

Moka City Limited
27 June 2023

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating ¹	Rating Action
Term Loan	1,250	CARE MAU A+; Stable [Single A Plus; Outlook: Stable]	Revised from CARE MAU A; Stable
Overdraft	250	CARE MAU A1 [Single A One]	Reaffirmed
Total	1,500 (One Thousand Five Hundred Only)		

Ratings Rationale

The revision in the rating assigned to the long-term bank facilities of Moka City Limited ("Moka City") derives strength from the continuous strong demand for land in the Moka region, improved price realization for the past 10 years and steady increase in sale of land by Moka City Limited.

The rating also factors in the experienced promoters, company being part of the ENL group which is one of the largest business houses in Mauritius, ENL group's land bank partly being used for development of Moka Smart City, increased demand for land throughout the island and the comfortable financials and coverage ratios of Moka City Limited.

The ratings are, however, constrained by the market risk associated with sale of land and property development, increase in debt, regulatory risk in case of changes in law pertaining to sale of land and the volatility in interest rate.

Rating Sensitivities:

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

- Ability to sell land at the envisaged price and timeline.
- Ability to maintain steady cashflow throughout the projected years.
- Timely completion of development projects within cost parameters.
- Significant reduction of debt on a sustainable basis.

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

- Change in regulations pertaining to Real Estate sector by the Government which can impact sale and pricing.
- Significant decline in demand scenario.
- Significant increase in debt

Background

Incorporated in July 2016, Moka City Limited ("Moka City") is a subsidiary of ENL Property Ltd. (60.89% stake) which is a 100% subsidiary of ENL Limited. The remaining stake is held by Swan Life Ltd. (18.50% stake), The National Savings Fund (5.84%) and others. Moka City Limited qualifies as a public interest entity as per the Financial Report Act 2004. Moka City's principal activity consists of promoting land and developing properties. It holds land for development under the Moka smart city project.

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

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001

In June 2015, Government of Mauritius (GOM) launched Smart City Scheme, for Smart City infrastructure development comprising office, business, residential and entertainment components all integrated in a coherent Master Plan focusing on innovation, sustainability, efficiency, and quality of life.

ENL Limited is the custodian of around 22,000 arpents of land. The company grows sugar cane on 15,000 arpent. The balance is sellable agricultural land in and around Moka. The company is converting part of this land with GOM approval for development of Smart City.

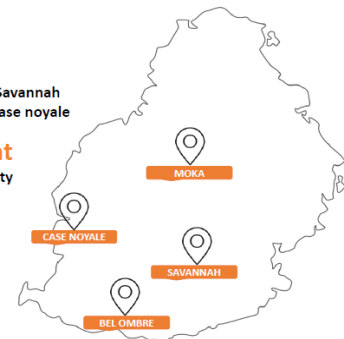
Local residential market continues to be driven by a strong demand for plots of land and its built-up units in the Moka region. ENL Limited through various group companies and by selling land parcels has played an instrumental role in development of the Moka region for last 12 years. The status of Moka region is as under:

Agricultural land

14,100 arpents in Moka and Savannah
7,500 arpents in Bel ombre-Case noyale

Land development

425 arpents in Moka Smart City
534 arpents being transferred
450 arpents in Moka
66 arpents in Savannah



Over the last two decades, Moka region has 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) used to cultivate sugarcane. In 1970, ENL Group donated land to build the Mahatma Gandhi Institute. During 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: Les Allées d'Helvetia and Bagatelle Mall (Mall of Mauritius). The head office of the Mauritius Broadcasting Corporation moved to Moka and a third shopping mall, Kendra Shopping Centre was open. More and more people started to relocate to Moka when 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 i.e., Vivea Business Park.

Launch of Moka Smart City: Post introduction of Smart City Scheme (June 2015), ENL Limited incorporated Moka City Limited in June 2016 through amalgamation of various entities in return for shares. Moka City Limited then applied

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001

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 1,000 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. The MUR 3.6 billion investment was made in convertible debentures (MUR 1.08 billion) and the remaining amount of MUR 2.52 billion being equity.

Over last 3 years, ENL Limited has been converting agricultural land (with GOM approval under Moka Smart City Scheme) in and around Moka region and transferring them to ENL Property (against redeemable shares) which in turn was transferred to Moka City (against redeemable shares). The cost of such land to ENL Limited is negligible, since ENL group has been holding these land for more than 100 years. However, under IFRS 9, 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). Schools, Hospital, shopping mall and Clubs has already been developed in the Moka region by ENL group. As per plans submitted to GOM, Moka Smart City, is proposed to be developed on 1,000 arpent of land over 15 years.

Management: The strategic affairs of the company are looked after by Mr. Johan Pilot who is the Chief Executive Officer of ENL Property. He is a professional accountant and joined ENL as a Finance Manager in 2007. In 2015, he took the leadership of ENL Property which manages the group's land bank and residential & office developments. He is currently working on the Moka Smart City project. Mr. Johan Pilot is assisted by a team of experienced and qualified professionals. He works alongside Mr. Amaury Koenig, Head of Finance for ENL Property.

CREDIT RISK ASSESSMENT

Experienced promoters and part of ENL group

Moka City Limited is a part of ENL group (ENL Limited & its subsidiaries) which is one of the largest conglomerates in Mauritius. The ENL group develops and manages a portfolio of more than 100 operating companies engaged in diverse industries such as agriculture, land, real estate, hospitality, logistics, fintech, commerce and manufacturing. Agriculture, land, and property are the major business segments of ENL. ENL Limited (ENL) is controlled and managed by the Noel family.

The group 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). It grows sugar cane on 15,000 arpent of land and has earmarked about 5% of this area (around 1,000 arpent near Moka) for real estate development over next 10 years. Since the group has been holding such land for more than 100 years, its cost is almost negligible as compared to its current value.

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001

In 2011, the group inaugurated the Bagatelle Mall and has increased the land value in Moka region. 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. The promoters of ENL group hold their stake in various group entities through L'Accord. Four of the group's companies are listed; ENL Limited, Rogers and Ascencia on the Stock Exchange of Mauritius and Velogic on the Development and Enterprise Market.

ENL Limited (Consolidated Financials) as on June 30, 2022, are as under: *MUR Million*

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

Development of the Moka Smart 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 was 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. The overall master plan for Moka City will span across the following regions:

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001



Overall masterplan



ENL Limited has transferred 956 acres of land in and around Moka region to Moka City against redeemable shares and cash. 'Les Promenades d'Helvetia' is the first built-up residential development under the Smart City Scheme.

Already completed Projects: -

- Phase I consisting of 86 apartments, has been delivered in December 2019.
- Phase II consisting of 52 studios/duplexes/apartments and penthouses has been sold by Feb. 20.
- Phase III of 33 units (launched in February 2020) -15 of those units have already been reserved.
- Land sale in Helvetia (44 plots) generated a cash inflow of Mur 170 million in FY19.
- Land sale in Bagatelle (11.28 acres) to the US Embassy for MUR 180 million in FY21.
- Land sale in Bagatelle (14 arpents) for commercial purposes for MUR 280 million in FY22.
- Land sale in L'Avenir (14 arpents) for commercial purposes to Currimjee group for MUR 210 million in FY22.

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001

The details of land bank of Moka City as on June 30, 2022, are as under:

LAND BANK in and around Moka Region	Area at June 2022	Cost per arpent	Land Value	Sellable area
	(Arpent)	(MUR Million)	(MUR million)	(Arpent)
TOTAL	891	6	5,679	515

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. For the past 2-3 years, Moka City has focused on developing the Bagatelle area out of which only 16 plots are left to be sold in that precinct. The estimated price for the remaining land in Bagatelle is around MUR 40 million per arpent (MUR 22 million if sold in bulk via third party) and price for land in Telfair is priced at around MUR 35 million per arpent.

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.

Projected land sale is as under:

Land sale	Arpents
Land Bank as at June 2021	515
Less: Land sold in FY22 (full payment received and delivery done)	121
Land Bank to be sold as at June 2022	394
Land sold against deposits (10%) to be handed over & booked in the next 2-3 years	
L'Avenir	75
Helvetia	7
Total land already sold against deposit	82

The company has projected that sale of land in St Pierre and Telfair will happen post FY24. The management stated that there is great demand for land in Telfair especially with the coming up of the metro in the Telfair and St Pierre area. Moka City is awaiting for all the metro work in the area to be completed so as to start infrastructure work in these regions. More than MUR 2 billion of sale will be realized from the Telfair project once the project is launched.

Strong demand for sale of land within Moka

The demand for land within the Moka region has grown significantly for the past ten years post the developments that took place in the region. Initially, Moka City Limited started land sale around Helvetia, Bagatelle, Vivea and Telfair (Phase I). They later started to develop other regions such as L'Avenir and St Pierre following the strong demand for land in these regions.

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001

Moka is being developed with the idea of making it the leading real estate region of the island. The promoters, ENL Group is ensuring a harmonious development of all amenities in the region using maximum renewable resources and maintaining ample green spaces. Moka is centrally situated and well connected by the Saint Pierre Bypass Road and M3 motorway which links Moka to the North and Central Plateau. A new roundabout to ease commute in Telfair is being developed. Moka Smart City will be like a city with a mix of residential, office buildings (Vivea Business Park and Telfair), reputed educational institution, the sports complex (Synergy), The Welkin hospital and other amenities. "La Promenade", a linear park linking the Telfair Central Business district, which is currently being developed by ENL Group (Oficea Limited) will be the highlight of the area. In the next few years, Moka will be regarded as a vibrant and integrated mini city that is opening up to major economic opportunities.

Prices of land has been considered at the same level in line with recent sale of land:

Years	Bagatelle Residential	Helvetia	Courchamps	VIVEA	Bagatelle commercial	TELFAIR
	MUR Million per arpent					
FY10	8.5					
FY14	25					
FY16				21		
FY17	35			24	24	
FY18	40	35	25	26	26	31
FY19-20	40	35		30	26	32
FY20-21	45	35	28	30	24	34
FY21-22	45	35		30	19	35
FY22-23	45	36		30	20	37

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 hunting primarily 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 (Monthly rental of these accommodation varies between Mur 15,000 - 70,000).

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 guarantee quality of future developments

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001

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, with monthly rent, starting at a minimum of Rs 60,000. 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. The appreciation in land prices in Mauritius has driven more land sale as local high Networth Mauritian prefer to invest their money in the form of land which has given higher appreciation as compared to other investments. For e.g., land around Bagatelle that used to cost around MUR 8.5 million, 10 years ago, are now worth MUR 40 million.

The new laws are also favorable whereby Mauritian citizens are now fully exempted from registration duties when they acquire a newly built property below MUR 6 million. The exemption is also applicable if the property is bought off-plan or during construction under VEFA (vente en l'état futur d'achèvement). This measure does not apply to PDS, IRS, RES or to properties on leasehold. Additionally, the exemption of land transfer tax will be granted on the sale of a residential unit, including under VEFA, provided it is old to a Mauritian before 30th June 2022.

There is also higher demand for purchase of land in warmer and less crowded regions such as Moka, Grand Bay, and Tamarin. The trend for the past few years has shown that many people are shifting from crowded regions such as Quatre Bornes, Curepipe and Port Louis to less populated locations.

Land sale is ongoing despite the economic crisis. It is mostly sought by middle to higher income earners who prefer to invest their money in real estate which would otherwise have normally been utilized for travel and purchase of luxury items. More and more people are aware of the numerous advantages that the real estate sector provides and are making the most of it. Investors seek security and real estate is deemed as the safest investment option currently.

There may have been fewer foreign acquisitions of real estate properties since tourists and prospective foreign investors are unable to travel to Mauritius due to closure of borders since 2020. However, with the depreciation of the Mauritian Rupee, foreigners will wish to invest in real estate in Mauritius once borders reopen. Agents state that there has been no withdrawal from potential foreign buyers with only the signing date been postponed for a later date.

Smart cities are touted as the best option to move to for business or to live. The Smart City Scheme was launched by the Mauritius 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 aims 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 exempt from payment of income tax for a period of 8 years, zero VAT paid on capital goods, zero customs duty, land

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001

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 has quickly gained popularity and became the place to live, work and 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 walk, 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), The Gardens of Bagatelle and Telfair Square. 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, making it 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.

Performance in FY22: Moka City reported a higher revenue of MUR 1,125 million (MUR 553 million in FY21) and negative PAT of MUR 188 million (PAT of MUR 4 million in FY21) in FY22. However, the company's EBITDA and PAT are misnomer since it includes cost of land. Total cash inflow from the project is MUR 355 million. The overall gearing was at 0.2x and Cash Interest coverage is 3.8x. The cash position as at December 2022 was MUR 793 million and the average working capital utilisation for FY22 was nil.

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001

Financials of Moka City Limited

(MUR million)

For year ended June	FY19	FY20	FY21	FY22
12M	Audited			
Turnover	767	357	553	1,125
EBITDA	45	-13	53	-13
Depreciation	3	3	0	1
Interest	28	32	77	94
PBT	15	-54	4	-188
PAT	14	-54	4	-188
GCA (including cost of land)	529	216	269	355
Share Capital	2,384	4,399	4,409	4,109
Tangible Network	2,861	5,666	5,924	5,433
Total Debt:	597	212	757	1,254
Long-term debt	64	62	61	1,253
Short-term debt	533	150	696	1
Cash position	30	38	27	793
EBITDA Margin	6%	NM	10%	NM
PAT Margin	2%	NM	1%	NM
Interest Coverage	1.5	NM	0.7	NM
Cash Interest Coverage (less land cost)	18.8	6.8	3.5	3.8
Gearing	0.2	0.0	0.1	0.2
Total debt / Operating Cashflow	1.1	1.0	2.8	3.5

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.
3. Total cash inflow includes cost of land
4. Gearing ratio is calculated as total debt (long term and short-term debt)/Tangible Net worth.
5. Total Operating Income includes revenue from others (Dividend income, rental income, Management fees, rebate on purchase, etc.).

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001

Annexure I

Details of facilities

Instrument / Facility	Amount (MUR Mn)	Interest	Repayment
Term Loan of MUR 1,250 million			
Tranche I	250	6.50% (PLR at 6.75% - 25 bps)	FY29 - 7 years from the date of issue
Tranche II	250		FY30 - 8 years from the date of issue
Tranche III	250		FY31 - 9 years from the date of issue
Tranche IV	250		FY32 - 10 years from the date of issue
Tranche V	250		FY33 - 11 years from the date of issue
Overdraft Facility of MUR 250 million			
Bank Overdraft	250	PLR (6.75%)	-

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.

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001

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.

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001

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.

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

Registered Office: 5th Floor, MTML Square, 63, Cyber City, Ebene, Mauritius

Phone: +230 59553060/58626551 • www.careratingsafrica.com

BRN: C14127054 • FSC License No.: CR14000001