THE MATTER OF MOSER BAER INDIA LIMITED
ATS Greens Paradiso, Flat No; 02054, Tower - 2,
Plot No: GH - 03, Sector - CHI-04, Greater Noida,
Uttar Pradesh - 201308

- f. A soft copy of EOI along with annexures stated above should be mailed to **moserbaerindialtd.ip@gmail.com**.

6. LAST DATE OF SUBMISSION OF EOI:

The last date for submission of EOI is April 07, 2018 up to 6 P.M., which may be extended at the sole discretion of RP.

All the EOIs received will be reviewed by RP and process advisor on behalf of COC and shortlisted bidders will be shared the Information Memorandum, prepared as per provisions of the Code, after signing of undertaking of confidentiality.

Such shortlisted Bidders will be informed about the other steps in the process to allow them to submit a Resolution Plan as per provisions of the Code.

NOTE

- 1) RP/COC has the right to cancel or modify the process without assigning any reason and without any liability. This is not an offer document and is issued with no commitment. Applicants should regularly visit the MBIL website at <http://moserbaer.com/cirp/moser-baer-india-limited/> to keep themselves updated regarding clarifications/ amendments/ time-extensions, if any.

- 2) RP/COC reserve the right to withdraw EOI and change or vary any part thereof at any stage and also reserve the right to disqualify any potential bidder, should it be so necessary at any stage.
- 3) No oral conversations or agreements with the Resolution Professional or any official, agent or employee of the Resolution Professional, or any member of the COC shall affect or modify any terms of this EOI.
- 4) Neither the RA nor any of representatives of the RA shall have any claims whatsoever against the Resolution Professional or any member of the COC or any of their directors, officials, agents or employees arising out of or relating to this EOI.
- 5) By submitting a proposal, each bidder shall be deemed to acknowledge that it has carefully read the entire EOI and has fully informed itself as to all existing conditions and limitations.
- 6) Criteria for Eligibility - EOIs of only those interested parties who meet the eligibility criteria specified in **Annexure 'B'** will be considered. EOIs which do not meet the criteria shall be rejected.

"ANNEXURE A"

[On the Letterhead of the Entity Submitting the EoI]

EXPRESSIONS OF INTEREST

Date; _____

To,

DEVENDRA SINGH

RESOLUTION PROFESSIONAL ("RP")

IN THE MATTER OF MOSER BAER INDIA LIMITED

ATS GREENS PARADISO, FLAT NO; 02054, TOWER - 2,

PLOT NO: GH - 03, SECTOR - CHI-04, GREATER NOIDA,

UTTAR PRADESH - 201308

E-mail ID: moserbaerindiaip@gmail.com

Subject: Expression of Interest ("EoI") for submitting Resolution Plan for Moser Baer India Limited (MBIL) ("Corporate Debtor") undergoing Corporate Insolvency Resolution Process (CIRP).

Dear Sir,

In response to the public advertisement in _____ dated March 26, 2018 ("**Advertisement**") inviting EoI for submission of resolution plans ("**Resolution Plan**") as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("**IBC**"), we confirm that we have understood the eligibility criteria mentioned in 'Annexure B' to this EoI and meet the necessary threshold and criteria mentioned therein and submit our EoI for submission of a Resolution Plan for the Corporate Debtor.

Along with our EoI, we have also provided information as required in the prescribed format in 'Annexure C' and 'Annexure D'.

We further undertake that the information furnished by us in this EoI and Annexures is true, correct, complete, and accurate to the best of our knowledge. Based on this information we

understand you would be able to evaluate our preliminary proposal in order to pre-qualify for the above-mentioned proposal. Further, we agree and acknowledge that:

- (a) the EoI will be evaluated by the RP/ process advisor on behalf of the Committee of Creditors (“CoC”) of MBIL based on the information provided in the Annexures and attached documents to determine whether we qualify to submit a proposal for the proposed transaction;
- (b) the RP/ the CoC reserve the right to determine at their sole discretion, whether or not we qualify for the submission of the proposal and may reject the EoI submitted by us without assigning any reason/without any liability whatsoever;
- (c) the RP/ the CoC reserve the right to request for additional information or clarification from us for the purposes of the EoI and we shall promptly comply with such requirements. Failure to satisfy the queries of RP/ CoC may lead to rejection of our submission pursuant to EoI;
- (d) Meeting the qualification criteria set out in EoI / Annexure – B alone does not automatically entitle us to participate in the next stage of the bid process;
- (e) We will continue to meet the eligibility criteria throughout the bid process, any change in consortium other than lead / qualifying member or any material change affecting the consortium members ability to perform in consortium shall be intimated within 3 (three) business days to the CoC / RP;
- (f) In case of consortium, we would comply with the eligibility criteria pertaining to equity holding i.e. we will hold atleast [51% / 10% (*lead member to choose 51% and other to choose 10%*)] equity in the special purpose vehicle (SPV) that will also be incorporated in the Joint Bidding Agreement (undertaking to be signed by / on behalf of each member of consortium by authorised signatories);
- (g) We are not an ineligible person in terms of provisions of Section 29A of the IBC. We are a ‘fit and proper’ person and not under any legal disability to be a promoter entity of the Company under the applicable laws including listing agreements, stock exchange requirements and SEBI regulations and guidelines.

Yours Sincerely,

On behalf of [*Insert the name of the entity submitting the EoI*]

Signature: _____

Name of Signatory:

Designation:

Company Seal/Stamp

1: In case of Consortium Applicant the EoI shall be signed by each member.

2: The person signing the EoI and other supporting documents should be an authorised signatory supported by necessary board resolutions/authorization letter.

“ANNEXURE - B”

ELIGIBILITY CRITERIA FOR QUALIFICATION

The minimum Eligibility Criteria for applicants to approach the RP with such EOIs are mentioned below:

1) Category A - In case of a private/ public limited company, LLP, body corporate whether incorporated in India or outside India:

- Minimum tangible net worth (TNW) of Rs. 125 crores (as per Companies Act, 2013 or, in case of NBFCs, applicable RBI Regulations) at the end of the immediately preceding completed financial year, but no earlier than March 31, 2017

2) Category B - In case of Financial Investors (FI¹) / Mutual Funds / Private Equity/ Venture Capital Funds, Domestic/ foreign Investment institutions, Non-Banking Finance Companies (NBFC²), Asset reconstruction Companies, Banks and similar entities:

- Total assets under Management (AUM) / Loan Portfolio shall be at least Rs. 250 crores at the end of the immediately preceding completed financial year, but no earlier than March 31, 2017; OR
- Committed funds available for investment/ deployment in Indian companies or Indian assets of Rs. 250 Crores or more in the immediately preceding completed financial year.
- ¹FI as defined under Section 45-1(c) of RBI Act
- ²NBFC as defined under Section- 45-1(f) of RBI Act

3) Category C - In case of bidding as a consortium:

- Lead member must hold at least 51% equity in the consortium. All other members would need to have a minimum stake of 10% each in the consortium.
- In case the consortium is of body corporates, TNW of consortium shall be calculated as weighted average of individual member's TNW (value of negative TNW members shall be considered as Nil). Provided that only such portion of

their TNW as is proportionate to their shareholding in the consortium will count towards the qualification criteria of TNW under this EoI.

- In case the consortium is of FIs/Funds/PE Investors/NBFCs/Any other applicants, the minimum AUM of consortium shall be calculated as weighted average of individual member's AUM OR Committed funds available for investment/deployment in Indian companies shall be calculated as weighted average of individual member's committed fund to investment/deployment in Indian companies. Provided that only such portion of their AUM/Committed Funds as is proportionate to their shareholding in the consortium will count towards the qualification criteria of AUM/Committed Funds under this EoI.
- If members are from Category A & B, the criteria for TNW/ AUM would be in proportion to their shareholding in the consortium. All the consortium members should satisfy the criteria independently.
- No change in lead member or any member whose financials have been used to meet the criteria set out herein shall be permitted after the last date for submission of EoI.

FEES

- a. EOI Applicant is required to deposit a non-refundable process participation fees of INR 5,00,000 plus applicable taxes (i.e. GST @ 18%) along with the EOI application.
- b. The fees may be paid through Demand Draft drawn in favour of "**Moser Baer India Limited**"- **Resolution Process** payable at Delhi or by NEFT/RTGS as per below detail:

Bank Name	Central Bank of India
Account Name	Moser Baer India Limited – Resolution Process
Branch Address	5, Jeevan Tara Building, Ground Floor, Parliament Street, New Delhi – 110001
A/c No.	3670280038
IFSC Code	CBIN0283464

- c. Shortlisted applicants based on the eligibility criteria shall be provided access to Virtual Data Room on signing of NDA, which shall be shared separately.

“ANNEXURE - C”

SUPPORTING DOCUMENTS TO BE ATTACHED WITH EOI

- 1) For all RAs - Profile of RA
- 2) For all RAs - Copies of Certificate of Incorporation/ Registration and Constitutional Documents (MoA, AoA)
- 3) For all RAs - Audited financial statements for immediately preceding 3 (three) years of the RA and/or its promoter/promoter group or any other group company as per eligibility criteria
- 4) For Category B RAs - Relevant statement of funds availability of the RA and/or promoter/promoter group or any other group company, as per the eligibility criteria.
- 5) Certificate from Statutory Auditor or Chartered Accountant or Company Secretary or equivalent in the jurisdiction of incorporation of the Company certifying as at end of last 3 financial years
 - a. TNW for Category A
 - b. AUM for Category B
- 6) For all RAs - A notarized declaration from the RA in order to demonstrate that the promoter/promoter group or any other group company are part of the same group, in case the interested party is using such entities for meeting the eligibility criteria. Please note that the RA shall provide all relevant documents for its promoter/promoter group or any other group company, if required to meet the eligibility criteria.
- 7) Demand Draft towards payment of fees or proof of payment of fees if paid through NEFT/RTGS.

"ANNEXURE D"

[Note: In case of consortium, the details set out below are to be provided for each of the members]

1. Name and Address:

a. Name of the Firm/Company/Organisation:

b. Address:

c. Telephone No:

d. Fax:

e. Email:

2. Date of Establishment:

3. Core Area of Expertise:

4. Contact Person:

a. Name:

b. Designation:

c. Telephone No:

d. Email:

5. Company/FI Profile:

a. Company Financial Profile (consolidated / standalone as applicable):

[Note: The Company profile should necessarily include tangible net worth and revenue numbers of the preceding three years. Where the entity submitting the EoI is a financial investor /fund entity, please provide details pertaining to "assets under management" and/or "committed funds" for the preceding three years or the committed funds available as on March 31, 2017, for investment. Further the fulfilment of qualification criteria must be clearly identified/certified herein.]

b. Experience of the Company in the relevant sector.

c. History if any, of the Company or affiliates of the Company being declared a 'wilful defaulter', 'non-cooperative borrower', 'non-impaired asset' or 'non-performing asset'.