

**Axess Limited**  
**13 June 2023**

**Ratings**

Facilities/Instruments	Amount (Mur Million)	Rating <sup>1</sup>	Rating Action
<b>Bank Facilities – Overdraft and Import Loan</b>	<b>350</b>	<b>CARE MAU A+; Stable [Single A Plus; Outlook: Stable]</b>	<b>Reaffirmed</b>
<b>Proposed Money Market Instrument</b>	<b>100</b>	<b>CARE MAU A1+ [A One plus]</b>	<b>Reaffirmed</b>
<b>Proposed Bank Facilities – Working Capital</b>	<b>800</b>	<b>CARE MAU A1+ [A One plus]</b>	<b>Assigned</b>
<b>Total</b>	<b>1,250</b>		

**Ratings Rationale**

The rating assigned to the bank facilities and proposed Money Market instrument of Axess Limited (“Axess”) continues to derive strength from the long & satisfactory track record in the auto dealership business, the company’s position as the second largest automobile dealer in Mauritius (in terms of units sold), strong parentage with being part of ENL group, exclusivity in dealership of Jaguar, Land Rover, Ford, Citroen, Mazda & Peugeot in Mauritius, 15 years long relationship with Jaguar and Land Rover and the rising demand for car sales in Mauritius during last 5 years. The rating also takes into consideration the improved operating performance in FY22 and 10MFY23 with better operating income and profit with healthy growth in car sales, and the satisfactory financial position with comfortable liquidity.

The rating is, however, constrained by foreign exchange fluctuation risk, competition from dealers of other luxury brands and secondary market, non-availability/delay in receipt of vehicles from the manufacturers due to semi-conductor and logistics issues across the globe and risk associated with inherent cyclical nature of demand in the automobile sector.

**Rating sensitivities*****Positive factors that could, individually or collectively, lead to positive rating action/upgrade***

- Ability to maintain steady profitability and scale up more than 20% from current levels
- Ability to maintain its position as the second largest car reseller in the automobile dealership market of Mauritius
- Effective working-capital management

***Negative factors that could, individually or collectively, lead to negative rating action/downgrade***

- Non-renewal of dealership agreement with the car dealers
- Significant decline in market position on sustained basis
- Decline in total income of more than 20%
- Deterioration in working capital turnover days for more than 150 days

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratingsafrica.com](http://www.careratingsafrica.com).

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**BACKGROUND**

Axess Limited (Axess) was incorporated in October 1982 as a private limited company in Mauritius. Since 1989, under the leadership of Mr. Antoine D'Unienville, Axess has broadened its portfolio of car brands, increased its market share, and positioned itself as one stop shop for motor vehicle owners on the island. Axess is also a specialist supplier of heavy vehicles and agricultural/industrial equipment and operates a portfolio of international brands including Isuzu, New Holland, and Sumitomo. Axess is wholly owned (100%) by ENL Commercial, which in turn is a subsidiary of ENL Limited (rated CARE MAU A+; Stable).

The company has expanded its activities and entered distribution of Ford, Suzuki, Mazda, Citroen, Jaguar, Land Rover and Peugeot (all sole distributors except for Suzuki).

**Axess** is engaged in the distribution of new cars - passenger vehicles, commercial vehicles, and heavy vehicles of agricultural /industrial equipment. The company display its vehicle brands through its two showrooms (rented) equipped with 4-S facilities (sales, service, spare-parts, and systems) in Mauritius along with one body & paint and mechanical workshop. Apart from this, the company is also involved in trading of pre-owned cars. Axess also has a dedicated Tyre Department supplying Michelin and BY Goodrich to its customers.

**Management:** Axess is a professionally managed company. It is governed by a 5-member Board of Directors comprising of eminent industrialists and professionals. Mr. Eric Espitalier Noel is the Chief Executive Officer of ENL Commercial and has extensive experience in the commercial and hospitality sectors, being a Board Member of various companies operating in those fields of activity. The strategic affairs of the company are looked after by him and Mr. Antione D'Unienville (General Manager of Axess). They are assisted by a team of professionals looking after various functions of the company.

**CREDIT RISK ASSESSMENT****Strong parentage of ENL Group**

Axess is a 100% subsidiary of ENL Commercial, which is a wholly owned subsidiary of ENL Limited. ENL is one of the large conglomerates in Mauritius having diverse business interest from Land and Investment, Commerce and Industry, Real Estate, Agro-Industry hospitality, logistics, Fintech to IT and ITeS domain. Land & Investment and Real Estate and Commerce & Industry are the major business segments of ENL. ENL is controlled and managed by the Noel family.

The group owns around 23,000 arpents (acres) of land in Moka (Centre of the island and most populated & one of the posh areas of Mauritius), Savannah (South) and Bel Ombre/Case Noyale (South-West). It grows sugar cane on 15,000 arpent of land and has earmarked about 5% of this area (around 1,000 arpent near Moka) for real estate development over next 10 years. Since the group has been holding such land for more than 100 years, its cost is almost negligible as compared to its current value. In 2011, the group inaugurated the Bagatelle Mall which is the most popular mall of Mauritius and has increased the land value in Moka region. The group's strategy for growth has remained virtually unchanged over time: it leverages its significant land assets, to create cash-generating businesses that participate in building up modern-day Mauritius.

The promoters of ENL group hold their stake in various group entities through L'Accord. Four of the group's companies are listed; ENL Limited, Rogers and Ascencia (rated on CARE MAU AA-; Stable) on the Stock Exchange of Mauritius and Velogic on the Development and Enterprise Market.

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**ENL Limited (Consolidated) as on June 30, 2022 are as under:**

MUR Million

<b>ENL Limited (Consolidated)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>For the Year ended / As at June 30,</b>	<b>12m, A</b>	<b>12m, A</b>	<b>12m, A</b>
Total Op. Income (TOI)	14,362	12,842	17,816
EBIDTA	1,083	974	2,448
Interest	1,257	1,107	1,154
Depreciation	838	822	761
Reported PBT	-917	-869	1,730
Reported PAT	-1,050	-1,069	1,601
Adjusted PAT	-530	-894	1,547
Gross Cash Accruals (GCA)	-212	-247	2,362
Equity Share capital	3,358	3,358	3,358
T. Net Worth (TNW)	38,883	39,485	42,028
Total Debt	26,012	28,517	29,480
Cash and Bank	3,260	4,655	5,245
<b>Key Ratios</b>			
EBIDTA / TOI	7.54	7.59	13.74
PAT / TOI	-3.69	-8.33	8.99
RONW	-1.42	-2.73	3.99
Overall Gearing (x)	0.67	0.72	0.70
EBIDTA / Interest (x)	0.86	0.88	2.12
Total Debt / EBITDA	24.02	29.26	12.04

**Sole authorized dealer of Land Rover & Jaguar selling luxury car in Mauritius**

Axess enjoys the leverage of being the sole dealer of Land Rover and Jaguar in Mauritius. It has an agreement with Land Rover, United Kingdom, to act as its sole distributor and the same has been renewed annually for the past 15 years (Land Rover, worldwide renews its contracts with the dealers on yearly basis). It also has similar Agreement with TATA Motors & British Motor Holdings to act as the sole distributor of Jaguar in the island. The contract is also renewed annually. Axess management has stated that the company's long association with these brands also speaks about its ability to renew the sole distributorship contract in future. In the last 15 years, Land Rover & Jaguar have imparted training on knowledge & technical specification of Jaguar cars to various senior management personnel and staff of Axess. The company's showroom, spare parts, repairs & maintenance division and new body workshop has been set up under the guidance of the 2 companies. The unit sales of various luxury brands (BMW, Mercedes, Audi, Jaguar, Porsche and Land Rover) including Land Rover and Jaguar for last 5 years is as under.

<b>Passenger Cars Sold (Units)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>As at 31 December</b>	<b>12m</b>	<b>12m</b>	<b>12m</b>	<b>12m</b>	<b>12m</b>
<b>BMW</b>	657	667	588	526	434
<b>Mercedes</b>	413	325	336	323	305
<b>Audi</b>	271	270	241	227	197
<b>Land Rover</b>	36	22	91	85	84
<b>Volvo</b>	0	0	8	45	79
<b>Mini</b>	28	47	66	66	68
<b>Porsche</b>	48	52	53	46	67
<b>Jaguar</b>	78	77	86	38	51

Source: National Transport Authority

Sale for Land Rover cars was relatively at the same level for FY20 and FY21. Sale in FY22 was impacted due to shortage of stock on the global market despite the high demand for the brand. Sale of Jaguar cars was higher in CARE Ratings (Africa) Private Limited

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FY21 (51 cars) as compared to FY20 (38 cars). For 9MFY22, Axess has sold 34 Jaguar cars. Due to the small size of the market almost every brand has only one authorized car dealer, hence competition from another dealer representing the same brand is very unlikely. Land Rover cars are quite popular around the island. Axess offers entire series of Land Rover cars (Series Sport, Defender 90/110, Evoque and Velar) available in the range of MUR.4.0 - MUR.6.5 million which provides it the leverage to cater to different customer segments.

Axess also provides entire series of Jaguar cars. This apart, currently both Land Rover and Jaguar has launched their hybrid & electric models and all these models are in high demand due to duty discounts (30%-100%) provided by the Govt of Mauritius.

#### **Sole authorized dealer of Ford, Mazda, Isuzu, Peugeot and in Mauritius**

Axess is also the sole authorized dealer of Ford, Mazda, Isuzu, Peugeot and Suzuki in Mauritius. CFAO Motors Limited is also the distributor of Suzuki cars in Mauritius. All these sole dealership acts as a strong and consistent revenue generating source for the company. It also helps Axess to establish its dominant position in the auto dealer market of Mauritius. While Ford is sold in the same showroom of Mazda and Isuzu, but Peugeot and Suzuki are sold in a different showroom recently built in the Bagatelle MotorCity. This is the very first automobile center which offers a wide range of renowned brands of vehicles. Axess, for instance, has already set up flagships of French automakers Peugeot et Citroën, as well as renowned Japanese automaker Suzuki. The unit sales of various brands for last 4 years are as under.

<b>New Passenger Cars Sold (units)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>As at 31 December</b>	<b>12m</b>	<b>12m</b>	<b>12m</b>	<b>12m</b>	<b>12m</b>	<b>10m</b>
KIA	1,317	1,242	982	1305		
Toyota	1,370	1,495	729	854		
Hyundai	664	1,021	523	691		
Nissan	1,282	1,370	419	322		
Renault	487	496	357	207		
Suzuki (Axess)	790	938	651	886	1,243	1,446
Honda	392	330	230	253		
Mitsubishi	245	608	396	345		
MG	29	73	96	192		
<b>New Passenger Cars Sold (units)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>As at 31 December</b>	<b>12m</b>	<b>12m</b>	<b>12m</b>	<b>12m</b>	<b>12m</b>	<b>10m</b>
Ford (Axess)	120	287	4	300	188	160
Isuzu (Axess)	N/A	N/A	N/A	201	201	206
Citroen (Axess)	N/A	N/A	N/A	110	75	53
Mazda (Axess)	166	436	77	300	258	430
Peugeot (Axess)	248	204	153	175	145	172

*Source: National Transport Authority*

In FY21, post the pandemic, Axess has witnessed an increase in sale of cars for most of its brands as compared to FY20. Sale for Suzuki cars was 36% higher in FY21 and by 40% for 9MFY22. Sale of Ford cars increase to 300 units in FY21 from 4 units in FY20. Similarly, sale of Peugeot cars and Mazda cars were also higher in FY21. This apart, the company earns revenue from sale of spare parts, pre-owned cars, revenue from services (repairing of cars in workshops). The company achieved record number of cars sold for Suzuki followed by Mazda.

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**Revenue stream of Axess is as under:**

	FY20 MUR Million	% of Revenue	FY21 MUR Million	% of Revenue	FY22 MUR Million	% of Revenue
Sale of vehicles	2,469	81%	2,484	76%	2,700	79%
Sale of spare parts and tyres	382	13%	401	18%	497	15%
Sales of rendering of services	140	5%	144	5%	162	5%
Sales from Contract with customers	7	0%	4	0%	7	0%
Other operating Income	52	2%	52	2%	61	2%
<b>Total Revenue</b>	<b>3,050</b>	<b>100%</b>	<b>3,085</b>	<b>100%</b>	<b>3,427</b>	<b>100%</b>

Axess witnessed an increase of 9% in its total revenue in FY22 compared to FY21. However, sale of spare parts dipped by 10% in FY22 (Mur 554 million in FY21) due to lower stock. Sale of Ford cars were at 300 units in CY21 with successful re-launch of the Ford raptor pick up vehicle.

**Preferred dealer for Leasing companies, Corporates & Agricultural companies**

Axess' customers are mainly from Leasing companies, Corporates and individuals. Corporates accounts comprise of the majority of the car sales from the ENL Group followed by Leasing companies and individuals. It caters to around 90% of the car requirement of corporate entities due to its after-sales service facility. Axess also sells pick up vehicles (4X4) of Ford, Mazda and Isuzu, which are quite popular.

**Stable operating margin in car dealership, service and spare parts**

Axess' automobile dealership model is purely trading in nature, wherein profit margins EBIDTA margins – (6.3%-8.0%) are high compared to trading nature of business.

**Stiff competition from secondary market and other car brand for non-luxury segment**

Axess is the only new car dealer of Land Rover and Jaguar. Given the high price of spare parts and equipment used in the service departments of Land Rover and Jaguar, Axess hardly faces any competition from the second-hand car dealers selling re-conditioned cars. However, it faces competition from other luxury car brands – BMW, Mercedes, Audi, and Porsche.

The company's non-luxury brand segment (Suzuki, Ford, Peugeot, Citroen, Mazda, Isuzu etc.) faces competition from second-hand car dealers who import re-condition cars from Japan. The second-hand car dealers influence the automotive sector in Mauritius. In January- December 2021, registration of new cars was around 9,070 units and imported cars was around 6,755 units. Sale of cars, both second-hand cars and new cars were lower as compared to pre-covid years due to the lockdown and closure of international borders however sale of new cars was slightly higher in CY21 compared to CY20. The second-hand imported car registration fell by 7% for the period CY21 over CY20 whilst new car registration increases by 8% during the same period.

**Foreign exchange fluctuation risk**

Axess is exposed to foreign exchange fluctuation risk by virtue of purchase price of cars & spare parts in Euro (Land Rover & JLR) and USD (Ford and Suzuki) and selling price in MUR. Axess has a credit line of Euro 5 million (MUR 225 million) from JLR at 0% rate for 60 days. Initially the same is utilized for purchasing cars. The company has an active Treasury desk, headed by Ms, Yagambrun, who monitors the movement of Euro/MUR & USD/MUR closely and the credit facility is repaid on the favourable Euro/MUR rate. During the last 5 years, the company has always posted foreign exchange gain (MUR 5.8 million of foreign exchange gain in FY22). This apart, the company

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also follows a stringent policy to cover its foreign exchange risk with forward cover in case of adverse movement of currency.

**Competition from the other automobile dealers of other cars**

Mauritius automobile industry remains a moderately concentrated market. The top 5 dealers - Leal Group, Axess, Toyota Mtius, Bamyris Motors Ltd and ABC Group control around 64% of the market share of new passenger and commercial cars sold. Axess faces competition from dealers of other luxury & premium cars in Mauritius (Mercedes, Audi, BMW, Porsche, Honda, Toyota, Hyundai, Nissan & Suzuki). Axess group is the second largest car dealer of Mauritius (in terms of units sold), for last 5 years. It had a market share of 23% in FY21. The automobile industry has witnessed a gradual increase in demand of passenger car over the past 10 years. The upward trend in demand for cars have been mainly driven by increasing purchasing power of Mauritians, rising income, declining taxes on vehicles over the period, changing lifestyle and psychological factors like status, social and personal aspirations, and emotional aspects. In FY20 post the pandemic, the automotive sector was impacted leading to a worldwide reduction in car sales. The closed borders and ceasing of operations due to the lockdown slackened the sale of cars. However, new vehicles registration has increased by 6% in FY21, and it is expected to continue the same trend in FY22.

**Stable Financial position with moderate gearing**

In FY22, Axess witnessed steady revenue growth in the sale of vehicles, spare parts and sale of services. Revenue increased by 11% from MUR 3,366 million to MUR 3,032 million. Total income increased from MUR 3,428 million to MUR 3,085 million. EBIDTA and PAT were also higher in FY22 at MUR 252 million (MUR 216 million in FY21) and MUR 74 million (MUR 69 million in FY21). GCA was comfortable at Mur 171 million. In FY19, the company had availed long term loan from ENL Limited (MUR 112 million) and utilized the same to reduce its short-term borrowings from banks. The company further availed MUR 172 million from ENL Limited (@3.10%) in FY20 to manage its working capital (cheaper than overdraft at 4.10%). Total debt in the company as at June 30, 2022 was MUR 289 million with majority of the debts being short term borrowings (MUR 209 million). Overall gearing was 0.47x in FY22 (improved from 0.73x in FY21) due to repayment of MUR 250 million of the loan from ENL Limited. Current ratio has been above unity over the few years since the company uses advance from customers to part finance its inventory. Interest coverage was 4.11x in FY22.

**Short Term Rating Analysis**

Axess has to maintain high inventory (around 2-3-month period) for display and to guard against supply shortages (shipment of cars from Europe and Japan takes 30-40 days). It has to maintain inventory of spare parts for around 6-9 months. Accordingly, the company's inventory is financed by a mix of creditors (Letter of credit, advances from customers and bank borrowings. While Axess delivers the vehicle only after receipt of full payment or against the release order from financial institution (funding the vehicle), however the financial institution takes around 30-40 days' time to release the funds. This apart insurance companies take 60-90 days to release the funds for repairs & services. Accordingly, the company has to utilize its bank borrowings to fund its receivables and inventory. The average working capital utilization (fund based and non-fund based – as the facilities are interchangeable) was at 69% during the period December 2022 to April 2023. Axess is expected to remain within the working capital limit of MUR 900 million based on the low cost of funding available.

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**FINANCIAL PERFORMANCE***MUR Million*

<b>For the year ended as on</b>	<b>Jun-20</b>	<b>Jun-21</b>	<b>Jun-22</b>
	<b>Audited</b>		
Revenue	2,997	3,032	3,366
Total Income	3,049	3,085	3,428
EBIDTA	239	216	252
Depreciation	90	96	103
Interest	53	51	61
PBT	103	68	90
PAT	83	69	74
Gross Cash Accruals (GCA)	163	163	171
Dividend paid/proposed	-	40	30
Equity share capital	250	250	250
Tangible networth	568	597	634
<b>Total debt</b>	<b>492</b>	<b>433</b>	<b>298</b>
- Long term debt	35	82	80
- Short term debt	170	67	209
- Loan from holding company - ENL Limited	286	284	9
Cash & Bank balances	20	213	109
<b>Key Ratios</b>			
EBIDTA / Total operating income	7.96	7.12	7.48
PAT / Total income	2.72	2.24	2.16
ROCE- operating (%)	8.70	5.0	5.0
RONW (%)	15.76	11.9	12.0
Debt equity ratio	0.06	0.14	0.13
Overall gearing ratio (incl. loan from ENL Limited)	0.87	0.73	0.47
Interest coverage (times)	4.52	4.26	4.11
Total debt/EBITDA	2.06	2.01	1.18
Current ratio	1.8	1.7	1.8
Avg. Collection Period (days)	37	39	45
Avg. Inventory (days)	91	96	79
Avg. Creditors (days)	18	28	41
Op. cycle (days)	110	107	83

**Adjustments**

1. Tangible net worth is calculated by netting off revaluation reserve and intangible assets from total equity.
2. Gross Cash Accruals (GCA) is calculated as PAT+ Depreciation + deferred tax.
3. Gearing ratio is calculated as total debt (long term and short-term debt)/Tangible Net worth.
4. Total Operating Income includes revenue from others (Dividend income, rental income, Management fees, rebate on purchase, etc.

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## Details of Instruments/Facilities

## Details of facilities rated by CRAF

Bank	Facility	Amount (Mur Million)	Remarks
MCB	Overdraft	160	MCB PLR (Currently at 6.75%)
	Import Loan	65	
	Letter of Credit	125	Commission @ 1.00%
AfrAsia	Credit Control Line - <b><i>Sub Limit of MUR 500 million</i></b>	500	
	Overdraft- MUR 200 million		PLR less 2.30% (4.75%)
	Import Loan- MUR 400 million		PLR less 2.35% (4.70%)
	Uncommitted Money Market Line- MUR 200 million		-
	Bank Guarantee- MUR 250 million		L/C and BG 1.00% p.a.
SBI	Overdraft	300	<b>USD:</b> 1-month SOFR + 250 bps
	Import Loan		<b>USD:</b> 1-month SOFR + 150 bps
	Money Market Line		<b>Commission:</b> 0.35% p.a.

Particulars	Instrument
Type of Instrument	Money Market Instrument
Size of Instrument	Mur 100 million
Indicative Interest Rate	2.00-2.50% p.a.

**Disclaimer**

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## Annexure I

### Rating Symbols

#### Long /Medium-term Instruments

<b>Symbols</b>	<b>Rating Definition</b>
<b>CARE MAU AAA</b>	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
<b>CARE MAU AA</b>	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry very low credit risk.
<b>CARE MAU A</b>	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry low credit risk.
<b>CARE MAU BBB</b>	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry moderate credit risk.
<b>CARE MAU BB</b>	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius.
<b>CARE MAU B</b>	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius.
<b>CARE MAU C</b>	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius.
<b>CARE MAU D</b>	Instruments with this rating are in default or are expected to be in default soon.

**Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU AA to CARE MAU C. The modifiers reflect the comparative standing within the category.**

#### Rating Outlook

The rating outlook can be 'Positive', 'Stable' or 'Negative'.

A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.

A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.

A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

#### Short term Instruments

<b>Symbols</b>	<b>Rating Definition</b>
<b>CARE MAU A1</b>	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
<b>CARE MAU A2</b>	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry low credit risk.
<b>CARE MAU A3</b>	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
<b>CARE MAU A4</b>	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry very high credit risk and are susceptible to default.
<b>CARE MAU D</b>	Instruments with this rating are in default or expected to be in default on maturity.

**Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE MAU A1 to CARE MAU A4. The modifiers reflect the comparative standing within the category.**

### CARE Ratings (Africa) Private Limited

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**About CARE Ratings (Africa) Private Limited:**

CARE Ratings (Africa) Private Limited (CRAF) is the first credit rating agency to be licensed by the Financial Services Commission of Mauritius in May 2015. It is also recognized by Bank of Mauritius as External Credit Assessment Institution (ECAI) from May 2016. CRAF is also licensed by Capital Markets Authority of Kenya to operate as a Credit Rating Agency in Kenya. CRAF intends to expand across other geographies in Africa with Mauritius as its hub of operations. With an equitable position in the Mauritius capital market, CARE Ratings (Africa) Private Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited.

CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the international best practices.

CRAF's Rating Committee consist of full-time members comprising of Senior Rating officials from CARE Ratings Limited and a panel of experienced professionals from Mauritius and African Development Bank.

CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.

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