Rating Rationale
SBM Factors Ltd

Ratings

Facility/ Instrument	Amount (MUR Million)	Rating	Rating Action
Bank Facility	1,500 (One Thousand Five Hundred Million)	**CARE MAU A2+ [A Two Plus]**	**Reaffirmed**

Rating Rationale

The rating that has been assigned to the bank facilities of Mur 1,500 Million of SBM Factors Ltd ("SBMF"), derives strength from the long & satisfactory track record of its resourceful promoters – SBM group, support from the banking team of SBM to structure deals, moderate financial position & collection efficiency, capital requirement well above the Regulatory norm, moderate asset-liability maturity profile and around 70% of the factoring of invoices being backed by Insurance from Credit Guarantee Insurance Co. Ltd ("CGI") as on June 30, 2021.

The rating is, however, constrained by stagnant asset under management (receivables from the factoring of invoices) in FY20 (Jan-Dec 2020) vis-à-vis FY19, reschedule in collection from debtors of client operating in textile sector, uncertainty related to the collection efficiency in view of the negative impact of the COVID-19 pandemic, risk associated with respect to the delay/non-payment of insurance claims by CGI, high overall gearing and exposure to the regulatory risk.

<u>Rating Sensitivities:</u>

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

- Ability to maintain asset quality and profitability while increasing asset size.
- Improving asset liability maturity profile.

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

- Deterioration in credit quality of the group and/or reduction in expected support from the group.
- Increase in overall gearing.
- Increase in non-recourse factoring
- Delay in reduction of existing exposure to the debtors of client operating in textile sector
- Non-payment of Insurance by CGI on default by the clients

BACKGROUND

SBM Factors Ltd. ("SBMF") was incorporated in August 2016 as a wholly owned subsidiary of SBM (NBFC) Holdings Ltd, which in turn is the 100% subsidiary of SBM Holdings Ltd (a public limited company that is listed on the Stock Exchange of Mauritius). SBM Holdings Ltd is the holding company of SBM Bank (Mauritius) Ltd.

SBMF has started its operations in November 2017 as the third Factoring service provider in the local market offering mainly non-recourse factoring solutions to its clients. SBMF is licensed and regulated by the Financial Services Commission of Mauritius as a factoring service provider. SBMF operates a factoring business to provide factoring services to SBM's current and future customers, contributing to the development of the Holding Company as a Financial Institution in providing comprehensive financial services. Since 2019, SBMF is a member of the Factors Chain International (FCI), a global network of factoring firms.

<u>Activities of SBMF</u>

Since 2017, SBMF provides factoring solutions to its customers. It purchases invoices from clients (@ 90% of the Invoice value) and avails of credit insurance for such Invoices from Credit Guarantee Insurance Co. Ltd ("CGI"), which is the only credit insurance provider in Mauritius. There are two main types of factoring – recourse factoring and non-recourse factoring.

Recourse factoring is the most common in which the client must buy back any invoice that the factoring company is unable to collect payment on. Clients are ultimately responsible for any non-payment.

Non-recourse factoring means the factoring company bears the entire risk of non-payment by the customers. SBMF offers mainly non-recourse factoring solutions to its clients.

The procedure that is followed by SBMF for providing factoring services are as follows:

Step 1: Client sends invoice(s) raised to its debtor(s) and other relevant documents to SBMF ;

Step 2: SBMF, after proper scrutiny of the documents provided, buys the invoices and pays the client up to 90% of its value within 24 hours and keep the balance (10%) in reserve account;

Step 3: SBMF takes the insurance against the invoices paid;

Step 4: SBMF collects payments from the customers on due dates;

Step 5: SBMF releases the reserve amount less factoring charges.

SBMF is a professionally managed company. It is governed by 4-member Board of Directors composed of skilled, knowledgeable, and experienced professionals. The board is composed of 2 executive directors and 2 non-executive directors. The strategic affairs of the company are looked after by professional Mr. Shailendrasingh Sreekeessoon (Executive Director). He is the Chief Executive Officer of the Non-Banking

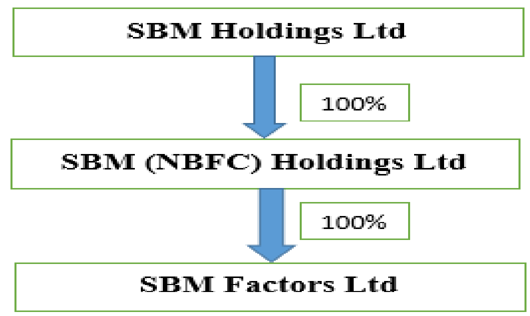
Financial Cluster ('NBFC'). He has been the Head of Strategy and Research of the SBM Group. He was appointed to the Board on 20 March 2019.

The day-to-day operations of the company are looked after by Mr. Niraj Rambaccussing and the latter is assisted by a team of experienced professionals. He joined SBM Factors Ltd in 2018 as the Head of Factoring.

CREDIT RISK ASSESSMENT

Long & satisfactory track record of the company & resourceful promoters

SBM Factors Ltd, incorporated in August 2016, is engaged in the factoring facility arrangements. It is owned and managed by SBM Group of Mauritius. SBM Holdings Ltd ("SBMH") holds 100% of SBM (NBFC) Holdings Ltd which in turn holds 100% of SBM Factors Ltd. SBM Group has a well-established presence in and outside Mauritius. In addition to Mauritius, the Group is also present in India, Madagascar, Kenya and the Seychelles.



SBM group, which has a diversified ownership base of more than 18,500 shareholders, with foreign shareholding accounting for around 2% of the total. Government of Mauritius directly holds 4.28% and collective through other corporates bodies holds more than 50% in SBM Group. Top largest shareholders holding 51.58% stake in SBMH are - National Pensions Fund (16.38%), SBM Holdings Ltd-Treasury Shares (13.04%), SICOM (12.67%), Government of Mauritius (4.28%), National Saving Fund (2.30%), Development Bank of Mauritius Ltd (1.65%) and State Investment Corporation Ltd. (1.26%). The Consolidated financials of SBM Holdings Limited is as under:

For the year ended as on (*MUR Million*)	**30-Dec-18**	**30-Dec-19**	**31-Dec-20**
Total Income	14,312	15,438	16,732
Interest	3,224	4,319	4,060
PAT	1,346	17	1,021
Gross Cash Accruals (GCA)	2,173	1,107	2,070
Tangible net worth	20,955	21,819	22,900
Cash and Cash Equivalents (including deposits in Banks)	25,630	28,861	32,868
Advances	110,690	116,418	123,369
Investments	77,347	100,290	121,053
Deposits	170,101	200,305	228,266
Total debt	11,965	13,373	15,017
Key Ratios			
Overall gearing ratio	8.69	9.79	10.62
Gross Non-Performing Loan	13.6%	11.7%	13.8%
CAR	24.9	22.2	20.7%

Continuous support from the banking team of SBM to structure deals

The various officials of the SBM has played a pivotal role in securing new contracts for SBMF with the customers of the SBM Bank, which in turn has contributed to the growth of the business in SBMF.

Stagnant Asset under Management in FY20

SBMF's total revenue has increased from Mur 72.2 million in FY19 to Mur 86 million in FY20, due to higher interest income FY20. SBMF's factoring portfolio was MUR 1,257 million as at December 31, 2020 vis-à-vis MUR 1,248 million as at December 31, 2019.

Moderate financial position & collection efficiency

In line with the increase in income, PAT and GCA have also increased in FY20. Interest coverage was 2.67 for FY20 (2.74 for FY19). NIM was hovering around 3.76%. ROTA was also at 3.63%.

During the last 3 years of operations the company has been successful in the collection of claims well within the stipulated time and has never launched any claim with CGI.

Capital requirement well above the Regulatory norm but with a high overall gearing ratio

As on Dec 31, 2020, SBMF has maintained a capital of MUR 105 million against the statutory requirement of higher of MUR 5 million or 5% of total liabilities (5% of Mur 1,153 million as on 31.12.2020 – Mur 58 million). The capital structure consists of stated capital (Mur 80 million) and retained earnings (Mur 25 million). Overall gearing ratio was at 9.98 times as on Dec 31, 2020 (10.35 times as on Dec 31, 2019).

Moderate asset-liability maturity profile & liquidity profile

SBMF's asset liability maturity profile as on June 30, 2021, is as under: - (**MUR Million)**

Particulars	**0-1 months**	**1-2 months**	**3-6 months**	**6 - 12 months**	**1 - 3 years**	**Over 3 years**	**Non-Maturity Items**	**Total**
ASSETS								
Cash balances	0	-	-	-	-	-	-	**0**
Trade receivables	74	105	993	222	-	-	-	**1394**
Total Assets (A)	**74**	**105**	**993**	**222**	**0**	**0**	**1**	**1,394**
LIABILITIES								**-**
Trade and other payable	7	20	124	42	-	-	-	**195**
Bank overdraft	50	75	814	150	0	0	0	**1,089**
Income tax liability	7	0		0	0	0	0	**7**
Share capital	0	0	0	0	0	0	104	**104**
Total Liabilities (B)	**64**	**95**	**938**	**193**	**0**	**0**	**104**	**1,394**
GAP [A-B]	**10**	**9**	**55**	**29**	**0**	**0**	**-104**	**0**
Cumulative GAP [A-B]	**10**	**20**	**74**	**104**	**104**	**104**	**0**	**0**

Average utilization of working capital limits (MUR 1,500 million) for the last 12 months was about 75%.

As at June 30, 2021 the amount utilized in different currency is as follows: (MUR Million)

Currency	Tied up Limit	Tied up Limit (%)	Average utilization	Average utilization (%)
MUR Limit	320	21%	182	17%
EUR Limit	737	49%	518	48%
USD Limit	443	30%	389	36%
Total	**1,500**		**1,089**	

As at June 30, 2021, MUR 411 million remained unutilized, providing liquidity cushion to the company.

Impairment

As on Dec 31, 2020, Gross non-performing loan (NPL) is Nil. Trade receivables and other non – current financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as financial assets at amortized cost. The Company holds only trade receivables with no financing component, and which have maturities of less than 12 months at amortized cost and, as such, has chosen to apply expected credit losses (ECL) under IFRS 9 to all its trade receivables.

The company has recognized an allowance for expected credit losses of Mur 10.3 million for FY20. SBMF considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default or impaired when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full.

Client Portfolio – 70% of factoring Invoices covered by Insurance from CGI

As on June 30, 2021, the total outstanding receivables from the factoring business was Mur 1,395 million (Mur 1,430 million for FY19), comprising mainly of clients operating in the sugar sector, construction sector, textile sector and retail sector. The three main clients operating in the sugar sector, construction sector and textile sector account for around 82% of the total factoring done by SBMF as on that date.

SBMF has factored the bills raised by the clients operating in the aforementioned sectors to their respective debtors (domestic and international) and on due date the debtors will pay the amount to SBMF.

The debtors of the clients operating in the sugar sector, textile sector and retail sector are covered by credit insurance from CGI, which means that in case of default by the debtors, CGI will make good for the loss.

The debtors of the client operating in the construction sector are not covered by the credit insurance from CGI.

The client-wise breakup of receivables is as under: (MUR Million)

Sector wise Clients	2019		2020	
	Receivables	% of Receivables	Receivables	% of Receivables
Sugar Sector	121	8%	133	10%
Construction Sector	512	36%	421	30%
Textile Sector	623	44%	588	42%
Retail Sector	174	12%	253	18%
TOTAL	**1,430**		**1,395**	

Analysis of Debtors:

Debtors with Credit Insurance from CGI:

SBMF has collected all bills discounted for clients operating in sugar and retail sector during last one year. However, SBMF had rescheduled majority of its receivables from the debtors of the client operating in the textile sector, due to negative impact of COVID-19 pandemic in the international textile industry. The rescheduling of collection from debtors of the textile sector client was approved by CGI also. During last one year, SBMF has not factored any bills of the debtors of client operating in the textile sector.

Debtors without Credit Insurance from CGI:

SBMF has factored the bills raised by a company operating in construction sector to its debtor, for the construction work executed on the project, i.e., on due date the debtor will pay to SBMF.

SBM Bank has provided a Guarantee Finance Arrangement (GFA) in favour of the end buyers on behalf of the debtor. This means that SBM has guaranteed to the end buyers that in case of default by the debtor in the construction of the project in a time bound manner & within the projected cost or the client goes bankrupt, the end buyers have the right to invoke the GFA. Post such invocation, SBM will take over the project from the debtor and will ensure the project completion including providing any additional funding, if required.

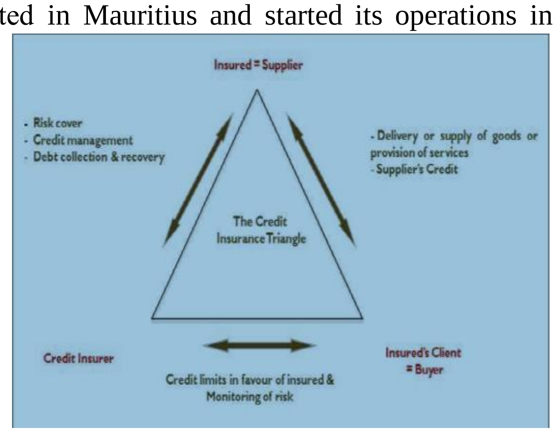
As a part of GFA, SBM has created a designated escrow Account, where the sale proceeds of the entire project are getting deposited, and the expenses are made from that Account based on bills raised by the debtor and approved by of SBM officials.

SBMF has not taken any credit insurance from CGI, since the receipt and payment of funds (pertaining to the factoring of the Invoices) from the account of the debtor (debtor of SBMF) are monitored by SBM Bank and they will pay the factoring amount directly from the debtor's Account to SBMF, post approval of the debtor. Accordingly, SBM Factors will receive payments from SBM Bank on behalf of the debtor.

<u>Analysis of CREDIT GUARANTEE INSURANCE CO. LTD.</u>

Background

Credit Guarantee Insurance Co. Ltd ("CGI") was incorporated in Mauritius and started its operations in February 2009 as a public company with limited liability. The Company is licensed and regulated by the FSC. Prudence Holding Limited, a public company, holds 60% of the shareholding of CGI. MCB Group Ltd. (CARE MAU AAA; Negative) holds 40% of the shareholding of CGI. CGI's core business is to provide credit insurance to domestic suppliers for both local and export markets. Credit insurance provides cover to businesses against non-payment of receivables owed



to them by business customers for goods or services provided on credit terms. CGI currently service more than 100 clients. The general framework of the credit insurance business is as depicted:

CGI's underwriting team carries out the risk assessment for around 5,000 buyers (domestic, regional and international) and issues more than 10,000 credit limits yearly. CGI have in place different level of reinsurance program to protect from any catastrophic losses.

Management - CGI is a professionally managed company. It is governed by 8-member Board of Directors composed of skilled, knowledgeable, and experienced professionals. The board is composed of 4 non-executive directors and 3 Independent non-executive directors and 1 executive director. The strategic affairs of the company are looked after by professional Mr. Dominique GALEA (Chairperson).

The day-to-day operations of the company are looked after by the Managing Director, Mr. Alexis Delamaire. His main areas are in Credit Management, Risk Management, and Commercial Finance. He has played an active role in the development of operations. He reports to Mr. Dominique GALEA, Chairman of CGI.

Long & satisfactory track record of the company & experienced promoters

Credit Guarantee Insurance Co. Ltd ("CGI"), incorporated in February 2009 and is engaged in providing credit insurance to domestic suppliers for both local and export markets. Prudence Holding Limited holds 60% of the shareholding of Credit Guarantee Insurance Co Ltd. Mr. Dominique Galéa is the Chairman and the major shareholder of La Prudence. MCB Group Ltd. holds 40% of the shareholding of CGI.

MCB group has a diversified ownership base of more than 20,000 shareholders, with foreign shareholding accounting for around 14% of the total.

Satisfactory investments portfolio and liquidity

Investments: CGI had an investment portfolio of Mur 20 million as on December 31, 2020 [FY 2019 Mur 25 million], the fair value of which is Mur 20.4 Million as on 31 December 2020. On the liquidity front, 46% of the total investments comprised of shares in MCB Group and 20% of the SBM Equity Bonds, which are readily marketable in nature, providing sufficient liquidity cushion to the company.

Cash and Fixed Deposits - As on Dec 31, 2020, CGI has Mur 26 million in cash and deposits (MUR 38 million as on Dec 31, 2019) parked with financial institutions like The Mauritius Commercial Bank Limited, La Prudence Leasing and Finance Co. Ltd. and Mutual Aid Association Ltd.

Satisfactory Solvency Position

CGI has a satisfactory solvency position. As on December 31, 2020, the ratio of Excess Capital Available over Capital required margin stood at 176% [FY18 185%] against the statutory limit of 150% as per Insurance (General Insurance Business Solvency) Rules 2007.

Risk Underwritten

CGI's core business is to provide credit insurance to domestic suppliers for both local and export markets for 3-4 months. CGI provides cover to businesses against non-payment of receivables owed to them by business customers for goods or services provided on credit terms. CGI also provide Business Information Reports which help the clients to know their customer or prospect's long-term business viability and staying informed of any changes in their status. CGI currently service more than 100 clients.

As at Dec 31, 2020, CGI has insured around Mur 10 billion (Mur 14 billion FY19) worth of debtor for its customers (3-4 months). CGI has insured debtors worth MUR 40-60 billion annually for last 5 years.

At the commencement of the Insurance process, CGI takes reinsurance for 70% of the amount insured, with Reinsurance Agencies. ***Hence, at any given point of time, 70% of the risk underwritten by CGI is always covered through Reinsurers.***

Reinsurers - Quota Share Treaty

In Reinsurance treaty signed by CGI, while **Retention** is 30% of any one risk, **Cession** is 35-40% of 70% of the risk with the leading reinsurer (Atradius Reinsurance DAC) and balance 65-60% with other Reinsurers (with approval from lead Reinsurer). This is for a maximum treaty limit of MUR 300 million for any one risk/group being the aggregation of limits under all policies. All the treaty limits of CGI are well within Mur 300 million. Atradius Reinsurance DAC is the leading reinsurer of CGI.

Domestic and export credit up to Mur 100 million is to be approved by CGI but a credit amount exceeding Mur 100 million shall be accepted post approval by the Leading Reinsurer (Atradius). Reinsurers of CGI are:

Reinsurer	Rating Agency	Rating
Atradius Reinsurance DAC (leading Reinsurer) (Netherlands)	Moody's	A2
Credendo – Export Credit Agency (Belgium)	Standard & Poor's	AA
Catlin Re Switzerland Ltd (Switzerland)	A.M.Best	A+
Endurance Specialty Insurance Limited (U.S.)	A.M.Best	A+
R+V Versicherung AG (Germany)	Standard & Poor's	AA-
Credit Guarantee Insurance Corporation of Africa Ltd (South Africa)	Global Credit Rating	AA+

For the balance 30% of the Risk underwritten, CGI has taken Excess of loss Treaty (over & above Reinsurance treaty).

Excess of loss Treaty

In Reinsurance Treaty, Credit Excess of loss is the one in which the reinsurer indemnifies or compensates the ceding company (CGI) for losses that exceed a specified limit (Mur 5.62 million in case of CGI). Under the Excess of loss Treaty, it is stated that *"The Reinsurers hereby agree to indemnify CGI for that part of its Ultimate Net Loss which exceeds the amount specified as the Deductible (Mur 5.62 million and above) in the Contractual details"*. Amount indemnified by the Reinsurers shall be up to but not exceeding a further amount, Ultimate Net Loss, specified as the limit in the Contractual details. Thus, under excess of loss Reinsurance company is held responsible for the total amount of losses above the Deductible limit. The different layers of loss treaty with amount deductible and limits specified are as hereunder:

Layer	Ultimate Net Loss	Deductible	Limit
	(MUR Million)		
First Layer	13.12	5.62	39.00
Second Layer	18.75	18.75	56.00
Third Layer	52.50	37.50	105.00

Thus, in case the Ultimate Net Loss or net claim submitted by each debtor amounts to maximum Mur 13.12 million, amount payable by CGI will be maximum of Mur 5.62 million and any excess over and above Mur 5.62 million will be paid by the reinsurance company (as per the Excess of loss treaty). Thus, in any case the liability for CGI will not exceed Mur 5.62 million for each claim submitted.

SUMMARY OF FINANCIALS: Credit Guarantee Insurance Co. Ltd ***Mur Million***

Financial Year Ending December 31,	2018	2019	2020
Gross Premium Written	**53**	**58**	**78**
% of NPE	*346*	*390*	*356*
Net Premium Written	**14**	**15**	**22**
% of NPE	*94*	*98*	*100*
Less: Reserve for unexpired risks	**-1**	**-0**	**-0**
Net Premium Earned	**15**	**15**	**22**
Net Claims Incurred	**6**	**20**	**21**
% of NPE	*37*	*134*	*95*
Net Commission	**12**	**12**	**18**
% of NPE	*81*	*81*	*83*
Operating expenses related to insurance business	**19**	**15**	**14**
% of NPE	*123*	*102*	*64*
Net Underwriting Profit	**3**	**-8**	**7**
% of NPE	*21*	*(56)*	*33*
Net Investment Income	**1**	**0**	**-5**
% of NPE	*6*	*3*	*(21)*
Operating Profit/ (Loss) (A-B)	**4**	**-8**	**3**
% of NPE	*28*	*(54)*	*12*
PAT	**2**	**-9**	**-0.2**
Tangible Net worth	**46**	**37**	**38**
Claims Outstanding	**5**	**18**	**6**
Investments	**42**	**45**	**40**
Cash & bank balances	**30**	**27**	**36**
Total assets	**125**	**147**	**145**
Ratios			
GPW growth	19.94	10.41	33.85
NPW growth	12.58	2.29	48.00
GPW/ Tangible net worth	116.05	157.63	207.89
NPW/Tangible net worth	31.55	39.76	58.29
Claim/Loss Ratio (Net Claims Incurred/ NPE)	37	134	95
Commissions Ratio (Comm/ NPE)	81	81	83
Expense Ratio (Net Exp / NPE)	125	103	55
Combined Ratio	242.8	318.5	233.2
Net Earnings ratio	14.89	(57.54)	(0.92)

Financial Year Ending December 31,	2018	2019	2020
Investment Yield (Total Investment including investment in subsidiary)	3.55	3.89	2.57
RONW	5.13	(20.85)	(0.54)
ROTA	5.13	(20.85)	(0.54)

Financial performance

In FY 2020 (Jan-Dec 20), CGI incurred a loss of Mur 0.2 million (2019: Loss of Mur 8.6 million). This was mainly due to profit from underwriting which in turn was impacted by loss on investment. In FY20, CGI's Net Premium Written has increased to Mur 22 million (FY19: MUR 15 million). As on Dec 31, 2020, the company had outstanding claims of MUR 6.5 million.

Industry Risk

Factoring

In Mauritius, there are 3 Factoring Companies in operation as at end- July 2021, involved in credit financing, 2 of the factoring Companies are subsidiaries/related companies of banking institutions. Factoring provides solutions to SMEs and big corporates to increase working capital, to effectively manage receivables or simply better manage their cash flow and funding requirements. Total factoring volume to GDP (%) in Mauritius was reported at 1.78 % in 2018, according to the World Bank collection of developments indicators.

In the wake of the Covid-19 crisis, factoring faces many challenges but also provides a wide array of opportunities. In Mauritius, the authorities took bold and timely economic and financial measures to support companies and industries at large to protect them against the financial impact of COVID-19. Although it is difficult to give a full and final assessment of the impact of this sanitary crisis on the business landscape. It is in this context that some of the factoring companies in Mauritius launched the Special Factoring Scheme in collaboration with The Investment Support Programme. This financial tool turned out to be very effective for many Small and Medium Enterprises (SMEs), regardless of the sector in which they operate, and help in providing liquidity cushion.

The three main Factoring companies in Mauritius are SBM Factors Ltd. MCB Factors and CIM Finance Ltd.

MCB Factors ("MCBF") is the benchmark in terms of factoring in Mauritius. MCBF manages more than 300,000 invoices per year providing working capital to more than 700 Mauritian companies since inception. MCBF purchased invoices exceeding Mur 7 billion in value for the last financial year.

Since 2004, CIM Finance Ltd ("CFL") provides factoring solutions. CFL manages debtors worth Mur 200 million for the FY20. It charges around 1.5 - 2.0% of Invoice amount as Factoring Fees.

Insurance

The Mauritian insurance industry is regulated and supervised by the Financial Services Commission (FSC) under the Insurance Act 2005, with a regulatory framework aligned with International Association of Insurance Supervisors (IAIS) standards and principles. The industry caters for long-term insurance business (life insurance, pension and health insurance) and general insurance business (accident, health, engineering, credit guarantee, liability, property, transportation etc.). There are also providers offering external insurance business, restricted solely to non-Mauritian policies. Insurance sector grew by 2.4% in 2020 over 2019 and made up 2.8% of the GDP (GDP for 2019 was USD 10.91 billion).

In Mauritius there are 15 General Insurance companies, which generated a gross premium of Mur 10.3 billion and net premiums of Mur 9.1 billion in CY19. Total claims paid by the general insurance companies amount to Mur 4 billion in 2019. Credit Guarantee Insurance Co. Ltd. (CGI) is the only credit insurance provider in Mauritius. CGI contributes to 0.01% of the gross premium generated and paid 0.1% of the total claims paid.

Prospects

SBMF's prospects largely depend on the fortunes of textile industry and construction sectors, the demand drivers of major products financed by the company. The growth of both the aforesaid sectors has close linkages with the economic growth of the country. The ability of the company to collect its receivables on a timely manner is the key rating sensitivities.

Financial Performance of SBMF *MUR Million*

For the year ended/As on	31/12/2018	31/12/2019	31/12/2020
		Audited	
Factoring fees	3	21	9
Interest income	2	52	78
Other operating income (foreign exchange and penalty income)	0	2	27
Total Income	**5**	**75**	**114**
Operating expense	7	12	13
Interest	1	21	31
PBT	**(8)**	**35**	**51**
PAT	**(8)**	**32**	**45**
Gross cash accruals	(8)	32	45
Dividend			40
Factoring receivables	139	1,221	1,255
Cash & Cash Equivalents	0.2	0.2	0.2
Total assets on the balance sheet	140	1,247	1,257
Trade payable	14	121	112
Total debt	117	1,020	1,032
Equity share capital	20	80	80
Tangible net worth	6	99	103
Ratios			
PAT margin	(150.08)	43.17	39.96
NIM (%)	1.99	2.49	3.76
Interest Income/ Int. earning assets (%)	7.15	5.91	7.01
Interest expended/ Avg. Borrowed Funds	1.71	2.01	2.97
Interest spread (%)	5.45	3.90	4.03
Operating Expenses / Avg. total assets (%)	15.01	2.65	2.56
RONW (%)	(113.06)	61.73	44.99
ROCE (%)	(10.59)	8.98	7.21
Cost of Capital (%)	1.52	3.30	6.26
Net Spread	(12.11)	5.68	0.95
Return on total assets (ROTA) (%)	(10.54)	2.58	3.63
Overall gearing	20.22	10.35	9.98
Interest Coverage	(6.69)	2.74	2.67

Adjustments

1. Tangible net worth is calculated by netting off intangible assets from total equity.
2. GCA is calculated as PAT+ Depreciation + deferred tax+ other non-cash expenditure.
3. Overall Gearing ratio is calculated as total debt (long and short-term debt)/Tangible Net worth.
4. Total Assets and Total AUM is calculated after deducting Deferred Tax and Intangible Assets from Total Assets

Annexure - I
Details of Rated Bank Facility

A-1 Details of Bank Facilities
Long-term facilities

Name of the Bank	Facility	Amount (MUR Million)
SBM Bank (Mauritius) Ltd	Bank Facility (overdraft)	1,500
Interest Payment	Monthly	