

Brief Rating Rationale
CRAF assigns CARE MAU AA (Stable) rating to the existing bonds and
CARE MAUAA (Stable)/CARE A1+ ratings to the bank facilities of CIEL Limited

Ratings

Facility/Instrument	Amount (MUR Million)	Rating
Bond Issue	1,000.05	CARE MAU AA; Stable [Double A; Stable]
Long/Short term Bank Facilities	180	CARE MAU AA; Stable/ CARE MAU A1+ [Double A; Stable/A One plus]

Rating Rationale

The ratings derive strength from established track record of CIEL group, experienced promoters, professional and highly qualified management team, presence across diverse business verticals, strong performance with consistent flow of dividends from textile, agro & property and finance verticals, huge land bank which can be monetized to reduce debt at group level and comfortable financial performance with low gearing, satisfactory debt coverage indicators along with comfortable investment to debt ratio. The long term rating is however constrained by major investment in loss making hotel vertical, high debt availed in the hotel vertical to finance acquisition & ongoing renovation of the hotels, market & political risks associated with operations in Africa, regulatory risk in agro sector and currency risk associated with textile vertical.

Ability to turnaround the performance of the hotel vertical, reduction of debt at group level and strong performance and consistent dividend pay-out by textile, agro & property and finance verticals are the key rating sensitivities.

BACKGROUND

CIEL Limited (CIEL), is an investment & holding company of CIEL group, controlled by the siblings of Mr. Adrien Dalais (holding more than 30% stake). CIEL is one of the largest industrial and investment groups based in Mauritius with operations in African and Asian countries. The major companies are CIEL Textile Limited, Alteo Limited, Sun Limited, CIEL Finance Limited, Bank One and CIEL Healthcare. The operations of CIEL group are deeply etched in Mauritian soil, with presence in African and Asian continent. CIEL is a professionally managed company. It is governed by a 15 member Board of Directors comprising a number of eminent industrialists and professionals. The strategic affairs are looked after by Mr. Arnaud Dalais (60 years), - Chairman of the group and his brother Mr. Jean-Pierre Dalais (52 years), appointed as Group Chief Executive from Jan 2017.

In FY16 (July 2015 – June 2016), CIEL posted a PAT of MUR 314 million on a turnover of MUR 347 million. Interest coverage was 3.84. Overall gearing was 0.08 as on June 30, 2016. At the group level, CIEL posted a PAT of MUR 1.2 billion on a turnover of MUR18 billion in FY16. Interest coverage was 4.93.

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Overall gearing was 0.82 as on June 30, 2016. Average fund based utilization during last 12 months (Nov 2015-Oct 2016) was low at 12%.

CIEL has posted a Turnover and PAT of MUR 45 million and MUR 16 million in Q1FY17 at the company level and MUR 4885 million and MUR 102 million at the group level, respectively.

Disclaimer

CRAF's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security or to invest in or withdraw funds from deposits. CRAF has based its ratings 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/deposit programme.

In case of partnership/proprietary concerns, the rating assigned by CRAF is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating 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.

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