Rating Rationale
CIM Finance Ltd.

Ratings

Facility/Instrument	Amount (MUR Million)	Rating	Rating Action
Long term Bank Facilities	1,308	**CARE MAU AA; Negative [Double A; Outlook: Negative]**	**Reaffirmation with change in outlook from Stable to Negative**
Long term/Short term bank Facilities	2,725	**CARE MAU AA; Negative/ CARE MAU A1+ [Double A; Outlook: Negative /A One Plus]**	**Reaffirmation with change in outlook from Stable to Negative**
Short Term loan	1,000	**CARE MAU A1 + [A One Plus]**	**Reaffirmed**
Bank Facilities – Long term Bond from MCB	3,500	**CARE MAU AA; Negative [Double A; Outlook: Negative]**	**Reaffirmation with change in outlook from Stable to Negative**

Rating Rationale

The ratings assigned to the bank facilities, short term loans and bond issue of CIM Finance Ltd. ("CFL") was reaffirmed with change in outlook from Stable to Negative due to uncertainty in collection of receivables over next few months, in view of the negative impact of lockdown on the economy and employment rate in Mauritius, leading to increase in provisioning and NPAs.

CRAF expects the projected contraction (projected at around 7% by IMF) in GDP growth of Mauritius in CY20, due to prolonged impact of the lockdown in various businesses, will transmit into job losses, which will have an impact on the collection efficiency of CFL over next 6 months. However, under the current scenario neither CRAF nor CFL are in position to evaluate the magnitude of the actual impact of the same on CFL's collection efficiency over next six months. CRAF will continuously monitor the collection efficiency of CFL over next few months and any significant dip in collection efficiency may trigger a rating downgrade.

The ratings continues to derive strength from long & satisfactory track record of CFL & CIM group, experienced & resourceful promoters, professional and highly qualified management team, dominant market share in Credit Facility Agreement ("CFA"; previously termed as Hire Purchase), well diversified asset portfolio, consistent growth in disbursements, moderate asset quality with high collection efficiency, satisfactory financial position with moderate gearing, stringent NPA recognition norms (due above 90 days) and comfortable asset-liability maturity profile, capital adequacy ratio ("CAR") & liquidity profile.

The ratings are however constrained by risk associated with increasing competition in the financial services business, entry of new players in CFA segment, exposure to regulatory risks, risk associated with volatility in interest rates and increase in exposure to relatively riskier segments such as unsecured lending.

Ability of CFL to maintain asset quality and profitability while increasing asset size, improving asset liability maturity profile, maintain CAR in the range of 11.50% to 12.00% - well above Regulatory norm of 10% and continued support from promoters are the key rating sensitivities.

Successful completion of the proposed amalgamation of CFL and other group companies into CFSL within envisaged timelines, ability of CFSL (merged entity) to maintain asset quality and profitability while increasing asset size, improving asset liability maturity profile, maintain CAR in the range of 11.50% to 12.00% and continued support from promoters are the key rating sensitivities.

Update since last review:-

On August 14, 2019 the Board of CFSL had approved the 'in principle' amalgamation of ***Cim Finance Ltd*** (CFL), with and into ***CFSL*** (subject to Regulatory Approval). Effective, February 10th 2020, Bank of Mauritius cancelled the deposit taking license of CFL and MELCO. The merger is still awaiting, pending approval from regulators and is expected to be approved by end of the financial year.

Asset-Liability maturity profile

Asset-liability maturity profile of CFL as on March 31, 2020:

Particulars	Months					
	0-3 months	**3-6 months**	**6-12 months**	**1-5 years**	**>5 years**	**Total**
ASSETS						
Net finance lease receivables	240	204	394	1,837	128	2,803
Hire Purchase/ CFA receivables	1,365	880	1,527	3,073	-	6,844
Loans & Advances receivables	483	302	588	2,666	-	4,039
Other Assets	-	-	-	-	343	343
Cash and Bank Balances	205	-	-	-	-	205
Deposit with banks	-	-	150	285	-	435
Fixed Assets for own use	-	-	-	-	335	335
[A]	**2,293**	**1,386**	**2,660**	**7,860**	**806**	**15,004**
LIABILITIES						
Term loans	89	277	314	447	-	1,126
Bond	-	-	1,000	2,500	-	3,500
Working capital	2,613	-	-	-	-	2,613
Repayment of Loans availed from CFSL (Working capital/term loans/Bonds availed by CFSL and invested in CFL)	560	113	113	2,065	-	2,850
Repayment of Loans availed from CFSL (Bank Deposits in CFSL from sale of GBC business)	-	-	-	1,353	-	1,353
Repayment of loans from FIs	-	-	34	16	-	50
Other liabilities	-	-	1,268	275	-	1,543
Shareholder's Funds	-	-	-	-	1,969	1,969
[B]	**3,262**	**389**	**2,728**	**6,656**	**1,969**	**15,004**
GAP [A-B]	**(969)**	**997**	**(69)**	**1,205**	**(1,163)**	**(0)**
Cumulative GAP	**(969)**	**27**	**(41)**	**1,163**	**(0)**	**(0)**

CFL has adequate unutilized working capital limits which could have been utilized to meet the working capital gap of Mur 969 million (0-3 months) as on March 31, 2020. However, CFSL proposes to raise a long-term bond of Mur 2,000 Million to partly repay the utilized overdraft, money market lines (MMLs) and short-term loans in CFL in order to boost the liquidity position of CFL and benefit from lower interest rate in current scenario.

Projected contraction in GDP growth in CY20 (projected at around 7% by IMF) and possibility of job loss, due to the impact of lockdown in various businesses leading to projected increase in unemployment in Mauritius from current rate of 7% to 20% (as projected by IMF), can impact the collection efficiency of CFL, which will have a negative impact on the liquidity and the profitability of CFL.

However, based on discussion with management, CRAF understand that around 75% of CFA portfolio and 100% of loan portfolio (unsecured loans & advances) are covered by Credit Insurance. Insurance coverage states that on a sudden involuntary job loss (covered under Insurance), the Insurance company will pay EMIs (on behalf of the client) till such time the person gets another job, subject to receipt of proper documents. While the process is bit lengthy and the receipt of the EMIs can get delayed by 5-6 months impacting the liquidity in the short term.

CFL's leasing portfolio, doesn't have any insurance cover since it is asset backed. The historic GNPA of this portfolio has all along been in the range of 3.1- 5.5% (3.5% as on March 31, 2020 and 3.1% as on Sept 2019 and 5.5% as on Sept 30, 2018) on an asset book of more than Mur 3,000 million. CFL is providing moratorium period on capital payments based on requests from clients on case to case basis.

Satisfactory Capital Adequacy Ratio (CAR) and overall gearing ratio

CFL's CAR as on March 31, 2020 was 12.80% (14.93% as on Sept 30, 2019) well above the Regulatory norm of 10% (stipulated by Bank of Mauritius for NBDFIs).

Overall gearing of CFL as on March 31, 2020 was 5.80x (5.87x as on Sept 30, 2019). The same is expected to hover in the range of 6.0-6.8x during the projected period. Overall gearing of CFSL (CFSL, CFL, Melco and other companies to be amalgamated) as on March 31, 2020 was 2.50x (2.18x as on September 2019).

Asset quality and collection efficiency

Since October 1, 2018, CFL have changed NPA recognition policy and has started recognizing NPA above 90 days for all types of advances - Finance lease, factoring portfolio CFA, loans & advances and credit cards portfolio and writes off (specific provisions) 100% of loan overdue beyond 90 days.

Particulars	30/09/2018	30/09/2019	31/3/2020
Gross NPA	1,008	1,103	1,309
Gross Loan assets	10,376	12,522	14,482
GNPA (%)	9.71	8.81	9.04
Net NPA	545	573	757
Gross Loan assets	10,116	12,296	14,030
NNPA (%)	5.38	4.66	5.40
Net NPA/Net worth (%)	37%	33%	39%

CFSL's collection efficiency was 95.94% in H1FY20 (Sept – March 2020) vis-à-vis 97.30% in FY19.

BACKGROUND

CIM Finance Ltd. (CFL) was incorporated, in 1987, by the Taylor family and Rogers group of Mauritius as CIM Ltd. The main objective was to provide CFA/credit facilities to the customers of the retail outlets (selling electronic goods/furniture) of the group. In April 1996, the company was rechristened as CIM Finance Ltd. CFL is regulated by the Financial Services Commission of Mauritius. CFL was also regulated by Bank of Mauritius, till the company refunded all its deposits and surrendered its Deposit taking license in August 2019 and the same being cancelled by Bank of Mauritius effective February 10, 2020.

In July 2005, CIM Financial Services Ltd. (CFSL) ("CFSL" rated CARE MAU AA; Negative), was incorporated, to manage the global business, finance business and property business of CIM group. Subsequently, CFL was made a wholly owned subsidiary of the CFSL, a company listed in the Stock Exchange of Mauritius.

Till 2012, Rogers group and Taylor family (through CIM holding Ltd.) were holding majority stake in CFSL. However, post restructuring in 2012, CFSL came under the fold of Taylor family. At present, Taylor family through CIM Holding Ltd owns majority share (53%) of CFSL. The balance 47% is held by corporate bodies, Insurance Companies, pension funds and individuals. In May 2017, CFSL sold its Global Business cluster. In August 2018, CFSL acquired Mauritius Eagle Leasing Co Ltd ('MELCO') – a company engaged in leasing business from IBL group.

Proposed amalgamation of CFL into CFSL

In August 14, 2019, Board of CFSL communicated in public that both CFL and MELCO have successfully refunded all the deposits, availed from the deposit holders, and has lodged an application for the surrender of the deposit taking license with the Bank of Mauritius.

In August 14, 2019, Board of CFSL communicated in public that CFSL had approved the 'in principle' amalgamation of Cim Finance Ltd (CFL), Mauritian Eagle Leasing Company Limited (MELCO), Cim Agencies Ltd, Cim Management Services Ltd and Cim Shared Services Ltd. with and into CFSL (subject to Regulatory Approval). On February 10, 2020, Bank of Mauritius cancelled the deposit taking license of CFL. Subject to obtaining the final relevant regulatory approvals, the company expects the amalgamation to be completed by the quarter ending 30th June 2020.

Activities of CFL

CFL is the leading provider of Credit Facility Agreement ("CFA"; previously termed as Hire Purchase), leasing, unsecured loans, credit cards, factoring in Mauritius and operates around 100 counters and a network of more than 700 merchants in Mauritius and Rodrigues. The main services offered are CFA, leasing, unsecured loans, credit cards and factoring.

Credit Facility Arrangements - CFL started its CFA operations in 1987 and today serves most of the independent dealers in Mauritius. It is a household name in the field of consumer finance, with a local customer base exceeding 300,000 individuals. CFL encourages majority of its consumers to take insurance (covering death, loss of job and among others including loss of product) on CFA products from an insurance company through Cim Agencies Ltd. As on date more than 75% of its CFA portfolio is insured.

Leasing activities - CFL also provides financial solutions (finance lease and operating lease) to businesses of varying sizes, from small entrepreneurs to large conglomerates.

Credit card - The credit card activities of CFL started in 2001 with the launch of the first local credit card. The latter evolved into issuing MasterCard, Visa and China UnionPay International (UPI) cards. CFL became the first and only non-bank financial institution in the sub Saharan Africa region to issue a credit card with the MasterCard accreditation. CFL offers Classic, Gold and Business MasterCard.

Factoring - Since 2004, the company provides factoring solutions. In factoring services - CIM Finance purchases invoices from clients (@ 90% of the Invoice value) and also avails credit insurance for such invoices from COFACE, global leaders in the field.

Loans & advances – In FY13, CFL started offering unsecured loans to meet its existing customers' financing needs beyond their immediate retail financing requirements. All types of family expenses such as those relating to education, weddings, funerals and property refurbishments are financed. Given the repayment performance of this product in last 5 years, the company is focusing to boost disbursement in this product category. It is mandatory to take insurance (covering death, loss of job and loss of product) on unsecured loans from an insurance company through Cim Agencies Ltd.

CFL is a professionally managed company. It is governed by 6-member Board of Directors comprising of eminent industrialists and professionals. The board is composed of 3 independent directors, 2 nonexecutive directors and 1 executive directors. The strategic affairs of the company are looked after by professionals Mr. Mark van Beuningen (Executive Director & Group CEO) who joined CIM Finance as M.D. and was promoted to the Group CEO in October 2017. Prior to joining the Cim Group, Mark worked for the Boston Consulting Group (BCG) in Sydney for two years and most recently Johannesburg for four years. He is assisted by a team of professionals looking after various functions of the company.

CREDIT RISK ASSESSMENT

Long & satisfactory track record of CIM group & experienced promoters

CFL, over 30 years old NBFC, is currently owned and managed by the Taylor family of Mauritius, having its presence in Mauritius for more than 100 years. The Taylor family has set up Taylor- Smith Investment Company which has interest in the port, logistics and distribution, distribution of retail products, financial services and manufacturing industries with a team of 800 people across various units. Taylor family through CIM Holdings Ltd. holds 53% of Cim Financial Services Ltd., which in turn holds 100% of CFL. Cim Financial Services Ltd. is a listed company with strong financial position. The company operates under finance cluster. In May 2017, CIM Financial Services completed the sale of its Global Business cluster which produced a net profit of MUR 2,464 million. Accordingly, PBT & PAT witnessed a significant increase in June 2017, which normalized in FY18 and FY19. In FY19, CFL and Melco refunded the deposits to the Deposit holders. The refund of deposits and the growth in disbursements in CFL and MELCO was financed by intercompany loans received from CFSL and bank borrowings. In FY19 (October – September 2018), CFSL reported a PAT of MUR 383 million (MUR 352 million in FY18) on a turnover of MUR 2,198 million (MUR 1,939 million in FY18). As on Sept 30, 2019, CFSL has extended loans (short & long term) of MUR. 2.1 Billion to CFL.

Professional and highly qualified management team

CFL has a highly qualified and experienced employee pool having large experience in their related field. Each division (CFA, leasing, credit card and Factoring) is managed by a Head, who reports to the M.D. The attrition level is quite low with key professionals having long association with the group. CIM group has 900 employees working across its Mauritius counters and sub offices.

Dominant market share in CFA Portfolio

CFL, over the years, has grown both organically as well as inorganically.

Assets	Range of products	Average Ticket size (MUR)	Market Share (%)	LTV (%)	Tenure (months)
CFA (Hire purchase & other credit agreements)	Electronic goods/Jewellery /Furniture & fittings	13,000-15,000	90	85-95	24-48
Finance Lease	Car (New & Reconditioned)	525,000	25	80-90	60
	Equipment	2,025,235	20	70-75	48
Loan & Advances	Personal loans	60,000	15-20	100	48
Credit card	Credit card	15,000	25-30	-	2
Factoring	Bill discounting	90 % of the bill	15-20	90	24

CFL has a well-diversified portfolio of receivables spread over different sectors of the economy. 83% of its total exposure was in personal segment (CFA/credit facility and credit cards) followed by trading.

Consistent growth in disbursement & Asset under Management

CFL's disbursements witnessed a y-o-y growth of 22% in FY19 (4% in FY18), primarily due to higher demand in CFA and loans and advances segment. In CFA segment, the company's new schemes has propelled the growth in disbursement. The total Assets under Management (AUM) has shown an increasing trend with 21% growth in FY19 compared to 18% growth in FY18. *(MUR Million)*

Assets as on	30.9.2017	% of total portfolio	30.9.2018	% of total portfolio	30.9.2019	% of total portfolio
CFA	4,454.9	47%	4,901.9	47%	5,941.7	47%
Finance Lease	2,442.4	26%	2,462.0	24%	2,768.4	22%
Loan & Advances	1,547.9	16%	2,077.0	20%	2,986.0	24%
Credit card	453.8	5%	425.8	4%	373.8	3%
Factoring debtors	222.1	3%	240.3	2%	281.6	3%
Corporate credit facilities	267.5	3%	269.4	3%	170.2	1%
Total	**9,388.6**		**10,376.4**		**12,521.7**	

CFL holds 80% market share in CFA market (previously termed as Hire purchase). Traditionally, it was a high yielding product for CFL. In September 30, 2015, there was a modification in the Hire Purchase and Credit Sale (Charges) Regulations 2000 ACT (introduced in 2015 Budget of GOM), whereby the rate of higher purchase charges was reduced from 19% p.a. to 12% p.a.

Increase of lease in construction sector and by individuals lead to a rise in total finance lease of the company. However, CFL is focusing on extending loans & advances to meet its existing customers' financing needs beyond their immediate retail financing requirements. This is a high yielding portfolio and are extended to existing customers with good past track record. AUM in this portfolio has increased by 44% in FY19 over FY18 (34% in FY18 over FY17). Low yielding finance lease portfolio, where the company faces steep competition from major banks, increased at lower rate.

Stable return from the various products portfolio

IRR remained almost at the same level during FY16-18, with moderate increase in FY19 because of the company's ability to borrow at cheaper rates due to excess liquidity. Majority of the company's lending are in fixed rates and around a satisfactory level of the borrowings are in fixed rate. The product-wise average IRR of assets financed as under:-

Asset Type	FY17	FY18	FY19
Hire purchase & other credit agreements	6.00-6.5	6.50-7.0	6.50-7.25
Finance Lease	2.5-3.0	2.75-3.25	2.25-3.15
Loan & Advances	8.5	9.0	8.50-9.00
Credit card	19	19.5	19.5
Factoring	4	4	4
Corporate credit facilities	1.5	1.5	-

Industry Risk

Leasing Companies

Leasing facilities are provided by 15 entities in Mauritius. 12 of them are banks and Non-Bank Deposit-Taking Institutions (NBDTIs), which are licensed by the Bank of Mauritius. The remaining four are Non-Deposit Taking Institutions (NDTIs), which are licensed by the Financial Services Commission (FSC).

Banks, NBDTIs, and NDTIs offer leasing facilities to both households and corporates. Banks provide only finance leases, while NBDTIs and NDTIs offer both finance and operating leases. Leasing and credit finance are often the primary source of finance available to Small & Medium Enterprises (SMEs). The latter are usually too large for traditional microfinance and too small for commercial bank lending. Leasing companies are subject to less stringent regulations than banks – and this allows them to leverage more resources (higher debt/equity ratios), to be exempted from credit allocation requirements and to use of market rates of interest.

Nearly all the NBDTIs are the leasing companies and it is not difficult to get a leasing license. Moreover, there are many companies in the insurance industry and banking industry that are trying to give leasing facilities along with all other facilities which these companies already have. As these businesses are already well-known, they can get NBDT license very easily. But with promulgation on the Banking Act 2004, the NBDTIs are now subject to the same prudential regulations as banks and the NBDTIs have to maintain a minimum capital of Mur 200 million alongside complying with the guidelines on 'Guidelines on Capital Adequacy Ratio' and 'Credit Concentration Risk' and on 'Related Party Transactions'. All these guidelines and requirements act as a barrier to entry in the NBDT sector.

As at end-September 2019, total leasing facilities granted to the household and business sectors stood at Mur 20.2 billion compared to Mur 18.8 billion as at September 2018. The automobiles segment accounted for 85% of total leasing facilities, up from 83% in FY18. As at end-September 2019, an amount of Mur 17.2 billion (Mur 15.6 billion as at Sept 30, 2018) was extended towards the purchase of automobiles, while the number of leases summed to 35,567 (32,513 in FY18). Leasing facilities granted to "other" sector represented facilities offered for buildings, office equipment, machinery and other assets and stood at Mur 3 billion as at September 2019 (Mur 3.2 billion as at September 2018).

Prospects

CFL's prospects largely depends on the fortunes of retail industry (electronic goods/ furniture's & fixtures) automotive and construction sectors, the demand drivers of major products financed by the company. The growth of both the aforesaid sectors has close linkages with the economic growth of the country. The ability of the company to improve its ROTA along with maintaining CAR at similar levels are key rating sensitivities.

Financial Performance *MUR Million*

For the year ended/As on	30/09/2017	30/09/2018	30/09/2019
	Audited		
Interest income	1,032	1,120	1,374
Fees & Commission Income	417	372	368
Operating lease income	37	28	27
Other operating Income	15	18	10
Bad debt recovered	8	5	0
Total Income	**1,509**	**1,543**	**1,778**
Operating expenses (excl. provisions)	586	610	775
Provision for NPA	194	219	157
Depreciation	69	65	84
Interest	351	348	397
PBT	**309**	**301**	**364**
PAT	**251**	**250**	**279**
Gross cash accruals	319	315	363
Stock-on-hire (net of provision)	8,981	9,869	11,942
Loan AUM	9,389	10,376	12,522
Total Assets under Management (AUM)	10,087	10,919	13,178
Total assets on the balance sheet	10,087	10,919	13,178

For the year ended/As on	30/09/2017	30/09/2018	30/09/2019
	Audited		
Total capital employed	7,781	8,909	11,953
Total debt	4,671	5,808	10,191
Total Deposits from customers	3,020	2,529	0
Equity share capital	660	660	860
Tangible networth	1,273	1,491	1,735
Ratios			
PAT margin	16.60	16.22	15.71
NIM (%)	10.98	10.12	10.34
Interest Income/ Int. earning assets (%)	12.63	11.89	12.59
Interest spread (%)	7.70	7.55	8.31
Operating Expenses (before provn & write-offs) / Average total assets (%)	6.31	5.81	6.44
Credit Cost (%)	2.09	2.09	1.30
RONW (%)	23.66	18.11	17.31
ROCE (%)	9.33	7.77	7.30
Cost of Capital (%)	7.22	4.17	5.73
Net Spread	2.11	3.60	1.57
Return on total assets (ROTA) (%)	2.70	2.38	2.32
Overall gearing	6.04	5.59	5.87
Interest Coverage (after prov.)	2.08	2.05	2.13
Interest coverage (before prov.)	2.63	2.68	2.52
Gross NPA (%)	3.92	9.71*	8.81*
Net NPA (%)	1.90	5.38*	4.66*
Net NPA / Net worth (%)	0.14	0.37	0.33
Reported CAR (%)	13.54	14.31	14.93
Tier I CAR (%)	12.29	13.06	13.68

** As mentioned above, since Sept 30, 2018, CFL has changed its policy of recognising NPA.*

Adjustments

1. Tangible net worth is calculated by netting off intangible assets from total equity.
2. GCA is calculated as PAT+ Depreciation + deferred tax+ other non-cash expenditure.
3. Overall Gearing ratio is calculated as total debt (long and short-term debt)/Tangible Net worth.
4. Total Assets and Total AUM is calculated after deducting Deferred Tax and Intangible Assets from Total Assets

Annexure - I
Details of Rated Bank Facilities/Instruments

A-1 Details of Bank Facilities
Long-term facilities
Secured term loans

Name of Bank	Amount (MUR million)
Absa Bank (Mauritius) Limited (erstwhile Barclays Bank)	135
Bank One Limited	220
MauBank	87
SBI (Mauritius) Ltd.	116
SBM Bank (Mauritius) Ltd.	750
Total	**1,308**

Long-term/Short term bank facilities
(Overdraft, Money Market Lines and Short-term loans)

Name of Bank	Total
AfrAsia Bank Limited	225
Bank of Baroda	260
Bank One Limited	220
Absa Bank (Mauritius) Limited (erstwhile Barclays Bank)	1,585
SBI (Mauritius) Ltd.	10
MauBank	125
SBM Bank (Mauritius) Ltd.	300
Total	**2,725**

Short-term loans

Name of Bank	Description	Amount (MUR million)
AfrAsia Bank Limited	Short term loan	425
SBM Bank (Mauritius) Ltd.	Short term loan	500
Unallocated	Short term loan	75
Total		**1,000**

Secured Bond

Name of Bank	Amount (MUR million)	Tenure
The Mauritius Commercial Bank Ltd.	3,500	2-4 years
Total	**3,500**	

Annexure II

Rating Symbols

Long /Medium-term Instruments

Symbols	*Rating Definition*
CARE MAU AAA	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.
CARE MAU AA	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.
CARE MAU A	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.
CARE MAU BBB	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.
CARE MAU BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU D	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

Symbols	**Rating Definition**
CARE MAU A1	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.
CARE MAU A2	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.
CARE MAU A3	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.
CARE MAU A4	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.
CARE MAU D	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.