

Notes to the financial statements continued

for the year ended 31 March 2020

27. Interest-bearing debt

	Group		Company	
	31 March 2020 Rm	31 March 2019 Rm	31 March 2020 Rm	31 March 2019 Rm
Total interest-bearing debt	12 005	10 241	12 005	10 194
Non-current interest-bearing debt	10 105	4 840	10 105	4 824
Local debt	9 184	4 700	9 184	4 700
Foreign debt	921	123	921	124
Finance leases*	–	17	–	–
Current portion of interest-bearing debt	1 900	5 401	1 900	5 370
Local debt	1 900	5 370	1 900	5 370
Bond	250	2 320	250	2 320
Commercial paper bills	600	1 200	600	1 200
Other loans**	1 050	1 850	1 050	1 850
Foreign debt	–	5	–	–
Finance leases*	–	26	–	–

* Finance lease liabilities were included in interest-bearing debt until 31 March 2019, but were reclassified to lease liabilities on 1 April 2019 on adoption of IFRS 16.

** Other loans relate to loans from Absa, Standard Bank and Future Growth. These are local bank loans.

Total interest-bearing debt is made up as follows:	12 005	10 241	12 005	10 194
(a) Local debt	11 084	10 070	11 084	10 070
Telkom debt instruments				
<i>Name, maturity, rate p.a., nominal value</i>	11 084	10 070	11 084	10 070
TL20, 2020, 15% (fixed) (2019:15%), R2 500 million (2019: R2 500 million)	–	2 320	–	2 320
TL22, 2021, 7.938%	250	250	250	250
TL23, 2022, 8.182%	592	592	592	592
TL24, 2022, 9.04% (fixed)	423	423	423	423
TL25, 2024, 9.57% (fixed)	835	835	835	835
TL26, 2024, 8.542%	400	400	400	400
TL27, 2023, 8.108%	500	500	500	500
TL28, 2025, 9.28% (fixed)	1 000	500	1 000	500
TL29, 2025, 8.398%	500	500	500	500
TL30, 2024, 7.927%	877	–	877	–
TL31, 2026, 8.137%	623	–	623	–
TL32, 2027, 8.208%	1 000	–	1 000	–
Commercial paper bills, 2019, 7.75%	–	400	–	400
Commercial paper bills, 2020, 7.242%	600	800	600	800
Export Credit Agreement (ECA) loan, 2022 - 2030, 9.3%	773	–	773	–
Export Credit Risk Agreement - insurance premium (unamortised cost)	(104)	–	(104)	–
Loans, 2020 - 2026, 6.1% - 8.417%	2 815	–	2 815	–
Loans, 2019 - 2021, 8.00% - 9.33%	–	2 550	–	2 550
Total interest-bearing debt is made up of R12 005 million debt at amortised cost (31 March 2019: R10 241 million debt at amortised cost). Finance costs accrued on debt are included in trade and other payables.				
Other loans are repayable quarterly and have maturities ranging from 2020 to 2026.				
Commercial paper bills are repayable at maturity with twelve months settlement periods.				
All other loans, bonds and commercial paper bills are priced based on the three-month JIBAR plus a margin except as indicated above.				

	Group		Company	
	31 March 2020 Rm	31 March 2019 Rm	31 March 2020 Rm	31 March 2019 Rm
(b) Foreign debt	921	128	921	124
Telkom	921	124	921	124
<i>Maturity, rate p.a., nominal value</i>				
ECA ZAR loan: 2022 - 2030, 9.3%	772	-	772	-
Euro: 2022 - 2025, 0.14% (2019: 0.14%), €7.6 million (2019: €7.6 million)	149	124	149	124
BCX	-	4	-	-
Stanbic Tanzania	-	4	-	-
US Dollar denominated loan, repayable over 36 months at an interest rate of 9%.				
(c) Finance leases	-	43	-	-
BCX various leases	-	39	-	-
Yellow Pages various leases	-	4	-	-
The amounts are repayable within five years at an interest rate linked to the prime rate.				
Included in non-current and current debt is:				
<i>Debt guaranteed by the South African Government</i>	149	124	149	124

The Company may issue or re-issue locally registered debt instruments in terms of the Post Office Amendment Act 85 of 1991. The borrowing powers of the Company are set out as per note 23.

Interest-bearing debt

Interest-bearing debt is at amortised cost and finance cost accrued on debt are included in trade and other payables. The debts are unsecured but limits the Group's ability to create encumbrances on revenue or assets and secure any indebtedness without securing the outstanding debts equally and rateably with such indebtedness.

Debt covenants applicable to Telkom syndicated loans require the following for the Group:

- Net debt to EBITDA of at least 3:1
- EBITDA to finance charges of at least 3.5:1

During the year, no non-compliance with the requirements of the covenants were noted.

Repayments/refinancing of the current portion of interest-bearing debt

The repayment of the current portion of interest-bearing debt of R1 900 million (31 March 2019: R5 370 million) for Company and R1 900 million (31 March 2019: R5 401 million) for Group as at 31 March 2020 is expected to be repaid from available cash, operational cash flow or the issue of new debt instruments.

Management believes that sufficient funding facilities will be available at the date of repayment.