

CIEL Limited
12 August 2025

Ratings

Facility/ Instruments	Amount	Ratings	Remarks
Proposed Sustainability -Linked Bond Issue	MUR 1,450 million	CARE MAU AA; Stable	Assigned
Proposed Green Bond Issue	MUR 250 million	CARE MAU AA; Stable	Assigned
Long Term Bond -I (January 2018)	MUR 290 million	CARE MAU AA; Stable	Reaffirmed
Long Term Bond -II (September 2019)	MUR 1,530 million	CARE MAU AA; Stable	Reaffirmed
Long Term Bond -III (May 2021)	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

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Sustainability-Linked Bond Issue

CIEL Limited is proposing to raise MUR 1,450 million in Sustainability-Linked Bonds (SLBs) and utilise the proceeds from the issue as follows:

- i. MUR 800 million to consolidate the company's investment in the Mauritian healthcare sector by increasing its indirect stake in C-Care (Mauritius) Ltd
- ii. MUR 250 million to develop the group's medical technology cluster under a joint venture with a French orthopedics entity to set up a unit to manufacture knee, hip and shoulder implants in India
- iii. MUR 400 million to refinance existing debt due in June 2026

The SLBs to be issued by CIEL Limited are linked to specific Sustainability Performance Targets (SPTs) of the Group, as determined by a set of KPIs, which in turn aim to support targeted Sustainability Development Goals (SDGs), as detailed below:

Sustainability Performance Targets (SPTs)/ KPIs	Targeted Sustainable Development Goals (SDGs)
1. Social KPI At the end of FY24, the Social KPI across CIEL Group was 32%. The Issuer is seeking to improve the Social KPI to: 35% by 30 June 2028 40% by 30 June 2029 45% by 30 June 2030	- SDG 5 – Gender Equality - SDG 8 – Decent work and Economic Growth - SDG 10 – Reduced Inequalities   
2. Energy Mix At the end of FY24, the share of renewable energy across CIEL Group's energy mix was 51%. The Issuer is seeking to increase the share of renewable energy in the Group's energy mix to: 60% by 30 June 2028 65% by 30 June 2029 80% by 30 June 2030	- SDG 7 – Affordable and Clean Energy - SDG 13 – Climate Action  
3. Water consumption At the end of FY22, the amount of water consumed was 2,365,409 m ³ of water across the textile and hospitality clusters. The Issuer is seeking to reduce its water consumption in (m ³) by: 5% by 30 June 2028 6% by 30 June 2029 7% by 30 June 2030	- SDG 6 – Clean Water and Sanitation - SDG 12 – Responsible Consumption and Production - SDG 14 – Life Below Water   

The Issuer has appointed an Independent External Reviewer to provide a Second Party Opinion on the achievement of the above SPTs, on the Target Observation dates, which are the dates on which the SPTs shall be measured, being 30 June 2028, 30 June 2029 and 30 June 2030.

The failure to achieve any one SPT, as determined by the Independent External Reviewer in its Verification Assurance Report, on the Target Observation dates, shall result to an SPT Trigger Event and hence, lead to a Step-Up in the initial interest rate margin, as provided in Annexure I (details of rated instruments).

Green Bond Issue

CIEL Limited is also proposing to issue Green Bonds for a total of MUR 250 million, the proceeds of which will be used as equity investments in the following projects:

- i. MUR 150 million in renewable energy projects
- ii. MUR 100 million in development of the Ferney Eco-Park

Through the issue of Green Bonds to pursue the above-mentioned projects, CIEL Limited aims to achieve and support the following impact targets and SDGs:

Project	Solar Farm	Ferney Eco-Park
ICMA Green category	Renewable Energy	Natural Resources/ Sustainable Forestry
Project overview	Proceeds raised shall be used towards setting up a JV to implement renewable and sustainable energy projects across various clusters of the CIEL Group, with the ambition of achieving 80% of total group energy consumption from renewable sources by 2030.	Proceeds raised shall be used as equity investment towards the development of the first eco-park in Mauritius with unique ecosystems from ridge to reef.
Impact Targets	• Reduce carbon emissions by 38,000 tons annually • Boost the Group's renewable energy ratio by 27%	• Environmental Education • Ecological Restoration through (i) replanting of 42ha of degraded land reforestation (ii) restoration of 33ha of forest (iii) restoration of 2ha of mangrove. • Biodiversity Research • Heritage Building Regeneration
Targeted SDGs	• SDG 7 – Affordable and Clean Energy • SDG 13 – Climate Action  	• SDG 13 – Climate Action • SDG 15 – Life on Land  

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 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 31 March 2025, 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+; Negative
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
Riveo Hospitality Limited	Hotel & Resorts	CARE MAU A; Negative
Alteo Limited	Sugar, Energy & Property	CARE MAU A; Stable
Miwa Sugar	Sugar	CARE MAU A; Negative
Sucriere des Mascareignes Limited	Investment Holding	CARE MAU A; Negative
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 13,415 million as on 15 May 2025.

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.

For the nine months period ending 31 March 2025, Group revenue rose 3.28% to reach MUR 27,973 million from MUR 26,086 million for the previous corresponding period. EBITDA was however impacted by the temporary closure of one resort in the hospitality cluster due to renovation works and higher staff costs following government-mandated wage adjustments. Consequently, EBITDA was down from MUR 5,837 million for 9MFY24 to MUR 5,280 million for the current period. Overall, Group profitability decreased by 31.58% from MUR 3,779 million in 9MFY24 to MUR 2,872 million for 9MFY25.

Annexure II

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.

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