Notes to the financial statements continued

for the year ended 31 March 2022

26. Interest-bearing debt

	Group		Company	
	31 March 2022 Rm	31 March 2021 Rm	**31 March 2022 Rm**	31 March 2021 Rm
Total interest-bearing debt	**11 932**	10 866	**11 932**	10 866
Non-current interest-bearing debt	**8 221**	10 173	**8 221**	10 173
Local debt	**7 344**	9 135	**7 344**	9 135
Foreign debt	**877**	1 038	**877**	1 038
Current portion of interest-bearing debt	**3 711**	693	**3 711**	693
Local debt	**3 558**	693	**3 558**	693
Bonds	**1 015**	–	**1 015**	–
Accrued interest	**107**	–	**107**	–
Other loans[1]	**2 436**	693	**2 436**	693
Foreign debt	**153**	–	**153**	–

[1] *Other loans relate to loans from Absa, Standard Bank and Future Growth.*

Total interest-bearing debt is made up as follows:	**11 932**	10 866	**11 932**	10 866
(a) Local debt	**10 902**	9 828	**10 902**	9 828
Telkom debt instruments	**10 902**	9 828	**10 902**	9 828
Name, maturity, rate p.a., nominal value				
TL23, 2022, 5.907%	**592**	592	**592**	592
TL24, 2022, 9.04% (fixed)	**423**	423	**423**	423
TL25, 2024, 9.57% (fixed)	**835**	835	**835**	835
TL26, 2024, 6.217%	**400**	400	**400**	400
TL27, 2023, 5.442%	**500**	500	**500**	500
TL28, 2025, 9.28% (fixed)	**1 000**	1 000	**1 000**	1 000
TL29, 2025, 5.732%	**500**	500	**500**	500
TL30, 2024, 5.718%	**877**	877	**877**	877
TL31, 2026, 5.928%	**623**	623	**623**	623
TL32, 2027, 5.808%	**1 000**	1 000	**1 000**	1 000
Export Credit Agency (ECA) loan, 2022 - 2030, 6.367%	**907**	907	**907**	907
Export Credit Risk Agreement – insurance premium (unamortised cost)	**(83)**	(94)	**(83)**	(94)
Other loans, 2022 - 2026, 5.15% - 6.225%	**3 221**	–	**3 221**	–
Loans, 2021 - 2026, 4.4% - 5.6%[2]	**–**	2 265	**–**	2 265
Accrued interest	**107**	–	**107**	–

Total interest-bearing debt is made up of R11 932 million debt at amortised cost (31 March 2021: R10 866 million debt at amortised cost). Finance costs accrued on debt are included in interest-bearing debt.

Other loans are repayable quarterly and have maturities ranging from 2022 to 2026.

The ECA loan is repayable quartely from 2022 to 2030.

The floating debts are priced based on the three-month JIBAR plus a margin.

(b) Foreign debt	**1 030**	1 038	**1 030**	1 038
Telkom				
Maturity, rate p.a., nominal value				
ECA ZAR loan: 2022 - 2030, 6.367%	**907**	907	**907**	907
Euro: 2022 - 2025, 0.14% (2021: 0.14%), €7.6 million (2021: €7.6 million)	**123**	131	**123**	131
Included in non-current and current debt is:				
Debt guaranteed by the South African Government	**123**	131	**123**	131

[2] *These loans were settled in the current financial year.*

During the year under review, R1 150 million (31 March 2021: R268 million) debt was raised for Group and Company. R193 million (31 March 2021: R1 400 million) debt was repaid for Group and Company.

The Company may issue or reissue 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 22.

Interest-bearing debt

Interest-bearing debt is at amortised cost, and finance costs accrued on debt are included in interest-bearing debt. 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 loans require the following for the Group:

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

As at 31 March 2022, Telkom's net debt to EBITDA ratio was 1.2x (31 March 2021: 0.9x) and interest cover 12.3x (31 March 2021: 11x).

Telkom has complied with the financial covenants of its borrowing facilities during the 2022 reporting period.

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

The repayment of the current portion of interest-bearing debt of R3 711 million (31 March 2021: R693 million) for Company and Group as at 31 March 2022 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.