CareEdge RATINGS AFRICA
A subsidiary of CARE Ratings Limited, India

CIEL Limited
24 January 2025

Rating

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Long Term Bond I	**MUR 590 million**	**CARE MAU AA; Stable**	Reaffirmed
Long Term Bond II	**MUR 1,530 million**	**CARE MAU AA; Stable**	Reaffirmed
Long Term Bond III	**MUR 500 million**	**CARE MAU AA; Stable**	Reaffirmed
Bank Facilities – Long Term/ Short Term	**MUR 180 million**	**CARE MAU AA; Stable/ CARE MAU A1+**	Reaffirmed

Rating Rationale

The ratings assigned to the bond issues and bank facilities of CIEL Limited continue to derive strength from the overall improvement in both operational and financial performance of the multiple verticals of the Group including banking & financial services, hospitality, and healthcare sectors.

The ratings continue to be supported by the long-established track record of the promoters of the Group who have extensive experience in managing businesses, market leadership position of CIEL Group companies in their respective sector of operation, sustained revenue growth in the banking & financial and hospitality clusters translating into healthy growth in profitability, consistent improvement in the consolidated overall gearing, large land bank in the property cluster, and continuously growing cash inflows in the form of dividend income from group companies to CIEL Limited (Standalone).

The ratings are however constrained by the contraction in revenue and profitability of the textile cluster due to weaker global demand, market, macroeconomic & political risks which are contingent factors in the banking & financial segment, additional debt taken to meet high capex expenditures in the healthcare cluster, and the vulnerability of the hospitality sector to global economic conditions.

Rating Sensitivities:

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Improved performance of subsidiaries leading to a growth of over 25% in total income and profitability for the Group
- Sustained improvement in overall gearing to below 0.3x at consolidated level and maintaining the standalone gearing below 0.15x
- Significant growth in banking segment along with improvement in asset quality

Negative Factors - Factors that could lead to negative rating action/downgrade:

- Declining performance of subsidiaries, impacting group profitability and cash generating ability
- Deterioration in the overall gearing to beyond 0.6x at consolidated level and 0.3x at standalone
- Deterioration in asset quality of the banking segment affecting the overall performance of the group

BACKGROUND

CIEL Limited ("CIEL") is a Mauritian conglomerate having its roots dating back to over a century ago, starting with the acquisition of a sugar estate and further growth in the industry till the early 1970s through further acquisitions and

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

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centralisation of operations in Deep River Beau Champ. During the decades which followed CIEL continued its sectoral and geographical expansion through a spree of acquisitions in the textile, banking & financial services, hospitality, healthcare and property & agro sectors, in Mauritius as well as in other countries in the Indian Ocean, Africa and Asia. Through its different subsidiaries & associates collectively called ("CIEL Group" or the "Group"), CIEL operates more than 30 brands and it is a diversified group with leadership position in the Agriculture, Textile, Healthcare, Finance, Hotels & Resorts, and Property development & management in Mauritius and entrenched presence in strategic regional markets such as India, Madagascar, Kenya, Uganda, Tanzania and Bangladesh. As on 30 September 2024, CIEL was operating a portfolio of companies valued at MUR 25.1 billion.

Some of the key portfolio companies of CIEL Limited are listed below:

CIEL Group companies	Sector of operation	Rating
CIEL Textile Limited	Textile	-
CIEL Finance Limited	Banking & Financial	CARE MAU A+; Stable
Bank One Limited	Banking	CARE MAU A+; Stable
C-Care (Mauritius) Ltd	Healthcare	CARE MAU AA-; Stable/ CARE MAU A1+
SUN Limited	Hotel & Resorts	-
City and Beach Hotels (Mauritius) Limited	Hotel & Resorts	CARE MAU A+; Stable
Wolmar Sun Hotels Limited	Hotel & Resorts	CARE MAU A+; Stable
SRL Touessrok Hotel Ltd	Hotel & Resorts	CARE MAU A+; Stable/ CARE MAU A1
Anahita Hotel Limited	Hotel & Resorts	CARE MAU A; Stable
Alteo Limited	Sugar, Energy & Property	CARE MAU A (SO); Stable
Miwa Sugar	Sugar	CARE MAU A; Stable
Sucriere des Mascareignes Limited	Investment Holding	CARE MAU A; Stable
Evolis Properties Ltd	Property Management	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 15,544 million as on 15 November 2024.

The Company is ultimately owned and controlled by members of the Dalais family.

Financial performance of CIEL Limited

The top line performance of the Group in FY24 was impaired by the slowdown in the Textile cluster which faced a correction in demand on the world market, and accordingly the total income of CIEL Group was marginally lower by 0.67%, at MUR 35,804 million in FY24 compared to MUR 36,046 million earlier. With better operating efficiency across all clusters and higher interest margins in the banking cluster, PAT grew by 17.11% in FY24. Consolidated EBITDA and PAT margins were up from 19.93% and 11.93% respectively in FY23 to 20.46% and 14.07% in FY24. The Group continues to generate healthy returns with ROCE and RONW at 8.82% and 15.80% respectively, almost at par with prior period.

The debt level of the Group has been reduced during four consecutive years, from MUR 20,746 million at end of FY20 to MUR 16,004 million as on 30 June 2024. The overall gearing improved from 0.54x at end of FY23 to 0.47x at end of FY24. Debt/EBITDA and debt/GCA were also down to 2.18x and 2.37x respectively at end of FY24, the lowest levels observed since 2016.

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.

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.

Modifier {"+" (plus)} can be used with the rating symbols for the categories CARE MAU A1 to CARE MAU A4. The modifier reflects the comparative standing within the category.

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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.