

29. BORROWINGS

ACCOUNTING POLICIES

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Current				
Bank overdrafts	1,080,828	739,197	-	84,557
Bank loans repayable by instalments	1,031,555	554,311	-	-
Fixed and floating rate secured notes (Note (b))	781,762	1,590,092	417,282	33,880
Cash at call with non-subsidiaries	20,465	13,496	-	4,042
Cash at call with related parties (Note 44)	-	-	48,071	96,239
Other loans (Note (d))	3,530,992	2,783,448	-	-
Money market line	69,368	-	-	-
Export bills and vendors' financing	1,590,466	1,417,273	-	-
Import loans	1,891,560	1,144,993	-	-
	9,996,996	8,242,810	465,353	218,718
Non-current				
Bank loans repayable by instalments (Note (c))	4,556,312	4,827,731	-	-
Fixed and floating rate secured notes (Note (b))	4,901,254	6,279,091	2,604,635	2,984,635
Other loans (Note (d))	598,732	-	-	-
Export bills and vendors' financing	19,648	-	-	-
	10,075,946	11,106,822	2,604,635	2,984,635
Total borrowings	20,072,942	19,349,632	3,069,988	3,203,353

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022 (CONT'D)

29. BORROWINGS (CONT'D)

(a) The bank borrowings are secured by fixed and floating charges over the assets of the Group.

(b) Break-down of the nominal value of the notes based on maturity and coupon rate is as follows:

CIEL Limited

Date of issue	Maturity	Coupon rate	No of notes issued	MUR '000
2018	5 years	4.00%	3,800	380,102
2018	7 years	4.98%	3,000	300,000
2018	10 years	5.45%	2,900	290,000
2019	7 years	4.29%	3,000	300,000
2019	7 years	4.95%	1,000	100,000
2019	8 years	4.53%	3,000	300,000
2019	8 years	5.15%	1,000	100,000
2019	10 years	5.45%	880	88,000
2019	10 years	4.95%	120	12,000
2019	15 years	5.60%	1,000	100,000
2020	10 years	5.45%	530	530,000
2021	10 years	5.45%	500	500,000
				3,000,102

CIEL Finance Limited

The fixed rate secured notes include an amount of MUR 500M taken in September 2019 by the Company. The break-down of the notes based on maturity and interest rate broken down is as follows:

Date of issue	Maturity	Coupon rate	No of notes issued	MUR '000
2019	5 years	4.50%	150,000	150,000
2019	6 years	4.62%	175,000	175,000
2019	7 years	4.76%	175,000	175,000
				500,000

29. BORROWINGS (CONT'D)

SUN Limited

Date of issue	Maturity	Coupon rate	No of notes issued	MUR '000
2016	7 years	6.50%	958,276	958,276
2016	7 years	3.95%	336,024	336,024
2020	2 years 7 months	2.63%	8,000	364,480
2020	4 years 7 months	2.63%	8,500	387,260
2020	6 years 7 months	2.63%	8,500	387,835
2020	9 years 7 months	3.70%	5,000	227,225
				2,661,100

(c) Non-current bank loans repayable by instalments can be analysed as follows: -

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
- after 1 year and before 2 years	874,661	1,146,391
- after 2 years and before 3 years	1,005,022	858,525
- after 3 years and before 5 years	1,624,456	1,608,910
- after 5 years	1,052,173	1,213,905
	4,556,312	4,827,731

(d) Other loans

Other loans include overnight facilities taken in June 2022 from the Central Bank of Madagascar amounting to MGA 300bn with a fixed coupon rate of 7% and from Bank One amounting to MGA 20.3Bn with a fixed coupon rate of 1.6%. They also include a loan contracted by BNI Madagascar in January 2022 with Proparco for EUR 10M which has a term of 60 months and bears a fixed coupon rate of 7.66% per annum.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022 (CONT'D)

29. BORROWINGS (CONT'D)

(d) Other loans (Cont'd)

All borrowings are denominated in MUR except for the below:

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
(i) Proparco loans denominated in Euros	468,659	-
(ii) Social security authority denominated in Ariary		
(i) Overnight facility	3,300,000	2,180,000
(ii) Central Bank of Madagascar	-	457,800
(iii) Other banks	224,101	-
	3,992,760	2,637,800
Repayable:		
Within one year	3,530,992	2,783,448
After one year but before two years	12,342	-
After two years but before three years	17,251	-
After three years but before five years	20,027	-
After five years	549,112	-
	4,129,724	2,783,448

29. BORROWINGS (CONT'D)

(e) The effective interest rates at the end of the reporting period were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	%	%	%	%
<i>Mauritian rupee</i>				
Bank overdrafts	2.90 - 7.70	2.95 - 4.10	4.5	4.1
Bank loans repayable by instalments	2.55 - 3.85	2.55 - 3.85	-	-
Fixed rate multicurrency notes	1.5 - 7.05	1.86 - 6.68	4.00 - 5.60	4.00 - 5.60
Floating rate notes	-	-	2.85 - 3.90	2.85 - 3.90
Expert bills and vendors' financing	4.5	4.1	-	-
Money market line	2.95	2.50 - 2.80	2.50 - 2.80	2.50 - 2.80
<i>US Dollar</i>				
Bank overdrafts	SOFR + 1.50/+2.50	Libor + 1.5/+ 2.50/+3.25	-	-
Bank loans repayable by instalments	-	2.00 - 3.90	-	-
Finance lease obligations	SOFR + 1.00/+1.25	-	-	-
Export bills and vendors' financing	SOFR + 1.50/+2.40/+2.75	Libor + 1.5/+ 2.4	-	-
<i>Euro</i>				
Bank overdrafts	Euribor + 1.50/+ 2.50	Euribor + 1.5/+ 2.5	-	-
Bank loans repayable by instalments	-	-	-	-
Export bills and vendors' financing	Euribor + 1.50/+ 2.40	Euribor + 1.5/+ 2.4	-	-
<i>Indian Rupee</i>				
Bank overdrafts	8.50 - 9.00	8.10 - 8.70	-	-
Other currencies	17.5	17.5	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022 (CONT'D)

29. BORROWINGS (CONT'D)

(f) The carrying amounts of the borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Rupee	6,501,863	7,984,216	3,069,988	3,203,354
Euro	7,816,257	5,104,429	-	-
US dollars	989,535	2,335,580	-	-
UK Pound	299,197	378,389	-	-
INR	936,918	635,789	-	-
Ariary	3,300,000	2,637,800	-	-
Others	229,172	273,429	-	-
	20,072,942	19,349,632	3,069,988	3,203,354

The carrying amounts of borrowings are not materially different from their fair values.

The bills discounted and the import loans are secured by fixed and floating charges over the assets of the CIEL Textile Limited.

29. BORROWINGS (CONT'D)

(g) The carrying amounts of assets pledged as security for current and non-current borrowings are:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Non-current assets				
<i>Fixed and floating charge</i>				
Property, plant and equipment	21,017,709	21,811,113	-	-
Right-of-use assets	12,935	2,398,036	-	-
Investment properties	3,799,217	2,943,829	-	-
Intangible assets	27,005	72,704	-	-
Investments in subsidiaries	1,747,913	5,391,279	10,706,525	8,691,791
Investments in joint ventures	1,870,046	1,854,517	-	-
Investments in associates	287,207	416,198	-	-
Investments in other financial assets	244,698	420,894	-	-
Deposit on investments	24,029	14,772	-	-
Non-current receivable	54,224	16,920	-	-
Total non-current assets pledged as security	29,084,983	35,340,262	10,706,525	8,691,791
Current assets				
<i>Fixed and floating charge</i>				
Inventories	4,947,764	3,744,850	-	-
Trade and other receivables	4,396,973	3,308,536	-	-
Cash and cash equivalents	2,081,882	1,989,785	-	-
Investment in other financial assets	-	2,166	-	-
Trade and other receivables	1,482	16,082	-	-
Total current assets pledged as security	11,428,101	9,061,419	-	-