

Bharatiya Reserve Bank Note Mudran Private Limited

Instrument	Amount	Rating Action
	In Rs. Crore	October 2016
Long term – Fund Based/Cash Credit	230.00	[ICRA]AAA (stable) assigned
Long term – Non Fund Based	400.00	[ICRA]AAA (stable) assigned
Short term – Non Fund Based	635.00	[ICRA]A1+ assigned
Total Limits	1265.00	

ICRA has assigned a long term rating of [ICRA]AAA (pronounced ICRA triple A)† to the Rs 230.00 crore fund based bank facilities and the Rs 400.00 crore non-fund based bank facilities of Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL). ICRA has also assigned a short term rating of [ICRA]A1+ (pronounced ICRA A one plus) assigned to the Rs 635.00 crore non-fund based facilities of the company. The outlook on the long term rating is *stable*.

The assigned ratings reflect BRBNMPL's strategic position as the major supplier of printed bank notes to the Reserve Bank of India (RBI) as well as its 100% ownership by RBI. BRBNMPL supplies nearly two-thirds of the bank note requirement in the country with the remaining requirements met through Security Printing and Minting Corporation of India Limited (SPMCIL - a public sector undertaking wholly owned by Government of India). The ratings also favorably factor in the company's robust capital structure marked by limited debt and high networth, healthy cash balances, unutilized working capital limits and the financial flexibility derived from being a wholly owned subsidiary of RBI. BRBNMPL will continue to be strategically important for RBI for its performance of the sovereign function of printing bank notes to bridge the gap between the supply and demand for bank notes in the country.

The assigned ratings are however constrained by the moderate profitability and return indicators due to the cost-plus pricing mechanism being followed for sale of bank notes to RBI. ICRA also takes note of the significant funding commitments of the company arising out of capacity expansion programmes and possible funding support towards BRBNMPL's joint venture company, 'Bank Note Paper Mill India Private Limited', which is into the production of paper used for printing bank notes.

Company Profile

Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) was established by Reserve Bank of India (RBI) as its wholly owned subsidiary on 3rd February 1995 for the printing of bank notes in India. The company manages two presses - one in Mysore, Karnataka and another in Salboni, West Bengal. BRBNMPL and SPMCIL, on October 13, 2010, have started a 50:50 joint venture company 'Bank Note Paper Mill India Private Limited' (BNPMIPL) in order to produce bank note paper and substitute bank note paper imports.

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† For complete rating scale and definitions please refer to ICRA's website www.icra.in or other ICRA Rating Publications



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