Omnicane Holdings (La Baraque) Thermal Energy Limited (“OHLB”)

December 21, 2022

Ratings

Facilities/Instruments	Amount (Mur Million)	Rating[1]	Rating Action
Bond Issue	423.1 (reduced from 488)	**CARE MAU A-; Stable [Single A Minus; Outlook: Stable]**	**Reaffirmed**
Total	**423.1**		

Rating Rationale

The rating assigned to the bond issue of Omnicane Holdings (La Baraque) Thermal Energy Limited (“**OHLB**”) continue to derive strength from established presence of Omnicane Group and its experienced promoters, consistent receipt of dividend from Omnicane Thermal Energy Operations (La Baraque) Limited (“**OTEOLB**”) having strong operational track record of operating a 90MW power plant, satisfactory financial performance of OTEOLB with low business risk due to its regulated operations with ‘cost-plus’ based tariff, Power Purchase Agreement (PPA) with Central Electricity Board (CEB), payment from CEB being additionally backed by GoM guarantee, experienced power plant operator, increasing demand for power in Mauritius and presence of approval from the Board of Directors of OTEOLB that maximum dividend pay-out shall be made to shareholders subject to OTEOLB being profitable and after meeting its scheduled debt repayment obligations.

The rating is, however, constrained by the weak credit profile of Omnicane Group, OHLB being an investment company with only source of revenue being dividend from OTEOLB - contingent upon its performance, OTEOLB’s exposure to regulatory risks, event risk associated with operations of single plant and low standalone debt service coverage ratios in OHLB due to repayment structure of the bond.

Rating Sensitivities

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

- Ability of OTEOLB to maintain a strong operational and financial performance
- Improvement in credit profile of OTEOLB

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

- No dividend payment or support to be extended in any other form by OHLB & OTEOLB to Omnicane Limited and other group companies, barring on event of special dividend paid by OTEOLB
- Any additional debt over and above MUR 550 million in OHLB

BACKGROUND

Incorporated in 2005, Omnicane Holdings (La Baraque) Thermal Energy Limited (“**OHLB**”) is the holding company for Omnicane Group’s (Omnicane Limited and subsidiaries; “**Omnicane Group**”) investment in a 90 MW (45 MW*2) powerplant.

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

OHLB holds 60% stake in Omnicane Thermal Energy Operations (La Baraque) Limited ("**OTEOLB**") which owns and operates 90 MW (45 MW*2) high-efficiency coal and bagasse-based power plant located in the Southern part of Mauritius (La Baraque, L'Escalier). The power plant is operational since 2007.

The other two shareholders of OTEOLB are Albioma (25%) and Sugar Investment Trust (15%). OHLB is a wholly owned subsidiary of Omnicane Limited. Incorporated in 1926, Omnicane Limited is a public company (SEM) engaged in the cultivation of sugarcane, production of refined sugar, bioethanol and thermal energy.

OTEOLB's 90 MW thermal power plant uses coal and bagasse as fuel to produce power, which is sold to the Central Electricity Board (CEB) as per the Power Purchase Agreement (PPA). ***OTEOLB pays dividend to OHLB, and its sole revenue source is dividend income from OTEOLB. Hence, OHLB indirectly derives its total revenue from sale of electricity to the CEB.***

OHLB is governed by a 3-member Board of Directors comprising of Mr. Jacques M. d'Unienville (CEO and Director of Omnicane Limited), Mr. Nelson (CFO of Omnicane Limited) and Mr. Eddie Ah-Cham (Company Secretary of Omnicane Limited).

CREDIT RISK ASSESSMENT

Long track record of Omnicane group & experienced promoters

Omnicane Group is a long-established sugarcane group, with its origins dating back to 1850's. The primary activities of the group are cultivation of sugarcane and the production of refined sugar, bioethanol, thermal energy, and electricity in Mauritius. The group cultivates around 200,000 tonnes of sugarcane over 2,411 hectares of land. Since 2010, post centralisation of cane transformation, all the sugarcane harvested in the south of Mauritius is processed by Omnicane's fully integrated flexi-factory at La Baraque. Annually, the sugar mill crushes over 900,000 tonnes of sugarcane, comprising of their own harvest, that of 13 corporate planters (including around 102,969 tonnes supplied by Medine Sugar Estate) and 2,991 small planters. Accordingly, it produces around 100,000 tonnes of sugar (104,089 tonnes in 2021), 300,504 tonnes of bagasse and 20.2 million litres of bioethanol. The Group's power supplied to the national grid (La Baraque and Saint Aubin) accounted for 25% (742 GWh) of Mauritius' total energy (2,992 GWh) in 2021. While at La Baraque power is produced both from coal and bagasse, St. Aubin generates power only from coal:

Electricity Produced (GWh)	**From Bagasse**			**From Coal**		
	2019	**2020**	**2021**	**2019**	**2020**	**2021**
La Baraque (90MW)	155	129	123	464	465	494
St. Aubin (35MW)	-	-	-	254	253	248
Total	**155**	**129**	**123**	**718**	**718**	**742**

The Group also owns Holiday Inn Mauritius (3-star category and 140 room Hotel) situated within close proximity of the airport of Mauritius and is involved in the property sector. Outside Mauritius, Omnicane group has sizeable investments in hydroelectric projects in East Africa, 20% equity stake in Kwale International Sugar Company Limited (Kenya), 21% shareholding in Real Good Food plc which is a leading group of companies specialising in the production and marketing of value-added sugar products in the United Kingdom.

The past audited financials of Omnicane Limited (Consolidated) are as under:

Omnicane Limited (MUR Million) – December	FY19	FY20	FY21
Turnover	4,553	4,470	5,378
EBITDA	1,085	794	920
Interest	664	629	546
Depreciation and amortisation	719	572	555
Non-recurring non-cash impairments	971	2009	258
PBT	-1,040	-2,762	-6,92
PAT	-1,061	-3,208	-870
GCA	629	-626	-57
Dividend Paid	80	78	28
Total Debt	10979	10,772	8,092
Cash & cash equivalents	654	728	687
Tangible Networth	9,366	5,692	4,995

In FY21, OL's Consolidated revenue increased to MUR 5.4 billion (MUR 4.5 billion in FY20) due to higher revenue from the sugar & ethanol and energy clusters. The Hospitality and Real Estate clusters were the most affected due to the closure of international borders.

The Sugar & Ethanol cluster benefited from higher sugar prices (MUR 14,062 in FY20 to MUR 16,765) and the bagasse remuneration. Higher volumes sold in higher value-added markets for ethanol cluster also contributed to the increase in revenue for the cluster. EBITDA was marginally higher in FY21. There was impairment of assets and allowance for credit losses amounting to MUR 258 million in FY21 which impacted profitability. OL posted a negative PAT of MUR 870 million in FY21 compared to MUR 3.2 billion loss for FY20.

Proceeds from sale of land used to reduce debt: Consolidated debt of Omnicane Limited as on December 31, 2021, was MUR 8 billion. In June 2021, Omnicane Limited sold land for a value of MUR 4,500 million. OL has received MUR 2,416 million in June 2021 and MUR 2,036 million in February 2022 and has utilized the same to repay debt. Omnicane Limited also restructured its remaining debts with MCB and SBM in April 2022.

Consistent support from OTEOLB

OHLB's (owning 60% in OTEOLB) main source of revenue is dividend received/receivable from OTEOLB, which has a stable dividend payment track record for last 10-12 years. In FY21, OTEOLB did not make any dividend payment to OHLB and instead it up streamed cash through a shareholder's loan of MUR 80 million which was utilised for debt servicing.

Low debt coverage ratios in OHLB due to repayment structure of the Bond

The Bond of OHLB will be repaid out of the cashflow to be received as dividend or shareholders loan from OTEOLB. As per the term sheet, annual repayment will be on 15th Oct. every year, since OTEOLB pays dividend on 30th Sept. every year, based on the following formula: **90%* (Dividend received from OTEOLB-operational expenses – Interest).** OHLB's annual operating expenses are capped at MUR 1.5 million per annum (in line with past track record of operational expenses). The past dividend payment and shareholders loan received from OTEOLB, and debt repayments are as follows:

Particulars	FY15	FY16	FY17	FY18	FY19	FY20	FY21
(MUR Million)	(Already received)						
Total Dividend paid /to be paid by OTEOLB	140	150	200	150	125	150	0
OHLB's 60% share	**84**	**90**	**120**	**90**	**75**	**90**	**0**
Shareholders' loan to OHLB							**80**

The Board of Directors of OTEOLB has unanimously approved that maximum dividend pay-outs shall be made to the shareholders of OTEOLB subject to OTEOLB being profitable and satisfying the terms and conditions of its existing indebtedness.

The cashflows to be utilized for repayment of the bond in OHLB will be in the form of dividend or shareholders loan from OTEOLB. Accordingly, CRAF has analyzed the operational and financial performance of OTEOLB:

Strong operational and financial performance of the dividend paying subsidiary - OTEOLB

Background: Incorporated in 2005, by Omnicane Group (Omnicane Limited and subsidiaries; "Omnicane Group"), Omnicane Thermal Energy Operations (La Baraque) Limited ("OTEOLB") owns and operates 90 MW (45 MW*2) coal and bagasse based powerplant located in the Southern part of Mauritius (La Baraque, L'Escalier). In 2005, OTEOLB commenced the operations of the coal and bagasse based 90 MW (45MW*2) powerplant next to its sugar mill in La Baraque.

Power Purchase Agreement: The PPA has been signed with CEB for an Initial period of 20 years from the Final Commercial Operation Date -i.e., 01 August 2007. The 90MW power plant was constructed by Albioma (one of the shareholders) at an aggregate cost of MUR 4.0 billion (debt- MUR 3.2 billion and equity – MUR 0.8 billion i.e., debt: equity ratio of 80:20). The financing cost and commercial operational date was within the PPA terms. The dual fuel system of the bagasse and coal fired cogeneration plant allows for continuous generation of power throughout the year due to bagasse being used as main fuel during harvest season (June-December) and coal being the primary fuel for the remaining months.

Shareholders: Omnicane Holdings (La Baraque) Thermal Energy Limited ("OHLB") holds 60% stake in OTEOLB. The other two shareholders of OTEOLB are Albioma (25%) and Sugar Investment Trust (15%).

OHLB (rated CARE MAU A-; Stable) is a wholly owned subsidiary of Omnicane Limited. Incorporated in 1926, Omnicane Limited is a public company (listed on the Stock Exchange of Mauritius) engaged in the cultivation of sugarcane, production of refined sugar, bioethanol, and thermal energy.

Albioma is a French company (listed in the NYSE Euronext Regulated Market in Paris) with over 30 years of operations, which commissioned the world's first hybrid bagasse/coal cogeneration plant (62 MW) on Reunion Island in 1992. In 2000, Albioma commissioned its first bagasse/coal power plant (70 MW) of Mauritius. In 2007, the company commissioned the 90 MW bagasse/coal power plant for OTEOLB in Mauritius. Since incorporation, OTEOLB's plant operation and maintenance is supervised by officials of Albioma. As on June 30, 2022, Albioma has an installed capacity of 1,029 MW of solar and bagasse/coal cogeneration power plant located in France, Mauritius, Reunion Island, Brazil, and other French territories.

Sugar Investment Trust (SIT), a corporate body established in 1994 by an Act of Parliament, was set up as a participation scheme offering sugar cane planters and employees of the sugar industry the opportunity to participate in the ownership of sugar milling companies through equity. GoM owns 6.5% and National Pension Fund owns 10.6% stake in SIT.

Operation and Maintenance of the Plant: OTEOLB has entered into an agreement with Albioma for construction, operation, and maintenance of the plant. The technical services agreement with Albioma for operation and maintenance of the plant is as per the agreed terms of the PPA. In the PPA there are different charges to be paid by CEB. These charges include the cost of operation and maintenance. A reference amount for each of these charges are listed in the PPA, together with the respective indexation formula applicable annually. This reference amount corresponds on normal cost of operation and maintenance.

Management: OTEOLB is a professionally managed company. It is governed by an 8-member Board of Directors comprising of 3 executive members and 5 non-executive members, including a director from Albioma. Mr. Jacques M. d'Unienville (CEO of Omnicane Limited) is the Chairman of the Board.

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Experienced plant operator (Albioma): Albioma has been appointed as OTEOLB's plant operator with responsibilities for maintenance since construction phase. This gives the plant access to expertise and technical support from an established international power company. With over 500 experts working for Albioma Group in, it has a total installed capacity of 1,029 MW across 8 countries [Mauritius (195 MW): Terragen (70MW), Saint Aubin (35MW) and La Baraque (90MW)] and its plants generated a total of 3.9 TWh of electricity in 2021. In 2021, Albioma's generating plants remained available for 90.5% of the time. In FY20 (Jan – Dec), Albioma achieved a consolidated revenue of EUR 573 million (2020: EUR 507 million), EBITDA of EUR 215 million (2020: EUR 206 million) and PAT of EUR 59 million for 2021 (2020: EUR 55 million).

Power Purchase Agreement (PPA) with CEB

Low payment Risk: OTEOLB has a 20-year PPA with the CEB expiring in July 2027. The Government of Mauritius has unconditionally guaranteed the due and punctual performance of CEB's payment obligations to OTEOLB contained in the PPA. In the event of any failed payments of the CEB, GoM undertakes to pay any amount owed within 20 business days of the receipt of a written demand from OTEOLB. However, for the last 12 years, CEB has paid all the invoices raised by OTEOLB well within the stipulated timelines and in no instance OTEOLB had approached GoM.

Low offtake Risk: The PPA requires the power plant to be available to CEB for a minimum of 8,000 hours annually. With the exception of 2018, 2019 and 2020, the power plant was available for over 8,000 hours annually (i.e., 334 days @ 24 hours a day) from 2007 to 2017 with the normal 1-month closure for maintenance. In FY18, one of the units (45 MW) was shut down for 135 days due to a lightning strike. Accordingly, the average availability of both units (2 x 45 MW) was around 6,350 hours (79%) as against 8,000 hours. In FY19, the power plant was available for 7,946 hours (99%) because of maintenance exercise overrun of around 2 days. In FY20, the power plant was available for 7,693 hours (96%) because of maintenance exercise overrun for a month because of unforeseen circumstances of the pandemic. In FY21, the plant was available for 8,000 hours. The power generation depends on the requirement by CEB on real time basis. During the last 4 years, OTEOLB has exported 87-88% of its power generated to the National Grid. OTEOLB accounted for 18% of the total electricity produced in Mauritius in 2021.

Energy charge: As per the PPA, the major components of revenue are Energy Charge and Capacity Charge. Energy charge includes cost of coal and bagasse used in production, fuel handling costs and variable operation &

maintenance charges, is fully passed through to CEB. Coal purchase and delivery are under OTEOLB's responsibility. The CEB pays the coal cost, insurance, and freight price for the contract coal quantity only.

Capacity charge: As per the PPA, the capacity charge includes the following:

- Fixed O&M charge
- Equity charge (applicable for only 7 months in 2022)
- Financial charge (applicable for only 7 months in 2022)

Capacity Charge (MUR Million)	**2017**	**2018**	**2019**	**2020**	**2021**
Fixed Operational & Maintenance charge	219	196	196	207	225
Equity Charge	226	231	229	240	257
Financial Charge	422	383	384	383	392
Total Capacity Charge	**868**	**811**	**809**	**830**	**874**
Plant availability Factor (%)	100	79	99	96	100
Actual Capacity charge received from CEB	868	641	803	799	874

** Financial charge will become NIL, post repayment of MUR 780 million debt in OTEOLB.*

Total capacity charge is payable by CEB, to OTEOLB, depending on availability of the plant (captured by equivalent availability factor). If the plant is available for at least 8,000 hours per annum, OTEOLB receives the full Capacity charge, and if not, OTEOLB receives a lower amount in proportion to the number of hours the plant was available to CEB. In FY21, OTEOLB's plant was available for 8,000 hours. As the plant was available for the minimum hours, OTEOLB has received Mur 874 million from CEB (100% of total capacity charge).

Insurance coverage: OTEOLB has taken insurance covers for Fire & Allied Perils (coverage from damages that fire or perils can cause to its plant & machinery), consequential loss following Fire & Allied Perils (coverage against loss of income due to fire in the plant), Machinery Breakdown (coverage against unexpected accident for machines, including repairs and replacement for the normal course of business), consequential loss following Machinery Breakdown (coverage against other losses cascading from machinery breakdown) and terrorism and sabotage from Swan Insurance, to mitigate the risks inherent in a powerplant. All losses are covered over an excess of MUR 40 million.

Steady fuel Sourcing arrangements: OTEOLB uses both coal and bagasse as input for power generation. During the sugarcane crop season, bagasse is the main source of energy, whilst coal is used during the off-crop season. However, coal is the main fuel accounting for 70-80% of total annual power production. The plant runs on Grade B non-coking coal (Gross Calorific Value of 6,100). The company annually uses 200,000 – 275,000 tons of coal (efficiency of around 500-530 tonnes of coal used to produce 1 Gwh for last 3 years). The coal usage is in line with PPA, and any inefficiency have to be borne by OTEOLB.

The coal procurement is done centrally by Coal Terminal (Management) Co. Ltd ("CTMC") for the account of Independent Power Producers (IPPs) of Mauritius through a transparent tendering process disclosed to the CEB. CTMC is responsible from the tendering to the delivery of coal to OTEOLB. CEB has a representative on the board of CTMC who acts as an observer to the coal purchase process. CEB representative provides to CTMC its views on the coal purchase process to ensure that CTMC purchases coal on behalf of IPPs on most economic basis. CEB pays for the actual coal, insurance, and freight price for the contracted coal quantity.

Bagasse is procured from Omnicane Milling Operations Limited ("OMOL"), which is the sugar mill of Omnicane Group. OMOL derives 300,000-400,000 tons of bagasse annually from its milling operations and supplies 100% of the bagasse to OTEOLB. Under the PPA between CEB and OTEOLB, for Bagasse Energy CEB pays for Variable O&M

Charge, Bagasse Transfer Price, Bagasse Maintenance Charge and Bagasse Incentive Charge. The price of bagasse fixed by OMOL is governed by a Product Exchange Agreement between OMOL and OTEOLB, whereby OMOL supplies bagasse to OTEOLB in exchange of steam and electricity.

Stable financial performance during FY21

Performance of OTEOLB in FY21: In FY21, revenue from sale of energy was higher at MUR 2,191 million (MUR 1,845 in FY20) as the increase in coal prices was partly passed on to the CEB. The plant was also available for the minimum hours (8,000 hours) which contributed to the higher revenue as it received 100% of the total capacity charge. Due to the increase in coal price, freight cost and depreciation of MUR visa-v-is USD, the value of coal consumed during FY21 was significantly higher by 60% from MUR 915 million in FY20 to MUR 1,475 million, whereas the total income has grown by only 19%, the profitability margins have declined. The company achieved EBIT of MUR 139 million and PAT of MUR 92 million due to majority of coal cost borne during the year and higher freight cost. Overall gearing has improved to 0.46x times as on Dec 31, 2021, as compared to 0.51x times as on Dec 31, 2020, due to scheduled repayment of the term loan/Bond. OTEOLB has fully repaid the Bond. Interest coverage was satisfactory. The company generated cashflow of MUR 205 million. No dividend was paid during the year FY21.

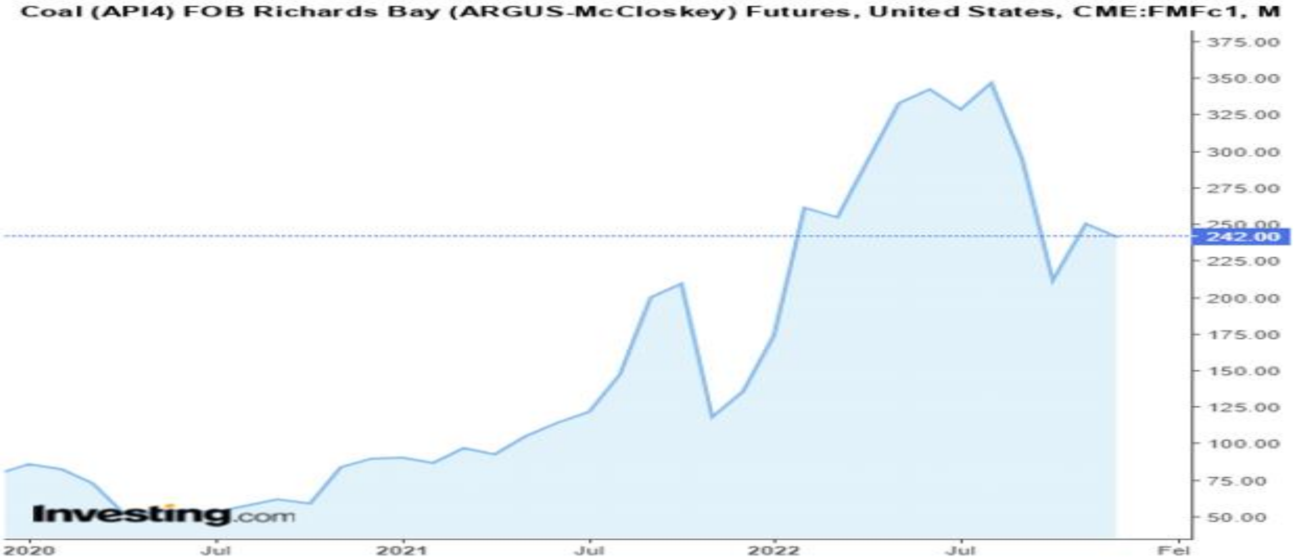
Liquidity analysis: In FY21, OTEOLB has MUR 100 million of overdraft facility, Bill discounting facility of MUR 200 million and MUR 907 million of Letter of Credit (L/C) and import loan facility. It also has MUR 105 million of Bank Guarantee from banks extended to CEB.

The Letter of Credit/Import Loan are mainly used for import of coal (upon receipt of coal) and are repaid from the receipt of sale proceeds from Central Electricity Board. Coal purchase and delivery are under CEB's responsibility and the coal price, forex fluctuation is a fully pass-through item. In between July 2021 to June 2022, overdraft utilisation was around 70% and L/C facility utilisation was 92%.

Performance of OHLB in FY21: OHLB's (owning 60% in OTEOLB) main source of revenue is dividend received/receivable from OTEOLB, which has a stable dividend payment track record for last 10-12 years. In FY21, OTEOLB did not make any dividend payment to OHLB. It received other income (interest income & management fees) of Mur 3 million in FY21. Pat was negative at MUR 15 million in FY21.

Impact of higher coal price in CY21: In FY21, there was a significant increase in the price of coal from USD 90 per ton in January 2021 to USD 130 per ton in July 2021. In March 2022, coal price increased further to USD 325 per ton and freight cost was around USD 25 per ton for the same period. Accordingly, due to the increase in coal price, freight cost and depreciation of MUR vis-a-vis USD, the value of coal consumed during FY21 was significantly higher by 60% from MUR 915 million in FY20 to MUR 1,475 million, whereas the total income has grown by only 19%, the profitability margins have declined. As per the PPA, total tariff is divided into two parts as annual capacity charges and Energy charges. Under annual capacity charges, O&M expense, financial charges, and equity component are fixed at the beginning of the year based on the agreed formula. Whereas the variable tariff is decided by reconciliation of many factors such as coal and bagasse price consumed during previous year and other indexation factors including interest rate change, forex rate change, inflation etc. However, since the reconciliation happens at the end of the year, any major price fluctuations during the year have to be borne by the company. As it can be witnessed from the below chart, coal prices increased sharply from USD 90 per tonne to

USD 348 per tonne from June 2021 to August 2022. During the month of April 2022, the tariff is revised based on USD 208 per tonne. However, the coal price has even moved further up and the procurement price of OTEOLB is hovering close to USD 336 to 347 per tonne. Given that the company had to procure higher value coal, the company



has approached its bankers for higher L/C and bill discounting limits.

Source: investing.com

Central Electricity Board – Sole distributor of electricity in Mauritius with established track record of Invoice payment well within the stipulated timelines:

Established in 1952, the Central Electricity Board ("CEB") is a parastatal body (wholly owned by GoM) and operates under the aegis of the Ministry of Energy and Public Utilities. CEB, is the sole organisation responsible for the transmission and distribution of electricity in Mauritius. CEB also generates approximately 40% of total power supply of Mauritius with its 4 thermal powerplants and 10 hydroelectric plants. In 2021, CEB produced 1,197 GWh of energy [accounting for 40% of the total energy supply to the national grid for 2020 (2,992 GWh)].

Given that CEB is the sole supplier of power to the population, CEB purchased additional 1,795 GWh (60%) from the following Independent Power Producers (IPPs):

IPPs	Installed capacity (MW)	GWh generated in 2021
Thermal		
OTEOLB (Omnicane)	90.00	543.5
OTEOSA (Omnicane)	32.50	258.0
Others	111.35	832.5
Total Thermal (D)	**233.85**	**1,634.0**
Others		
Total photovoltaic* (E)	**72.49**	**146**
Total wind (F)	**9.35**	**15**
Total IPPs (G=D+E+F)	**315.7**	**1,795 (60%)**

**Total PV includes power produced under Small/Medium scale distributed generation scheme*

IPPs produce power as per requirement of CEB, barring their auxiliary/captive consumption. Power is transferred from various powerplants via 66 kV lines interconnecting powerplants and major 66/22 kV substations.

The past financial performance of CEB (standalone) is as follows:

Central Electricity Board (MUR million)	FY19	FY20	FY21
Standalone		**Audited**	
Turnover	16,120	16,044	15,887
EBITDA	2,846	3,465	2,776
Interest	148	120	60
Depreciation and amortisation	2,161	2,071	1,958
PAT	448	875	536
GCA	2,609	2,945	2,493
Total Debt	4,197	3,727	3,697
Cash & cash equivalents	1,659	2,450	1,822
Tangible Networth	28,107	28,428	29,123
EBIDTA margin	18%	22%	17%
PAT margin	3%	5%	3%
Gearing	0.15	0.13	0.13
Total Debt/EBITDA	1.47	1.08	1.33
Interest coverage (EBITDA/Interest)	19.23	28.83	46.31

As per the latest Annual report (2020-21), CEB (standalone) posted a revenue of MUR 15,887 million (Mur 16,044 million in FY20) and PAT of MUR 536 million (Mur 875 million in FY20) for the period of 12 months ended June 30, 2020. As on June 30, 2021, CEB had a total borrowing of MUR 3.7 billion. During discussion, Omnicane management stated that CEB is a stable profitable company with strong financial and operational parameters. They stated that every month-end, OTEOLB invoice CEB based on the total MWh supplied to CEB for the month, post which CEB settles its dues.

Industry Risk

Mauritius has a total installed capacity of 862 MW comprising of capacity of the plants owned by CEB, Independent Power Producers (IPPs), producers under Small Scale Distributed Generation Scheme and Medium Scale Distributed Generation Scheme. In CY21, the total energy supply to the National Grid was 2,992 GWh (2020: 2,882 GWh) and the average price of electricity charged to customers was around MUR 6.00 per kWh.

CEB is the sole organization responsible for the transmission and distribution of electricity to the population. In 2021, CEB produced 1,197 GWh of energy, accounting for 40% of the total energy supply of the national grid for 2021 (2,992 GWh). Given that CEB is the sole supplier of electrical power to the population, CEB purchased additional 1,795 GWh (60%) from the IPPs. IPPs produce power as per requirement of CEB, barring their auxiliary/captive consumption. The power sector has a mix of different fuels used to produce power. Transmission from various power plants is done via 66 kV lines interconnecting power plants and major 66/22 kV substations. The 22 kV outgoing lines from these substations either supply the rural regions or are used for 'sub-transmission' feeding 22/6.6 kV substations. CEB, being responsible for the transmission and distribution system, operates 24-hour basis System Control Centre situated in Curepipe to ensure system availability.

Generation in 2021		
Fuel	**GWH**	**%**
HFO	1,094	36.5%
Coal	1,255	41.9%
Bagasse	350	11.7%
PV	151	5.1%
Hydro	107	3.6%
Landfill Gas	19	0.6%
Wind	15	0.5%
Kerosene	-	-
Total	**2,992**	**100%**

In terms of fuel used to generate power, Mauritius is still heavily reliant on Heavy Fuel Oil (accounting for 36.5% of power generated in 2021) and Coal (accounting for 41.9% of power generated in 2021). Bagasse (11.7%) leads the way among other fuels due to Island's significant sugarcane production.

In CY21, electricity generation increased by 4% from 2,882 GWh (248 Ktoe) in 2020 to 2,992 GWh, of which 78.4% (2,350 GWh) was generated from non-renewable sources and 21.5% (642 GWh) from renewable sources.

Outlook

Total electricity generated (including off-grid) increased by 4% from 2,882 GWh in 2020 to 2,992 GWh in 2021. The main energy-consuming sectors were Transport and Manufacturing accounting to 47% and 22.6% of the final energy consumed. The operation of the Metro Express and re-opening of international borders led to the increase in consumption of energy for the Transport sector. The longer-term outlook of the sector remains dependent on the pace at which renewable generation grows and how same is decentralized and democratized in Mauritius. Government has set as goal to achieve 60% of the country's energy needs from green sources by 2030.

FINANCIAL PERFORMANCE

Standalone Financial performance of OTEOLB *MUR Million*

For the year ended as on	Dec-19	Dec-20	Dec-21
	12M, Audited		
Revenue from sale of electricity	1,948	1,845	2,191
Other Income (Interest income/Rental Income)	8	8	6
Total Income	1,956	1,853	2,197
EBITDA	633	452	251
Depreciation & amortisation	214	116	112
Interest	84	55	23
PBT	297	280	116
PAT	250	227	92
Gross Cash Accruals (GCA)	465	343	205
Dividend paid/proposed	125	150	-
Equity share capital	761	761	761
Tangible networth	1,295	1,375	1,470
Total debt	1,107	702	674
Cash & Bank balances	29	56	6
Key Ratios			
EBITDA / Total operating income	32.34	24.39	11.43
PAT / Total income	12.80	12.24	4.20
ROCE- operating (%)	15.21	13.49	5.87
RONW (%)	20.35	16.99	6.48
Long-term debt to equity ratio	0.60	0.23	0.04
Overall gearing ratio	0.85	0.51	0.46
Interest coverage (times)	7.49	8.15	11.09
Long-term Debt/EBITDA	1.23	0.69	0.22
Total debt/EBITDA	1.75	1.55	2.69
Current ratio	2.46	1.6	1.76
Quick ratio	1.42	1.0	1.03
Average collection period (days)	41	64	51
Average inventory (days)	97	95	77
Average creditors (days)	53	51	38
Operating cycle (days)	85	108	90

For the year ended as on	Dec-19	Dec-20	Dec-21
	12M, Audited		
Working capital turnover ratio	3.78	5.3	4.43

Standalone Financial performance of OHLB *MUR Million*

For the year ended as on	Dec-19	Dec-20	Dec-21
	12M	**12M**	**12M**
Dividend income	75	90	0
Other Income (Interest income & Management Fees)	24	23	3
Total Income	**99**	**113**	**3**
EBITDA	85	111	1
Interest	24	22	16
PBT	60	89	-15
PAT	60	89	-15
Gross Cash Accruals (GCA)	60	89	-15
Dividend paid/proposed	0	29	65
Equity share capital	457	0	0
Tangible networth	517	121	41
Total debt	817	488	423
Cash and bank balances	257	0	0
Key Ratios			
EBITDA / Total operating income	85.58	98.50	42.25
PAT / Total income	61.06	78.90	NM
ROCE- operating (%)	1.08	2.16	0.24
RONW (%)	12.40	27.87	NM
Long-term debt to equity ratio	0.97	3.50	8.73
Overall gearing ratio	1.58	4.03	10.35
Interest coverage (times)	3.49	5.08	0.08
Total debt/EBITDA	4.83	4.39	323.47

Adjustments

1. Tangible net worth is calculated by netting off revaluation reserve, and non-purchased intangible assets from total equity.
2. Gross Cash Accruals (GCA) is calculated as PAT+ Depreciation + deferred tax+ other non-cash expenditure.
3. Overall Gearing ratio is calculated as total debt (long term and short-term debt)/Tangible Networth

Details of Instrument

Bond

Instrument	Amount (MUR Million)	Repayment	Indicative Interest Rate
Long term Bond	423.1 (Reduced from 488)	Variable from 2020-2026, based on the following formula: **Principal repayment = 90% of (Dividend income - annual interest cost - annual operating expenses**)**	Repo+1.60% (3.85%)

Disclaimer

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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.
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