

Press Release

Maverick Holdings and Investments Private Limited (MHIPL)

8 February, 2018



Total Bank Facilities Rated*	Rs.268.00 cr.
Long Term Rating	SMERA BBB- (Rating Watch with Developing Implications)
Short Term Rating	SMERA A3 (Rating Watch with Developing Implications)

**Refer Annexure for details*

Rating Rationale

SMERA has placed the rating '**SMERA BBB-**' (**SMERA triple B minus**) and '**SMERA A3**' (**read as SMERA A three**) on '**Rating Watch with Developing Implications**' on the above mentioned bank facilities of Maverick Holdings and Investments Private Limited (MHIPL).

The rating actions are driven by the recent developments in respect of MHIPL. SMERA understands that MHIPL along with several other entities has been the subject of enquiry by government authorities for relatively large cash transactions post demonetisation (after November 8, 2016) period.

SMERA has sent repeated reminders to the company for financial documents and information about such transactions. However, it is yet to receive a response from the management. SMERA has therefore, put the long term rating of **SMERA BBB-** and short term rating of **SMERA A3** under watch with developing implications. SMERA will continue to seek information from the client and will resolve the rating watch within the next 45 days.

About the rated entity:

The Maverick group is engaged in real estate development, and earns a substantial portion of its revenue through lease rental. MHIPL, established in 1991, operates two shopping malls (Garuda Mall and Garuda Swagath) in Bengaluru. Euroamer Garuda Resorts (India) Pvt. Ltd was established in 1999 to develop a luxury resort complex, Suncity, in Bengaluru. SMERA has considered the consolidated view on the business and financial risk profile of the companies' viz. Maverick Holdings and Investments Private Limited and Euroamer Garuda Resorts (India) Pvt. Ltd.

Analytical approach:

For arriving at the rating, SMERA has considered the consolidated business and financial risk profile of MHIPL and Euroamer Garuda Resorts (India) Private Limited (EGRIPL). EGRIPL is a group company responsible for facility management of the malls. The two companies, together referred to as the Maverick group (MG), have similar lines of business, common promoters, joint borrowings of LRD loan and fungible cash flows.

About the Rated Entity - Key Financials

	Unit	FY17 (Provisional)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	102.52	62.78	48.88
EBITDA	Rs. Cr.	35.46	23.38	22.86
PAT	Rs. Cr.	20.17	11.71	19.29
EBITDA Margin	(%)	34.59	37.24	46.76
PAT Margin	(%)	19.67	18.64	39.47
ROCE	(%)	14.11	13.65	19.30
Total Debt/Tangible Net Worth	Times	0.98	0.22	0.18
PBDIT/Interest	Times	2.88	4.96	7.64
Total Debt/PBDIT	Times	4.07	1.23	0.95
Gross Current Assets (Days)	Days	766.80	895.97	898.22

Any other information:

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Infrastructure Entities - <https://www.smera.in/criteria-infra.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Status of non-cooperation with previous CRA (if applicable):

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
26-Sep, 2017	Term Loan (LRD)	Long term	226.15	SMERA BBB-/Stable (Assigned)
	Cash Credit - I	Long term	4.00	SMERA BBB-/Stable (Assigned)
	Cash Credit - II	Long term	7.50	SMERA BBB-/Stable (Assigned)
	Proposed Fund Based Facility	Long term	0.10	SMERA BBB-/Stable (Assigned)
	Bank Guarantee	Short term	30.25	SMERA A3 (Assigned)

Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan (LRD)	Not Applicable	Not Applicable	Not Applicable	226.15	SMERA BBB-/Stable (Rating Watch with Developing Implications)
Cash Credit - I	Not Applicable	Not Applicable	Not Applicable	4.00	SMERA BBB-/Stable (Rating Watch with Developing Implications)
Cash Credit - II	Not Applicable	Not Applicable	Not Applicable	7.50	SMERA BBB-/Stable (Rating Watch with Developing Implications)
Proposed Fund Based Facility	Not Applicable	Not Applicable	Not Applicable	0.10	SMERA BBB-/Stable (Rating Watch with Developing Implications)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	30.25	SMERA A3 (Rating Watch with Developing Implications)

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ABOUT SMERA

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