CARE Ratings AFRICA

Rating Rationale
CM Structured Finance (2) Ltd ("CMSFL2")

Ratings

Instrument	Amount	Rating	Rating Action
Secured Credit Linked Floating Rate Notes	EUR 15 million (MUR 600 million)	**CARE MAU A- (SO) Stable [Single A Minus (Structured Obligation); Outlook: Stable] CARE MAU A2+ (SO) (A Two Plus) (Structured Obligation)**	**Assigned**

Rating Rationale

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 Structured Finance (2) Ltd ("CMSFL2").

The ratings assigned to CMSFL2 derives strength from the financial performance of the reference entity, Compagnie des Villages de Vacances de l'Isle de France Limitée ("COVIFRA"), since the debt repayment will made out of the operational cashflow of COVIFRA.

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

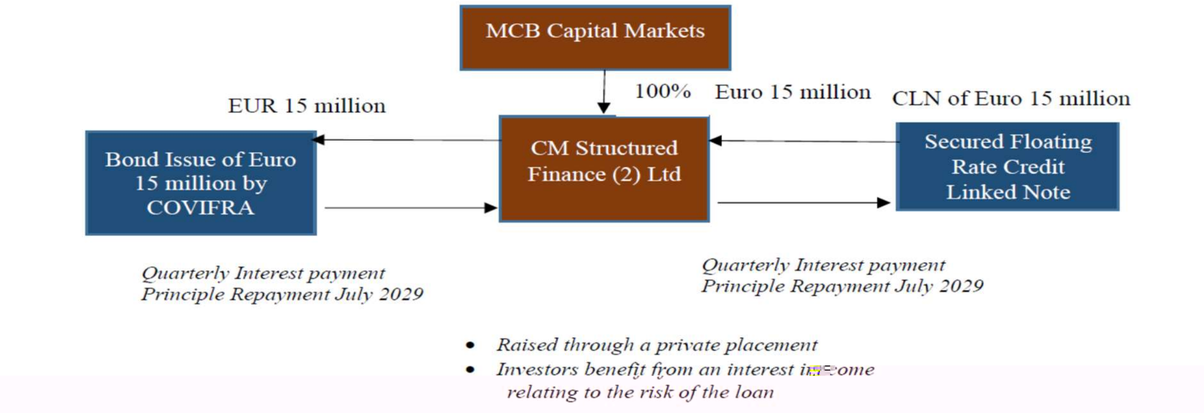
COVIFRA's timely rental receipt from Holiday Villages Management (Mauritius) Services ("HVMS" or the "Lessee"), operational & financial performance of the Lessee and Club Med S.A.S ("Club Med" or the "Guarantor"), ability to reduce level of indebtedness vis-à-vis operational cashflow and ability of the Underwriter to arrange funds in a timely manner on interest reset dates are the key rating sensitivities.

BACKGROUND

CM Structured Finance (2) Ltd ("CMSFL2"), a public limited company, was incorporated as a Special Purpose Vehicle (SPV) under the laws of Mauritius on June 27, 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 Stock Exchange of Mauritius (SEM). The Mauritius Commercial Bank Limited (wholly owned subsidiary of MCB group) is rated CARE MAU AAA (IS) Stable.

CMSFL2 was incorporated with a capital of MUR 10,000 (1,000 Class A Shares issued at MUR 10 each), fully subscribed by MCB Capital Markets Ltd. On the date of issue of CLN, MCB Capital Markets Ltd. will infuse equity of EUR 675,000 (subscribing to 675 Class B Shares at a price of EUR 1,000 each) for the purpose of credit enhancement of the CLN.

CMSFL2 (SPV) proposes to issue Secured Credit Linked Floating Rate Notes (collateralized loan obligation) to investors. The broad structure is as under:



CMSFL2 will subscribe to the Bond issue of COVIFRA and the same will be funded through the proceeds of the issuance of Secured Credit Linked Floating Rate Notes (CLN) to investors. The return of the CLNs will be linked to the repayments of the Bond.

CMSFL2's sponsor (MCB Capital Markets Ltd) shall credit-enhance the Notes by EUR 675,000. This amount shall be used as a first-loss cash-collateralised guarantee and will be held in a segregated account with The Mauritius Commercial Bank Limited. This account will be pledged in favour of the Noteholders' Representative on the Issue Date pursuant to the Pledge of Segregated Account Agreement.

CMSFL2 is raising EUR 15 million (MUR 600 million), from the issue of the CLNs, to subscribe to the Bond issue of COVIFRA. CLN of EUR 15 million (MUR 600 million) is repayable on July 18, 2029 out of the operational cashflow of COVIFRA. Interest Rate will be reset after every 1 year for around Euro 9.0 million tranche and after every 5 years for around Euro 6.0 million tranche.

The rating is dependent on the financial performance of COVIFRA, since the debt repayment will made out of the operational cashflow of COVIFRA. The 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") on the Interest Reset Dates.

MCB Stockbrokers Ltd (the "Underwriter") has provided a Shortfall undertaking for MUR 600 million for 10 years to CMSFL2. As per the undertaking in the event of the exercise of the Put Option by a Noteholder (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 CLN (EUR 15 million for 10 years), the maximum amount of Put Option that can be exercised on the interest reset dates is EUR 15 million only.

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 stockbroking 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 the 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. As of date, MCB Stockbrokers Ltd doesn't have any underwriting obligation.

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 the PPM, the Issuer (CMSFL2) 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 Issuer Financial Indebtedness without the consent of the Noteholders' Representative.

Interest Rate and Repayment Terms of the CLN - CLN will be repaid out of cashflow to be received from COVIFRA.

	01-FLRN-EUR10Y/1Y	02-FLRN-EUR10Y/5Y
Interest Rate = Reference Rate + Spread	Interest Rate during First Spread Period = EURIBOR (floored at 0%) + (1.20% p.a. - 1.50% p.a.)	Interest Rate during First Spread Period = EURIBOR (floored at 0%) + (1.90% p.a. - 2.20% p.a.)
Indicative Amount	Around Euro 9 million	Around Euro 6 million
First Interest Payment Date	October 22, 2019	
Frequency of Interest Payment	Interest shall be paid quarterly in arrears on the 22nd of January, April, July and October (each an "Interest Payment Date") of each year.	
Spread Reset Date	18 July 2020 Subsequent Spread Reset Dates will be notified to the Noteholders by way of the Circular Notice	18 July 2024 Subsequent Spread Reset Dates will be notified to the Noteholders by way of the Circular Notice
Circular Notice (Clause 3.3)	Subject to a Circular Notice being served, the Issuer (CMSFL2) shall have the option of revising the Spread and the Interest Payment Dates. In setting out the Spread at each Interest Reset Date, the Issuer shall take into account various market conditions, including but not restricted to (i) Relevant EUR deposit rates, (ii) Rates offered by other short-term EUR credit investment products (if applicable), and (iii) Rating of the Notes (if applicable).	
Maturity date of the CLN	Bullet repayment 18 July 2029	

Interest Rate and Repayment Terms of the Bond issued by COVIFRA

Frequency of Interest Payment	Quarterly
Repayment Terms of the Loan	Year 10 (July 18, 2029) - 100% of the loan amount [EUR 15 million]
Source of Repayment	Operational cashflow of COVIFRA [Lease rentals from Holiday Villages Management (Mauritius) Services (the "Lessee")]
Guarantee	Rental income is guaranteed by Club Med S.A.S (holding company of the lessee)
Put option (available to the Noteholders)	Except in the case of a Credit Event or an Issuer Event of Default, each Noteholder shall have the right to compel the Issuer to redeem, purchase or arrange for the purchase of, the whole or part of its Notes by serving at least 90 days' Notice
Call option (available to the Issuer)	The Issuer may, at its sole discretion, as from the fifth anniversary of the Issue Date by giving to the Noteholders at least 90 days written notice (or such other delay as may be prescribed by the Applicable Procedures), redeem the whole or part of the Notes

Principal terms pertaining to the Secured Credit-linked Notes

TERMS AND CONDITIONS	
Nature of Instruments	Secured credit-linked floating rate notes
Issuer	CM Structured Finance (2) Ltd
Method of placing	Private placement with Eligible Investors
Aggregate Nominal Amount	Up to EUR 15,000,000
Nominal / Issue Price per Note	EUR 1,000
Currency	EUR
Minimum Subscription Amount	EUR 35,000
Use of proceeds	To subscribe to the Bond issue of the Reference Entity (COVIFRA)
Interest Rate	• The Interest Rate shall be the aggregate of the Reference Rate and Spread. • Based on a Reference Rate (Euribor) of 0.0% and a Spread of 1.20% -1.50% the Interest Rate during the First Spread Period for 01-FLRN-EUR10Y/1Y Tranche • The Interest Rate shall be the aggregate of the Reference Rate and Spread. • Based on a Reference Rate (Euribor) of 0.0% and a Spread of 1.90% - 2.20%, the Interest Rate during the First Spread Period; for 02-FLRN-EUR10Y/5Y Tranche Thereafter, the Issuer shall, through the Circular Notice, inform Noteholders of the Spread
Interest Commencement Date	The Issue Date and each Interest Reset Date (in relation to new Spreads only)
Spread Reset Date	The first Spread Reset Date for Tranche **01-FLRN-EUR10Y/1Y** shall be on the first anniversary of the Issue Date and successive dates falling one year after the previous reset date. The first Spread Reset Date for Tranche **02-FLRN-EUR10Y/5Y** shall be on the fifth anniversary of the Issue Date and successive dates falling five years after the previous reset date.
Interest Payment Date	Subject to the Clause **Error! Reference source not found.**, the Interest Payment Dates shall be: • during the First Spread Period, on 22 October, 22 January, 22 April and 22 July of the relevant year (depending on the Tranche); and • thereafter, as may be determined through a Circular Notice.
Redemption Price	Except in the case of a Credit Event, each Note shall be redeemed on the Maturity Date, a price per Note equal to the Nominal Amount If there is a Credit Event which is continuing, the Issuer may elect to redeem the Notes as per Clause **Error! Reference source not found.**of the PPM and the price per Note shall be as calculated under the foregoing Clause
Put Option	Except in the case of a Credit Event or an Issuer 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 **Error! Reference source not found.** of the PPM
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 **Error! Reference source not found.** of the PPM
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 **Error! Reference source not found.** of the PPM
Switching of Tranche	Noteholders will have the option to, subject to the consent of the Issuer, switch their holding of Notes in one Tranche into Notes of another Tranche in accordance with Clause **Error! Reference source not found.** of the PPM
Limited Recourse	Recourse of the Noteholders shall be limited to the Issuer, the Reference Underlying and the balance accruing on the Segregated Account (excluding interest accrued thereon), and 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.
Status of the Notes	The Notes will constitute secured debt obligations of the Issuer and will rank: a) *pari passu* without any preference among themselves; and b) senior to: i. any unsecured creditors of the Issuer; and ii. holders of all classes of share capital of the Issuer.
Security Interest attached to the Notes	The Notes will be secured by way of: (a) a pledge of the Segregated Account in favour of the Noteholders' Representative in accordance with the Pledge of Segregated Account Agreement; and (b) a pledge of the Reference Underlyings
Credit enhancement	The Issuer shall, at all times, hold an amount (in EUR) equal to 4.5% of the outstanding aggregate nominal amount of the investment in the Reference Underlying (in cash or such other liquid instrument). If there is an Event of Default, the Noteholder Representative shall be entitled to enforce the Pledge of Segregated Account Agreement and recoup any losses incurred by the Noteholders (subject to Clause **Error! Reference source not found.**(**Error! Reference source not found.** of the PPM) from the Segregated Account.
Noteholders' Representative	BLC Robert & Associates Ltd
Registrar, Calculation, Transfer and Paying Agent	MCB Registry & Securities Ltd
Listing	The Issuer does not intend to list the notes
Rating	The transaction advisor expects that CARE Ratings (Africa) Private Limited ("**CRAF**") assigns a rating to the Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning agency Rating Surveillance The assigned rating shall be monitored by CRAF during the lifetime of the Note. The Notes may be upgraded or downgraded. The conclusion of this annual review will be communicated by CRAF to the general public on the website, www.careratingsafrica.com
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
Offer Start Date/ Time	28 June 2019
Offer End Date/ Time	15 July 2019
Settlement Date/ Time	18 July 2019
Issue Date	The same date as the Settlement Date
Clause 6.10.1 (Put Option) in which case (CRAF has analysed the ability of CMSFL2 and MCB group to repay the Noteholders on the Interest reset date)	**Put Option** a) Except in the case of a Credit Event or an Issuer 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") on the Spread Reset Date. b) The Put Option shall be exercised by way of a notice in writing ("Put Notice") served on the Issuer and the Noteholders' Representative 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 or if a Credit Event has occurred between the date of the Circular Notice and the Spread Reset Date. c) Unless redeemed by the Issuer, the transfer of the Notes in respect of which the Put Option have been exercised shall be done in accordance with Clause **Error! Reference source not found.**. d) The proceeds payable to the relevant Noteholder ("Put Proceeds") 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. 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.
Clause 6.10.2 (Call Option)	**Call Option**

	a) The Issuer may, at its sole discretion and at any time, upon giving the Noteholders at least five Business Days written notice (“**Call Notice”**), 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 be payable within five (5) Business Days from 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. f) Redemption of Class B Shares An amount equal to the Subscription Amount shall at the Issue Date be held in the Segregated Account. Following payment of the Call Proceeds, the Noteholders’ Representative shall be authorised to release an amount corresponding to 4.5% of the Aggregate Nominal Amount of the Notes being redeemed from the Segregated Account. Such release shall result in the Subscription Amount being reduced.
Clause 6.11 *(Switching of tranches)*	A Noteholder who elects to exercise a Put Option may, by written notice sent to the Issuer (“**Switch Notice**”), request the latter to apply the Put Proceeds (EXCLUDING accrued interest in respect of the applicable Interest Period) towards the subscription monies payable by that Noteholder for an investment in the Notes of another Tranche(s) (hereinafter the “**Switched Tranche**”). Switches will be made on the basis of the price per Note of the relevant Tranche equal to the Nominal Amount. The Switch Notice must be served on the Issuer concomitantly with the Put Notice, i.e. within three Business Days of the date of the Circular Notice. The Issuer may in its sole discretion accept or reject a switching instruction. All switching instructions are accepted at the Noteholders’ own risk. Switching will be transacted on the Interest Payment Date immediately following the date on which the Switch Notice is sent to the Issuer. Thereafter, all terms of this PPM applicable to the Switched Tranche will, for all intents and purposes, apply to the concerned Noteholders.
Clause 6.12 *(Limited Recourse)*	(a) The Notes are direct and limited recourse obligations of the Issuer (“**Limited Recourse**”). The Issuer's payment obligations under the Notes will be wholly dependent upon receipt by it, in full, of payments of amounts payable under the Reference Underlying. Other than the foregoing and the Credit Enhancement Amount, the Issuer will have no other funds available to meet its obligations under the Notes. (b) Recourse to the Issuer shall be limited to the Reference Underlying or other assets subject to Security Interest (including the Credit Enhancement Amount) and the proceeds of such assets, as applied in accordance with this PPM. If such assets and proceeds prove ultimately to be insufficient (after payment of all claims ranking in priority to amounts due under the Notes) to pay in full all principal and interests on the Notes, then, the Noteholders shall have no further recourse against the Issuer or any other person for any shortfall arising or any loss sustained. (c) Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time when the Issuer certifies to the Noteholders and the Noteholder’s Representative that (i) no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claims of the Noteholders, and that (ii) neither assets nor proceeds will reasonably likely be so available thereafter. (d) The Noteholders shall, once such assets and proceeds are deemed to be ultimately insufficient, have thereafter neither further claims against the Issuer nor have recourse to the Issuer’s directors, shareholders, employees, service providers or agents and their claims shall be extinguished. (e) For avoidance of any doubt, the Issuer’s directors, shareholders, employees, service providers or agents shall not be liable for any shortfall arising or losses sustained by

	Noteholders and the Noteholders shall have no rights whatsoever against the Issuer's directors, shareholders, employees, service providers or agents.
Clause 6.10.4 *(Credit Event Acceleration)*	Credit Event Acceleration (a) On the occurrence of a Credit Event: (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; (ii) the Noteholders shall cease to have the right to receive interest payments under the Notes, starting from the Interest Payment Date immediately preceding the occurrence of the Credit Event; (iii) the Put Option and the Put Notice shall cease; and (iv) the Issuer shall be entitled to redeem the whole of the Notes following the receipt of any liquidation proceeds under the Reference Underlying Documentation in accordance with the terms of this Clause **Error! Reference source not found.**. (b) Where the Issuer has received any liquidation proceeds under the Reference Underlying Documentation after a Credit Event: a. it shall distribute such amount, net of Expenses and Recovery Fee (the "**Recovery Amount**") to the Noteholders, on a pro-rata basis; and b. Following the end of all recovery proceedings in respect of the Reference Underlying, should the Recovery Amount per Note be less than the Nominal Amount, the Noteholders' Representative shall then be entitled to enforce the Pledge of Segregated Account Agreement. Accordingly, the Noteholders shall receive an amount, on a pro-rata basis, corresponding to the lower of, (i) the difference between the outstanding Aggregate Nominal Amount and the Recovery Amount or (ii) the Credit Enhancement Amount.

Background of COVIFRA (visit http://www.careratingsafrica.com/rating-symbols-definitions.php for detailed Rationale of COVIFRA)

COVIFRA (Reference Entity)

BACKGROUND

Compagnie des Villages de Vacances de l'Isle de France Limitée ("COVIFRA"), a company listed on the Stock Exchange of Mauritius, was incorporated in Mauritius on November 29, 1972 by Club Med S.A.S ("Club Med"). COVIFRA has set up the Resort - Hotel Club Med La Pointe aux Canonniers (the "Resort"), on 11.8 hectares of prime beachfront land in the North of Mauritius with 286 rooms. Since inception (1972), the Resort has been leased out to Holiday Villages Management (Mauritius) Services ("HVMS"), a wholly-owned subsidiary of Club Med S.A.S. HVMS operates the Resort and pays a fixed rental to COVIFRA.

COVIFRA was incorporated by Club Med S.A.S ("Club Med"), a private French company specialising in all-inclusive holidays worldwide, to set up the Resort - Hotel Club Med La Pointe aux Canonniers. In 2015, Fosun International Limited of China acquired 92.8% stake in Club Med for EUR 939 million. Club Med wholly owns or operates over 70 all-inclusive resort villages across the world.

On October 25, 2017, Club Med sold its controlling stake (84.4%) in COVIFRA to MCB Real Assets Ltd ("MCBRA") at an aggregate value of MUR 1 billion (84% of 56.6 million shares acquired at MUR 22.50 per share). In FY18 & FY19, MCBRA has acquired an additional 8.96% shareholding through a mandatory offer to the minority shareholders and by subscribing to excess shares from a rights issue, taking its total stake to 93.39%. The shareholding balance of 6.61% is held by public.

MCBRA is a wholly owned subsidiary of MCB Group Limited, a company listed on the Official Market of the SEM. The Mauritius Commercial Bank Limited (another wholly owned subsidiary of MCB group) is rated CARE MAU AAA (IS) Stable.

In FY18, COVIFRA achieved a Revenue of MUR 135.8 Million (MUR 146.7 million in FY17) and PBT of MUR 83.3 million in FY18 (MUR 78.6 million in FY17).

Annexure I

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. 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.