Savannah Smart City Limited

30 June 2025

Ratings

Facility	Amount	Rating	Rating Action
Term Loan	**MUR 45.8 million**	**CARE MAU A-; Stable**	Reaffirmed
Proposed Term Loan	**MUR 254.2 million**	**CARE MAU A-; Stable**	Reaffirmed
Overdraft Facility	**MUR 150 million**	**CARE MAU A2**	Reaffirmed
Total	**MUR 450 million**		

Rating Rationale

The ratings assigned to the bank facilities of Savannah Smart City Limited ("**Savannah**") continue to derive strength from the experienced promoters - the 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 smart cities, the healthy demand for land in Mauritius and the improved price realization over the last decade, comfortable capital structure and the moderate financials and coverage ratios.

The ratings are, however, constrained by the market risk associated with sale of land and property development, the 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.

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 for land.
- Significant increase in debt resulting in debt-to-equity ratio higher than 0.75x.

Background

Incorporated on October 12, 2020, Savannah Smart City Limited ("**Savannah**") is a 100% subsidiary of ENL Property Ltd (rated CARE MAU A; Stable) which is a 100% subsidiary of ENL Limited (rated CARE MAU A+; Stable). Savannah's principal activity consists of promoting land and developing properties. It holds land for development under the smart city project. In June 2015, the Government of Mauritius (GOM) launched the 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 arpents. The balance is sellable agricultural land in and around Moka and the South of the island (including Savannah region). The company is converting part of this land with the GOM's approval for the development of a Smart City.

Savannah Smart City is a smart village project that will be developed on a total area of 363 arpents. It shares the same business model as Moka City Limited (rated CARE MAU A+; Stable) which is to undertake master and sub infrastructures and sell serviced and unserviced plots of land to sub developers or end clients. In July 2022, it was awarded the certificate by the GOM for the development of Savannah Smart City which will consist of morcellement residentials, offices, commercial plots, educational facilities, sports, and medical centres to name a few. These will be developed in various phases.

The first phase of the Savannah Connected Countryside project will be developed on a 440-arpent site located in the village of Gros Bois, with 363 arpents falling under the Smart City Scheme. ENL Group owns approximately 7,000 arpents of land in the southern region of the island. As part of the project structure, ENL Limited transferred 440 arpents of land in exchange for ordinary shares issued to ENL Property. Subsequently, ENL Property transferred the equivalent cash amount to Savannah, which was then used to pay ENL Limited for land acquisition.

Financial Performance of Savannah in FY24

In FY24, Savannah reported a decline in revenue, falling by 90% to MUR 8 million, primarily due to the deferral of a land sale to FY25. The sale of 1.55 arpents of land to ENL Group entity was postponed to November 2024 due to project delays on the buyer's end.

As a result, Savannah recorded a negative EBITDA of MUR 14 million. However, the company reported a profit after tax of MUR 3 million, driven by a fair value gain of MUR 17 million on investment properties.

As at June 30, 2024, Savannah's external debt was limited to a bank overdraft facility totalling MUR 46 million. The only other liability on its balance sheet was a shareholder loan of MUR 70 million. The company held a cash balance of MUR 2 million, while its average working capital utilization over the past 12 months stood at MUR 25 million, within a total working capital limit of MUR 46 million.

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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)} can be used with the rating symbols for the categories CARE MAU A1 to CARE MAU A4. The modifiers reflect the comparative standing within the category.

Rating Outlook

The rating outlook can be 'Positive', 'Stable' or 'Negative'.

A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.

A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.

A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

Contact us

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

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

Group Head
Name : Ms. Pooja Appadoo
Phone : +230 5290 2000
E-mail : pooja.appadoo@careratingsafrica.com

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