

**Press Release**  
**MAC CHARLES INDIA LIMITED**  
**January 17, 2025**  
**Rating Downgraded and Issuer not co-operating**



Product	Quantum (Rs. Cr)	Long Term Rating	St Rating
Non Convertible Debentures (NCD)	620.00	ACUITE BB   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	620.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

\* The issuer did not co-operate; based on best available information.

**Rating Rationale**

Acuite has downgraded its long-term rating to **‘ACUITE BB’ (read as ACUITE Double B)** from **‘ACUITE BB+’ (read as ACUITE Double B Plus)** on the Rs.620.00 Cr. of Non-Convertible Debentures (NCDs) of MAC Charles India Limited (MCIL). The rating is now flagged as “Issuer Not-Cooperating” on account of information risk and is based on the best available information.

Acuite had sent repeated reminders to the company for sharing critical information and documents for surveillance of the ratings. But despite multiple requests, the company has remained non-cooperative in providing any information. The rating downgrade is on account of information risk.

**About the Company**

Mac Charles (India) Limited (MCIL) is in the business of real estate development and wind power generation. The company is incorporated in 1979 and based out of Bangalore and is promoted by Embassy Group which holds 73.41 percent of the shares of MCIL through Embassy Property Developments Private Limited. The company owns commercial real estate assets in Bangalore, Kerala and 5 wind power generation units in Bellary. Currently, the Company is redeveloping the erstwhile Le Meriden Hotel site in CBD Bangalore into a landmark A-Grade commercial office building under the project named – Embassy Zenith. MCIL, has recently initiated another project under its 100 percent wholly owned subsidiary named ‘Embassy Hub projects Private Limited’ to acquire land parcels (a mix of outright acquisition and JDA) followed by construction of commercial space for leasing. The Company has divested its stake in one of its 100 percent wholly owned subsidiary - Airport Golfview Hotels & Suites Private Limited which operated Airport Golf View Hotel in Cochin.

**About the Group**

Embassy Group was incorporated in 1993 by Mr. Jitendra Virwani. The group is one of the leading real estate developers. The group has developed 55+ Million Sq. Ft. In its legacy of expertise spanning 25 years, Embassy Group has covered the entire value chain of real estate from land acquisition to the development, marketing and operation of assets. In addition, the Embassy group owns properties in the hospitality segment as well. It also has an extensive land bank of 1000+ acres across India. The operation spread across Indian and international markets that include Bangalore, Chennai, Pune, Trivandrum, Serbia and Malaysia. The group from time to time partners with several established market players like, Blackstone, Warburg Pincus, Taurus Investments as well as different financial institutions to execute projects.

**Unsupported Rating**

Not Applicable

**Non-cooperation by the issuer/borrower**

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as “Issuer not cooperating”, in line with prevailing SEBI regulations and Acuite’s

policies.

### **Limitation regarding information availability**

This rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### **Rating Sensitivities**

No information provided by the issuer / available for Acuite to comment upon

### **All Covenants**

- The Company shall supply financial statements to the Debenture Trustee as soon they become available.
- The Company shall supply to the Debenture Trustee, with each set of financial statements of Embassy Property Developments Private Limited (EPDPL), a compliance certificate setting out (in reasonable detail) computations as to compliance Financial Covenants, along with the relevant valuation reports which have been relied upon to determine the fair value of the assets of EPDPL.
- The Company shall ensure that until the Final Settlement Date the Guarantor Net Worth shall, at all times in relation to EPDPL be not less than INR 10,000,000,000.
- The Loan to Value (LTV) Ratio as at the Pay In Date for the Debentures for all tranches will not be more than 66.66 percent.

### **Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon

### **Outlook**

Not Applicable

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	11.38	11.19
PAT	Rs. Cr.	(40.54)	58.98
PAT Margin	(%)	(356.12)	527.08
Total Debt/Tangible Net Worth	Times	1.90	1.11
PBDIT/Interest	Times	0.43	3.07

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Jan 2024	Non-Convertible Debentures (NCD)	Long Term	135.00	ACUITE BB+   Stable (Reaffirmed)
	Non-Convertible Debentures (NCD)	Long Term	135.00	ACUITE BB+   Stable (Reaffirmed)
	Non-Convertible Debentures (NCD)	Long Term	30.00	ACUITE BB+   Stable (Reaffirmed)
	Non-Convertible Debentures (NCD)	Long Term	99.90	ACUITE BB+   Stable (Reaffirmed)
	Non-Convertible Debentures (NCD)	Long Term	25.00	ACUITE BB+   Stable (Reaffirmed)
	Non-Convertible Debentures (NCD)	Long Term	25.00	ACUITE BB+   Stable (Reaffirmed)
	Non-Convertible Debentures (NCD)	Long Term	20.00	ACUITE BB+   Stable (Reaffirmed)
	Non-Convertible Debentures (NCD)	Long Term	50.00	ACUITE BB+   Stable (Reaffirmed)
	Non-Convertible Debentures (NCD)	Long Term	100.10	ACUITE BB+   Stable (Reaffirmed)
20 Feb 2023	Non-Convertible Debentures (NCD)	Long Term	300.00	ACUITE BB+   Stable (Downgraded from ACUITE BBB-   Stable)
	Non-Convertible Debentures (NCD)	Long Term	320.00	ACUITE BB+   Stable (Assigned)
31 May 2022	Non-Convertible Debentures (NCD)	Long Term	300.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Non Convertible Debentures	Long Term	320.00	ACUITE Provisional BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	INE435D07110	Non-Convertible Debentures (NCD)	24 Aug 2022	Not avl. / Not appl.	24 Aug 2026	135.00	Simple	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
Not Applicable	INE435D07136	Non-Convertible Debentures (NCD)	20 Sep 2022	Not avl. / Not appl.	24 Aug 2026	135.00	Simple	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
Not Applicable	INE435D07128	Non-Convertible Debentures (NCD)	21 Dec 2022	Not avl. / Not appl.	24 Aug 2026	30.00	Simple	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
Not Applicable	INE435D07011	Non-Convertible Debentures (NCD)	26 Jul 2021	Not avl. / Not appl.	26 Jul 2025	99.90	Simple	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
Not Applicable	INE435D07037	Non-Convertible Debentures (NCD)	12 Aug 2022	Not avl. / Not appl.	26 Jul 2025	25.00	Simple	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
Not Applicable	INE435D07060	Non-Convertible Debentures (NCD)	15 Dec 2022	Not avl. / Not appl.	26 Jul 2025	25.00	Simple	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
Not Applicable	INE435D07128	Non-Convertible Debentures (NCD)	21 Dec 2022	Not avl. / Not appl.	24 Aug 2026	20.00	Simple	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
Not Applicable	INE435D07086	Non-Convertible Debentures (NCD)	22 May 2023	Not avl. / Not appl.	26 Jul 2025	50.00	Simple	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )
Not Applicable	INE435D07094	Non-Convertible Debentures (NCD)	26 Dec 2023	Not avl. / Not appl.	26 Jul 2025	100.10	Simple	ACUITE BB   Downgraded   Issuer not co-operating* ( from ACUITE BB+ )

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## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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