Rating Rationale
Omnicane Thermal Energy Operations (La Baraque) Limited ("OTEOLB")

Ratings

Instrument	Amount (MUR Million)	Rating	Rating Action
Bond Issue	780	**CARE MAU A-; Stable [Single A Minus; Outlook: Stable]**	**Reaffirmed**
Bank Facilities	515	**CARE MAU A2+ [A Two Plus]**	**Reaffirmed**

Rating Rationale

The ratings assigned to the bond issue of MUR 780 million and Bank Facilities of MUR 515 million of Omnicane Thermal Energy Operations (La Baraque) Limited ("OTEOLB") derive strength from experienced promoters of Omnicane Group, satisfactory operational track record of operating a 90MW power plant with plant availability higher than normative levels since inception (barring FY18 due to closure of unit on account of damage caused by lightning strike), low business risk due to regulated operations with 'cost-plus' based tariff, long-term Power Purchase Agreement (PPA) with Central Electricity Board (CEB) with payments backed by GoM guarantee, experienced power plant operator, strong operational & financial performance with comfortable liquidity and increasing demand for power in Mauritius.

The rating is, however, constrained by the weak credit profile of Omnicane Group due to its high debt level vis-à-vis cashflow from operations at consolidated level which could entail a drain on OTEOLB's cash flows if it extends support to its weaker parent, OTEOLB's exposure to regulatory risks and event risk (natural disaster) associated with operations of single plant.

The rating is sensitive to any higher than envisaged dividend payment or financial support extended by OTEOLB to Omnicane Limited & other group companies and increase in debt levels over and above the bond issue in OTEOLB which can impact OTEOLB's debt-servicing capacity and dividend payment capability to Omnicane Holdings (La Baraque) Thermal Energy Limited ("OHLB").

BACKGROUND

Incorporated in 2005 by Omnicane Group (Omnicane Limited and subsidiaries; "**Omnicane Group**"), Omnicane Thermal Energy Operations (La Baraque) Limited ("**OTEOLB**") owns and operates 90 MW (45 MW*2) coal and bagasse based powerplant located in the Southern part of Mauritius (La Baraque, L'Escalier).

In 2005, OTEOLB decided to construct and operate a coal and bagasse based 90 MW (45MW*2) powerplant next to its sugar mill in La Baraque. Accordingly, the company was the successful bidder of a Request for Proposal issued by CEB in December 2003.

The PPA became effective on the Effective Date (i.e. 17 November 2005) for an Initial Term, which includes the period from the Effective Date until the 20th Anniversary of the Final Commercial Operation Date.

The Final Commercial Operation Date was on the 01 August 2007. The 90MW power plant was constructed by Albioma (one of the shareholders) at an aggregate cost of MUR 4.0 billion (debt- MUR 3.2 billion and equity – MUR 0.8 billion i.e. debt: equity ratio of 80:20) and was operational from August 2007. The financing cost and commercial operational date was within the PPA terms.

The dual fuel system of the bagasse and coal fired cogeneration plant allows for continuous generation of power throughout the year due to bagasse being used as main fuel during harvest season (June-December) and coal being the primary fuel for the remaining months.

Omnicane Holdings (La Baraque) Thermal Energy Limited (OHLB; rated CARE MAU A-; Stable) holds 60% stake in OTEOLB. The other two shareholders of OTEOLB are Albioma (25%) and Sugar Investment Trust (15%).

OHLB is a wholly owned subsidiary of Omnicane Limited. Incorporated in 1926, Omnicane Limited is a public company (listed on the Stock Exchange of Mauritius) engaged in the cultivation of sugarcane, production of refined sugar, bioethanol and thermal energy.

Albioma is a 30 years old French company (listed in the NYSE Euronext Regulated Market in Paris), which commissioned the world’s first hybrid bagasse/coal cogeneration plant (62 MW) on Reunion Island in 1992. In 2007, the company commissioned the 90 MW bagasse/coal power plant for OTEOLB in Mauritius. Since incorporation, OTEOLB’s plant operation and maintenance is supervised by officials of Albioma. As on June 30, 2020, Albioma had an installed capacity of 910 MW of solar and bagasse/coal cogeneration power plant located in France, Mauritius, Reunion Island, Brazil and other French territories.

Sugar Investment Trust (SIT), a corporate body established in 1994 by an Act of Parliament, was set up as a participation scheme offering sugar cane planters and employees of the sugar industry the opportunity to participate in the ownership of sugar milling companies through equity. GoM owns 6.5% and National Pension fund owns 10.6% stake in SIT.

OTEOLB has entered into an agreement with Albioma for construction, operation and maintenance of the plant. The technical services agreement with Albioma for operation and maintenance of the plant is as per the agreed terms of the PPA. In the PPA there are different charges to be paid by CEB. These charges include the cost of operation and maintenance. A reference amount for each of these charges are listed in the PPA, together with the respective indexation formula applicable annually. This reference amount corresponds on normal cost of operation and maintenance.

OTEOLB is a professionally managed company. It is governed by an 8-member Board of Directors comprising of 3 executive members and 5 non-executive members, including a director from Albioma. Mr. Jacques M. d’Unienville (CEO of Omnicane Limited) is the Chairman of the Board.

CREDIT RISK ASSESSMENT

Long track record of Omnicane group & experienced promoters

Omnicane Group is a long-established sugarcane group, with its origins dating back to 1850’s. The primary activities of the group are cultivation of sugarcane and the production of refined sugar, bioethanol, thermal energy, and electricity in Mauritius. The group cultivates around 200,000 tonnes of sugarcane over

2,260 hectares of land. Since 2010, post centralisation of cane transformation, all the sugarcane harvested in the south of Mauritius is processed by Omnicane's fully integrated flexi-factory at La Baraque. Annually, the sugar mill crushes over 900,000 tonnes of sugarcane, comprising of their own harvest, that of 13 corporate planters (including around 155,000 tonnes supplied by Medine Sugar Estate) and 3,229 small planters. Accordingly, it produces around 100,000 tonnes of sugar (108,840 tonnes in 2019, representing 33% of sugar produced in Mauritius in 2019), 376,154 tonnes of bagasse, 44,809 tonnes of molasses and 19 million litres of bioethanol.

The Group's power supplied to the national grid (La Baraque-90 MW and Saint Aubin-35 MW) accounted for 26% (774 GWh) of Mauritius' total energy (2,937 GWh) in 2019. While at La Baraque power is produced both from coal and bagasse, St. Aubin generates power only from coal:

Electricity Produced (GWh)	From Bagasse		From Coal		Total	
	2018	2019	2018	2019	2018	2019
La Baraque (90MW)	131	155	381	464	512	619
St. Aubin (35MW)	-	-	246	254	246	254
Total	**131**	**155**	**627**	**718**	**758***	**873**

**lightning strike in 2018 damaged equipment & affected operations*

The Group also owns Holiday Inn Mauritius (3-star category and 140 room Hotel) situated within close proximity of the airport of Mauritius and is involved in the property sector with ongoing development of a Smart City in the southern region of Mauritius.

Outside Mauritius, Omnicane group has sizeable investments in hydroelectric projects in East Africa, 20% equity stake in Kwale International Sugar Company Limited (Kenya), 21% shareholding in Real Good Food plc which is a leading group of companies specialising in the production and marketing of value-added sugar products in the United Kingdom. The past audited financials of Omnicane Group (Consolidated) are as under:

Omnicane Limited (MUR Million)	**FY17**	**FY18**	**FY19**
Turnover	4,539	4,245	4,553
EBITDA	744	950	1,420
Interest	557	632	631
Non-recurring non-cash impairments			1,061
PAT	(539)	(402)	(1,027)
GCA	93	242	773
Total Debt	10,792	11,006	10,979
Tangible Networth	11,828	10,753	9,366
EBITDA margin	16%	22%	31%
Overall Gearing	0.91	1.02	1.17
Interest coverage (EBITDA/Interest)	1.34	1.50	2.25

In 2019, Omnicane's revenue improved compared to 2018 mainly due to 2018 being an abnormal year for the energy segment whereby there was an exceptional breakdown in one of the power plant unit (45 MW) in OTEOLB because of a lightning strike. Revenue in 2019 was further abetted by increased refined sugar production and a slightly better price for the sugar segment (MUR 10,000 per tonnes for 2019 compared to MUR 8,800 per tonne in 2018). The Group recorded a non-cash impairments amounting to MUR 1,061 million mainly attributable to expected credit losses in respect of Kwale International Sugar Company Limited ("KISCOL"; MUR 758 million) and other non-cash impairments on recoverable amount of bearer plants.

Long-term Power Purchase Agreement (PPA) with CEB

OTEOLB has a 20-year PPA with CEB expiring on July 2027 (within the repayment period of Bond). The Government of Mauritius has unconditionally guaranteed the due and punctual performance of CEB's payment obligations to OTEOLB contained in the PPA. In the event of any failed payments of the CEB, GoM undertakes to pay any amount owed within 20 business days of the receipt of a written demand from OTEOLB. However, for the last 12 years, CEB has paid all the Invoices raised by OTEOLB well within the stipulated timelines.

The PPA requires the power plant to be available to CEB for a minimum of 8,000 hours annually. For the last 12 years (2007-2019) the power plant was available for over 8,000 hours annually (i.e. 334 days @ 24 hours a day) with 1-month closure for maintenance except for 2009 and 2019 where the Equivalent Availability Factor was 0.977 and 0.993 respectively. In addition, in FY18, one of the units (45 MW) was shut down for 135 days due to a lightning strike- Accordingly, the average availability of both the plants (90 MW) was around 6,350 hours (79%) as against 8,000 hours.

The power generation depends on the requirement by CEB on real time basis. During the last 4 years, OTEOLB has exported 87% of its power generated to the National Grid. *OTEOLB accounted for 18.4% of the total electricity produced in Mauritius in 2019.*

As per the PPA, the major components of revenue are Energy Charge and Capacity Charge.

Energy charge

In the PPA there are different charges to be paid by CEB. These charges include the cost of operation and maintenance. A reference amount for each of these charges are listed in the PPA, together with the respective indexation formula applicable annually. This reference amount corresponds on normal cost of operation and maintenance. Coal purchase and delivery are under OTEOLB's responsibility. The CEB pays the coal CIF price for the Contract coal Quantity only.

Capacity charge

As per the PPA, the capacity charge includes the following:

- Fixed O&M charges; and
- Financial charge.

The Financial charge includes a debt component and an Equity component.

The Actual capacity payment is based on the actual availability of the power plant. The actual amount paid by CEB as Debt Component for the years 2017, 2018, and 2019 was MUR 390 million, MUR 375 million and MUR 384 million, respectively. The Equivalent Availability Factor was 99% for 2019 as mentioned above. The actual Capacity Payment paid by CEB for the years 2017, 2018 and 2019 was MUR 835 million, MUR 632 million and MUR 803 million respectively.

Total capacity charge is payable by CEB, to OTEOLB, depending on availability of the plant (captured by equivalent availability factor). If the plant is available for at least 8,000 hours per annum, OTEOLB receives the full Capacity charge, and if not, OTEOLB receives a lower amount in proportion to the number of hours the plant was available to CEB. OTEOLB did not receive full capacity charge in 2009, 2018 and 2019 whereby the Equivalent Availability Factor for the years were as follows:

- 2009 - 0.977
- 2018 - 0.788
- 2019 - 0.993

In 2018, OTEOLB received 79% of capacity charge mainly due to a lightning strike. The cost of the incident amounted to MUR 227 million and OTEOLB has already received MUR 177 million (MUR 85 million in 2018 and 92 in 2019) from insurance due to the breakdown. Accordingly, majority of the loss on account of receipt of lower capital charge in FY18 was covered by the proceeds from the Insurance company.

Insurance coverage: OTEOLB has taken insurance covers for *Fire & Allied Perils* (coverage from damages that fire or perils can cause to its plant & machinery), *consequential loss following Fire & Allied Perils* (coverage against loss of income due to fire in the plant), *Machinery Breakdown* (coverage against unexpected accident for machines, including repairs and replacement for the normal course of business), *consequential loss following Machinery Breakdown* (coverage against other losses cascading from machinery breakdown) and *terrorism and sabotage* from Swan Insurance, to mitigate the risks inherent in a powerplant. All losses are covered over an excess of MUR 40 million.

Steady fuel Sourcing arrangements: OTEOLB uses both coal and bagasse as input for power production. During the sugarcane crop season, bagasse is the main source of energy, whilst coal is used during the off-crop season. However, coal is the main fuel accounting for 70-80% of total annual power production. The plant runs on Grade B non-coking coal (Gross Calorific Value of 6,100). The company annually uses 200,000 – 240,000 tons of coal (at an efficiency of around 500-530 tonnes of coal used to produce 1 GwH for last 3 years). The coal usage is in line with PPA and any efficiency or inefficiency has to be borne by OTEOLB.

The coal procurement is done centrally by Coal Terminal (Management) Co. Ltd ("CTMC") for the account of Independent Power Producers (IPPs) of Mauritius through a transparent tendering process disclosed to the CEB. CTMC is responsible from the tendering to the delivery of coal to OTEOLB. The CEB has a representative on the board of CTMC who acts as an observer to the coal purchase process. When required, the CEB representative provides to CTMC its views on the coal purchase process so as to ensure that CTMC purchases coal on behalf of IPPs on the most economic basis possible.

The CEB pays the coal CIF price for the Contract Coal Quantity only.

Bagasse is procured from Omnicane Milling Operations Limited ("OMOL"), which is the sugar mill of Omnicane Group. OMOL derives 300,000-400,000 tons of bagasse annually from its milling operations and supplies 100% of the bagasse to OTEOLB. Under the PPA between CEB and OTEOLB, for Bagasse Energy CEB pays for the following:

- Variable O&M Charge;
- Bagasse Transfer Price, Bagasse Maintenance Charge and Bagasse Incentive Charge.

The price of bagasse fixed by OMOL is governed by a Product Exchange Agreement between OMOL and OTEOLB, whereby OMOL supplies bagasse to OTEOLB in exchange of steam and electricity.

Experienced plant operator (Albioma): Albioma has been appointed as OTEOLB's plant operator with responsibilities for maintenance, since construction phase. This gives the plant access to expertise and technical support from an established international power company. OTEOLB pays an annual technical fee equivalent to 4% of its EBITDA, as per PPA. With over 500 experts working for Albioma Group in, it has a total installed capacity of 910 MW across 8 countries [Mauritius (195 MW) - Terragen (70MW), Saint Aubin (35MW) and La Baraque (90MW)] and its plants generated a total of 3.8 TWh of electricity in 2019. In 2019, barring breakdown of 45 MW unit in La Baraque, Albioma's generating plants remained available for 88% of the time. The General Manager of OTEOLB, Mr. Jean Michel Gerard, is deputed from Albioma to ensure proper running of the plant.

Central Electricity Board – Sole distributor of electricity in Mauritius with established track record of Invoice payment well within the stipulated timelines

Established in 1952, the Central Electricity Board ("CEB") is a parastatal body (wholly owned by GoM) and operates under the aegis of the Ministry of Energy and Public Utilities. CEB is the sole organisation responsible for the transmission and distribution of electricity in Mauritius. CEB also generates approximately 48% of total power supply of Mauritius with its 4 thermal power plants and 10 hydroelectric plants:

In 2019, CEB produced 1,417.8 GWh of energy [accounting for 48.3% of the total energy supply to the national grid for 2019 (2,937.2 GWh)]. Given that CEB is the sole supplier of power to the population, CEB purchased additional 1,519.4 GWh (51.7%) from the following Independent Power Producers (IPPs), who generates power as per requirement of CEB, barring their auxiliary/captive consumption.

IPPs	Installed capacity (MW)	GWh generated in 2019	% of total units (2019)
Thermal			
OTEOLB (Omnicane)	90.00	539.8	18.4
OTEOSA (Omnicane)	32.50	233.8	8.0
Terragen (Terra group)	71.20	426.7	14.5
Alteo Energy Limited	36.70	175.6	6.0
Sotravic Ltd	3.45	19.8	0.7
Total Thermal (D)	**233.85**	**1,395.9**	**47.6**
Total photovoltaic* (E)	**72.49**	**110.7**	**3.8**
Total wind (F)	**9.35**	**12.9**	**0.4**
Total IPPs (G=D+E+F)	**315.7**	**1,519.4**	**51.7**

**Total PV includes power produced under Small/Medium scale distributed generation scheme. (Source: CEB website)*

As per the latest Annual report of CEB (June 30, 2018), CEB posted a revenue of MUR 16.3 billion and surplus of MUR 2.3 billion for the period of 12 months ended June 30, 2018. As on June 30, 2018 CEB had a total borrowing of MUR 4.5 billion.

CEB pays only for metered energy that has been dispatched by the CEB who settles its dues within 30 days. There are no major concerns regarding timeliness of payment from CEB given that the utility is a profitable one. CEB's payment obligations are also unconditionally guaranteed by the Government of Mauritius, as co-principal debtor.

Industry Risk

Mauritius has a total installed capacity of 842.56 MW comprising of capacity of the plants owned by CEB, Independent Power Producers (IPPs), producers under Small Scale Distributed Generation Scheme and Medium Scale Distributed Generation Scheme. In 2019, the total energy supply by the National Grid was 2,937.2 GWh (2018: 2,827.6 GWh) and the average price of electricity charged to customers was around MUR 6.00 per kWh.

CEB is the sole organisation responsible for the transmission and distribution of electricity to the population. In 2019, CEB produced 1,417.8 GWh of energy, accounting for 48.3% of the total energy supply of the national grid for 2019 (2,937.2 GWh). Given that CEB is the sole supplier of electrical power to the population, CEB purchased additional 1,519.4 GWh (51.7%) from the IPPs.

IPPs produce power as per requirement of CEB, barring their auxiliary/captive consumption. The power sector has a mix of different fuels used to produce power.

Transmission from various power plants is done via 66 kV lines interconnecting power plants and major 66/22 kV substations. The 22 kV outgoing lines from these substations either supply the rural regions or are used for 'sub-transmission' feeding 22/6.6 kV substations. CEB has a transmission system is to transmit electricity, at a higher voltage, from sources of generation to Bulk Supply Points or Major Substations. The electricity is then stepped down to lower voltages to supply distribution networks, which in turn supply customers. CEB, being responsible for the transmission and distribution system, operates 24-hour basis System Control Centre situated in Curepipe to ensure system availability.

In terms of fuel used to generate power, Mauritius is still heavily reliant on Heavy Fuel Oil (accounting for 44.5% of power generated in 2019) and Coal (accounting for 35.9% of power generated in 2019). Bagasse (10.7%) leads the way among other fuels due to the Island's significant sugarcane industry.

Generation in 2019		
Fuel	**GWH**	**%**
HFO	1,307.4	44.5%
Coal	1,053.0	35.9%
Bagasse	314.0	10.7%
PV	110.7	3.8%
Hydro	98.6	3.4%
Landfill Gas	19.8	0.7%
Wind	12.9	0.4%
Kerosen	11.7	0.4%
Cane Trash	9.0	0.3%
Total	**2,937.2**	**100%**

Prospects

OTEOLB's prospects depends on the plant meeting its 8,000 hours availability, as per the PPA. The rating is sensitive to the operational and financial performance of the company, any additional debt availed in OTEOLB and higher than projected dividend payment or support extended in any other form to Omnicane Limited and other group companies which have weaker credit profile.

FINANCIAL PERFORMANCE

Standalone Financial performance of OTEOLB *MUR Million*

For the year ended as on	Dec-17	Dec-18	Dec-19
	Audited		
	12M	12M	12M
Revenue from sale of electricity	1,845	1,646	1,948
Other Income	12	12	8
Total Income	1,857	1,658	1,956
EBITDA	603	487	633
Depreciation & amortisation	207	206	214
Interest	146	101	84
PBT	242	176	297
PAT	198	144	250
Gross Cash Accruals (GCA)	449	382	437
Dividend paid/proposed	200	150	125
Financial Position			
Equity share capital	761	761	761
Tangible networth	1,170	1,166	1,295
Total debt	1,656	1,391	1,107
- Long term debt	1,656	1,391	1,096
- Short term debt	0	0	11
Cash & Bank balances	170	81	29
Key Ratios			
Profitability (%)			
EBIDTA / Total operating income	32.46	29.36	32.34
PAT / Total income	10.66	8.71	12.80
ROCE- operating (%)	12.45	9.49	15.21
RONW (%)	16.93	12.37	20.35
Solvency			
Long-term debt to equity ratio	1.42	1.19	0.85
Overall gearing ratio	1.42	1.19	0.86
Interest coverage (times)	4.14	4.81	7.49
Long-term Debt/ EBIDTA	2.75	2.86	1.73
Total debt/ EBIDTA	2.75	2.86	1.75
Liquidity			
Current ratio	2.74	2.02	2.46
Turnover			
Average collection period (days)	56	41	41
Average inventory (days)	92	103	97
Average creditors (days)	36	52	53
Operating cycle (days)	112	92	85
Working capital turnover ratio	3.16	3.54	3.78

In FY18 OTEOLB's revenue declined due to closure of one of the units (45 MW) for 135 days due to a lightning strike which impacted the plant availability factor and, in turn, the company received only 79% of the total capital charge for FY18. The cost of the incident (MUR 227 million) to the financials of OTEOLB was mitigated by receipt from insurance (MUR 177 million). Hence, EBITDA and PAT were lower in FY18. Both plants are operational since July 2018 and were fully available in 2019. Accordingly, in 2019 OTEOLB witnessed an 18% increase in revenue from sale of electricity (6% increase compared to 2017) and a 30% improvement in EBITDA compared to 2018 (5% increase compared to 2017). PAT improved significantly to MUR 250 million in 2019 (27% increase compared to 2017) and OTEOLB made a dividend distribution of MUR 125 million to OHLB. On July 31, 2020, with term loans outstanding amounting MUR 768 million, OTEOLB issued Bonds aggregating to MUR 780 million, repaid its existing high cost term loan (MUR 768 million) and met its issue expenses. Accordingly, interest cost will be lower going forward.

Adjustments

1. Tangible net worth is calculated by netting off revaluation reserve, and non-purchased 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)/Tangible Networth.

Details of Instrument

Bond issue:

OTEOLB issued Bonds aggregating to MUR 780 million on July 30, 2020 to repay its existing high cost term loan (MUR 768 million) and meet its issue expenses. The repayment of the Bond will be done on a quarterly basis up to July 2022. Post repayment of the term loan from the Bond issue in OTEOLB, there has been a DSRA release of around MUR 91 million.

Bond issue

Instrument	Amount (MUR Million)	Repayment (MUR Million)							
		Nov-20	Feb-21	May-21	Aug-21	Nov-21	Feb-22	May-22	Jul-22
Long term Bond	780	100.0	100.0	100.0	100.0	100.0	100.0	100.0	80.0

Bank Facilities:

The Bank Facilities of MUR 515 million, from SBM Bank (Mauritius) Ltd (“**SBM**”), comprises of the following: -

Facility	Bank	Amount (MUR Million)
Fund based	SBM Bank (Mauritius) Ltd	
Overdraft		100
Non-Fund based		
Letter of Credit (L/C)/Import Loan		325
Bank Guarantee (Issued in favour of Central Electricity Board for operations of the power plant).		90
Total		**515**

As per the Sanction letter, if the utilization of the Letter of Credit/Import Loan facility exceeds MUR 325 million, the overdraft limit will be reduced by the corresponding amount so as the total amount of Bank Facilities remain well within MUR 515 million. The Letter of Credit/Import Loan are mainly used for import of coal (upon receipt of coal) and are repaid from the receipt of sale proceeds from Central Electricity Board.

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