

**Annexure A – Rating Rationale  
CM Diversified Credit Ltd (“CMDCL”)**

**Ratings**

<b>Instrument</b>	<b>Amount *</b>	<b>Rating</b>	<b>Rating Action</b>
Secured Credit Linked Notes	MUR 1,750 Million	<b>CARE MAU A- (SO); Stable [Single A Minus (Structured Obligation); Outlook Stable] CARE MAU A2+ (SO) [A Two Plus (Structured Obligation)]</b>	<b>Reaffirmed</b>

*\*CMDCL currently has an investment portfolio of Mur 1,656 Million.*

**Rating Rationale**

The ratings assigned to the Secured Credit-linked Notes of CM Diversified Credit Ltd. (“CMDCL”) were reaffirmed based on the strength of the operational & financial performance of the reference entities - MUA Ltd. (CARE MAU AA-; Stable), CIEL Limited (CARE MAU A+; Stable/ A1), ENL Limited (CARE MAU A; Stable), Omnicane Holdings (La Baraque) Thermal Energy Limited (“OHLB”) (CARE MAU A-; Stable) and Ascencia Limited (CARE MAU A+; Stable) since the debt repayment will be made out of the operational cash flow of these five companies.

The ratings are supported by the integrity of the legal structure and the structured payment mechanism designed to ensure timely payment of the interest on the rated Credit linked Notes, as per the terms of the transaction and is not a standalone rating of CM Diversified Credit Ltd (CMDCL).

The ratings are however constrained by ability of the Underwriter to arrange funds on the execution of Put option by the Investor on the interest reset date, regulatory and interest rate risk.

Financial performance of the reference entities, level of indebtedness of the reference entities vis-à-vis operational cash flow and ability of the Underwriter to arrange funds in a timely manner on interest reset dates are the key rating sensitivities.

**BACKGROUND**

CM Diversified Credit Ltd (CMDCL), a limited life company, was incorporated under the laws of Mauritius on March 19, 2019. It is wholly owned by MCB Capital Markets Ltd, which is a wholly owned subsidiary of MCB Group Limited, a company listed on the Official Market of the SEM. The Mauritius Commercial Bank Limited (wholly owned subsidiary of MCB group) is rated CARE MAU AAA (IS) Stable.

CMDCL was incorporated with a capital of Mur 52,500,000 (52,500 ordinary Shares issued at MUR 1000 each), fully subscribed by MCB Capital Markets Ltd. As at June 30, 2020 Share Capital of the company was Mur 110 Million. The broad structure is as under:

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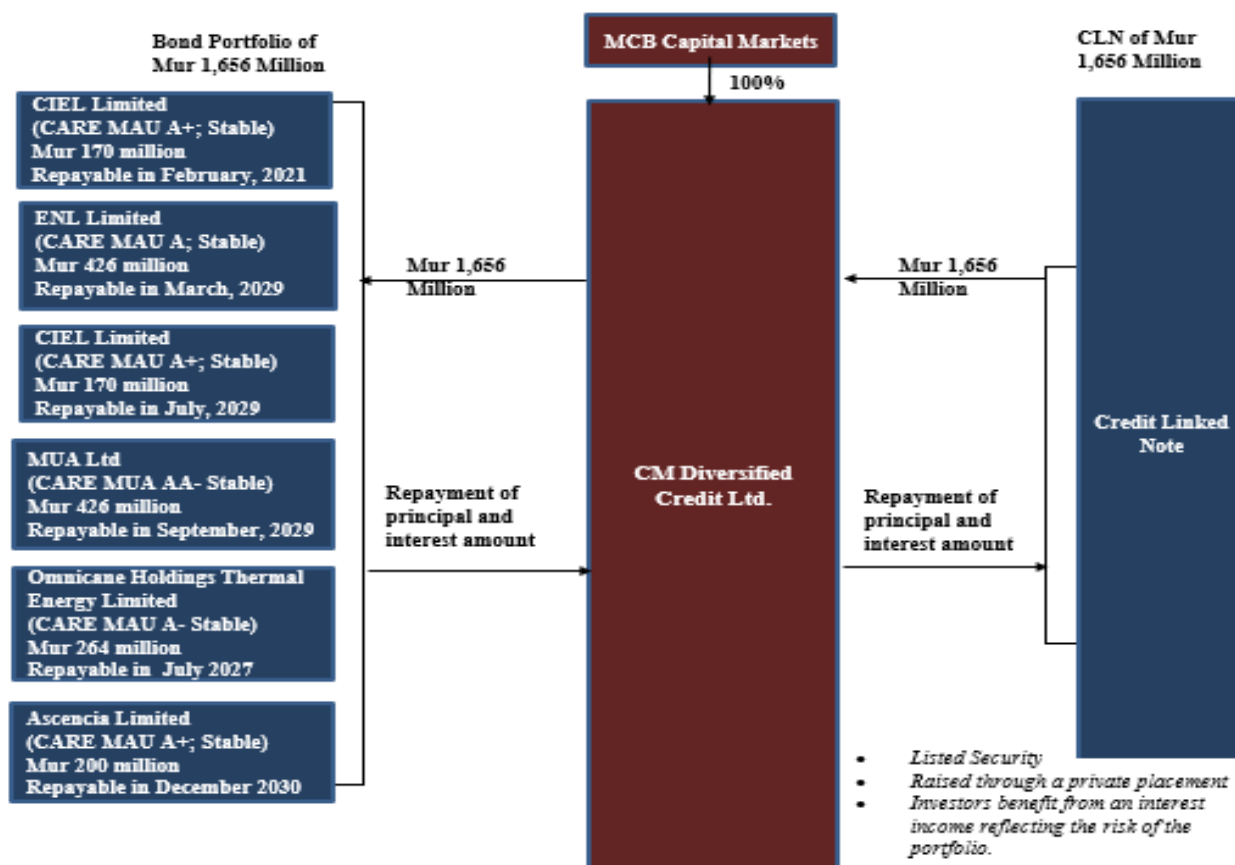
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**Issue of CLNs of MUR 1,750 million (repayable on December 18, 2030)**

In FY20, CMDCL has raised MUR 1,750 million from the issue of Secured Credit Linked Notes (CLN) to investors. The proceeds from the Notes issue were invested in the Bonds issued by CIEL Limited, ENL Limited, MUA Ltd. and Omnicane Holdings (La Baraque) Thermal Energy Limited.

In September 2020, following the circular notice issued by CMDCL, the company received MUR 294 Million of put requests from its Noteholders. CMDCL has redeemed notes amounting to MUR 294 Million and fully paid the Put amount by selling part of the Reference Portfolio as below mentioned:

(Mur Million)

Reference Entity	Opening portfolio	Redeemed notes	Portfolio post redemption
ENL Ltd	500	74	426
CIEL Ltd	400	60	340
MUA Ltd	500	74	426
Omnicane Holdings (LB) Thermal Energy Ltd	350	86	264
<b>Total</b>	<b>1,750</b>	<b>294</b>	<b>1,456</b>

On December 08, 2020 CMDCL through a circular dated December 08, 2020 communicated the proposed addition to the Reference Portfolio by investing Mur 200 million in the bond issue of Ascencia Limited. As on December 29, 2020 CMDCL invested in the notes issued by Ascencia Limited. The below table shows the current Reference Portfolio and the weightage of the Reference Underlying's:

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Name of the company	Current Portfolio*	% of total portfolio
<b>Amount (MUR Million)</b>		
CIEL Ltd	170	10.3
ENL Ltd	426	25.7
CIEL Ltd	170	10.3
MUA Ltd	426	25.7
Omnicanne Holdings (LB) Thermal Energy Ltd	264	15.9
Ascencia Limited	200	12.1
<b>Total</b>	<b>1,656</b>	

*\*Post investment in the notes issue of Ascencia Limited*

On December 8, 2020, CMDCL’s proposed interest rate for the interest period (December 29, 2020 to March 28, 2021) shall be the higher of 1.45% p.a. or [(Weighted avg. Rate of 91 Days T-Bill (December- March 2021)) – 15 bps] with next Interest reset date on March 29, 2021. The Issuer relies on its affiliates to provide it with management and underwriting services.

CMDCL has subscribed to bonds issued by CIEL Limited [MUR 170 million due for redemption in Feb 2021], ENL Limited [MUR 426 million due for redemption in March 2029], CIEL Limited [MUR 170 million due for redemption in July 2029], MUA Limited [MUR 426 million due for redemption in September 2029] and Omnicane Holdings (La Baraque) Thermal Energy Limited [MUR 264 Million Amortizing Bond over 7 years]. CMDCL has invested in bond issue of Ascencia Limited (Mur 200 Million due for redemption in December 2030). CIEL, MUA, ENL and Ascencia will be paying semi-annual interest to CMDCL, while OHLB will be paying interest annually. CMDCL will be paying quarterly interest to its Noteholders.

The rating is dependent on the operational and financial performance of CIEL, ENL, MUA, OHLB and Ascencia (reference companies) since the debt repayment will made out of the operational cash flow of these five companies. The Note holder shall have the right, upon receipt of the Circular Notice, to request and compel the Issuer to redeem, purchase or arrange for the purchase of, the whole or part of its Notes (“Put Option”) on the Interest Reset Dates.

MCB Stockbrokers Ltd (the “Underwriter”) has provided a Shortfall undertaking for MUR 1,656 million for 10 years to CMDCL. As per the undertaking in the event of the exercise of the Put Option by a Note holder (Existing Investor) in accordance with the terms of the agreement, the Underwriter shall purchase and /or cause for the purchase of all Notes in respect of which a Put Option has been exercised. The Underwriter shall pay the Put proceeds to each existing investor on the Transfer date.

During the tenure of the Bond (MUR 1,656 million for 10 years), the maximum amount of Put option that can be exercised on the interest reset dates is MUR 1,656 million only, based on the current outstanding Credit linked Notes.

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### **Update on Interest reset and exercise of Put option**

Interest reset on December 2020 - On December 08, 2020, CMDCL issued Circular Notice to its Investors, to reduce the Interest rate on CLNs from 1.60% p.a. to 1.45% p.a. or [(Weighted avg. Rate of 91 Days T-Bill (Dec-Mar)) – 15 bps] from December 29, 2020 (for the period December 29, 2020-March 29, 2021), with next reset date on March 29, 2021.

Investors with aggregate investment of around MUR 65 million (4.4% of the outstanding CLN issue of MUR 1,456 million) has exercised their put option and MCBSB and MCB Capital Markets has paid the amount to the investors on due date (September 29, 2020). CMDCL has already placed MUR 65 million with new investors. CMDCL has also identified new investor for the new CLN issue of MUR 200 million backed by Ascencia Bond (CARE MAU A+ Stable).

**MCB Stockbrokers Ltd** is a 100% subsidiary of MCB Capital Markets Ltd and step-down subsidiary of MCB Group Limited. The company was established in 1989 and is a founding member of the Stock Exchange of Mauritius (SEM). Licensed and regulated by the Financial Services Commission (FSC) of Mauritius, MCB Stockbrokers Ltd is one of the leading stock-broking companies of Mauritius, offering a range of services to local, foreign, retail as well as institutional clients. MCB Stockbrokers Ltd holds an Investment Dealer (Full-Service Dealer including Underwriting) licence from FSC and has been underwriting corporate transactions for amounts ranging from MUR 100 million to MUR 3.6 billion since 2014, with aggregate exposures not exceeding MUR 4.0 billion in any single financial year. MCB Stockbrokers Ltd has provided an undertaking that it has access to sources of finance within MCB Group should a significant portion of the underwriting risks materialize.

### **Financial Indebtedness**

Save/ Except for the Permitted Financial Indebtedness, the Issuer shall be prohibited from entering any Financial Indebtedness without the consent of the Noteholders' Representative. Any of the following (other than the Financial Indebtedness contemplated under this PPM) shall be deemed to be a cross-default:

- a) Any Financial Indebtedness of the Issuer is not paid when due nor within any originally applicable grace period;
- b) Any Financial Indebtedness of the Issuer is declared to be or otherwise becomes due and payable before its specified maturity as a result of an event of default (however described);
- c) any commitment for any Financial Indebtedness of the Issuer is cancelled or suspended by a creditor of the Issuer as a result of an event of default (however described); or
- d) Any creditor of the Issuer becomes entitled to declare any Financial Indebtedness of the Issuer due and payable before its specified maturity as a result of an event of default (however described)

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**Detailed Rationale of CIEL Ltd, ENL Ltd , MUA Ltd, Omnicane Holdings (La Baraque) Thermal Energy Limited and Ascencia Limited - visit CRAF's website – <http://www.careratingsafrica.com/rating-symbols-definitions.php>**

**Interest Rate and Repayment Terms of the CLN -** The CLN will be repaid out of cash flows to be received from reference entities.

Interest Rate	Higher of 1.45% p.a. or [(Weighted avg. Rate of 91 Days T-Bill (December 20-March 21)) – 15 bps] (December 29, 2020 – March 28, 2021) with next Interest reset date on March 29, 2021.
Interest Period	A period, not exceeding 365 days, beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Reset Date and each successive period beginning on (and including) an Interest Reset Date and ending on (but excluding) the next Interest Reset Date.
Interest Payment Date	March 29, 2021
Frequency of Interest Payment	Interest Payment Date shall be the same date as an Interest Reset Date. Interest will be paid on each Interest Payment Date to Noteholders on the Register on the date of the relevant Interest Payment Date in respect of the period ending on that Interest Payment date.
Interest Reset Date	Next Interest Reset Date shall be on March 29, 2021. Subsequent Interest Reset Dates will be notified to the Noteholders by way of the Circular Notice.
Circular Notice	A written notice to be sent via email by the Issuer to each Noteholder and the Noteholders' Representative at least twelve (12) Business Days before each Interest Reset Date. Each Circular Notice executed by the Issuer shall be appended to the PPM as a schedule and shall have the effect of amending and supplementing the PPM and taken together with the PPM, shall constitute the complete PPM as amended by those Circular Notices
Repayment Terms of the CLN	Unless redeemed early, the Notes shall automatically be redeemed on the applicable Maturity Date which is 18 <sup>th</sup> December 2030, and the redemption proceeds payable to the Note holders shall be an amount calculated at a price per Note equal to the Nominal Amount per Note.
Put option (available to Noteholders)	Except in the case of a Credit Event or an Event of Default, each Note holder shall have the right, upon receipt of the Circular Notice, to request the Issuer to redeem, purchase or arrange for the purchase of, the whole or part of its Notes on terms specified in Clause 6.9.1 (Defined in Table of Principal terms pertaining to the Credit linked Notes).

**Interest Rate and Repayment Terms of the bonds issued by CIEL Ltd.**

Frequency of Interest Payment	Semi-annual payment in arrears in August and February each year starting 2 <sup>nd</sup> August 2018.
Maturity/ Repayment Date	February 2, 2021
Source of Repayment	Operational cash flow
Amount	MUR 170 million <b>(10% of total Portfolio)</b>
Early Redemption	No early redemption option available to the Bond Holders
Outstanding Ratings	CARE MAU A+; Stable

**Interest Rate and Repayment Terms of the bonds issued by ENL Ltd.**

Frequency of Interest Payment	Semi-annual payment in arrears on 31 <sup>st</sup> July and 31 <sup>st</sup> January each year starting 31 <sup>st</sup> July 2019
Maturity/ Repayment Date	March 29, 2029
Source of Repayment	Operational cash flow
Amount	MUR 426 million <b>(26% of total Portfolio)</b>
Early Redemption	No early redemption option available to the Bond Holders
Outstanding Ratings	CARE MAU A; Stable

**Interest Rate and Repayment Terms of the bonds issued by CIEL Ltd.**

Frequency of Interest Payment	Semi-annual payment in arrears in December and June each year starting December 2019.
Maturity/ Repayment Date	July 2029
Source of Repayment	Operational cash flow
Amount	MUR 170 million <b>(10% of total Portfolio)</b>
Early Redemption	No early redemption option available to the Bond Holders
Outstanding Ratings	CARE MAU A+; Stable

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**Interest Rate and Repayment Terms of the bonds issued by MUA Ltd.**

Frequency of Interest Payment	Semi-annually in arrears
Maturity/ Repayment Date	September 24, 2029
Source of Repayment	Operational cash flow
Amount	MUR 426 million <b>(26% of total Portfolio)</b>
Early Redemption	No early redemption option available to the Bond Holders
Outstanding Ratings	CARE MAU AA-; Stable

**Interest Rate & Repayment Terms of the bonds issued by Omnicane Thermal Energy Operations (La Baraque)**

Frequency of Interest Payment	Annual interest payment on the 15th October of every year starting on 15th October 2020
Maturity/ Repayment Date	July 2027
Source of Repayment	Operational cash flow
Amount	MUR 264 million <b>(16% of total Portfolio)</b>
Early Redemption	No early redemption option available to the Bond Holders
Outstanding Ratings	CARE MAU A-; Stable

**Interest Rate and Repayment Terms of the proposed bonds issued by Ascencia Limited**

Frequency of Interest Payment	Semi-annually in arrears
Maturity/ Repayment Date	December 2030
Source of Repayment	Operational cash flow
Amount	MUR 200 million <b>(12% of total Portfolio)</b>
Early Redemption	No early redemption option available to the Bond Holders
Outstanding Ratings	CARE MAU A+; Stable

*\*Current Repo Rate as per BOM is 1.85% p.a.*

***Principal terms pertaining to the Credit-linked Notes***

<b>TERMS AND CONDITIONS</b>	
Nature of Instruments	Secured credit-linked notes
Issuer	CM Diversified Credit Ltd
Method of placing	Private placement with Eligible Investors pursuant to this PPM
Aggregate Nominal Amount	Up to MUR 2,500,000,000
Nominal / Issue Price per Note	MUR 1,000
Currency	MUR
Use of proceeds	To invest in the existing Bonds of Reference Entities (CIEL Ltd., ENL Ltd, MUA Ltd, OHLB & Ascencia Limited)
Interest Rate	For the Interest Period starting from 29th December 2020, the higher of 1.45% p.a. and R – 15 bps p.a., where R is the weighted (by amount allocated) average of the highest 91-day Bank of Mauritius bill yields accepted on primary auctions held during the period beginning on (and including) 29th December 2020 (the “Initial Date”) and ending on (but excluding) the date on which the Circular Notice immediately following the Initial Date is issued. Thereafter, the Issuer shall, through the Circular Notice, inform Noteholders of the interest rate.
Interest Commencement Date	In relation to each Noteholder, the Issue Date or if the payment of the subscription monies is not effected on that Issue Date, the date such payment is made by that Noteholder to the Issuer’s bank account
Interest Reset Date	The first Interest Reset Date from the Effective Date shall be 29th March 2021. Subsequent Interest Reset Dates will be notified to the Noteholders by way of the Circular Notice.
Interest Payment Date	Interest Payment Date shall be the same date as an Interest Reset Date. Interest will be paid on each Interest Payment Date to Noteholders on the Register on the date of the relevant Interest Payment Date in respect of the period ending on that Interest Payment date.
Redemption Price	Unless redeemed early, the Notes shall automatically be redeemed on the applicable Maturity Date which is 18 <sup>th</sup> December 2030, and the redemption proceeds payable to the Noteholders shall be an amount calculated at a price per Note equal to the Nominal Amount per Note.

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Put Option	Except in the case of a Credit Event or an Event of Default, each Noteholder shall have the right, upon receipt of the Circular Notice, to request the Issuer to redeem, purchase or arrange for the purchase of, the whole or part of its Notes on terms specified in Clause 6.8.1
Call Option	The Issuer may, at its sole discretion, at any time upon giving to the Noteholders at least five Business Days written notice (or such other delay as may be prescribed by the Applicable Procedures), redeem the whole or part of the Notes on terms specified in Clause 6.8.2
Credit Event Acceleration	Upon being notified, or upon taking cognizance of the occurrence of a Credit Event, the Issuer shall give notice thereof to the Noteholders' Representative and to the Noteholders and the Issuer shall redeem the Notes on terms specified in Clause 6.8.3
Limited Recourse	Recourse of the Noteholders shall be limited to (i) the Issuer and, subject to the terms of this listing particulars, (ii) the Reference Portfolio and (iii) the available assets of the Issuer only. No recourse shall extend to the Issuer's directors, shareholders, employees, service providers or agents who shall not be liable for any shortfall arising or losses sustained by Noteholders. The Noteholders shall have no rights whatsoever against the Issuer's directors, shareholders, employees, service providers or agents.
Form of the Notes	The Notes will be issued in inscribed form. No certificates will be issued. Legal ownership of the Notes will be reflected in book entries recorded by the Registrar on the Register, which shall constitute the definitive evidence of the title of the Noteholder to the number of Notes shown against his name. Upon listing of the Notes, legal ownership will be reflected in book entries recorded by the CDS and such records shall constitute the definitive evidence of the title of the Noteholder to the number of Notes shown in his CDS account
Status of the Notes	The Notes shall constitute secured obligations of the Issuer and shall rank pari passu among themselves.
Security Interest attached to the Notes	The Notes shall be secured by a pledge of all the constituents of the Reference Portfolio in favour of the Noteholders Representative for the benefit of the Noteholders. There is no third party guarantee which is provided by any entity within the Issuer's group in connection with the Notes.
Noteholders' Representative	BLC Robert & Associates Ltd, duly appointed pursuant to the Noteholders' Representative Agency Agreement.
Registrar, Calculation, Transfer and Paying Agent	MCB Registry & Securities Ltd
Listing	The Notes are listed on the Official Market of the SEM
Governing Law	The laws of the Republic of Mauritius
Dispute Resolution	By way of mediation and/or arbitration pursuant to the corresponding rules made under the MARC in the manner as described in this PPM
Final Redemption Date	18 <sup>th</sup> December 2030
Clause 6.8.1 (Put Option) in which case (CRAF has analysed the ability of CMDCL and MCB group to repay MUR 1,656 million to the Noteholders on the Interest reset date)	Put Option a) Except in the case of a Credit Event or an Event of Default and subject to the exercise of the Call Option, each Noteholder shall have the right, upon receipt of the Circular Notice, to request and compel the Issuer to redeem, purchase or arrange for the purchase of, the whole or part of its Notes ("Put Option"). b) The Put Option shall be exercised by way of a notice in writing ("Put Notice") served on the Issuer and the Noteholders' Representative in accordance with Clause 6.23 within three Business Days of the date of the Circular Notice. Once sent, the Put Notice shall be irrevocable, except if waived by the Issuer. c) Unless redeemed by the Issuer, the transfer of the Notes in respect of which the Put Option have been exercised shall, subject to the conditions the SEM may impose, be by way of transfer between the Noteholder exercising its Put Option on the one hand, and the Issuer or the Underwriter (as the case may be) on the other hand. d) The proceeds payable to the relevant Noteholder will be calculated at a price per Note equal to the Nominal Amount per Note and will be paid together with accrued interest in respect of the applicable Interest Period and net of any Trading Costs ("Put Proceeds"). e) The Put Proceeds shall be payable on the Interest Payment Date immediately following the date on which the Put Notice is sent to the Issuer ("Put Settlement Date").

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	<p>f) In the case of a Disruption Event, the Issuer may, at its discretion, suspend wholly or partially the Put Option for such time as it deems appropriate in light of the relevant Disruption Event. The Issuer shall notify the Noteholders of the start and end of the Disruption Event.</p>
<p>Clause 6.8.2 (Call Option)</p>	<p>Call Option</p> <p>a) The Issuer may, at its sole discretion and at any time, upon giving to the Noteholders at least five Business Days written notice (“Call Notice”) (or such other delay as may be prescribed by the Applicable Procedures), redeem the whole or part of the Notes (“Call Option”).</p> <p>b) The redemption proceeds payable by the Issuer (or any person on its behalf) in relation to the exercise of a Call Option will be calculated at a price per Note equal to the Nominal Amount per Note and will be paid together with accrued interest from the last Interest Payment Date until the date of actual payment (“Call Proceeds”).</p> <p>c) The Call Proceeds shall, subject to any other delay as may be prescribed by the Applicable Procedures, be payable on a date falling on the fifth day of the date of the Call Notice.</p> <p>d) The Call Option shall always have prevalence on any Put Option that has been exercised before the Call Option. Accordingly, the exercise of the Put Option shall be processed only for the number of Notes that exceeds the number of Notes contemplated in the Call Notice.</p> <p>e) The Notes which are the subject of a Call Option shall be redeemed and such redemption shall, to the extent the Notes are listed, be effected as an off market transaction under the Applicable Procedures.</p>
<p>Clause 6.8.3 (Credit Event Acceleration)</p>	<p>Credit Event Acceleration</p> <p>a) On the occurrence of a Credit Event:</p> <p>(i) the Issuer shall give notice thereof (“Credit Event Notice”) within five Business Days of being notified or taking cognizance of the occurrence thereof to the Noteholders’ Representative and the Noteholders, and the Issuer shall redeem the whole or part of the Notes;</p> <p>(ii) the Noteholders shall cease to have the right to receive interest payments under the Notes as from the Interest Payment Date immediately preceding the occurrence of the Credit Event;</p> <p>(iii) the right of Noteholders to redemption proceeds calculated at the Nominal Amount per Note shall be superseded by the redemption proceeds specified in Clause 6.8.3(b) below; and</p> <p>(iv) the Put Option shall be suspended.</p> <p>(b) The redemption proceeds will, at the absolute discretion of the Issuer, be paid, to the Noteholders on a pro rata basis in any of the following manner or any combination thereof:</p> <p>(i) in specie by the transfer to the Noteholders, of some or all of the Reference Underlying(s) as soon as practicable after the Credit Event; and/or</p> <p>(ii) in specie, after the Credit Event Transfer, by the issue by the Credit Event Transferee, of Notes having as underlying, the Defaulting Reference Underlying’s (“New CLN”). The New CLN will be issued as soon as practicable after the Credit Event Notice; and/or</p> <p>(iii) in cash up to the amount so received and/or recovered net of recovery costs, where: =&gt; cash has been received by redemption or sale of one or more of the Defaulting Reference Underlying(s) such cash being paid as soon as practicable after the Credit Event; and/ or =&gt; cash has been recovered in respect of the Defaulting Reference Underlying(s), such cash being paid as soon as practicable after the receipt of such funds.</p> <p>(c) Notwithstanding anything to the contrary in these Listing Particulars, the receipt of the redemption proceeds as specified in Clause 6.8.3(b) (if any) by the Noteholders shall be conclusive evidence of the full discharge of the Issuer’s obligations towards the Noteholders and the latter shall have no further rights whatsoever against the Issuer in respect of the Notes held by them.</p> <p>(d) The New CLN shall have as sole Reference Underlying, the Defaulting Reference Underlyings and holders of the New CLN shall have no right whatsoever to interest payments and redemption proceeds calculated at the Nominal Amount per Note. The holders of the New CLN shall solely be entitled to cash recovered or to be recovered (as the case may be) in respect of the Defaulting Reference Underlyings to which the New</p>



	<p>CLN relates, net of (i) recovery costs and (ii) the Recovery Fee. Any amounts recovered will be paid to the holders of the New CLN as soon as practicable.</p> <p>(e) Where the Issuer has elected for a Credit Event Transfer, the Issuer will, on the date of the Credit Event Transfer, adjust the Nominal Amount per Note to bring the latter to the Performing CLN Nominal Amount per Note (the “Adjustment Date”). For the purposes of these Listing Particulars, the Notes shall accordingly be construed as “Performing CLN” (“Performing CLN”) and the holders of the Performing CLN shall, as from the Adjustment Date, be entitled to:</p> <ul style="list-style-type: none"> <li>⇒ interest payments at the Interest Rate set out (as the case may be) in these Listing Particulars or the Circular Notice immediately preceding the occurrence of the Credit Event and on the Interest Payment Date immediately following the Adjustment Date; and</li> <li>⇒ redemption proceeds calculated at the Performing CLN Nominal Amount per Note; and</li> <li>⇒ all rights under these Listing Particulars suspended or cancelled in reason of the occurrence of the Credit Event.</li> </ul> <p>After the Adjustment Date, a reference to “Notes” in these Listing Particulars shall be a reference to the “Performing CLN”. The first Interest Reset Date of the Performing CLN after the Adjustment Date shall be the date falling on the ninetieth day after the Adjustment Date.</p>
Credit event	<p>Shall be deemed to occur upon the Issuer either (i) being notified (by the Reference Entity or the noteholders’ representative of the Defaulting Reference Underlying (or its agents, if any)) or (ii) otherwise taking cognizance of an event of default in respect of any of the Reference Entities (such event of default being as described in the relevant Reference Underlying Documentation)</p>
Event of default (Clause 6.15)	<p>6.15.1 In relation to the Issuer, subject to Clause 6.15.2 below, an Event of Default shall arise if any one or more of the following events shall have occurred and be continuing:</p> <ul style="list-style-type: none"> <li>(a) the failure by the Issuer to pay within seven (7) Business Days from the due date any amount due in respect of any of the Notes; or</li> <li>(b) any breach of any covenants or other obligations as set forth in these Listing Particulars and in the document creating the Pledge; or</li> <li>(c) a Cross Default where it relates to an amount exceeding MUR 5,000,000; or</li> <li>(d) any amendment under Clause 6.4 that cancels or restricts the right of Noteholders to exit their investment by the exercise of the Put Option;</li> <li>(e) unless the Call Option has been exercised for the entire outstanding Nominal Amount, the failure by the Issuer to send the Circular Notice in accordance with the terms set out in these Listing Particulars; or</li> <li>(f) the granting of an order by any competent court or authority for the liquidation, winding-up, conservatorship, receivership, dissolution or administration of the Issuer; whether provisionally (and not dismissed or withdrawn within thirty (30) days thereof) or finally, or the placing of the Issuer under voluntary liquidation and the facing of other Insolvency Proceedings, provided that no such proceedings shall constitute an Issuer Event of Default if any of such proceedings is for the purpose of effecting an amalgamation, merger, demerger, consolidation, reorganization or other similar arrangement.</li> </ul> <p>6.15.2 For the avoidance of doubt a Credit Event shall not constitute an Event of Default and no Event of Default may be declared against the Issuer when a Credit Event has occurred.</p> <p>6.15.3 An Event of Default is continuing if it has not been remedied within thirty days (or such other extended period as approved by the Noteholders’ Representative in writing) of occurrence of such Event of Default.</p> <p>6.15.4 If the Issuer becomes aware of the occurrence of any Event of Default, it shall forthwith notify the Noteholders’ Representative in writing.</p> <p>6.16.5 Upon the occurrence of an Event of Default which is continuing, subject to the Noteholders’ Representative Agency Agreement, the Noteholders’ Representative may do any of the following:</p> <ul style="list-style-type: none"> <li>(a) bring proceedings to recover any amount then due and payable but unpaid pursuant to the Notes;</li> <li>(b) initiate any Insolvency Proceedings and, subject to the ranking of the Notes, prove the claim in any of the Insolvency Proceedings; or</li> </ul>

(c) by written notice to the Issuer, declare all amounts payable under the Notes to be forthwith due and payable. Upon receipt of such notice, such Notes shall become forthwith due and payable, together with accrued interest (if any) to the date of payment.

**Financial Performance of CM Diversified Ltd. for the period March 19, 2019 (Date of Incorporation) to June 30, 2020**

For the period ended as on June 30,	2020	Q1FY21
	Audited	Unaudited
MUR Million		
Interest Income	71	11
PBT	(0.043)	0.62
PAT	(0.13)	0.60
Dividend	-	-
Equity share capital	110	110
Tangible net worth	110	110
Cash and Cash Equivalents (non-banking segment)	114	110
Total debt (Credit linked Notes)	1,750	1,456
<b>Key Ratios</b>		
PAT / Total income	-	5.45%

**Details of Instrument**

Instrument	Amount	Repayment	Interest Rate
Secured Credit Linked Note	MUR 1,656 Million	Redemption at maturity date (18 <sup>th</sup> December 2030) at Nominal Amount per Note	Higher of 1.45% p.a. or [(Weighted avg. Rate of 91 Days T-Bill (December 2020 to March 2021)) – 15 bps]

**Disclaimer**

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## Annexure I

### *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. A suffix of '(SO)' may be added to the rating indicating that the instrument / facility is a "Structured Obligation". A prefix of 'Provisional' may be added to a 'SO' rating indicating that the rating is subject to completion of certain conditions.*

### **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.

### **Rating Symbols**

#### **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.*

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