CareEdge RATINGS AFRICA
A subsidiary of CARE Ratings Limited, India

Commercial Investment Property Fund Limited

24 June 2026

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bond (Senior Tranche)	**1,000**	**CARE MAU A; Stable**	Reaffirmed
Bond (Junior Tranche)	**350**	**CARE MAU A-; Stable**	
Bond (Senior Tranche)	**180**	**CARE MAU A; Stable**	
Bond (Junior Tranche)	**70**	**CARE MAU A-; Stable**	
Total	**1,600**		

Rationale and key rating drivers

The reaffirmation of the ratings assigned to Commercial Investment Property Fund Limited's (CIPF) senior tranche and junior tranche bond issues draws support from stable rental income, supported by a contractual minimum annual increase of 5% and a strong occupancy level of 100%. The rating derives comfort from the long-term lease tenures that are aligned with the bond's maturity, providing strong revenue visibility and robust debt servicing capacity. The ratings further derive comfort from ER Commercial Limited, the parent company, which is likely to extend timely financial support as needed. The ratings also factors in the experienced promoter and strong parentage of the ER Group, which has an established operational track record, the satisfactory operating performance of tenants diversified across several industries, thereby reducing exposure to sector-specific risks, and a Debt Service Reserve Account (DSRA), which is funded to cover at least two quarters of debt obligations.

However, the rating is constrained by the company's moderate financial risk profile with elevated leverage despite recent improvements and exposure to interest rate fluctuations given the floating rate component of its debt structure which could result in higher finance costs. The rating further considers concerns around refinancing risk arising from its reliance on external borrowings.

Rating sensitivities: Factors likely to lead to rating actions

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

- Improvement in LTV ratio below 60%.
- Improvement in operating profitability with total debt/EBITDA declining below 5x.

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

- Significant increase in debt with overall gearing rising above 4.5x on a sustained basis.
- Weakening of debt servicing capacity with interest coverage ratio falling below 2x.
- Higher-than-projected dividend payout to group companies' vis-a-vis profit affecting the company's repayment capability.
- Inability to increase annual rentals by 5% as per the contract, leading to lower revenue and profitability.

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

Analytical approach: Standalone

CIPF is a property fund that issues debt instruments to finance investments in income-generating real estate assets, which are leased primarily to ER Group companies. Given the ring-fenced cash flow structure of the transaction and the self-sustaining nature of the rental income stream, CRAF has adopted a standalone analytical approach. However, comfort is derived from the quality of the underlying tenants who are part of the diversified ER Group.

Outlook: Stable

The stable outlook reflects CRAF's expectation that CIPF will continue to benefit from stable rental income, supported by long-term lease agreements, full occupancy, and contractual rental escalations. The outlook also factors in the company's ability to maintain adequate debt servicing capacity and liquidity over the medium term.

Applicable criteria

Rating Methodology: Rating Methodology for Debt Backed be lease rentals
Rating Methodology: Infrastructure Sector Ratings – LRD
Rating Methodology: Liquidity Analysis of Non- financial sector entities
Rating Methodology: Rating Methodology for real estate sector
Financial ratios – Non-Financial Sector
Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings
Liquidity Analysis of Non-Financial Sector Entities
CARE's Policy on Default Recognition

About the company

Incorporated in 2016, CIPF is a property fund and wholly owned subsidiary of ER Commercial Limited, which is a wholly owned subsidiary of ER Group Limited (rated CARE MAU A+; Stable). Prior to the restructuring between ENL and Rogers groups, ER Commercial was 100% owned by ENL Limited.

CIPF owns 12 offices and industrial assets with a total GLA of 496,424 sq. ft (46,119 sqm), located predominantly in Moka/St. Pierre region and Pailles in Mauritius. In November 2023, Decathlon Beau Plan outlet under Ensport Ltd began operations, covering a GLA of 29,935 sq.ft.

The properties under CIPF are occupied by the subsidiaries and associates of ER Commercial. In FY25, CIPF earned ~MUR 156 million in rental income from its tenants, with all lease agreements spanning 15-20 years and 11-17 years remaining on the existing leases.

Assets	GLA Sq.ft	GLA Sqm	Rental income FY26 (MUR million)	Rental income per sqm (MUR)	Valuation 2026 (MUR million)	Rental yield
Axess Limited (Axess)	93,240	8,662	24	230	319	7.5%
Axess (warehouse/Michelin/Motor City)	48,340	4,491	11	204	167	6.6%
Axess - JLR showroom	34,352	3,191	26	689	321	8.2%
Axess Motorcity	34,735	3,227	20	505	299	6.5%
Grewals Grewals -Extension JMD	91,224	8,475	15	145	269	5.5%
Nabridas Limited (Nabridas)	41,096	3,818	8	174	92	8.7%
Plastinax Austral Ltd (Plastinax)	72,625	6,747	7	87	120	5.9%
Rennel	17,933	1,666	4	201	51	7.9%
Ensport Ltd (Decathlon)	32,944	3,061	22	591	269	8.1%
Ensport Ltd (Beau Plan)	29,935	2,781	27	818	377	7.2%
Total	**496,424**	**46,119**	**164**	**156**	**2,285**	**7.2%**

The 12 properties generate an annual rental income of around MUR 156 million with a yield of 7.2%. Total value of the properties was MUR 2,285 million as of June 2025. The overall LTV, inclusive of the newly acquired property, was 70% and total debt was MUR 1,594 million as of June 30, 2025

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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.

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.

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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.