CIEL Limited

January 09, 2023

Ratings

Facilities/Instruments	Amount (Mur Million)	Rating[1]	Rating Action
Bank Facilities – Long Term/ Short Term	180	**CARE MAU AA-; Stable/CARE MAU A1+ [Double A Minus; Outlook: Stable /A One Plus]**	**Revised from CARE MAU A+; Positive/CARE MAU A1 [Single A Plus; Outlook: Positive / A One]**
Long term Bond I	970 (reduced from 1,270)	**CARE MAU AA-; Stable [Double A Minus; Outlook: Stable]**	**Revised from CARE MAU A+; Positive [Single A Plus; Outlook: Positive]**
Long term Bond II	1,530	**CARE MAU AA-; Stable [Double A Minus; Outlook: Stable]**	**Revised from CARE MAU A+; Positive [Single A Plus; Outlook: Positive]**
Long term Bond III	500	**CARE MAU AA-; Stable [Double A Minus; Outlook: Stable]**	**Revised from CARE MAU A+; Positive [Single A Plus; Outlook: Positive]**
Total	**3,180**		

Rating Rationale

The ratings assigned to the bond issues and bank facility of CIEL Limited have been revised to CARE MAU AA-/CARE MAU A1+, with a change in outlook from 'Positive' to 'Stable' for the long-term rating.

The ratings continue to derive strength from established track record of the CIEL Group, experienced & resourceful promoters, professional and highly qualified management team, dominant presence across diverse business clusters and several geographical areas, stronger performance across the group's clusters with turnaround in the hospitality cluster, consistent improvement in Group performance with robust profitability, maintenance of healthy cash flow position and satisfactory gearing level, and huge land bank which can be monetized to reduce debt at group level and moderate financials.

The ratings are however constrained by the performance of CIEL Limited being dependent on the performance of its subsidiaries & affiliates which in turn is contingent to several factors including exchange rate for the export-driven textile cluster, new debt-funded capital expenditure increasing the overall gearing in the healthcare cluster, high inflation and rising interest rate environment increasing the risk of non-performing loans for the finance & banking cluster and macroeconomic factors including the potential global economic slowdown which may affect the hospitality cluster.

Rating Sensitivities:

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

- Sustained increase in Group revenue and profitability
- Reduction in overall gearing level of the Group and maintenance of healthy cash flow position
- Enhanced dominant position in the textile and healthcare industries,
- Continued growth across the two banks operating in the Finance cluster and achieving a resilient position in the Hotels & Tourism cluster and

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

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- Successful monetization of existing land bank for the Property cluster.

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

- Decline in the operational and financial performance across subsidiaries, significantly affecting the profitability and debt repayment capacity at consolidated level
- Additional debt taken increasing the consolidated gearing level to above 1x

BACKGROUND

CIEL Limited ("CIEL") is an investment holding company with a 110-year history of owning and developing businesses in Mauritius and overseas. Starting with the acquisition of a sugar estate in 1912, the Company has over the century successfully transitioned from a primary sector operator focused on the sugar industry to become a major player in six sectors of the Mauritian economy namely, Agriculture, Textile, Hotels & Resorts, Healthcare, Property development & management, and Finance. Operating more than 30 brands through different subsidiaries and associates, CIEL and its subsidiaries, collectively called ("CIEL Group" or the "Group") is one of the leading business groups in Mauritius. Besides, having a dominant position in Mauritius, the Group has a significant regional presence with operations in strategic regional markets such as South Africa, Madagascar, Kenya, Uganda, Tanzania, India and Bangladesh.

At 30 September 2022, CIEL was operating a portfolio of companies valued at MUR 22,918 million. Some of the portfolio companies are listed below:

Name of the company	Sector	Rating
C-Care (Mauritius) Ltd	Healthcare	CARE MAU A+; Stable/A1+
Bank One	Banking	CARE MAU A+; Stable
CIEL Finance Limited	Finance	CARE MAU A; Stable
Alteo Limited	Sugar, Energy & Property	CARE MAU A; Under Credit Watch with Developing Implications
City and Beach Hotels (Mauritius) Limited	Hotel & Resorts	CARE MAU A-; Stable

CIEL is listed on the Official Market of the Stock Exchange of Mauritius (SEM) and had a market capitalization of MUR 10,125 million at 15 November 2022.

The Company is ultimately owned and controlled by members of the Dalais family, with Mr. Pierre Arnaud Dalais and Mr. Jean-Pierre Dalais directly holding 8.06% and 5.52% respectively.

CREDIT RISK ASSESSMENT

Long track record of the company & experienced promoters

CIEL Limited is an investment holding company with a 110-year history of owning and developing businesses in Mauritius and overseas. Starting with the acquisition of a sugar estate in 1912, the Company, under the leadership of Mr. Adrien Dalais and his siblings, has over the century successfully transitioned from a primary sector operator to become a major player in six sectors of the Mauritian economy namely, Agriculture, Textile, Hotels & Resorts, Healthcare, Property development & management, and Finance. CIEL and its subsidiaries, collectively called ("CIEL Group" or the "Group") is one of the leading business groups in Mauritius.

Professional and highly qualified management team

The CIEL Group is headed by a board of directors comprising of members who have extensive experience in the business arena. Mr. Pierre Arnaud Dalais is the Chairman of the Group. Under his leadership, since 1991, the

Group went through an important growth both locally and internationally. The day-to-day operations of the Group is overseen by the CEO, Mr. Jean-Pierre Dalais.

CIEL Group has a senior management team comprising of seasoned professionals who are responsible for effective running of the operations of each cluster of the Group.

Established Group with strong presence across diverse business sectors

The CIEL Group has a wide footprint across a diverse business sectors including Textile, Healthcare, Finance, Hospitality and Agro & Property. A brief snapshot of the performance of the major companies operating under each cluster is given below:

MUR million

	Stake (%)	Revenue		PAT		Dividend Paid		Total Debt	
		FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22
CIEL Limited (Consolidated)		**17,869**	**28,524**	**446**	**2,154**	**-**	**-**	**19,348**	**20,071****
CIEL Textile Limited	100	10,444	15,465	653	1,185	200	300	3,571	5,410
CIEL Finance Limited	75.10	3,513	4,266	608	703	79	170	3,186	4,508
C-Care (International) Ltd	53.03	2,995	3,562	301	372	54	100	657	542
CIEL Properties Limited	100	109	121	(4) *	(23)	-	-	263	121
Sun Limited	50.10	528	4,840	(2,018)	200	-	-	8,796	6,892
CIEL Limited (Standalone)		**368**	**586**	**130**	**341**	**-**	**354**	**3,203**	**3,070**
Not Consolidated									
Alteo Limited (Associate)	20.96	3,079	4,487	506	554	229	252	7,284	3,270

**Normalized PAT*

*** Including MUR 3,524 million overnight facilities taken from the Central Bank of Madagascar and Bank One, which are backed by T-Bills*

Investment in group companies

As at 30 June 2022, CIEL had an investment portfolio of MUR 23,884 million in its group of companies operating in a diversified array of business sectors. The debt level of the Company was MUR 3,070 million.

	FY19	FY20	FY21	FY22
	MUR million			
Total Investment in Subsidiaries/ Associates/ Joint Ventures	14,141	13,068	18,587	23,884
Total Debt (CIEL - Standalone)	2,720	2,968	3,203	3,070
Investment/Debt ratio (times)	5.20	4.40	5.80	7.78

Consistent flow of dividends from group companies

As an investment holding company, CIEL derives its revenue mainly in the of dividends from its group companies which for the past five years were as follows:

Group Companies	Business Verticals	Amount of dividend received (MUR Million)				
		FY18	FY19	FY20	FY21	FY22
CIEL Textile Limited	Textile	253	112	331	200	300
CIEL Finance Limited	Finance & Banking	54	72	16	60	127
Alteo Limited	Agro/Sugar/Land	52	45	43	48	53
CIEL Properties	Property	42	33	-	-	-
Sun Limited	Hotels & Resorts	43	65	-	-	-
C-Care (Mauritius) Ltd and Ciel Healthcare	Healthcare	-	-	-	54	99
CIEL Corporate Services & others	Others	-	-	4	6	7
Total Dividend from Group companies		**444**	**327**	**394**	**368**	**586**

Except from the Hotels & Resorts and Property clusters, all other clusters of the Group have been regularly generating dividend income for CIEL. Over the past five years, CTL has contributed to more than 50% of the total dividend earned by CIEL while CFL and C-Care have also been important dividend paying group companies.

CIEL Textile Limited – Higher efficiency leading to stronger performance

CIEL Textile Limited ("CTL"), a 100% subsidiary, is the major dividend stream of CIEL Limited. CTL is a renowned corporate player in the textile and garments industry with a total of 19 production units spanning across Mauritius (7), Madagascar (6), India (5) and Bangladesh (1). With a production capacity of around 43.5 million garments per year, the main export markets for CTL remain Europe, India, South Africa and the USA. CTL has three sub clusters namely, Woven, Fine Knits and Knitwear. CTL conducts its Woven segment operations in 11 locations across Mauritius, Madagascar and India which all combined, produce an average of 21.5 million casual, denim, clean and non-iron shirts per year. The activities of the Fine Knits segment of CTL are conducted in 4 locations across Mauritius, Madagascar and India which all combined, deliver an average of 17 million pieces every year.

In the 1970s, CTL ventured into the Knitwear segment which today produces an average of 5 million sweaters per year and 1000 tons of yarn annually.

Performance

CIEL Limited, through CTL, is a pillar in the Mauritian textile industry and one of the leaders in the Indian Ocean region. CTL has a track record of successfully generating profits and regularly paying dividends. In FY20, the closure of manufacturing facilities due to the spread of Covid-19 led to lower capacity utilization and as a result of the high fixed overheads, the Company suffered a loss of MUR 29 million. Consequently, the Company embarked on a significant restructuring and cost mitigation strategy to optimize its resources, and despite the stagnant revenue in FY21, CTL achieved a PAT of 653 million. In FY22, the ease of restrictions and return to normal life across the world has created huge demand in the clothing industry. This led to 48% jump in the revenue of CTL and a 37% higher PAT.

A summary of the operational and financial performance of CTL over the past four years is given below:

Year ended/ as at 30 June	FY19	FY20	FY21	FY22
	MUR million			
Turnover	12,151	10,390	10,444	15,465
EBIDTA	717	79	1,185	1,906
Interest	182	190	139	177
Depreciation & amortisation	308	310	303	345
Profit/ (Loss) before Tax	548	(35)	757	1,407
Profit/ (Loss) after Tax	453	(29)	653	896
GCA	761	281	956	1,241
Dividend Paid	280	331	200	300
Total Debt	4,238	4,508	3,571	5,410
Long Term	*256*	*251*	*191*	*382*
Short Term	*3,982*	*4,257*	*3,380*	*5,029*
Cash & cash equivalents	377	649	701	802
Tangible Networth	4,279	2,880	3,312	4,022
EBIDTA margin (%)	5.90	0.76	11.35	12.32
PAT margin (%)	3.73	-	6.26	5.79
Gearing (%)	0.99	1.57	1.08	1.35
Total Debt/GCA (times)	5.57	16.05	3.73	4.36
Total Debt/EBIDTA (times)	5.91	57.29	3.01	2.84
Interest coverage (times)	3.94	0.41	8.50	10.76

CIEL Finance Ltd - Strong Performance from the Banking segment

CIEL Finance Limited ("CFL"), rated CARE MAU A; Stable, is the investment holding company for the banking and financial services cluster of CIEL Limited. CFL is a 75.1% subsidiary of CIEL Limited, and the remaining 24.9% stake is owned by Amethis Africa Finance Limited

***BNI Madagascar* -** BNI Madagascar (BNI) is one of the leading commercial banks in Madagascar and controls more than 20% share of the Malagasy banking sector with a deposit base of MUR 31,938 million and advances of MUR 24,263 million as on December 31, 2021.

At 30 June 2022, the bank had a Capital Adequacy Ratio (CAR) of 9.93% against a regulatory requirement of 8%. CFL holds a 58.43% stake in IOFHL which in turn owns 51% of BNI Madagascar.

Bank One Limited – Bank One, rated CARE MAU A+; Stable, is a Mauritian based mid-sized private sector bank which provides retail, corporate, and private banking products and services in Mauritius and internationally (primarily in Africa). The Bank's ownership is shared equally through a joint venture agreement between CFL and I&M Group Plc ("IMH"). At 30 June 2022, Bank One had a CAR of 20.19% against a regulatory requirement of 11.875%. The Bank was also in a strong liquidity position as shown by its Liquidity Coverage Ratio (LCR) of 397%, while the minimum LCR required by law in Mauritius is 100%.

***MITCO Group Ltd* -** MITCO Group Ltd ("MITCO") is an investment holding company with subsidiaries providing advisory, structuring, set-up, administration, company secretarial, compliance, professional outsourcing and back-office services in the Global Business Sector. CFL holds 63.28% stake in MITCO while a major portion of the minority stake is collectively owned by Family-Force Ltd. MITCO is one of the largest players in the Mauritian Global Business sector.

THE KIBO FUND II LLC – KIBO II is was incorporated in June 2014 as a private company limited by shares and designated as a Limited Life Fund with a life span of 10 years. The principal activity of KIBO II is to make private equity and equity-related investments in companies located in Sub-Saharan Africa and in islands located in the Indian Ocean region. As at June 30, 2022, the fund had a net asset value of USD 63.6 million.

Summary of the consolidated financials for CIEL Finance Limited:

Year ended/ as on 30 June	FY19	FY20	FY21	FY22
	MUR million			
Turnover	2,853	3,462	3,513	4,266
Total Income	2,853	3,462	3,782	4,544
EBIDTA	938	1,289	1,050	965
Interest	15	30	33	33
PBT	807	686	796	876
PAT	630	501	608	703
GCA	789	704	855	952
Dividend Paid	95	22	79	170
Total Debt	393	762	3,186	4,508
Cash & cash equivalents	5,006	6,992	7,647	10,106
Tangible Networth	3,343	3,613	3,721	3,734
EBIDTA margin (%)	32.88	37.23	29.89	22.61
PAT margin (%)	22.08	14.47	17.30	16.48
Gearing (times)	0.12	0.21	0.86	1.21
Total Debt/GCA (times)	0.50	1.08	3.73	4.74

Alteo Limited ("Alteo") – Significant contribution to profitability from the Agro & Property clusters

Alteo is an investment holding company which, with its subsidiary companies, form the Alteo Group. Alteo is collectively owned and controlled by IBL Ltd (27.64%) and CIEL Limited (20.96%). The remaining 51.4% stake in the Company is distributed among insurance & pension funds, investment trusts, other corporate bodies and individuals.

The Alteo Group operates across three business sectors namely, (i) the Sugar cluster, involved in growing and milling sugar cane in Mauritius, Tanzania and Kenya (ii) the Energy cluster which is involved in electricity production in Mauritius and Tanzania and (iii) the Property cluster which promotes, develops, and sells villas in Mauritius.

In October 2021, the board of Directors of Alteo decided to restructure Alteo into two distinct listed groups. The East African sugar operations, operating under SML, would be transferred into a newly created entity named Miwa Sugar Limited, and the Mauritian operations would remain under Alteo Limited. Miwa Sugar would then be listed on the Development and Enterprise Market (DEM) of the Stock Exchange of Mauritius (SEM). Following this announcement, the rating of Alteo was reaffirmed at CARE MAU A and placed under "Credit Watch with Developing Implications".

Below is a summary of the consolidated financial performance of Alteo Limited:

Year ended/ as on 30 June	FY18	FY19	FY20	FY21	FY21*	FY22
	MUR million					
Turnover	8,176	8,997	8,287	9,549	3,079	4,487
EBIDTA	2,303	2,104	2,046	3,764	1,144	1,051
Depreciation					361	321
Interest	480	494	512	477	164	162
Profit/ (Loss) before Tax	1,174	(706)	834	2,693	802	622
Profit/ (Loss) after Tax	702	(1,082)	254	1,864	744	560
GCA	1,506	1,274	982	2,675	1,105	881
Dividend Paid	248	674	172	229	229	252
Total Debt	6,590	6,901	7,527	7,284	7,284	3,270
Long Term	3,766	*4,707*	*5,158*	*4,698*	*4,698*	*1,936*
Short Term	2,825	*2,194*	*2,369*	*2,586*	*2,586*	*1,334*
Cash & cash equivalents	369	536	1017	532	532	727
Tangible Networth	23,124	21,416	20,948	22,069	16,665	18,334
EBIDTA margin (%)	28.17	23.39	24.69	39.42	37.17	23.42
PAT margin (%)	8.59	-	3.06	19.52	24.16	12.48
Gearing (times)	0.28	0.32	0.36	0.33	0.44	0.18
Total Debt/EBIDTA (times)	2.86	3.28	3.68	1.94	6.37	3.11
Total Debt/GCA (times)	4.37	5.42	7.67	2.72	6.59	3.71
Interest coverage (times)	4.80	4.26	4.00	7.89	6.99	6.50

** FY21 figures have been restated after considering the split in operations of Alteo*

Financial performance of Miwa Sugar, classified as discontinued operations at 30 June 2022:

Year ended/ as on 30 June	FY21	FY22
	MUR million	
Turnover	6,471	7,613
EBIDTA	2,620	2,943
Depreciation	450	503
Interest	313	342
PBT	1,891	2,130
PAT	1,120	1,205
GCA	1,570	1,707
Total Debt	3,978	4,147
Cash & cash equivalents	N/A	216
Tangible Networth	N/A	3,162
EBIDTA margin (%)	40.49	38.66
PAT margin (%)	17.31	15.83
Gearing (times)	N/A	1.31
Total Debt/EBIDTA (times)	1.52	1.41
Total Debt/GCA (times)	2.53	2.43
Interest coverage (times)	8.36	8.61

C-Care (International) Ltd – Leading and dominant position in the Mauritian Healthcare sector

CIEL operates its healthcare cluster through its 53.03% subsidiary, C-Care (International) Ltd ("CCIL") which in turn is the majority shareholder of C-Care (Mauritius) Ltd ("C-Care"), rated CARE MAU A+; Positive/ CARE MAU A1+.

C-Care is the leading private healthcare operator in Mauritius, especially with the ownership of the two largest private hospitals namely, Clinique Darne situated in Floreal and Wellkin Hospital in Moka.

Given the dominant position occupied by C-Care in the Mauritian healthcare sector and increasing demand for advanced healthcare services in the country, C-Care witnessed significant growth in its operations over the past four years. Additionally, the Company has passed the gestation period following the acquisition of the Wellkin Hospital in 2017 which is largely contributing to the sustained improvement in the performance of C-Care as shown below:

Year ended/ as on 30 June	FY19	FY20	FY21	FY22
	MUR million			
Revenue	1,899	1,978	2,516	2,933
Total Income	1,911	1,988	2,534	2,943
EBITDA	210	208	431	633
Depreciation	122	97	123	147
Interest	22	20	11	10
PBT	67	40	282	463
PAT	116	41	281	384
Gross Cash Accruals (GCA)	189	188	404	531
Dividend paid/proposed	-	-	268	228
Financial Position				
Equity share capital	290	290	290	290
Tangible networth	506	505	541	705
Total debt	455	415	355	346

Year ended/ as on 30 June	FY19	FY20	FY21	FY22
	MUR million			
- Long term debt	403	365	288	283
- Short term debt	52	50	67	63
Cash & Bank balances	124	147	241	398
Key Ratios				
Profitability (%)				
EBITDA margin (%)	11.09	10.49	17.12	21.58
PAT margin (%)	6.08	2.05	11.09	13.04
ROCE- operating (%)	7.55	7.12	15.81	24.43
RONW (%)	26.00	8.07	53.70	61.61
Solvency				
Debt equity ratio (times)	0.80	0.72	0.53	0.40
Overall gearing ratio (times)	0.90	0.82	0.65	0.49
Interest coverage (times)	9.73	10.26	40.85	64.27
Long term Debt/ EBITDA	1.91	1.76	0.67	0.45
Total debt/ EBITDA (times)	2.16	2.00	0.82	0.55
Liquidity				
Current ratio (times)	0.91	0.96	0.80	0.82
Quick ratio (times)	0.77	0.72	0.66	0.68
Avg. Collection Period (days)	55	52	38	36
Avg. Inventory (days)	33	43	38	38
Avg. Creditors (days)	98	91	91	118
Op. cycle (days)	(10)	4	(15)	(44)

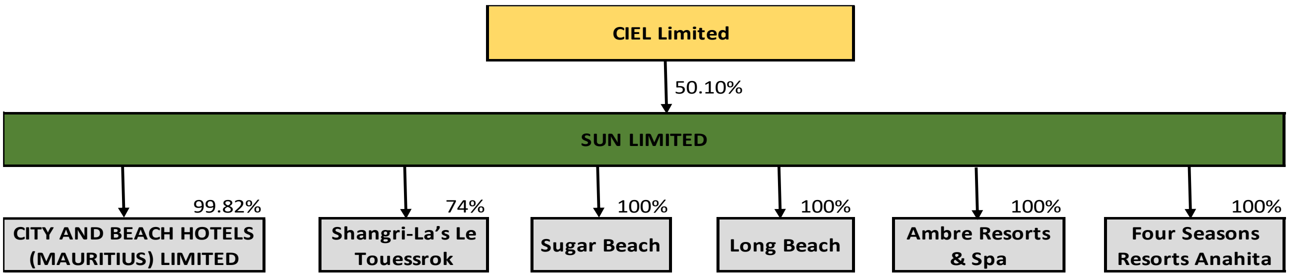
Besides being the leading player in Mauritius, CCIL is also present in Uganda through its investment in International Medical Group Limited, which also contributed significantly to the better performance of the Healthcare cluster of CIEL.

Summary of financials for C-Care (International) Ltd:

Year ended/ as on 30 June	FY19	FY20	FY21	FY22
	MUR million			
Turnover	2,495	2,712	2,995	3,562
EBIDTA	207	266	529	801
Interest	44	115	95	80
Depreciation & amortisation	141	157	175	209
PBT	(1)	103	307	463
PAT	49	32	301	372
GCA	190	189	476	581
Dividend Paid	-	-	-	100
Total Debt	834	807	657	542
Long Term	*692*	*638*	*495*	*450*
Short Term	*142*	*169*	*162*	*91*
Cash & cash equivalents	134	129	279	651
Tangible Networth	412	422	791	992
EBIDTA margin (%)	8.30	9.81	17.65	22.48
PAT margin (%)	1.96	1.18	10.04	10.45
Gearing (times)	2.02	1.91	0.83	0.55
Total Debt/GCA (times)	4.39	4.27	1.38	0.93
Total Debt/EBIDTA (times)	4.03	3.03	1.24	0.68
Interest coverage (times)	4.70	2.31	5.58	10.00

Hotels & Resorts – Rebound in performance of SUN Group

Sun Limited is among the leading hotels, leisure and real estate groups in the Indian Ocean, owning and/or managing six resorts in Mauritius namely, Four Seasons Resort (5-star Luxury), Shangri-La's Le Touessrok (5-star Luxury), Long Beach (5-star), Sugar Beach (5-star), La Pirogue (4-star deluxe) and Ambre (4-star). The Company, which was created in 1983, is a 50.10% subsidiary of CIEL Limited as shown by the below group structure:



City and Beach Hotels (Mauritius) Limited (CBHL), is rated CARE MAU A-; Stable. The significant improvement in the performance of CBHL over FY22 resulted in the Company being in a healthy cash position and as a result, CBHL has made an early repayment on its EUR 8 million (MUR 364 million) tranche of its bond issue which was due on January 2023.

With the reopening of all the hotels of SUN Limited since October 2021, satisfactory occupancy rates and Average Daily Rates (ADR) have led to the SUN Group reverting back to profitability in FY22. With only nine months of operations, the Group earned a revenue of MUR 4,840 million (FY19: MUR 6,730 million) and achieved a PAT of MUR 200 million (FY19: MUR 178 million).

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A summary of the financial performance of SUN Limited is given below:

Year ended/ as on 30 June	FY19	FY20	FY21	FY22
	MUR million			
Turnover	6,730	5,408	528	4,840
EBIDTA	1,260	1,029	(589)	1,212
Net Interest	455	1,092	875	429
Depreciation	569	747	561	562
Profit/ (Loss) before Tax	237	(788)	(2,056)	251
Profit/ (Loss) after Tax	178	(857)	(2,076)	200
GCA	746	(110)	(1,515)	762
Dividend Paid	130	-	-	-
Total Debt:	8,453	9,410	8,653	6,845
Long Term	7,454	6,254	6,687	5,556
Short Term	999	3,156	1,966	1,289
Cash	628	632	1,565	1,583
Net Debt	7,825	8,778	7,088	5,262
Tangible Networth	6,910	3,204	2,659	3,528
EBIDTA margin (%)	18.72	19.03		25.05
PAT margin (%)	2.64			4.13
Gearing (times)	1.22	2.94	3.25	1.94
Total Debt/EBIDTA (times)	6.71	9.14	-	5.65
Interest Coverage (times)	2.77	0.94	-	2.82

SUN Limited (Consolidated) has MUR 923 million bank loans which is due in FY23. Considering that the Group already had MUR 1,414 in cash at 30 September 2022, with the highly favorable level of forward bookings for the next 3 months in the hotels and given the cash generating ability of the SUN Limited and its subsidiaries, SUN Limited will be in a very favourable position to repay its debt. Subsequently, the gearing level of SUN Limited is expected to decrease as from the end of FY23.

CIEL Properties Limited ("CPL") – Large pool of assets under management

CPL is the property and real estate cluster of CIEL and is subdivided into three pillars:

(i) Evolis Properties Ltd – Created during FY22, Evolis is a new property investment vehicle focusing on the regeneration of the real estate assets of CTL and other non-core assets of CIEL into high-yielding investment properties. As at date, the Company holds 73,000 square metre of assets valued at approximately MUR 1,300 million. The Company has already received strong demand for rental of its spaces and management is expecting an occupancy rate of 86% on the portfolio of 73,000 square metre of assets of Evolis.

(ii) Ferney Ltd owns 3,200 hectares of land located in the south-east coast of Mauritius

(iii) CIEL Properties Development Ltd – incorporated to provide property development services including the promotion and selling of La Pirogue Residences.

The financial performance of CIEL Properties Limited is given below:

Year ended/ as on 30 June	FY21	FY22
	MUR million	
Turnover	109	121
Interest	11	10
Depreciation & amortisation	13	13
Other non-operating income (Fair value Gains)	942	-
PBT	942	(20)
PAT	938	(23)
Normalized PAT*	(4)	(23)
GCA	9	(9)
Dividend Paid	-	-
Total Debt	263	121
Long Term	236	-
Short Term	27	121
Cash & cash equivalents	13	2
Tangible Networth	4,427	3,967
Gearing (times)	0.06	0.03
Total Debt/GCA (times)	28.56	-

CIEL Limited (Standalone & Consolidated) – Higher dividends from Group companies have boosted the revenue of CIEL by 59.4% during FY22, resulting in a PAT of MUR 341 million compared to MUR 130 million in FY21. EBITDA and PAT margin were 82.74% and 58.20% respectively for FY22, up from 73.33% and 35.24% respectively for the prior year. Interest coverage was up from 1.93 times in FY21 to 3.35 times for FY22. The financial position of CIEL is also stable with an overall gearing ratio of 0.15 times.

At a consolidated level, the robust performance of the Textile cluster and the revival of the hotel cluster have contributed to a 60% rise in Group revenue. PAT grew from MUR 446 million to reach MUR 2,154 million in FY22. The overall gearing level of the Group has been reduced from 1.38 times at 30 June 2020 to reach a more comfortable level of 0.85 times at 30 June 2022.

CIEL started FY23 strongly with a 50% rise in Group revenue from MUR 5,970 million in Q1FY22 to MUR 8,966 million in Q1FY23. Group EBITDA and PAT were also significantly higher at MUR 1,328 million (Q1FY22: MUR 719 million) and MUR 691 million (Q1FY22: MUR 192 million) respectively. The quarter's robust performance is supported by improved results in almost all clusters of the Group.

Industry Risk

Textile Industry

The textile industry, being an important pillar of the Mauritian economy that directly employs over 35,000 workers and generates around MUR 3.8 billion of exports per annum, makes up around 30% of the manufacturing sector. Mauritius is one of the largest fully fashioned knitwear producers, the 3rd largest exporter of pure new wool products, and Europe's 4th largest supplier of T-shirts. The Mauritian textile industry is now a vertically integrated supplier of designer garments supplying to internationally renowned brands such as Topshop, Topman, River Island, Levi's, Le Chateau, Foschinis, Burton UK, Devred, Guess, Hackett, Massimo Dutti, Naf Naf, Orvis, Peeble Beach, Puma, Calvin Klein, Woolworths, Ecko, Abercrombie & Fitch, Tommy Hilfiger, Victoria's Secret, etc.

Agro (Sugar) Sector

The sugarcane sector has been the main pillar of the Mauritian economy since the French/ British colonization with the number of hectares (ha) under sugarcane cultivation being about 70,000 historically. Today, sugarcane cultivation is being carried out on around 45,000 ha of land with the largest industry players being Alteo Limited, Terra Mauricia Ltd, Omnicane Ltd, ENL Agri Ltd and Compagnie de Beau Vallon Ltee, amongst others. A minor fraction of the area is under the ownership of small planters as well. As a result of the fall in sugarcane production over the past three decades, the number of mills fell from 14 in 1990 to only 3 today (Alteo, Terra and Omnicane).

Demand-Supply Outlook and Price in Mauritian

Mauritius produced two types of sugars namely, the white refined and specialty sugar, with the former accounting for 70% of the total share in terms of value.

Since 1975, the Mauritian sugarcane sector had largely benefitted from the EU Sugar Protocol under which, the European Community undertook to import specific quantities of sugar cane (unrefined or white) free of duty from ACP countries, and at a guaranteed price.

Unfortunately, as per the World Trade Organisation (WTO) quotas, guaranteed prices and state intervention tend to distort market equilibrium and economic freedom and as a result, the EU Sugar Protocol was abolished as from 1st October 2017.

The consequence of this policy change is that Mauritius now needs to compete with major world sugar producers like Brazil, Indian and China.

Through the Mauritius Sugar Syndicate (MSS) 97% of sugar produced in Mauritius is exported to international markets like the European Union, while sugar for local consumption is imported from international producers.

Since 2020, adverse weather conditions in the main beet growing regions during the European summer couple with aphid infestations in France, where the use of neonicotinoids (a range of pesticides) had been banned, have affected yields and positively affected the European sugar market for Mauritius. As a result,

the European Commission reported that the EU average ex-work prices for sugar reached EUR 397 in June per ton in June 2021 compared to EUR 388 per ton in January 2021.

In the southern deficit regions of Europe, where most of the Mauritian white refined sugar is sold, prices remained stable and closed at EUR 456 in June 2021.

In Mauritius, the price per ton of sugar which is fixed by the MSS increased to MUR 14,062.21 per ton for crop 2020-2021, an increase of almost 24% compared to the previous crop. For crop 2021-2022, it is estimated that the price of sugar would be MUR 14,750 per ton, mainly on the back of a depreciating Mauritian Rupee compared to the main hard currencies and increase in world sugar price.

Crop Years	Sugar Price (MUR/tons)
2009-10	14,612.03
2010-11	13,535.72
2011-12	16,020.16
2012-13	17,573.32
2013-14	15,829.86
2014-15	12,693.50
2015-16	13,166.37
2016-17	15,571.50
2017-18	10,716.64
2018-19	8,685.60
2019-20	11,383.65
2020-21	14,062.00
2021-22	14,750.00

Finance and Banking Industry in Mauritius

As on 31 December 2021, 19 banks were licensed by the Bank of Mauritius (BOM), of which 6 were domestic-owned banks, 10 foreign-owned and 3 were branches of foreign banks. All the banks combined employed 8,129 persons at December 2021 and had 160 branches and 450 ATMs across Mauritius. The Mauritian banking sector remains dominated by two large banks namely, The Mauritius Commercial Bank (MCB) Ltd and State Bank of Mauritius (SBM) with total assets of MUR 672,245 million and MUR 361,180 million respectively for at 30 September 2022. Following the issuance of the Guideline for Dealing with Domestic-Systemically Important Banks (D-SIBs) in June 2014, five banks were identified as being systemic to the Mauritian banking sector and its economy given that these bank's Segment A (domestic/resident) assets represented at least 3.5% of GDP at market prices. Following an assessment carried out in June 2022, these five same banks have been determined as being D-SIBs and they are The MCB Ltd, SBM Bank Ltd, Absa Bank (Mauritius) Limited, The Hongkong and Shanghai Banking Corporation Limited and AfrAsia Bank Limited.

The banking sector in Mauritius remained adequately liquid throughout 2021, with the Liquidity Coverage Ratio (LCR) of 238% at 31 December 2021, indicating that the banks have sufficient High Quality Liquid Assets (HQLA) to meet their liquidity requirements for a 30-day stress period.

Hotel Industry in Mauritius

The hotel industry in Mauritius has been among the main pillars of the economy over the last two decades having contributed on average, to 7% of the country's GDP, with 1.3 million tourist arrivals registered in 2019. The total tourism earnings were MUR 63,107 million.

Following the outbreak of the Covid-19 pandemic and the closure of borders for over 18 months, the level of activity in the sector was brought to a halt and for 2020 and 2021, Mauritius registered only 308,980 and 179,780 arrivals respectively.

As at June 2022, there was a total of 106 hotels in Mauritius with 13,649 available rooms and 31,745 bed places.

A massive and successful vaccination campaign during first half year 2021 sparked confidence among the Mauritian authorities and the Government decided to fully re-open borders to international travellers as from 01 October 2021. From January 2021 to August 2022, the level of activity in the sector was as shown below:

Month	2021		2022	
	Arrivals	Gross Earnings (MUR million)	Arrivals	Gross Earnings (MUR million)
Jan	1,232	243	40,028	4,343
Feb	1,229	176	52,724	3,556
Mar	311	103	66,066	4,640
Apr	58	90	84,268	4,296
May	115	124	70,462	4,309
June	280	171	63,008	4,128
Jul	1,242	370	93,084	5,128
Aug	2,499	757	86,605	5,892
Sep	2,494	757	81,087	5,315
Oct	54,434	3,044	117,323	N/A
Nov	65,922	4,962		
Dec	49,964	4,636		
Total	**179,780**	**15,253**	**755,655**	**41,607**

For the first half year 2022, the overall occupancy for tourism sector in Mauritius stood at 51%. The main market for Mauritius continues to be Europe with France, UK and Germany topping the list with 24%, 15% and 11% of total arrivals respectively. South Africa also contributes to 11% of the share while other regional markets such as Reunion Island, the Middle East, Indonesia and Australia also being key sources for the industry.

FINANCIAL PERFORMANCE OF CIEL LIMITED

Summary of financial performance of CIEL Limited (Standalone)

Year ended/ as on 30 June	**FY19**	**FY20**	**FY21**	**FY22**
	MUR million			
Total Income	344	385	368	586
EBIDTA	251	307	270	485
Interest	109	144	140	145
Profit before Tax	157	166	130	341
Profit after Tax	156	165	130	341
Gross Cash Accruals (GCA)	156	165	130	341
Dividend paid/proposed	347	135	-	354
Financial Position				
Equity share capital	4,989	5,161	5,166	5,166
Tangible networth	11,660	10,120	15,665	21,079
Total debt	2,720	2,968	3,203	3,070
- Long term debt	2,264	2,488	2,984	2,605
- Short term debt	455	481	219	465
Investment in Subs., Associates & JVs	14,141	13,068	18,585	23,884
Cash & Bank balances	319	26	7	12
Key Ratios				
Profitability (%)				
EBIDTA margin (%)	73.07	79.88	73.33	82.74
PAT margin (%)	45.37	42.91	35.24	58.20
RONW (%)	1.83	1.48	1.04	2.18
Solvency				
Long Term				
Debt equity ratio (times)	0.19	0.25	0.19	0.12
Overall gearing ratio (times)	0.23	0.29	0.20	0.15
Total Debt/EBIDTA (times)	10.83	9.66	11.87	6.33
Total debt/ GCA (times)	17.45	17.98	24.69	9.00
Interest coverage (times)	2.29	2.14	1.93	3.35

Summary of financial performance of CIEL Limited (Consolidated)

For the year ended/ as on 30	FY16	FY17	FY18	FY19	FY20	FY21	FY22
				MUR million			
Total Income	18,868	20,614	22,985	24,549	21,425	18,897	29,472
EBIDTA	2,736	2,820	2,953	3,374	3,053	2,697	5,271
Depreciation	750	969	1,166	1,216	1,341	1,301	1,390
Interest	555	645	781	813	937	1,295	923
Profit/ (Loss) before Tax		1,433	1,379	(753)	(1,105)	772	2,985
Profit/ (Loss) after Tax		1,144	1,090	(1,189)	(2,178)	446	2,154
Gross Cash Accruals (GCA)	1,931	2,114	2,256	2,035	858	1,593	3,912
Dividend	274	305	328	347	135	-	521
Net Cash Accruals	1,657	1,808	1,928	1,688	354	955	3,391
Financial Position							
Equity share capital	4,034	4,047	4,877	4,989	5,161	5,166	5,166
Tangible networth	17,223	16,926	17,857	17,598	13,546	16,375	19,556
Cash and Cash Equivalents*	1,067	1,069	1,091	1,712	1,416	2,555	2,946
Total debt	**14,461**	**16,483**	**16,801**	**17,446**	**18,707**	**16,553**	**16,549**#
Long term debt	*5,509*	*11,073*	*11,697*	*11,707*	*10,643*	*11,107*	*10,076*
Short term debt	*8,953*	*5,409*	*5,104*	*5,740*	*10,103*	*8,243*	*9,997*
Overnight Loans in BNI**					2,039	2,797	3,524
Net Debt	**13,395**	**15,414**	**15,710**	**15,734**	**17,291**	**13,998**	**13,602**
Key Ratios							
Profitability (%)					`		
EBIDTA margin (%)	14.50	13.68	12.85	13.74	14.25	14.27	17.88
PAT margin (%)	6.26	5.55	4.74	5.32	3.78	2.36	7.31
Debt equity ratio (times)	0.32	0.65	0.66	0.67	0.79	0.68	0.52
Overall gearing ratio times)	0.84	0.97	0.94	0.99	1.38	1.01	0.85
Interest coverage (times)	4.93	4.37	3.78	4.15	3.26	2.08	5.71

** Excluding Non-Banking segment*
** Overnight loans vailed from Central Bank of Madagascar which are backed by T-bills
# Total debt excludes Overnight loans vailed from Central Bank of Madagascar

Annexure I
Details of Instrument

Details of Bank Facility

Bank	Type of facility	Amount (MUR Million)
Mauritius Commercial Bank Ltd	Overdraft	180

Long term Bond

Particulars	Amount (MUR Million)	Repayment (MUR Million)
Long term Bond (Issued in January 2018)	970	FY23 – 380 FY25 – 300 FY28 – 290

Long term Bond

Particulars	Amount (MUR Million)	Repayment (MUR Million)
Long term Bond (Issued in September 2019)	1,530	FY26 - 400 FY27 - 400 FY29 - 100 FY30 - 200 FY30 - 330 FY34 - 100

Long term Bond

Particulars	Amount (MUR Million)	Repayment (MUR Million)
Long term Bond (Issued in May 2021)	500	FY31 - 130 FY31 - 50 FY37 - 170 FY37 - 150

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CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited.
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