ENL Property Limited
28 June 2023

Ratings

Facilities/Instruments	Amount (Mur Million)	Rating[1]	Rating Action
Term Loan (Long-Term)	2,300	**CARE MAU A; Stable** [Single A Plus; Outlook: Stable]	**Reaffirmed**
Overdraft (Short-Term)	300	**CARE MAU A1** [A One]	**Reaffirmed**
Total	**2,600**		

Ratings Rationale

The ratings assigned to the bank facilities of ENL Property Limited ("ENL Property") continue to derive strength from the established track record of the ENL Group, continuous strong demand for land in Moka region, improved price realisation for the past 10 years, steady increase in sale of land, improved financial performance of the major dividend paying group companies and improved cash coverage indicators of ENL Property.

The rating also factors in the prime location of the Moka Smart City due to its position in the central plateau of the island, reputation of ENL group for developing quality shopping malls, residential projects, and office spaces in prime areas of Mauritius, moderate project execution risk as the company will be developing infrastructure on land and building residential units in a phased manner and high occupancy of the leasable assets.

The rating is, however, constrained by the risks associated with the sale of land at envisaged price, the higher debt at group level vis-à-vis cashflow from operations and refinancing risk of existing debt, the volatility in rentals of newly completed buildings & profitability of the group/associate companies, regulatory risk associated with Smart City project and interest rate risk associated with floating rate debt.

Rating Sensitivities

Positive factors that could, individually or collectively, lead to positive rating action/upgrade:

- Ability to sell land under Moka Smart City Scheme and ENL Limited at envisaged price
- Ability of Oficea to develop office space and lease out in a timely manner
- Ability to maintain steady cashflow throughout the projected years

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

- Deterioration in the financials of the group entities
- Delay in receipt of dividend and cashflows as envisaged from group companies
- Additional debt taken by ENL Property Limited and group companies over and above envisaged level vis-à-vis cashflow

BACKGROUND

ENL Property Limited (ENL Property) was incorporated in February 2010. It is a 100% subsidiary of ENL Limited (CARE MAU A; Stable). ENL Property's principal activity consists of operating as a provider of professional and management services in the property development industry. The company sells land, develop and sells residential properties and develop and manages office portfolio. The key contributor to the profit is profitable performance of Ascencia and Oficea.

ENL Property (cash generating entity of the group) - engaged in real estate development, management of land bank of ENL group and rental spaces (office and malls). Major group companies:

[1]Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

a. **Moka City Limited** *(60.89% subsidiary of ENL Property)* – engaged in development of Moka under the Government-sponsored Smart City Scheme, integrating more advanced technological, environmental, social, and economic considerations into the master plan for the region. The first 2 phases of the Moka Smart City are being developed on 954 acres of land at the crossroads of the island's two main motorways.
b. **Ascencia Limited** *(24.86% subsidiary of ENL Property)* - 7 shopping malls in Mauritius including Bagatelle Mall.
c. **Oficea Company Limited (***76.69% subsidiary of ENL Property*) - Oficea is an income fund holding a portfolio of office properties mainly in Vivea Business Park Moka underpinned by MUR denominated medium to long term leases with high quality corporate tenants. Oficea currently has an existing portfolio of around 34,288 sqm of gross lettable area (GLA) into operations with 96% occupancy.

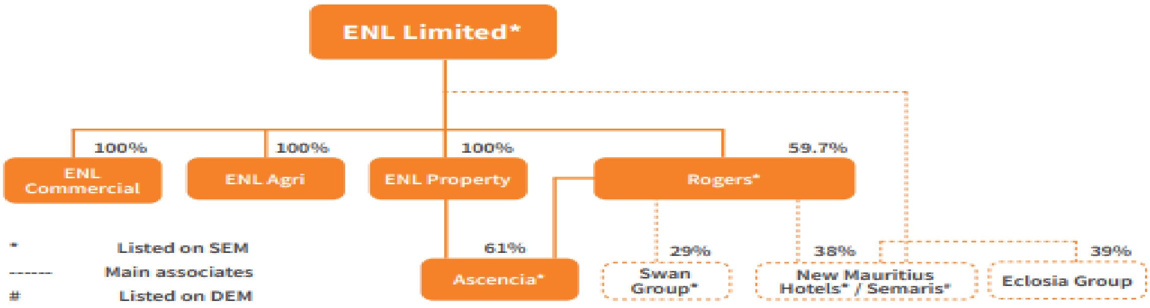
CRAF in its analysis considers the combined cash flow of ENL Property and its subsidiaries as the company receives cash flow from its subsidiaries either by way of dividend or capital reduction post the sale of land. ENL Property will receive cash flows from the following group companies: -

1. Dividends from group companies- Ascencia Ltd. and EnAtt Ltd.
2. Dividend paid by Oficea– out of office rentals.
3. Cashflow (capital reduction route) from sale of land by Moka City and Courchamps Properties and apartment sale by ENL Residential.

Hence, cash flow analysis of ENL Property Ltd, financials of dividend paying companies, ability of Moka City to sell land and ENL Residential to sell apartments, dividend paying ability of Oficea and the ability of the company to sell land in around Moka region has been analyzed.

ENL Group profile

ENL Limited ("ENL") is the surviving entity post the amalgamation of Ex-ENL Ltd., ENL Finance, ENL Land and ENL Commercial into La Sablonniere Limited. Subsequently La Sablonniere Limited was renamed as ENL Limited w.e.f. January 2019. ENL group currently owns around 22,000 arpents (acres) of land in Moka (Centre of the island and most populated & one of the posh areas of Mauritius), Savannah (South) and Bel Ombre/Case Noyale (South-West). ENL grows sugar cane and conducts other agricultural activities on some 12,000 arpents of land and has earmarked around 1,500 arpent near Moka and Savannah – inclusive of the Smart Cities of Moka and Savannah for real estate development over next 15 years. In 2011, the group inaugurated the Bagatelle Mall (utilizing part of land), which as on date is the most popular mall of Mauritius and has increased the land value in Moka region. Four of the group's companies are listed; (ENL Limited, Rogers and Ascencia [rated CARE MAU AA-; Stable] on the Stock Exchange of Mauritius and Velogic on the Development and Enterprise Market. **The current structure of ENL group is as under:**



CREDIT RISK ASSESSMENT
Long track record of the ENL group & its experienced promoters

ENL Limited is the investment & holding company of the ENL group. ENL is currently managed by the fifth generation of the Espitalier Noël family, who are the controlling shareholders of ENL and have played a historic role in the economic development of Mauritius. Since 1821, the Espitalier Noel family has been involved in sugar production (then the key sector of the economy) in Mauritius. As the economy of the country has grown and diversified, the business of ENL has followed suit. Today the group manages a portfolio of more than 100 operating company engaged in varying industries from agriculture, land, real estate, hospitality, logistics, fintech, commerce and manufacturing.

Financials of ENL Limited (Consolidated) *MUR Million*

ENL Limited (Consolidated)	2019	2020	2021	2022
For the Year ended / As at June 30,	**12m, A**	**12m, A**	**12m, A**	**12m, A**
Total Op. Income (TOI)	16,027	14,362	12,842	17,816
EBIDTA	3,117	1,083	974	2,448
Interest	1,169	1,257	1,107	1,154
Depreciation	644	838	822	761
Reported PBT	1,304	-917	-869	1,730
Reported PAT	1,061	-1,050	-1,069	1,601
Adjusted PAT	1,121	-530	-894	1,547
Gross Cash Accruals (GCA)	1,706	-212	-247	2,362
Equity Share capital	3,358	3,358	3,358	3,358
T. Net Worth (TNW)	36,044	38,883	39,485	42,028
Total Debt	23,946	26,012	28,517	29,480
Cash and Bank	2,231	3,260	4,655	5,245
Key Ratios				
EBIDTA / TOI	19.45	7.54	7.59	13.74
PAT / TOI	7.00	-3.69	-8.33	8.99
RONW	3.66	-1.42	-2.73	3.99
Overall Gearing (x)	0.66	0.67	0.72	0.70
EBIDTA / Interest (x)	2.67	0.86	0.88	2.12
Total Debt / EBITDA	7.68	24.02	29.26	12.04

Improved performance at consolidated level in FY22: In FY22, ENL's total operating income increased by 28% to MUR 17,816 million (MUR 12,842 million in FY21). Subsequently, after two consecutive losses during the pandemic in FY20 and FY21, the group realised a positive PAT of MUR 1,601 million in FY22. The strong performance of ENL in FY22 is attributed to the overall profitable segments of the group barring land and investments segment which reported a loss. As at 30 June 2022, GCA and cash at bank stood at MUR 2,362 million and MUR 5,245 million respectively. As on June 2022, ENL Limited had a total debt of MUR 6,953 million comprising of Bonds of MUR 3,500 million and bank facilities of MUR 3,453 million. Overall gearing and interest coverage improved to 0.70x and 2.12x as on December 31, 2022.

Large land bank of ENL

ENL owns around 22,000 arpents (acres) of land in Moka (Centre of the island and most populated & one of the posh areas of Mauritius), Savannah (South) and in Bel Ombre/Case Noyale (South-West). ENL has earmarked around 1,500 arpents in Moka and Savannah for real estate development over the next 15 years. Since ENL has been holding such land for more than 100 years, the cost is almost negligible. In 2011, the company inaugurated the Bagatelle Mall (utilizing part of land), which as on date is the most popular mall of Mauritius and has increased the land value in Moka region.

Till June 2021, Moka City sold 69 arpents of land under the Smart City at an average price of MUR 25 million per arpent. In FY22, there was a sale of 52 arpents (against projected sale of 23 arpents). During discussion the management of Moka City has intimated that they have strong demand for land in Moka region and most projects are already sold out within a few months of launching. The group's strategy for growth has remained virtually unchanged over time: it leverages its significant land assets to create cash-generating businesses that participate in building up modern-day Mauritius.

Analysis of Cash flow under ENL Property Limited (100% subsidiary company of ENL Limited)

ENL Property is engaged in managing ENL's land bank in development comprising of land which is ideally situated for real estate development. As on May 31, 2022, the company and its subsidiaries own around 956 arpents of land. The company also develops, markets, and manages a portfolio of premium offices. It has 17 group companies engaged in various activities of which the major companies are- Moka City, Oficea Company Limited, ENL Residential, Courchamps Properties and Ascencia.

Development of Smart City in Moka region - by utilization of the land bank

Over the last two decades, Moka region has been slowly transformed from a village to a vibrant modern smart city with a rich history. Majority of the area in Moka was agricultural land (owned by ENL) that was used to cultivate sugarcane. In 1970, ENL Group donated land to build the Mahatma Gandhi Institute. During the past 12 years, more developments happened in the region such as the opening of Bocage International School, Ecole du Centre in Helvetia, The Wellkin Hospital, a sport & well-being centre (Synergy) and two malls/shopping centre: Les Allées d'Helvetia and Bagatelle Mall. Later on, Mauritius Broadcasting Corporation moved to Moka and a third shopping centre, Kendra Shopping Centre was opened. More and more people started to relocate to Moka, and several residential developments started. As Mon Desert Alma sugar factory ceased its operations, the land surrounding the factory was transformed in a modern business park, Vivea Business Park.

Post introduction of Smart City Scheme (June 2015), ENL Limited incorporated Moka City Limited in June 2016 through an amalgamation of various entities (held by ENL Limited) in return for shares. Moka City Limited then applied for a Smart City Certificate for development of freehold land of 454 arpent. In November 2017, GOM provided Smart City Certificate to Moka City Limited for the development of residential units, commercial offices, educational facilities, sports, medical and bus terminus over 454 arpent of land. Development of Phase I took place in the region of Bagatelle.

In 2018, ENL got the approval from Govt. of Mauritius to develop 1,600 arpent. Accordingly, for the Phase II, Moka City Limited acquired 534 arpent of land from ENL Limited which was financed by a MUR 3.6 billion equity raising.

External investors invested MUR 1.9 billion and the remaining amount of MUR 1.7 billion was invested by ENL Property Limited.

Over last 3 years, ENL Limited has been converting agricultural land in and around Moka region and transferring them to ENL Property (against redeemable shares) which in turn was transferred to Moka City and Courchamps (against redeemable shares). The cost of such land to ENL Limited is negligible, since ENL has been holding these land for more than 100 years. However, under IAS 16, the company has been revaluing the land over last few years and post revaluation, the value of such land in the books are around Mur 6.0- 10.0 million per arpent. ENL Limited has transferred these lands to ENL Property and then subsequently to Moka City at around Mur 6.0- 10.0 million per arpent. Moka City will develop infrastructure on these land (roads, power, water, boundaries, land scaping & beautification,) and sell it at an average price of Mur 25-35 million per arpent (current market price).

Moka City

Moka City Limited is engaged in development of Moka region under the Government-sponsored Smart City Scheme. The first phase of the Moka Smart City is being developed on 454 arpent of land (for which it has Smart City Certificate) at the crossroads of the island's two main motorways (in and around Bagatelle Mall). The second phase of the Moka Smart City is being developed on 534 arpent of land (for which it has Smart City Certificate) at the crossroads of the island's two main motorways.

'Les Promenades d'Helvetia' is the first built-up residential development under the Smart City Scheme.

Till June 2021, Moka Smart City sold 69 arpents of land (of different sizes) at average price of MUR 25 million per arpent. Sale of 52 arpents of land were achieved in FY22 against projected sale of 23 arpents of land thereby increasing total land sale to 121 arpents till June 2022. The additional 29 arpents were sold in Bagatelle (13 arpents), Helvetia and Telfair (1 arpent each) and L'Avenir (14 arpents). Sale has been fully realized for the 121 arpents of land sold till June 2022. Moka City is currently developing the L'Avenir area (100 arpents). The company has already sold 14 arpents of land against which they have already received full payment of MUR 210 million in FY22. This apart, it has already signed agreements for another 75 arpents of land against which they have received 10% deposits. The majority of the infrastructure work for the 100 arpents of land in L'Avenir is completed. The total sales value of the L'Avenir Morcellement project is estimated to be around MUR 2,000 million out of which the company has received around MUR 224 million as deposit for the 75 arpents of land in addition to the MUR 210 million received for the 14 arpents sold and delivered. The company is awaiting final clearance from the authorities to start handing over the land for the 75 arpents. Accordingly, over the next 3-4 years, the company is expected to receive around MUR 1,600 million of cash from confirmed land sales. The majority of people are looking towards investment in real estate to benefit from the appreciation of land rather than keeping their money as bank deposits offering low saving rate.

Courchamps Properties

ENL Property holds 100% in Courchamps Properties and has provided a land bank of 107.6 arpent at Mur 4.0 million per arpent (against redeemable shares). It is developing infrastructure on that land and is selling land from FY20. Phase I is sold out. Given the demand for plots of land, it is confident of selling the plots within envisaged timelines. Courchamps Properties is debt free barring shareholder's loan of MUR 246 million.

Moka Residential (renamed as ENL Residential Development Limited)

As a part of Smart City Scheme, Moka City has to develop & sell residential units. Moka Residential was incorporated to develop residential units, since Moka City can only develop land. In the first phase, Moka Residential has received

10 arpent of land from Moka City and will be constructing 233 units. ENL Residential has successfully developed 188 units comprising of studios, duplexes, apartments, and penthouses which have been fully sold and delivered. Moreover, there are 45 units which are under development. The construction for the sold units has commenced and the property will be handed over in the next 2-3 years. The company commences construction only after selling the unit. Nine units were sold in FY23. The company will develop these units and handover to customers. They will be receiving payments for milestone achievements. It has projected a sale of 122 units in FY24 and 69 units in FY25. Moka residential has an overdraft facility of MUR 50 million. Barring that Moka Residential is a debt free company.

Performance of dividend from group companies

Ascencia

ENL Property owns 24.86% in Ascencia Limited, the largest listed retail property company in Mauritius with the finest malls across the island. Its assets are professionally managed by a focused team. Ascencia holds 7 shopping malls with a combined Gross lettable area (GLA) of 134,653 m^2 in Mauritius. It is a profitable company and pays dividend annually. Ascencia is performing well, with all 7 malls having a combined occupancy of 97% in FY22. Most of the leases are for 3-5 years with a 5% escalation clause. Ascencia has completed the metro station work at Phoenix Mall with the launch of the metro station and a new retail space. At Bagatelle Mall, the expansion of Intermart outlet has taken place and the mall has welcomed a new key tenant – VestiOne. A new McDonald outlet has opened at Bo'Valon Mall. In FY22, Ascencia achieved a total income of MUR 1,566 million (MUR 1,362 million in FY21), EBITDA of MUR 932 million (MUR 841 million in FY21) and PAT of MUR 565 million excluding fair value gains (MUR 421 million in FY21). Ascencia paid a dividend of MUR 439 million. With debts of MUR 6,375 million and total asset values of MUR 15,408 million, the company reported an LTV of 41%. Overall gearing in FY22 was 0.68x (0.70x in FY21) and interest coverage was 3.56x.

EnAtt Ltd

EnAtt is the leading property and asset development and management specialist in Mauritius. The company crafts leasing strategies, including the tenant mix, marketing strategies, investment strategies on acquisitions, disposals and redevelopment functions. The company currently manages over 8 shopping centres and office buildings in Mauritius, maintaining a close and fruitful collaboration with over 400 tenants. In FY22, EnAtt has made a normalized PAT of MUR 99 million (MUR 98 million in FY20) and paid nil dividend.

Cash flow analysis of Oficea Company Limited (Oficea)

Oficea is an income fund holding a portfolio of office properties in Vivea business Park, Bagatelle Office Park and Telfair, underpinned by MUR denominated medium to long term leases with high quality corporate tenants. The company currently has an existing portfolio of 14 buildings with 34,288 sqm of gross lettable area (GLA) into operations and 96% occupancy (FY22: 91%). Reduced occupancy rate in FY22 was due to sale of MotorCity building and only one month of operation for newly constructed building, Les Fascines, at 59% occupancy rate. The majority of the office tenants are companies of repute and have been in these premises for the last 5-10 years. Most of the rent agreements are renewable after every 2-3 years. The management has intimated that since inception, more than 90% of the tenants have renewed their contracts or has shifted by purchasing their own property in Vivea business park. The rentals per sqm ranges between MUR 115-640 per m^2 but people prefer this location because of the greenery, landscaping, and maintenance. The rentals are inflation linked and will increase by 3%-5% annually. The company is generating profit and paying dividend on an annual basis. Oficea has fully repaid term loan of Mur 709 million from MCB and SBM from proceeds of the first tranches of the bond issue (MUR 725 million).

New projects in Oficea: The company had two major developments in progress, one is development of new office space, **Les Fascines** (GLA of 8,879 sqm) at Vivea Business Park and four buildings (4-6 storeys) along **La Promenade in Telfair** (total GLA of 20,951 sqm). Construction for **Les Fascines** at Vivea Business Park has been completed and the building is operational since June 2022 and has an occupancy rate of 59% at the first month of operation. It is now operating at approximately 75% occupancy. Six buildings (4-6 storeys) along **La Promenade in Telfair** (total GLA of 20,951 sqm) will be added to the portfolio of Oficea in January 2024. The total cost of the project is estimated at MUR 2.2 billion which will be finance by a mix of debt and equity.

Industry Risk

Mauritius Real Estate sector

Over the last few decades Mauritius has witnessed a booming real estate sector, to such an extent that today, the real estate sector attracts major Foreign Direct Investment for the country. This can be explained by an increasingly growing number of construction projects across the island in addition to government introducing schemes such as the Integrated Resort Scheme, the Real Estate Scheme, the Property Development Scheme and the Smart City scheme. Such schemes have transformed the dynamics of the real estate market locally over the years. Today, apart from houses, other options such as apartments, studios, apartment hotel residences, IRS and RES villas are available. However, although a growing number of Mauritians are looking for apartments, individual houses remain the most sought-after property type; while on one hand singles and international students seek cheap accommodation in the regions of Réduit, Saint Pierre and Quatre Bornes, on the other hand, expatriates demand fully furnished houses or apartments to rent over the duration of their assignments.

The demand for office spaces is seeing significant shifts over the years, with a decentralization of offices (from Port Louis & Ebene) towards Moka and Highlands where parking facilities are more accessible and less traffic congestion. As a result of companies' increasing willingness to rent fully equipped offices with internet access and parking facilities, price of office spaces in the Moka region is on an uptrend. One location attracting high demand is the Vivea Business Park (VBP). Situated between Moka & St. Pierre, it has a strategic location at the heart of the island, close to cities, shopping centres, bus stations and main roads. Key features of VBP such as human-sized buildings, landscaped green areas, modern architecture, large number of parking and strict guidelines to guaranty quality of future developments are its main demand drivers. In addition to office space rental, VBP also offers plots of land that can be bought and developed into offices.

The Moka region has also positioned itself as very attractive to those wishing to rent or buy a residence in the centre of the island, commanding strong rental demand. The land prices range between Mur 25 million per arpent to Mur 40 million per arpent based on closer to Bagatelle mall and highway. The high starting price is driven by the views of the surrounding chain of mountains and landscaped gardens.

Retail properties: There are over 15 well-known malls in Mauritius. The years 2020 and half-year 2021 were affected by the pandemic and lockdown. After the lockdown, malls in general, reported a lower physical footfall since all the outlets with exception to grocery stores and pharmacies, were closed. Supermarkets being anchor tenants in all the shopping malls, faced mass purchases during the pandemic with people stocking up on groceries fearing that there might be shortage on the market. Apart from that, travel restriction also contributed to a fall in retail activities and many big international brands have closed a number of their outlets across the world.

Fortunately, the Government of Mauritius came up with several measures to keep the economy stable. Gradually, with the re-opening of borders and easing of restrictions, things have started to normalize. Shopping malls and food courts are full again. Nevertheless, despite the pandemic, we note that the overall occupancy rate remained stagnant in most of the malls and operational & financial performance were satisfactory. Reports show that the consumption has taken a dip in volume but has gained in terms of value.

Office properties: As for offices, the situation and demand are stable. The demand for office spaces is one which is seeing significant shifts over the years, with a decentralization of office spaces (from Port Louis & Ebene) towards other places whereby parking facilities are available and commute smoother. Majority of office properties holders have showed resilience to the pandemic and has been able to maintain occupancy level. Overall, majority of companies have resumed normal office since the partial reopening. As discussed with few commercial property holders, it is unlikely that companies will give up their tenancy for a short-term scenario (lockdown) as the Mauritian work culture is still traditionally influenced by having a physical office rather than working remotely.

Smart cities are touted as the best option to move for business or to live. The Smart City Scheme was launched by the Mauritian Government to promote economic development and introduce new and technology-driven urban ecosystems across the country which comprises of residential, commercial and leisure facilities to create a mini city that is pleasant and convenient to live and work in. Smart cities will bring innovation to the island using high and clean technology that aim to reduce waste and carbon emission. Infrastructure is designed to consume low energy.

There are numerous incentives being provided to developers and investors under the Smart City Scheme. The company is exempted from payment of income tax for a period of 8 years, zero VAT paid on capital goods, zero customs duty, land transfer tax and registration duty, morcellement tax and land conversion tax. As for the buyers, the tax benefits are as follows:

1. First-time Mauritian buyers acquiring a residential unit are exempted from registration duty.
2. Full recovery of VAT of input tax allowable in terms of capital goods (building structure), plant, machinery, and equipment.
3. Accelerated annual allowance granted at a rate of 50% of the costs in respect of capital expenditure incurred by any company operating within the Smart City Scheme on energy-efficient equipment and green technology.

Moka Smart City is located just 15 mins away from Port-Louis and 30 minutes from the airport. It quickly gained popularity and became the place to live, work and for entertainment. The district of Moka comprises of some 26,000 inhabitants. Moka is well appreciated for its temperate climate. More than 35% of Moka Smart City is made up of green and common spaces to ensure inhabitants have ample space for a morning job, bike ride and trail run. Additionally, the smart city has been designed with a number of activities catering for all age range such as great restaurants, cafes, pubs, open-air theatre, cinemas, bowling arena, night trail runs and places to visit such as Eureka Falls, Maison Eureka, Dodo Quest, Bassin Canard to name a few. The mini city comprises of three business centers namely Vivea Business Park (historic place being the former sugar mill), Bagatelle and Telfair. Vivea Business Park is home to more than 50 companies employing more than 1,500 people. Many renowned companies such as PwC, AON Hewitt, Alteo, Arup have moved to the business centres from Port-Louis or Ebene. The many residential units, the most striking one being Les Promenades d'Helvetia are close to the business centres, makes a great place to live allowing for a pleasant walk to and back from work. There are 13 medical & paramedical centers (including Wellkin Hospital) and 26 private and public Institutions in and around Moka.

Financial performance in FY22: ENL Property Limited manages ENL group's land bank and drives its residential and office developments. The company develops, markets, and manages a portfolio of premium resorts, homes and offices. Accordingly, the company receives asset management fees, property management fees, sales & leasing commission, fund management fees, property development fees and management fees. ENL Property posted a total income of MUR 544 million (MUR 408 million in FY21) and EBITDA of MUR 285 million in FY22 (MUR 179 million in FY21). The company can comfortably repay its interest and will be providing funds to ENL Limited by way of dividend or capital reduction. Capital reduction of MUR 505 million in FY21 and MUR 182 million in FY22 were received from the subsidiaries (primarily Moka City).

Financials of ENL Property Limited **(MUR Million)**

For the Year ended / As at June 30,	2020	2021	2022
	Audited 12m		
Turnover	352	408	544
EBITDA	137	179	285
Depreciation	32	26	28
Interest	162	134	138
PBT	- 57	- 11	102
PAT	- 47	- 11	103
GCA	- 15	15	131
Dividend paid / proposed	-	-	-
Share Capital	4,908	4,471	4,868
Tangible Networth	6,001	5,733	5,775
Cash and cash equivalent	423	273	84
Total Debt:	2,042	1,984	2,175
EBITDA Margin	39%	44%	52%
PAT Margin	-13%	-3%	19%
Current ratio	12.06	7.12	1.46
Overall gearing	0.34	0.35	0.38
Interest Coverage	0.85	1.34	2.07

Adjustments

1. Tangible net worth is calculated by netting off revaluation reserve and intangible assets from total equity.
2. Gross Cash Accruals (GCA) is calculated as PAT+ Depreciation + deferred tax+ other non-cash expenditure.
3. Overall Gearing ratio is calculated as total debt (long term and short-term debt including lease liabilities)/Tangible Networth.

Details of instruments

Bank Facilities

Bank / Lender	Name of instrument	Amount (MUR Million)	Indicative Interest Rate	Repayment Date
MCB Bank	**Overdraft**	300	MCB PLR (Currently at 6.75%)	1 year tenure
	Term Loan	Tranche 1 – MUR 250 million	6.50% (MCB PLR-0.25)	June 2029
		Tranche 2 – MUR 250 million		June 2030
		Tranche 3 – MUR 250 million		June 2031
		Tranche 4 – MUR 250 million		June 2032
		Tranche 5 – MUR 250 million		June 2033
		Tranche 6 – MUR 250 million		June 2034
		Tranche 7 – MUR 250 million		June 2035
		Tranche 8 – MUR 250 million		June 2036
		Tranche 9 – MUR 300 million		June 2037

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.

In case of partnership/proprietary concerns, the rating /outlook assigned by CRAF is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CRAF is not responsible for any errors and states that it has no financial liability whatsoever to the users of CRAF's rating.

CRAF's ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Annexure I

Rating Symbols

Long /Medium-term Instruments

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

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

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.

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.

Contact us

Chief Executive Officer
Name : Mr. Saurav Chatterjee
Phone : + 230 5862 6551
E-mail : saurav.chatterjee@careratingsafrica.com

Analytical contact
Chief Rating Officer
Name : Mr. Vidhyasagar Lingesan
Phone : +230 5273 1406
E-mail : Vidhya.sagar@careratingsafrica.com

Senior Rating Analyst
Name : Ms Pooja Appadoo
Phone : +230 5955 3060
E-mail : pooja.appadoo@careratingsafrica.com

About CARE Ratings (Africa) Private Limited:

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

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

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

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

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