

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

Ratings

Instrument	Amount (MUR Million)	Rating	Rating Action
Secured Credit Linked Notes	MUR 1,750 Million (enhanced from MUR 1,400 million)	CARE MAU A- (SO) Stable/	

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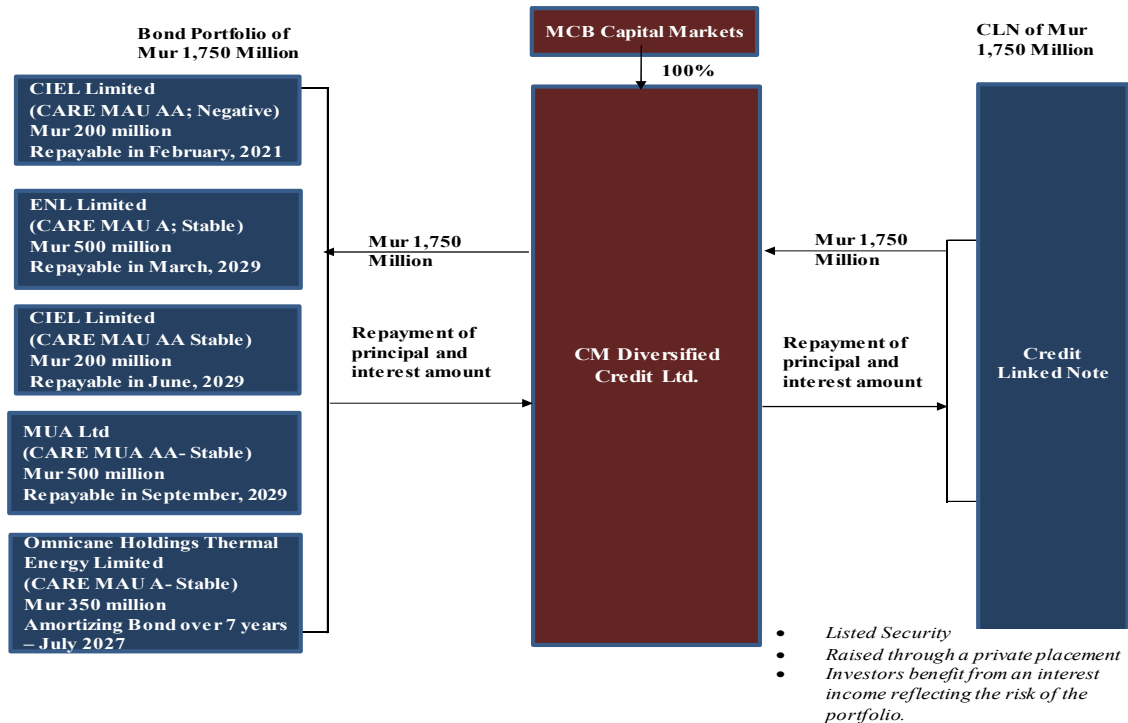
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BRN: C127054

Telephone: +230 59553060/58626551

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Issue of CLNs of MUR 1,750 million

In March 2019, CMDCL has raised MUR 700 million (revised to repayment date of 24th September 2029 from 4th April 2029) from the issue of Secured Credit Linked Notes (CLN) to investors. The proceeds from the Notes issue has been invested in the Bonds issued by CIEL Limited & ENL Limited. In September 2019, CMDCL issued CLNs of MUR 700 million (repayable of 24th September 2029). The proceeds from the issue was utilised for investment in bonds issued by CIEL Limited and MUA Ltd. In December 2019, CMDCL proposes to issue additional CLNs of MUR 350 million (repayable of 24th September 2029) (the “Additional CLN”). The proceeds from the issue will be utilised for investment in bonds issued by Omnicane Holdings (La Baraque) Thermal Energy Limited (MUR 350 million rated CARE MAU A- Stable).

CMDCL shall continuously issue Notes whose Interest Rate can be reset every three months based on market conditions. The interest rate for the interest period (1st January 2020 to 31st March 2020) shall be the higher of 3.20% p.a. or [(Weighted avg. Rate of 91 Days T-Bill (Jan-March)) – 15 bps] with next Interest reset date on March 30, 2020. The Issuer will rely on its affiliates to provide it with management and underwriting services.

CMDCL has subscribed to bonds issued by CIEL Limited [MUR 200 million due for redemption on Feb 2021] for a period of 2 years, ENL Limited [MUR 500 million due for redemption on March 2029] for a period of 10 years, CIEL Limited [MUR 200 million due for redemption on June 2029] for 10

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years and MUA Limited [MUR 500 million due for redemption on March 2029] for a period of 10 years. The new bonds of Omnicane Holdings (La Baraque) Thermal Energy Limited [MUR 350 Million Amortizing Bond over 7 years] is for a period of 7 years. CIEL, MUA and ENL will be paying semi-annual interest to CMDCL while OHLB will be paying interest annually. CMDCL will be paying quarterly interest to its Note-holders.

The rating is dependent on the financial performance of CIEL, ENL, MUA and OHLB (reference companies) since the debt repayment will be made out of the operational cash flow of these three 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 1,750 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 1,750 million for 10 years), the maximum amount of Put option that can be exercised on the interest reset dates is MUR 1,750 million only, based on the current outstanding Credit linked Notes.

Update on Interest reset and exercise of Put option

Interest reset on June 2019 - On June 12, 2019, CMDCL issued Circular Notice to its Investors, to reduce the Interest rate on CLNs from 3.95% p.a. to 2.85% p.a. from June 29, 2019 (for the period June 29, 2019-September 29, 2019), with next reset date at September 30, 2019. Accordingly, in June 2019, investors with aggregate investment of around MUR 174 million (25% of the CLN issue of MUR 700 million) exercised their put option and MCBSB paid the put proceeds to each investor on June 29, 2019 in its capacity as underwriter.

Interest reset on September 2019 - On September 4, 2019, CMDCL issued Circular Notice to its Investors, to increase the Interest rate on CLNs from 2.85% p.a. to 3.30% p.a. [shall be the higher of 3.30% p.a. or [(Weighted avg. Rate of 91 Days T-Bill (Sept to Dec.)) – 15 bps] from Sept 30, 2019 (for the period September 30, 2019- December 31, 2019), with next reset date at January 1, 2020. CMDCL has already placed MUR 174 million with different investors and as on September 16, 2019, investors with aggregate investment of around MUR 70 million (10% of the CLN issue of MUR 700 million) exercised their put option (within 3 business days) and MCBSB arranged for the proceeds to pay to each investor on September 30, 2019 in its capacity as underwriter. MCBSB was able to place back the

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entire amount (MUR 70 million) with different investors by September 2019, while at the same time placing the additional MUR700 million with investors.

Interest reset on December 2019 - On December 6, 2019, CMDCL has issued Circular Notice to its Investors, to reduce the Interest rate on CLNs from 3.30% p.a. to 3.20% p.a. [shall be the higher of 3.20% p.a. or [(Weighted avg. Rate of 91 Days T-Bill (Jan to Mar)) – 15 bps] from January 3, 2020 (for the period January 3, 2020 – March 29, 2020), with next reset date at March 30, 2020. Investors with aggregate investment of around MUR 160 million (11% of the CLN issue of MUR 1400 million) has exercised their put option and MCBSB and MCB Capital Markets already has the amount to pay the investors on due date. CMDCL has already got interest from different investors for MUR 160 million and fresh issue of MUR 350 million. CMDCL is confident that CLNs worth MUR 510 million will be subscribed by different investors by December 31, 2019.

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

As at the date of this PPM, the Issuer (CMDCL) warrants that it does not have any Financial Indebtedness. Save/ Except for the Permitted Financial Indebtedness, the Issuer shall be prohibited from entering into 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

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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)

Background of CIEL Ltd, ENL Ltd, MUA Ltd. and Omnicane Holdings (La Baraque) Thermal Energy Limited

(visit <http://www.careratingsafrica.com/rating-symbols-definitions.php> for detailed Rationale of CIEL Limited, ENL Limited, MUA Ltd and Omnicane Holdings (La Baraque) Thermal Energy Limited)

CIEL Ltd [CARE MAU AA Negative/CARE MAU A1+]:

CIEL Limited (CIEL), is an investment & holding company of CIEL group, controlled by the siblings of Mr. Adrien Dalais (holding more than 30% stake). CIEL is one of the largest industrial and investment groups based in Mauritius with operations in African and Asian countries. The major companies are CIEL Textile Limited, Alteo Limited, Sun Limited, CIEL Finance Limited, Bank One and CIEL Healthcare. The operations of CIEL group are deeply etched in Mauritian soil, with presence in African and Asian continent. Seven of the group companies are rated by CRAF, namely Bank One [CARE MAU A+ (IS) Stable], CIEL Finance Limited [CARE MAU A+ Stable], Sun Limited and City and Beach Hotels (Mauritius) Limited (CARE MAU A Stable), C-Care (Mauritius) Ltd. (CARE MAU A Stable/A1), Aquarelle International Limited (CARE MAU A Stable), Aquarelle India Pvt. Ltd (CARE BBB Stable) and Alteo Limited (CARE MAU A Stable).

A brief snapshot of consolidated financials of CIEL Ltd. is given below:

For the year ended as on June 30	2016	2017	2018	2019	Q1FY19	Q1FY20
Mur Million	Audited					
Total Income	19,336	21,144	22,985	24,618	6,085	6,273
EBIDTA	2,736	2,820	2,953	3,443	616	728
Interest	555	645	781	813		
Reported PBT	1,335	1,433	1,379	(753)		
Normalised PBT	1,335	1,433	1,379	1,637*		
Reported PAT	1,182	1,144	1,090	(1,189)		
Normalised PAT	1,182	1,144	1,090	1,307*	129	126
Gross Cash Accruals (GCA)	1,931	2,114	2,256	2,105		
Dividend	274	305	328	347		
Tangible net worth**	17,365	17,029	17,960	17,661		
Cash and Cash Equivalents	5,583	5,430	6,879	6,618		
Total debt	14,320	15,848	16,801	17,446		17,163
Key Ratios						
EBIDTA / Total income	14.50	13.68	13.06	14.23		
PAT / Total income	6.11	5.41	4.74	5.31		
Debt equity ratio	0.31	0.61	0.65	0.66		
Overall gearing ratio	0.82	0.93	0.94	0.99		
Interest coverage (times)	4.93	4.37	3.78	4.24		
Total debt/ EBIDTA	5.23	5.62	5.69	5.07		
Current ratio	1.06	1.01	1.05	1.09		

** Reported Networth less Revaluation Reserve less Intangibles

*Adjusted for the non-cash impairment and related tax charges of Mur 2,496 million on impairment of goodwill (in line with Provisioning of Investments under IFRS 9)

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ENL Ltd. (CARE MAU A Stable):

On January 1, 2019, ENL Limited, ENL Finance, ENL Land and ENL Commercial were amalgamated with and into La Sablonniere Limited, which has been subsequently renamed as “ENL Limited” and was listed on Stock Exchange of Mauritius Ltd as from January 23, 2019. Rogers and Ascencia continue to be listed on the Stock Exchange of Mauritius.

A brief snapshot of consolidated financials of ENL Ltd. is given below:

ENL Ltd- Consolidated. (MUR Million)	9M FY19	9M FY18	FY18
Turnover	11,800	10,934	14,566
Interest cost	812	867	1,022
PAT	199	525	1,299
Total Debt:	18,954	21,633	21,189
Tangible Net worth	36,401	37,168	27,365
Gearing	0.52	0.58	0.8
Interest coverage	1.4	1.8	3.1

MUA Ltd (CARE MUA AA- Stable):

MUA Ltd is the holding company of MUA group engaged in providing general & life insurance in Mauritius and East Africa through its various subsidiaries. The Mauritius Union Assurance CY Ltd is engaged in providing general insurance in Mauritius and MUA Life Ltd is engaged in providing life insurance in Mauritius. Phoenix Transafrica Holdings Limited is engaged in providing General Insurance in East African countries. Mauritius is the primary market for MUA (25% for general insurance and a 10% for life insurance). MUA ventured into East Africa in 2014 and is headquartered in Nairobi (Kenya). This subsidiary has offices in Tanzania, Uganda and Rwanda.

MUA Ltd - Consolidated. (MUR Million)			
For the year ended	FY16	FY17	FY18
Net Premium Earned	2,719	2,917	3,179
PAT	120	322	354
Total Debt	300	300	300
Tangible Networkth	2,151	2,366	2,490
Gearing	0.14	0.13	0.12
Solvency Ratio	221%	223%	209%

Omnicanne Holdings (La Baraque) Thermal Energy Limited [CARE MAU A-; Stable]

Incorporated in 2005, Omnicanne Holdings (La Baraque) Thermal Energy Limited (“OHLB”) is the holding company for Omnicanne Group’s (Omnicanne Limited and subsidiaries; “Omnicanne Group”) investment in a 90 MW (45 MW*2) powerplant. OHLB is a wholly-owned subsidiary of Omnicanne Limited.

OHLB holds 60% stake of Omnicanne Thermal Energy Operations (La Baraque) Limited (“OTEOLB”) which owns and operates 90 MW (45 MW*2) high-efficiency coal and bagasse based powerplant

located in the Southern part of Mauritius (La Baraque, L'Escalier). The power plant is operational since 2007. The other two shareholders of OTEOLB are Albioma (25%) and Sugar Investment Trust (15%). OTEOLB's 90 MW thermal power plant uses coal and bagasse as fuel to produce power, which is sold to the Central Electricity Board (CEB) as per the Power Purchase Agreement (PPA). OTEOLB pays dividend to OHLB and OHLB's sole revenue source is dividend income from OTEOLB. Hence, OHLB's prospects are closely linked to the performance of OTEOLB.

A brief snapshot of financial performance of OHLB is given below: (MUR Million)

For the year ended as on	Dec-16	Dec-17	Dec-18
	12M	12M	12M
Total Income	90	120	90
EBITDA	89	119	89
Interest	0	0	0
PBT	89	119	89
PAT	89	119	89
Gross Cash Accruals (GCA)	89	119	89
Dividend paid/proposed	89	119	89
Equity share capital	457	457	457
Tangible net worth	457	457	457
Total Debt	0	0	0
Key Ratios			
EBITDA / Total income	99.06	99.25	98.96
PAT / Total income	99.05	99.25	98.96
RONW (%)	19.52	26.08	19.50

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 3.20% p.a. or [(Weighted avg. Rate of 91 Days T-Bill (Sept to Dec.)) – 15 bps] (Jan 3 – March 29, 2020) with next Interest reset date on March 30, 2020.
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 30, 2020
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 30, 2020. 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 24 th September 2029 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).

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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 nd August 2018.
Maturity/ Repayment Date	February 2, 2021
Source of Repayment	Operational cashflow
Amount	MUR 200 million (11% of total Portfolio)
Early Redemption	No early redemption option available to the Bond Holders
Outstanding Ratings	CARE MAU AA; Negative

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

Frequency of Interest Payment	Semi-annual payment in arrears on 31 st July and 31 st January each year starting 31 st July 2019
Maturity/ Repayment Date	March 29, 2029
Source of Repayment	Operational cash flow
Amount	MUR 500 million (29% of total Portfolio)
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 August and February each year starting 2 nd August 2018.
Maturity/ Repayment Date	June 2029
Source of Repayment	Operational cash flow
Amount	MUR 200 million (11% of total Portfolio)
Early Redemption	No early redemption option available to the Bond Holders
Outstanding Ratings	CARE MAU AA; Negative

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

Frequency of Interest Payment	Semi-annually in arrears
Maturity/ Repayment Date	24 th September 2029
Source of Repayment	Operational cash flow
Amount	MUR 500 million (29% of total Portfolio)
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) Limited

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 350 million (20% of total Portfolio)
Early Redemption	No early redemption option available to the Bond Holders
Outstanding Ratings	CARE MAU A-; Stable

**Current Repo Rate as per BOM is 3.35% p.a.*

Principal terms pertaining to the Credit-linked Notes

TERMS AND CONDITIONS	
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 1,750,000,000
Nominal / Issue Price per Note	MUR 1,000

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TERMS AND CONDITIONS	
Currency	MUR
Minimum Subscription Amount	MUR 1,000,000
Use of proceeds	To invest in the existing Bonds of Reference Entities(CIEL Ltd., ENL Ltd.,MUA Ltd & OHLB)
Interest Rate	<ul style="list-style-type: none"> Interest rate shall be higher of 3.20% p.a. or [(Weighted avg. Rate of 91 Days T-Bill (Jan – March 2020)) – 15 bps] 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 the Payment Date, the date such payment is made by that Noteholder to the Issuer’s bank account
Interest Reset Date	Next Interest Reset Date shall be on March 30, 2020. 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 24 th September 2029 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.
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 6.9.1
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 6.9.2
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 6.9.3
Limited Recourse	<p>Recourse of the Noteholders shall be limited to</p> <ul style="list-style-type: none"> (i) the Issuer and, subject to the terms of this PPM, (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
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	24 th September 2029
Clause 6.9.1 (Put Option) in which case	Put Option

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TERMS AND CONDITIONS	
<p>(CRAF has analysed the ability of CMDCL and MCB group to repay MUR 1,750 million to the Noteholders on the Interest reset date)</p>	<ul style="list-style-type: none"> 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 email (“Put Notice”) served on the Issuer and the Noteholders’ Representative in accordance with Clause 6.24 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 be done on the SEM in accordance with the Applicable Procedures and such procedure as may be agreed between the Issuer and the SEM and notified to the Noteholders and Noteholders’ Representative through the Circular Notice. Any Noteholder exercising its Put Option shall bear the applicable trading costs according to the Applicable Procedures (the “Trading Costs”). 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”). 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>Clause 6.9.2 (Call Option)</p>	<p>Call Option</p> <ul style="list-style-type: none"> 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”). 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”). 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. 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. 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>Clause 6.9.3 <i>(Credit Event Acceleration)</i></p>	<p>Credit Event Acceleration</p> <ul style="list-style-type: none"> a) On the occurrence of a Credit Event: <ul style="list-style-type: none"> (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; (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; (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 6.9.3(b) below; and (iv) the Put Option shall be suspended (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: <ul style="list-style-type: none"> (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

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TERMS AND CONDITIONS

	<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: => 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 => 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 this PPM, the receipt of the redemption proceeds as specified in Clause 6.9.3(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 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 this PPM, 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"> ⇒ interest payments at the Interest Rate set out (as the case may be) in this PPM or the Circular Notice immediately preceding the occurrence of the Credit Event and on the Interest Payment Date immediately following the Adjustment Date ; and ⇒ redemption proceeds calculated at the Performing CLN Nominal Amount per Note; and ⇒ all rights under this PPM suspended or cancelled in reason of the occurrence of the Credit Event. ⇒ After the Adjustment Date, a reference to "Notes" in this PPM 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.
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 6.16)	<p>6.16.1 In relation to the Issuer, subject to Clause 6.16.2 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"> (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 (b) any breach of any covenants or other obligations as set forth in the PPM and in the document creating the Pledge; or (c) a Cross Default where it relates to an amount exceeding MUR 5,000,000; or (d) any amendment under Clause 6.5 that cancels or restricts the right of Noteholders to exit their investment by the exercise of the Put Option; (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 this PPM; or

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(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.

6.16.2 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.

6.16.3 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.

6.16.4 If the Issuer becomes aware of the occurrence of any Event of Default, it shall forthwith notify the Noteholders' Representative in writing.

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:

- (a) bring proceedings to recover any amount then due and payable but unpaid pursuant to the Notes;
- (b) initiate any Insolvency Proceedings and, subject to the ranking of the Notes, prove the claim in any of the Insolvency Proceedings; or
- (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.

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Details of Instrument

Instrument	Amount	Repayment	Interest Rate
Secured Credit Linked Note	MUR 1,750 Million	Redemption at maturity date (24 th September 2029) at Nominal Amount per Note	Higher of 3.20% p.a. or [(Weighted avg. Rate of 91 Days T-Bill (January to March)) – 15 bps]

Disclaimer

CARE Ratings (Africa) Private Limited (“CRAF”)’s ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CRAF’s ratings do not convey suitability or price for the investor. CRAF’s ratings do not constitute an audit on the rated entity. CRAF has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CRAF does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CRAF have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CRAF may also have other commercial transactions with the entity.

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Annexure I

Long /Medium-term Instruments

<i>Symbols</i>	<i>Rating Definition</i>
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. 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

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.

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