India Ratings & Research
A Fitch Group Company

FitchGroup

To,
Mr. Ankit Shah
Authorized Signatory
MAC Charles Hub Projects Private Limited
Embassy Point, No.150, Infantry Road, 1st Floor,
Bangalore – 560001

November 21, 2025

Dear Sir/Madam,

Re: Rating Letter for NCD of MAC Charles Hub Projects Private Limited

India Ratings and Research (Ind-Ra) has rated MAC Charles Hub Projects Private Limited's (MCHPPL) non-convertible debentures (NCDs) as follows:

Instrument Type	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Proposed non-convertible debentures	INR5,400	IND BB+/Stable	Assigned

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

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In this letter, “India Ratings” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Abhishek Bhattacharya
Senior Director

India Ratings Assigns MAC Charles Hub Projects' NCDs 'IND BB+'/Stable

Nov 21, 2025 | Residential | Commercial Projects

India Ratings and Research (Ind-Ra) has rated MAC Charles Hub Projects Private Limited's (MCHPPL) non-convertible debentures (NCDs) as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/Watch	Rating Action
Proposed non-convertible debentures	-	-	-	INR5,400	IND BB+/Stable	Assigned

Analytical Approach

Ind-Ra has taken a standalone view of MCHPPL while assigning the ratings while factoring in the strong operational and legal linkages and moderate strategic linkages between MCHPPL and its 100% parent, Mac Charles India Ltd (MCIL), which is part of the Embassy group.

Detailed Rationale of the Rating Action

The rating reflects MCHPPL's project being in the early stages, with the company being in the process of acquiring the pending land parcels required for its ongoing development. Given the nascent stage of the project, which is yet to be launched, MCHPPL remains exposed to market risks. The company plans to raise INR5,400 million through proposed NCDs at a higher cost of borrowing, which will be largely used to acquire land for its ongoing project. Of the balance funds, INR900 million-1,000 million would be used for refinancing a loan from the parent, and the remainder toward meeting the construction costs of phase 1 (north residential) of the ongoing project . Additionally, the company will require construction finance debt of INR3,855 million to fund subsequent phases of the project. The rating also remains constrained by geographical and asset concentration risks, and the project's susceptibility to cyclicality in the real estate sector.

The rating, however, is supported by Ind-Ra's expectation that MCHPPL, which will be using the Embassy group's brand name for the project, will benefit from the strong brand image of the group. The project is located in an emerging micro-market with proximity to the airport and improving transportation connectivity.

The Stable Outlook reflects Ind-Ra's opinion that the company will be able to achieve reasonable sales velocity and adequate construction progress in the project, supported by the favourable location and the Embassy group's development track record in Bengaluru.

List of Key Rating Drivers

Weaknesses

- High project execution risk
- Geographic concentration
- Cyclicality and regulatory risk

Strengths

- Part of established group with strong execution track record
- Favourable project location

Detailed Description of Key Rating Drivers

High Project Execution Risk: MCHPPL's project is in the early stages, and the company is in the process of obtaining approvals for the same. The project shall be launched in phases – first north residential phase 1 and 2, and then south residential phase 1 and 2. The north residential phase 1 of project would be launched in June 2027, and north residential phase 2 would be launched in December 2027. South residential phase 1 would be launched in June 2028, and south residential phase 2 in December 2028. The company also plans to launch south commercial phase in June 2027. The company expects the project to be completed by June 2032.

The gross development value (GDV) is estimated to be about INR74,601 million, while the total project cost is estimated to be around INR43,499 million. The project will be funded through a mix of debt, internal accruals, and customer advances. The company has proposed issuance of NCDs worth INR5,400 million to investors managed or identified by Tor Investment Management (Hong Kong) Limited. As per the proposed terms, INR3,500 million will be utilised for acquiring land and related costs in Yelahanka Village, adjacent to the existing land acquired by the company. Up to INR1,000 million will be used for the development of the purchased land, approvals, and design costs, and INR900 million will be allocated for the repayment of existing debt. The proposed tenor of the NCDs is 60 months, with bullet repayment at maturity.

Project and Geographic Concentration; New Project Risk: The company's standalone credit profile is constrained by the fact that it has only project, which is coming up in Bengaluru. This exposes the company to project as well as geographical concentration risks. In addition, at a standalone level, MCHPPL faces inherent real estate industry risks related to customer reception, project execution and construction. However, Ind-Ra believes MCHPPL's experienced promoters would help the company deal with any challenges.

Cyclicality and Regulatory Risk: The real estate sector is directly linked to economic cycles. Players in the real estate industry have volatile cash flows, as demand is affected severely during downturns. Moreover, the real estate sector is exposed to several regulatory requirements, including local bodies' clearances/master plans, which are subject to frequent changes. Furthermore, majority of the construction cost has to be funded from collections from the sale of residential development. Any decline in sale velocity or the company's inability to achieve its expected sales realisation can lead to a liquidity shortfall.

Part of Established Group: MCHPPL is a wholly owned subsidiary of MCIL, which is promoted by the Embassy Group. The group holds 73.41% stake in MCIL through Embassy Property Developments Pvt Ltd (EPDPL). The Embassy group is a leading real estate developer, with a strong track record in commercial and residential projects. Furthermore, EPDPL is engaged in the development of commercial, residential and retail projects. The group has developed over 55 million square feet (msf) over 25 years across India.

Favourable Project Location: MCHPPL's project has a saleable area of 5.5msf (4.9msf excluding joint development agreement share). The project is coming up in Yelahanka village in north Bengaluru, which is well-connected to several key locations in Bengaluru city, such as the Hebbal Junction (10-12km away), MG Road, which is part of the Central Business District (17-18km), and Trumpet Junction (18-19km). Also, the Kempegowda International Airport is 19-20km from the site. Thus, the project benefits from convenient access to both city centres and major transit points.

Liquidity

Stretched: MCHPPL had free cash and bank balances of INR2.43 million at FYE25 (FYE24: INR99.83 million). As of March 2025, the company has not availed any external debt from banks. However, its outstanding debt from the parent stood at INR2,797 million as of March 2025, with INR1,000 million due for repayment in January 2027 and the balance in April 2027. The company plans to undertake refinancing of INR900 million through the proposed NCD issuance, where the cost of borrowing remains relatively high. It has also lined up capex of INR3,500 million over FY26–FY27 toward land purchase, which is likely to be funded through the first tranche of the proposed INR5,400 million NCDs. The company will require further term funding for meeting the construction cost for its subsequent phases. The agency expects the company to start generating operating cashflows from FY28.

Rating Sensitivities

Negative: Delays in receiving approvals for the project or lower-than-Ind-Ra-expected sales and/or collections could lead to a negative rating action.

Positive: The timely receipt of approvals for the project or sales and/or collections being in line with Ind-Ra's expectations could lead to a positive rating action.

Any Other Information

Not applicable

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on MCHPPL, either due to their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

MCHPPL, a wholly owned subsidiary of MCIL, was incorporated in 2019. The company is developing a project named Embassy Business Hub on a land parcel in Yelahanka, North Bangalore, with a total saleable area of about 4.9msf. As per the management, the project is likely to be launched in five phases, starting from 1QFY28.

Key Financial Indicators

The financial summary is not available as the project is under construction.

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Ratings
Proposed Non Convertible Debenture	Long-term	INR5,400	IND BB+/Stable

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Annexure

KEY TERMS OF Proposed NCD & INSTRUMENT COVENANTS

Facilities	·Tranche 1: INR3,500 million ·Tranche 2: INR1,000 million ·Tranche 3: INR900 million
Purpose	·Tranche 1: The proceeds shall be used towards - Land acquisition for South Residential and South Commercial. ·Tranche 2: Construction of Phase North Residential. ·Tranche 3: Refinancing of existing debt from parent.
Coupon Rate	18% p.a. payable in INR.
Covenant	Apply residual cash flows from Embassy Zenith post LRD repayment.
Tenor:	60 months, bullet repayment
Gaurantor	Mac Charles (India) Ltd (listed company) ("Listed Guarantor") Embassy Property Developers Private Ltd (EPDPL) ("Parent Guarantor")
Monetization Covenant	Borrower or guarantors shall have undertaken one of the monetization events as of cashflow testing date, failing which the facility becomes due and repayable immediately
Monetization Events	1. Sale of project parcel re. Site 3 for a BTS development 2. Sale of Embassy Zenith after the demerger 3. Cashflow based repayment of the entire facility within 60 months tenor, with surplus from the pre-sold receivables, as of testing date

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

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Evaluating Corporate Governance

Corporate Rating Methodology

The Rating Process