



ANNUAL REPORT 2022-23



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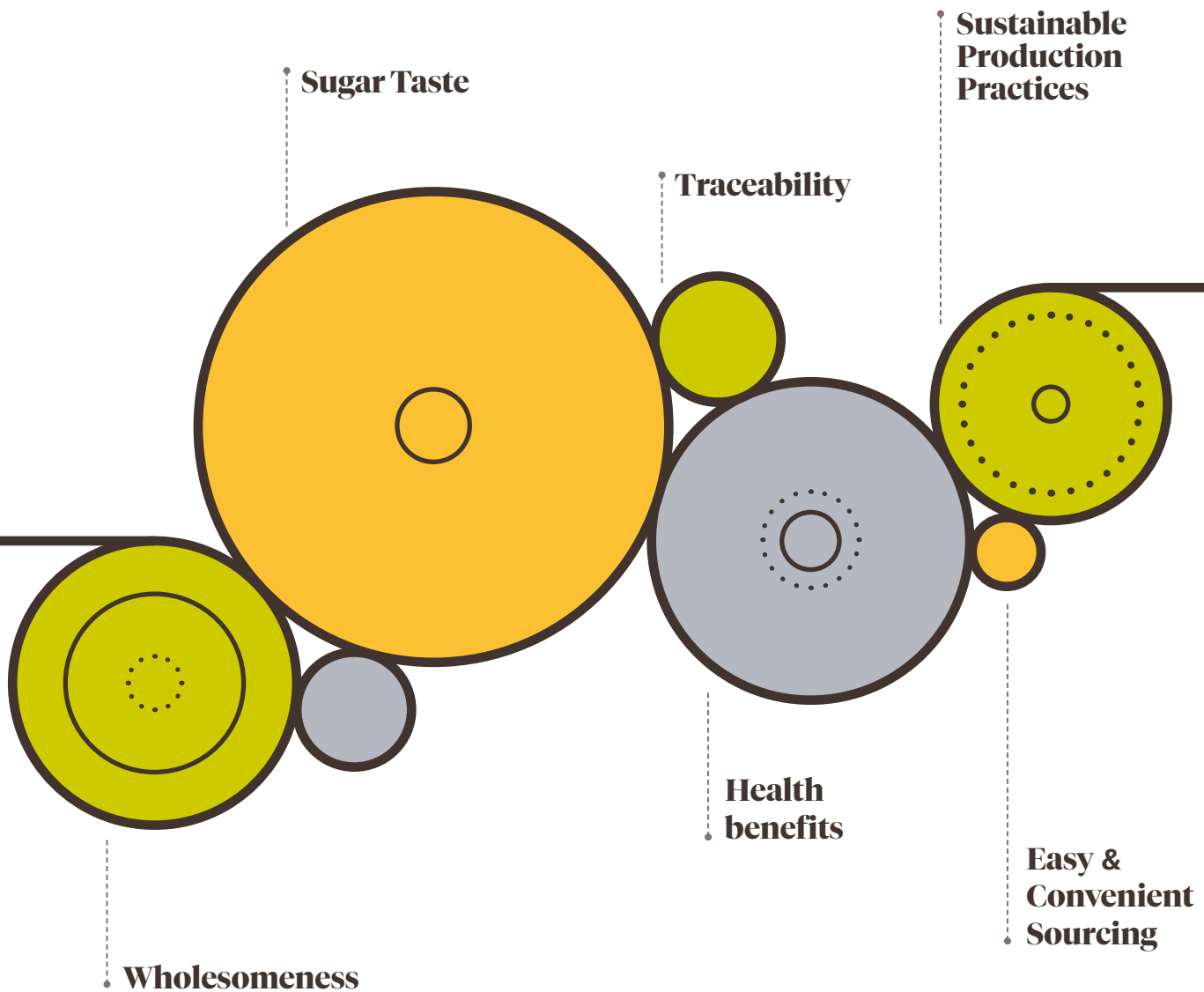
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## ↓ Role and status of the Mauritius Sugar Syndicate



*In 1951, following the recommendations of the Mauritius Economic Commission 1947-48, the Mauritius Sugar Syndicate (the “Syndicate”), which originated in 1919, was legally constituted pursuant to the Mauritius Sugar Syndicate Act 1951.*





The Mauritius Sugar Syndicate brings together all the sugar producers of Mauritius, small and corporate growers and millers alike, which numbered 9,005 for the 2022 Crop. As an authorised body under the Mauritius Cane Industry Authority Act 2011, it is the sole organisation responsible for the marketing of sugar produced on the island. Its key role is to sell all sugars it receives on behalf of these producers and subsequently distribute the proceeds of such sales after deduction of common expenses. In fulfilling its role, the Syndicate's primary objective is to optimise producers' revenue through the adoption of commercial strategies likely to capture the highest yields obtainable from markets on a sustainable basis. The Syndicate's operations are structured into specialised departments geared to provide services of direct relevance to its core business - marketing and sales, planning and delivery, finance and accounts, and ensuring quality and food safety for the sugars supplied, while providing the relevant support to producers.

The Mauritius Sugar Syndicate is managed and administered, in accordance with its Articles of Association (1967), by a statutory committee known as "the Committee", which comprises twenty-two members. Fourteen members are representatives of the corporate sector of the industry, including corporate growers and millers, and eight are the representatives of large and small cane planters. The representatives of the corporate sector are appointed by the relevant members while the planters' representatives are appointed by the Minister of Agro-Industry and Food Security upon the recommendation of their respective associations.

The President of the Syndicate is elected at the organisation's Annual General Meeting (AGM) held every September. Since 1976, the President's Chair alternates between a corporate and planters' representatives. The AGM also approves the composition of the Committee and that of the Executive and Selling Committee (ESC), which comprises ten members. These include six representatives of the corporate sector and four planters' representatives, as well as the CEO of the Mauritius Cane Industry Authority who is invited to attend as representative of the government and the Secretary General of the Mauritius Chamber of Agriculture.

The ESC, which meets every two months, is the steering body of the Syndicate and decisions are taken by consensus. The Main Committee meets at least twice a year to ratify these decisions. For improved governance, sub-committees comprising members of the ESC have been established to provide support to the Syndicate's management in specific areas. These sub-committees include the Marketing Committee, the Forex Committee, and the Audit and Risk Management Committee. A Remuneration Committee also addresses issues relating to remuneration, promotion, and recruitment within the organisation.

# Mauritius Sugar Syndicate



## • Main Committee

### **President**

Roshan Baguant

### **Vice-President**

Fabien De Marassé Enouf

### **Corporate Sector Representatives**

Olivier Baissac  
Gregory Bathfield  
Javesh Boodnah  
Henri Harel  
Jérôme Jaën  
Denis Lagesse  
Jean Li Yuen Fong  
Nicolas Maigrot  
Arnaud Marrier d'Unienville  
Jacques Marrier d'Unienville, G.O.S.K.  
Thierry Merven  
Dhiren Ponnusamy  
Clement Rey (from February 2023)  
Jean Ribet (until February 2023)

### **Large Planters' Representatives**

*Nominated by the Minister of Agro-Industry & Food Security*

Gunness Bhuruth  
Dhanunjay Kheedoo  
Heymant Rao Anand Sonoo

### **Small Planters' Representatives**

*Nominated by the Minister of Agro-Industry & Food Security*

Dhananjaye Kutowaroo  
Sardanund Nursing  
Jugdutt Rampersad, O.S.K.  
Sandip Seebarrun

## • Executive & Selling Committee

### **President**

Roshan Baguant

### **Vice-President**

Fabien De Marassé Enouf

### **Members**

Olivier Baissac  
Gunness Bhuruth  
Dhananjaye Kutowaroo  
Jean Li Yuen Fong  
Nicolas Maigrot  
Jacques Marrier d'Unienville, G.O.S.K.  
Sardanund Nursing  
Dhiren Ponnusamy

### **In attendance**

Satish Purmessur (CEO of the Mauritius Cane Industry Authority)  
Jacqueline Sauzier, C.S.K (Secretary General of the Mauritius Chamber of Agriculture)

## • Chief Executive Officer & Secretary

Devesh Dukhira

## • Marketing & Sales

### Chief Marketing Officer

Sébastien Giraud

### Other Staff Members

Glen Baniaux  
Lavinishtah Dawoodarry  
Nitish Doodee  
Honorine Huet-Surette  
Dany Jaune  
Darmen Mooneesamy  
Reshma Nowbuth-Roopun  
Hema Narainee Surujbali

## • Finance & Accounts

### Chief Finance Officer

Ahmad N. Sulyman (from Aug 2023)

### Finance Manager

Joelle Saminaden (Feb-Aug 2023)

### Other Staff Members

Alison Cartick  
Indira Goboodun  
Kerina Groochurn  
Véronique Madré

## • Supply Chain

### Head of Supply Chain

Khemraj Jhurry

### Other Staff Members

Dakshayani Cheekhoory  
Yudhisthir Gopaul  
Loïc Keblé  
Stephan Keblé  
Goorodeo Noyan  
Karine Ribet  
Ian Samuel  
Sailesh Kumar Seeballuck

## • Quality Assurance

### Quality Executive

Sanjaye Goboodun

### Technical Executive

Patrick Bussier

### Other Staff Members

Cliford Fresley Davy  
Faisal Earally  
Radhika Fokeerah  
Belinda Punchaye

## • Compliance & Producers' Service

### Head of Compliance & Producers' Service

Chetanand Dookhony

### Other Staff Members

Varsha Boolakee  
Purshotam Luchmun Roy

## • Admin Staff

Jesieka Baptiste-Rabot

## • IT Executive

Bilal Hymabacus

## • HR Consultant

Veena Ghurburun

## • Legal Counsel

ENSAfrica (Mauritius)

## • US Trade Counsel

Ryberg and Smith LLC

## • External Auditors

Deloitte

## • Internal Auditors

Ernst & Young (EY) Mauritius



# Bio-Data of Executive & Selling Committee members

## • Roshan Baguant

Roshan Baguant represents large planters on the Committee. He holds a Bachelor of Engineering degree, an MBA (University of Surrey, UK) and is a registered professional engineer (Pr.Eng). Roshan has a wide range of managerial experience during 30 years in the aviation industry. Currently the Managing Director of a consultancy company, he is also the Project Advisor at Fondation Ressources et Nature (FORENA) and a member of the Aeronautical Society of Mauritius. Roshan manages a family-owned business involved in the cultivation of sugarcane and other food crops.

## • Fabien de Marassé Enouf

Fabien de Marassé Enouf is the Chief Executive Officer (CEO) of Alteo Group and serves on its Board of Directors. Prior to his appointment as CEO in January 2022, Fabien held the role of Chief Finance Executive. Over the years, he has led several decisive projects linked to the restructuring and expansion of Alteo's operations and has played an active role within several cane sector institutions. He is currently the Chairperson of the Sugar Industry Pension Fund. Fabien holds a BCom (Accounting and Finance) from Curtin University, Australia, and is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW).

## • Olivier Baissac

Olivier Baissac is the CEO of ENL Agri. Aged 32, he graduated with a degree in agriculture from the University of Western Australia and also holds an MBA from Heriot-Watt University. He has over ten years of experience in the agricultural sector in Mauritius and is currently Vice-President of the Mauritius Chamber of Agriculture. Olivier is passionate about sustainable farming practices that are in harmony with the terroir.

## • Gunness Bhuruth

Aged 33, Gunness Bhuruth graduated from the University of Mauritius with a Diploma in Mechatronics Engineering and also holds a bachelor's degree in Marketing and Management from Curtin University in Australia. Gunness has been an active contributor to budgetary proposals to the Ministry of Finance, Economic Planning and Development, as well as the Ministry of Agro-Industry and Food Security. As Secretary of several Credit Co-operative Societies, Gunness assists planters in the eastern region. He was also elected Director of the Mauritius Co-operative Agricultural Federation Ltd (MCAF) in February 2023. Gunness has been a sugarcane planter since the age of 18.

## • Dhananjaye Kutowaroo

Dhananjaye Kutowaroo has been a public officer for 42 years before his retirement a few years ago. He has also been a sugarcane planter for over 40 years. He is a Director of the Kredence Group of companies and has played a pivotal role in taking the family business to new heights. He is a well-known figure in both the social and socio-cultural landscapes, especially in the northern part of the country.

## • Jean Li Yuen Fong

Jean Li Yuen Fong was the former Director of the Mauritius Sugar Producers' Association until its dissolution in November 2015. His services have subsequently been retained by the main sugar companies for matters relating specifically to the sugar sector. He also sits on the Board of Directors of the following organisations: Business Mauritius, Mauritius Cane Industry Authority, The Sugar Insurance Fund Board, Sugar Industry Pension Fund, and Capital Horizons Ltd. Mr Li Yuen Fong is also the chairperson of the Regional Training Centre.



- **Nicolas Maigrot**

Nicolas Maigrot has been the Managing Director of Terra Mauricia Ltd since January 2016. He previously operated in various manufacturing industries, as well as in the finance and services sectors, and has acquired, during his career, a wealth of experience at executive levels. He is Director in a few listed companies, including Terra Mauricia Ltd, Swan General Ltd and United Docks Ltd.

- **Jacques Marrier D'Unienville, GOSK**

Jacques Marrier d'Unienville holds a Bachelor's degree in Commerce and has 30 years of work experience in France, the Seychelles and Mauritius. His expertise lies in the strategic development of new projects in the following sectors: sugar production and refining, independent power production, waste and environment management, and renewable energy projects. He joined Société Usinière du Sud in 2005 as Chief Executive Officer (CEO) and is currently the CEO of Omnicane Limited as well as the Chairperson of Omnicane Thermal Energy Operations (La Baraque) Limited and Omnicane Thermal Energy Operations (St Aubin) Limited. A board member of several sugar sector institutions, Jacques Marrier d'Unienville was President of the Mauritius Sugar Syndicate in 2012 and in 2022, and also served as President of the Mauritius Sugar Producers' Association in 2005/06 and 2009/10.

- **Sardanund Nursing**

A retired Civil Servant, Sardanund Nursing has an enviable record of service stretching from 1982 to 2021. He is currently President of the Plaines des Roches Multi-Purpose Cooperative Society.

- **Dhiren Ponnusamy**

Dhiren Ponnusamy holds a BSc (Hons) degree in Economics from the London School of Economics and Political Science and is a Charterholder of the Chartered Financial Analyst Institute. With over 20 years of international experience in global finance and banking across three continents, he is a former Managing Director at Standard Chartered Bank Plc in London and previously held several senior CFO and regional CFO positions in South Korea, Singapore, Africa, the Philippines and the UK. Mr Ponnusamy relocated to Mauritius to join the Medine group in January 2018 and was Chief Operating Officer until his appointment as Chief Executive Officer and Executive Director as of 1st July 2021.







# Value creation throughout the process

## President's Report



# Roshan Baguant

President

The ex-Syndicate price for the 2022 Crop has been finalised at a record level of Rs 25,554 per ton of sugar, which is 52% higher than the price paid to cane growers and sugar producers for the preceding crop.

At Rs 25,554 per ton sugar, the ex-Syndicate price has attained a record high level for the 2022 Crop, even higher than the peak level of Rs 18,620 paid for the 2007 Crop sugars, when guaranteed prices under the ACP/EU Sugar Protocol still applied, despite the weakening of the Rupee in the interim. It is unfortunate that local sugar production has meanwhile fallen to an alarming 232,707 metric tons tel quel and producers have not been able to take full advantage of these unprecedented price levels. While conversion of the land for other economic purposes is unavoidable, abandonment of such invaluable resources, estimated at over 10,000 Hectares (ha) over the previous years compared with the 39,199 ha harvested in 2022, is regrettable. An urgent reversal of this trend is warranted.

While cane planters and millers can only rejoice over the 2022 Crop's financial performance, it does reveal the swings that can be experienced in market prices and reminds us that the viability of cane sugar production should be viewed from a long-term perspective, taking advantage of favourable market conditions to invest and prepare for less encouraging times. As for most agricultural commodities, market prices remain volatile, but as the producer-driven commercial arm of the industry, the Mauritius Sugar Syndicate (MSS) should demonstrate the agility to respond to these changes. I can only commend the MSS and producers for having succeeded, after having continuously adapted to the changing market environment, in reaping the best value for Mauritius sugars.

Market prices are obviously influenced by production costs as well as supply and demand. While annual world sugar production has failed to keep pace with the record outturn of 180 million tons in 2017/18, consumption has not subsided and is now almost 4% higher than the level reached in that year, hence resulting in a gradual depletion of stocks. It should be highlighted that, on account of global population growth and increasing urbanisation, sugar consumption still grows by an annual average of 1%, though lower than the yearly average of 1.5-2.0% seen earlier in the century. On the other hand, production costs have continued rising, exacerbated by the post-COVID and Ukrainian invasion-related inflationary costs, be that for fertilisers in the fields or energy for sugar processing, thus boosting the

minimum threshold prices. This has particularly been the case in the EU, where the price of energy, a significant cost component for beet sugar processors and cane sugar refiners alike, has increased substantially in 2022, while beet prices have almost doubled alongside the price rise for alternate agricultural crops.

There is a wide consent that the market has undergone a structural change. After several years of depressed prices, triggered by surplus production coupled with domestic support and trade subsidies provided in key origins, producers have not been inclined to expand output, whilst global consumption continued to rise. A production shrinkage has even been experienced in the European Union (EU), the traditional market for Mauritius sugars, where, after a record 1.678 million ha in 2017 in response to the liberalisation of production quotas, the acreage under beet cultivation fell to 1.548 million ha in 2019 and attained an estimated 1.422 million ha (including the UK) in 2022.

**While conversion of agricultural land for other economic purposes is unavoidable, abandonment of such invaluable resources, estimated at over 10,000 Hectares over the previous years compared with the 39,199 ha harvested in 2022, is regrettable. An urgent reversal of this trend is warranted.**



# President's Report (cont'd)

The production shortfall has been exacerbated by adverse weather conditions, and occasional crop diseases and viruses, impacting on sugar yields which, for instance, fell to a mere 10.2 tons per hectare (tsh) in 2020 and to 10.8 tsh in 2022, compared with a high of 12.6 tsh in 2017. Notwithstanding the ambition which EU producers proclaimed during that record year to be a net sugar exporter to the world market, the bloc now appears to have a structural deficit, having to rely on imports to meet internal demand. The fact that it is protected by high tariffs, while Mauritius enjoys preferential access under the Economic Partnership Agreement, makes it a priority destination for our sugars.

The margins obtainable for Mauritius sugars have been supplemented by the quest for value-addition, a journey on which the industry embarked over four decades ago with the production of special sugars. The proportion of these value-added sugars, which now also include specialised white sugars, has been increasing in the MSS sales mix, hence diverging more and more from the commodity market. Despite growing competition, even in the niche market segments targeted, no stone is being left unturned to consolidate and even diversify the market base, which now comprises over 60 export destinations. Having reaffirmed their market positioning in June 2021 through a new 'Mauritius Sugar Label', the MSS hosted a social event in Paris on 17th October 2022, where some 100 buyers gathered and had the opportunity to meet with our sugar producers, including myself in my role as President. During that evening, buyers were introduced to the MSS virtual club which, in addition to consolidating the relationship, will facilitate the sharing of information among loyal customers, so that they can learn from each other how to optimise the promotion and sales of the Mauritius special sugars in their respective markets.

Besides this journey towards value-addition, MSS obviously remains mindful of the evolution of prices obtainable for its regular white refined sugar which, being of EEC Grade 2 quality, is a preferred choice for industrial users. For the crop under review, when prices almost doubled in the EU, sales to this destination remained among the most highly remunerative options for the industry, thus accounting for 90% of Mauritius' white sugar exports, compared with 55% in the preceding campaign. This increase has been at the expense of direct consumption raw sugar exports to the regional market, which had accounted for 16% of the 2021 Crop sales. As for the Mauritius special sugars sold in niche market segments targeted by the MSS, total

sales exceeded 136,000 tons, representing a rise of 18% over the previous year, mainly thanks to the remarkable growth in the EU market. These changes in the sales mix demonstrate MSS's agility in seeking the best value for every ton of locally produced sugar, while reaffirming the necessity for the industry to maintain flexibility in its product mix.

Besides the higher sugar prices, producers have benefited from enhanced revenue from their bagasse and molasses for the 2022 Crop. After the review in 2021, which took remuneration for bagasse used for production of electricity exported to the CEB grid to Rs 3.50 per KWh, or Rs 3,300 per equivalent ton of sugar, this was maintained for the 2022 Crop, while the price of molasses has increased from Rs 4,096 to Rs 4,833 per ton. These two co-products of sugar therefore accounted for an additional remuneration of Rs 5,264 for planters, hence bringing their total revenue for the 2022 Crop to Rs 30,819 per ton of sugar.

The National Biomass Framework (NBF), announced by the Minister of Finance in his 2021 budget and finalised in June 2023, reinforces growers' and millers' clarity on their future remuneration from the cane biomass. It also underlines the importance of sugarcane in the country's energy mix, especially in view of Government's target for renewable sources to account for 60% of the country's energy mix by 2030. It is worth noting that, of the 540 GWh of electricity generated from renewable sources in 2021, bagasse accounted for 361 GWh, including 110 GWh consumed by the adjacent mills, although this is lower than the 381 GWh exported to the grid in 2015 as cane crushing meanwhile fell from 4.00 million to 2.67 million tons. The National Biomass Framework (NBF) ... finalised in June 2023, reinforces growers' and millers' clarity on their future remuneration from the cane biomass. It also underlines the importance of sugarcane in the country's energy mix, together with wood chips, which will replace coal during the intercrop period to generate another 235 GWh of electricity, biomass should then contribute 22.8% of the country's energy mix.

In addition to the 'locking' of existing land under sugarcane cultivation, a recovery plan has been defined to reach the production target of 3.8 million tons of cane by 2030, namely: a Biomass Land Rehabilitation Scheme to convert some 2,400 ha of abandoned land back into use, the Accompanying Measures to restore Abandoned Cane Lands (ALMS Scheme) and the Cane Replantation Scheme to facilitate the renewal of old ratoons every seven years. Already, over 5,000ha of corporate land have been

replanted over the last three years, some of these activities have been supported by soft term loans provided by the Development Bank of Mauritius. As this amount has been increased from Rs 200 million to Rs 500 million for the 2023 Crop, the cane renewal should be further enhanced. Meanwhile, Government has provided grant to the tune of Rs 100 million annually for the replanting of small planters' land and another 300 ha have thus been replanted over the last three years. Labour shortage remains the main stumbling block, but this is being addressed through land derocking and mechanisation and also through the easing of restrictions on the import of manual workers to work in the fields. The regrouping of small planters is essential in this process, not only for economies of scale and optimising cost efficiency, but also to achieve alignment on the best farming practices. In this spirit, MSS set up a Multi-Purpose Cooperative Society (MCS) in 2021, which, at the time of writing, incorporated some 300 planters who had not been affiliated to other Cooperative Societies. The MSS MCS has already submitted its application to FLO-Cert to become Fairtrade certified and is currently awaiting for the audit exercise.

The above-mentioned support measures reaffirm each one's commitment in ensuring the viability of the cane industry in Mauritius and should hopefully reverse the production decline trend experienced over previous years. Besides enhancing cane revenue for the sector, these measures should allow the country to meet its targets regarding its energy needs, the environment, and carbon emission. A study undertaken by Soil & More in July 2020 reveals that, thanks to co-generation of electricity from bagasse, every kilogram (kg) of sugar produced absorbs a net 0.17 kg of CO<sub>2</sub> from the atmosphere, a figure which is likely to increase with the above-mentioned measures. The jigsaw puzzle will be complete with the adoption of an ethanol framework in Mauritius which, like for electricity generation, should increase the contribution of renewable sources to the energy mix while reducing the country's import bills.

For its part, the MSS will sustain its efforts to achieve the highest prices for every ton of sugar produced locally. While sugar prices will remain volatile, the quest for value-addition and other revenue streams should help to mitigate such fluctuations, thus giving producers long-term visibility. During the past year, the MSS Articles of Association, which date back to 1967, have also been reviewed in order to better adapt to the new market environment.

**Roshan Baguant,**  
President

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**The National Biomass Framework, announced by the Minister of Finance in his 2021 budget and finalised in June 2023, reinforces growers' and millers' clarity on their future remuneration from the cane biomass. It also underlines the importance of sugarcane in the country's energy mix, especially in view of Government's target for renewable sources to account for 60% of the country's energy mix by 2030.**

# CEO's Report





# Devesh Dukhira

CEO

The boost in market dynamics pertaining to sales of the 2022 Crop sugars has been remarkable.

While persistent global production shortfall over the three preceding years was already pointing to further improvements in market conditions, the Russian invasion of Ukraine in early 2022 impacted significantly on production costs in Europe, hence on prices which prevailed in this market destination over the 2022/23 marketing year. The average price obtainable for Mauritius white refined sugar in the EU thus reached almost twice that of the preceding year while special sugars have been sold at no lesser values. The review of these selling prices resulted in a 20% enhancement in the sales revenue of the Mauritius Sugar Syndicate (MSS) as compared with the preceding year, despite the 9% decline in crop outturn.

According to the International Sugar Organisation (ISO) World Sugar Balance report of August 2023, since the record level of 180 million metric tons tel quel (mttq) in 2017/18, there has been a cumulated decline of 6% in global production over the three succeeding years, while consumption, impacted by the COVID-19 related restrictions, has remained stagnant around 169 million mttq over this period. World production and consumption are both estimated to have increased to some 177 million mttq in 2022/23, again with no net surplus production foreseen, but rather a declining stock-to-consumption ratio, to some 57.54% for 2022/23 - the lowest level in the last five years - exacerbated by the difficulty in accessing the stocks. This explains the continuous rise in world sugar prices since the drastic fall in 2017, except for the abrupt but provisional drop over the first quarter of 2020 with the outbreak of the COVID-19 pandemic when the futures price of raw sugar on the New York #11 exchange fell below US 10 cts/lb. The latter returned to some US 18 cts/lb by mid-2021 and remained within a range of US 18-20 cts/lb over the following twelve months, which consequently influenced sales negotiation for the 2022 Crop Mauritius sugars.

Sales prospects for the 2022 Crop sugars further improved with the rise in market prices in the EU, where stocks have been drawn down with the decline in area under beet cultivation since the record 2017 crop, but also following the weather-afflicted 2020 crop. The most significant market transformation, however, has been the surge in costs of sugar production and refining in 2022 after the Russian invasion of Ukraine. The price of energy, an important cost intransit for such industrial operations, has continued to rise, reaching seven times higher than the previous five years' average by

August 2022. Likewise, with the increase in the price of other agricultural commodities, such as wheat and rapeseed, the price of beet had to be reviewed substantially to preserve its competitiveness, and hence acreage under cultivation: at least EUR 40-65 was paid to growers per ton of beet over the 2022 Crop compared with the last five years' average of EUR 25.

On the other hand, owing to a dry summer in Western Europe and subsequently cold December spells across the UK and Benelux, combined with yellow-aphid attacks in certain areas prone to this, the EU sugar production forecast declined over the harvest, from an initial 15.8 million tons white sugar equivalent (wse) to a mere 14.6 million tons wse, according to the June 2023 balance sheet of the Committee for the Common Organisation of Agricultural Markets. This represents a 12.1% decrease over the previous year, exacerbated by an opening stock of merely 1.5 million tons wse, compared with the previous five-year average of 2.0 million tons wse. As a result, increased imports have been required to meet market demand, in fact exceeding the regular preferential supplies of the preceding years, hence further increasing import parity.

**The average price obtainable for Mauritius white refined sugar in the EU reached almost twice that of the preceding year while special sugars have been sold at no lesser values. The review of these selling prices resulted in a 20% enhancement in the sales revenue of the MSS**

## ↓ CEO's Report (cont'd)

The EU has therefore been the preferred export destination for Mauritius sugar from the 2022 Crop: it accounted for 80% of the total export, compared with 50% in the preceding year. Moreover, after the new positioning of the Mauritius special sugars in the marketplace in 2021, compounded by supply disruption in competing origins, the Mauritius Sugar market share within the EU has increased substantially, with sales over the 2022 Crop exceeding 100,000 tons, an almost 40% increase over the previous year. Sales to the US, finalised under the US raw sugar Tariff Rate Quota (TRQ), have also risen, thanks to the USTR TRQ reallocation over the year and also the flexibility provided by the USDA in the shipment time frame: hence, FY2022 deliveries attained 16,267 tons compared with 10,231 tons in the previous year.

The MSS is pursuing its endeavours in securing market supremacy for its special sugars. In addition to treasuring the product quality, food safety norms and the sustainable environment under which they are produced, the marketing strategy has been fine-tuned to be increasingly focused on customers' specific needs. After the launch of the 'Mauritius Sugar Label' in June 2021, emphasising the strengths and distinction of these natural sugars, an MSS virtual club, bringing together passionate buyers and users across the globe, has been set up. Whilst strengthening customers' loyalty, it will also be a platform for exchange of information on the distributors' respective approaches in promoting these sugars, including their recipes and ideas around how they can bring better value to the end products, and providing them with the required support to consolidate their respective market shares. The MSS Club was launched in Paris on 17th October 2022 alongside SIAL and subsequently presented

to Middle East customers on 20th February 2023 alongside Gulf Food Fair in Dubai.

In addition to consolidating sales in the over 60 countries where it is already present, MSS is set to further diversify its market base, focusing especially on countries where its special sugars enjoy a margin of preference. After the EU and US, China and India, with whom Mauritius has recently signed bilateral free trade agreements, are the new markets of attention, especially in light of the increasingly affluent consumer-base and changing food trends. While exports to China started in 2021, to the tune of 14,600 mttq over that year, the first container of special sugars was exported to India in late 2022 to a Mumbai-based gourmet-specialist distributor, who has ventured to develop a brand for these natural sweeteners. Notwithstanding India being one of the world's largest sugar producers, combined with the fact that domestic prices are controlled, a range of Mauritius sugars are currently being presented to potential users and feedback obtained has been quite positive.

The Gourmet Foods sector is a new segment being specifically targeted for the promotion of Mauritius special sugars. Although several Chefs are already using them in their recipes, it has been assessed that the intrinsic natural taste and nutritional value of these sugars are still not sufficiently known, as white refined sugar remains the primary ingredient as sweetener. Consequently, MSS has approached Chef Philippe Bertrand, a Meilleur Ouvrier de France, a globally prestigious award, for support in developing a range of sugars which will provide the best fit for pastries, bakeries, confectionery, ice-cream, and chocolate producers, thereby convincing these specialist users of the uniqueness of Mauritius sugars and enticing them to adopt them as must-use ingredients in their daily preparations. Indeed, the promise of these sugars is not only about sweetening, but making their cakes, chocolates, etc ... taste better!

In the same vein, after having sold Mauritius white refined sugar in the EU for a dozen years, the MSS has managed to identify, with the help of its commercial partners, niche market segments where they can be better valued. Following the renewal of the commercial partnership agreement with Cristal Co in June 2022 for a further three years, which puts emphasis on such value-added white sugar, a new three-year contract was signed with Italia Zuccheri Commerciale in July 2022 to focus on the deficient Italian market. In addition to the EEC Grade 2 quality, supplies from Mauritius include, amongst others, bottlers' grade, low-colour, extra fine white and Fairtrade-labelled or Bonsucro-certified sugars. Some 33,700 mttq, representing 38% of white sugar deliveries to the EU, have thus been sold within

**MSS is pursuing its endeavours in securing market supremacy for its special sugars. In addition to treasuring the product quality, food safety norms and the sustainable environment under which they are produced, the marketing strategy has been fine-tuned to be increasingly focused on customers' specific needs.**

the relevant market segments over the year under review.

Sustainability certification is no longer only a differentiating factor but has become a must in the segments where Mauritius sugars are sold, be it from an environmental, social or governance perspective, though the industry had always been perceived as fulfilling these promises. Following the Fairtrade certification among the smaller growers since 2008, Omnicane was the first mill in Africa to embark on Bonsucro certification in 2019. Alteo followed in 2021 while ENL, an independent corporate grower, was successfully certified in the year under review. For the 2022 crop, almost 35,000 mttq of Bonsucro-certified sugars were available for sales and this is set to increase as additional growers have meanwhile embarked on this program. In parallel, 13,645 tons of Fairtrade-certified sugars were produced and sold, regrettably far lower than the peak of 36,808 mttq attained from the 2015 Crop. However, as the MSS Multi-Purpose Cooperative Society (MCS) submits its application to FLO-Cert for Fairtrade certification, and several other independent MCSs reapply for certification, it is hoped that the tonnages lost over the last five to six years will soon be recovered.

The MSS is therefore geared up to seek the best value for each ton of locally produced sugar, which has become even more relevant after production attained a mere 232,707 mttq in 2022. The continued decline in crop outturn is unfortunate, not only as a source of concern in terms of achieving our sales objectives, but also in assuring the competitiveness of the sector. As sales have resumed and are underway at time of writing for 2023 Crop sugars, the world market price remains high. While the cost of energy has meanwhile subsided, the EU is likely to have a second consecutive year of production deficit, with import parity being a key price driver.

With the decision of the European Court of Justice in January 2023 that EU countries should no longer be allowed to grant temporary exemptions for banned neonicotinoid pesticides, there has been a reduced interest, especially in France, in growing beet, with an estimated year-on-year decline of some 22,000 ha in acreage under cultivation, although the overall EU acreage is estimated to have increased by some 40,000 ha. While there had been fear of low sugar yields for the 2023 Crop, firstly because of delayed sowing due to heavy rain in March/April, followed by insufficient rain in Spring, weather conditions seem to have improved and at time of writing, the average yield was expected to attain 11.2 tons sugar per hectare (tsh), compared with 10.8 tsh

for the 2022 Crop, but still short of the 11.7 tsh in the preceding year.

Meanwhile supply shortage has been counterbalanced by an increased supply of sugar from Ukraine which, since June 2022, has been granted duty-free and quota-free access. After rising from some 40,000 to 400,000 tons from 2021 to 2022, supplies in the new year are expected to attain some 500,000 tons wse though still short of the EU foreseen deficit of some 2.6 million tons wse for 2023/24, sales of Ukrainian sugar, not always conforming with EEC Grade 2 quality or the food-safety norms required by EU industrial users, tend to be done in a disorganised manner, hence pulling down market price levels.

Mauritius sugars for the 2023 Crop are therefore being sold under market conditions which are not less favourable to the preceding year, especially as global sugar prices have meanwhile increased further. This has renewed growers' incentives to continue investing in their farming practices with a view to increasing their yields and producing more sugar. However, bearing in mind the volatility of supply and demand, and subsequent sugar price fluctuations, it is essential that producers remain cautious about their costs. They should in fact be taking advantage of prevailing market conditions to invest in further cost streamlining to remain economically sustainable in the long term.

Devesh Dukhira,  
CEO

**Sustainability certification is no longer only a differentiating factor but has become a must in the segments where Mauritius sugars are sold, be it from an environmental, social or governance perspective.**



# White sugars

‡ *EEC Grade II Quality*

‡ *Bottlers' Grade*

‡ *ICUMSA 30*

‡ *Extra Fine White*





# Governance, Risk management, Audit & Internal controls



## Governance

### Main Committee and the Executive & Selling Committee (ESC)

The Mauritius Sugar Syndicate (MSS) is driven by a Main Committee (*Comité de Direction*) comprised of twenty two members, of whom fourteen represent the corporate sector, four represent large planters, and four small planters. Committee members have a diverse mix of skills and experience and are distinguished by their professional ability, integrity, independence of opinion, and a high standard of ethics.

To facilitate efficient decision making, ten members of the Main Committee are appointed to the Executive and Selling Committee (ESC), which meets at least every two months together with the Senior Management of the MSS, to maintain oversight of operations and other matters pertaining to the functions of the MSS and approve key decisions. The ESC met seven times in the year under review.

The ESC delegates some of its powers, supervisory role and responsibilities to three sub-committees, namely:

- The Marketing Committee
- The Forex Committee
- The Audit and Risk Management Committee (ARMC)

These sub-committees operate within defined terms of reference, and the outcomes of their meetings are presented to the ESC for approval.

### Marketing Committee

The Marketing Committee acts as an advisory committee to the ESC, reviewing and discussing the following matters prior to making recommendations to the ESC:

- Marketing strategies in light of marketing opportunities and the use of communication plans;
- Sales plan in terms of types of sugars, pricing, and market channels;
- Production planning for each Crop year;
- Warehousing, logistics, and delivery facilities or arrangements.

The Marketing Committee comprises the CEOs of the three mills, a representative each of corporate growers and individual planters, and the Chief Executive and Chief Marketing officers of the MSS. The Marketing Committee met six times during the year under review.

### FOREX Committee

The ESC delegates its responsibility for managing the foreign exchange risk of the MSS export proceeds to the FOREX Committee.

The terms of reference of the FOREX Committee are:

- To define and agree on the objectives of the MSS in the area of foreign exchange risk management;
- To approve policies and procedures for prudent management of foreign exchange risks and hedging arising from the operations of the MSS;
- To approve the use of hedging instruments;
- To define the level of risk that the MSS is willing to assume to achieve the targeted ex-Syndicate price for a crop harvest, by setting risk parameters for targeted exchange rates.

A Forex update is sent regularly to members of the Forex Committee, providing a status report on foreign exchange sales performance in comparison with targets and, if required, re-assess the risks and review targets.

The Forex Committee includes the President and the Vice President of the MSS, a representative each of corporate growers and individual planters, as well as the CEO and CFO of the MSS, and met twice over the year under review.



## Audit and Risk Management Committee (ARMC)

The ESC delegates its responsibility for Internal Controls and Risk Management to the Audit and Risk Management Committee (ARMC), which reviews the risk philosophy, strategy, and policies of the MSS.

The terms of reference of the Audit and Risk Management Committee are:

- To continuously evaluate the financial reporting process;
- To review the accuracy, integrity, and reliability of the financial statements of the MSS;
- To examine the adequacy and effectiveness of the Governance, Risk Management, and Internal Control Systems of the MSS;
- To approve the annual plan and assess the report of the Internal Audit function; and
- To attend to matters raised by auditors prior to, during, or after completion of the audit of the financial statements and any other relevant reviews.
- To recommend the appointment of external and internal auditors.

The ARMC is composed of at least two members of the Corporate Sector and two individual planters' representatives, the CEO and CFO of the MSS. Internal Auditors and External Auditors are also invited to attend when deemed necessary. The ARMC met four times over the year under review.

## Risk Management

Risk Management is rooted in the internal processes of the MSS. It focuses on identifying, assessing, mitigating, and monitoring the undesirable impact inherent to emergent business risks which may complicate the operations of the MSS and contravene its objectives.

The Management of the MSS is accountable to the Main Committee, through the ESC, for the establishment of processes and procedures to evaluate and mitigate risks arising in its day-to-day operations. Given the dynamic nature of risk, MSS Management reviews and monitors the key and emergent risks on an ongoing basis, which are then reported to the ESC and the Main Committee, to enable informed and timely decision-making and changes to the risk management strategy.

## Audits

### Internal Audit

Ernst and Young (EY) provided internal audit services to the MSS as part of a contract which covered the period from 1st August 2020 to 31st July 2023.

EY provides independent assurance to the ARMC as to the adequacy and effectiveness of governance, risk management, and internal controls. It reviews all activities and transactions undertaken within the MSS and reports thereon.

During the year under review, EY developed an Enterprise Risk Register.

### External Audit

Deloitte was appointed as External Auditors of the MSS for the third consecutive year for the audit of its financial statements for the year ending 30 June 2023. Deloitte's team had unrestricted access to all records, information, transactions, and other documents. Management assisted the External Auditors by providing access to relevant information on a timely basis.

Reports issued by the External Auditors, namely the Management Letter and Audit Reports, have been promptly and properly attended to by the Management of the MSS and the ARMC.

## IT Governance and Controls

The MSS recruited a new IT Executive in January 2023, whose role is to ensure proper IT Governance and Controls. One of his main responsibilities at present is the upgrade of the IT systems and infrastructure within the MSS to further enhance operational efficiency, while upholding its IT security policies.



# Golden sugars

- ‡ *Golden Granulated*
- ‡ *Golden Caster*
- ‡ *Fine Caster*





## ↓ 2022 Crop Production & Sales Performance

2022 crop figures

**39,199<sub>ha</sub>**  
OF LAND HARVESTED

**2.3 M tons**  
OF CANE HARVESTED

**233K mttq**  
SUGAR PRODUCED



**1**  
REFINERY



**3**  
SUGAR MILLS



**10.3%**  
SUCROSE  
EXTRACTION  
RATE



**9K**  
SUGAR CANE  
SUPPLYING  
PLANTERS





## 2022 Crop Production

A reduced and alarming crop outturn of 232,707 metric tons sugar *tel quel* (mttq), produced from 2,255,046 tons of cane crushed harvested over an area of 39,199 Hectares (Ha), was recorded in 2022. This is 9% lower than the 255,818 mttq production over the preceding crop while the area harvested fell over this period by a significant 2,698 Hectares (Ha) to 39,199 Ha. At 57.57 tons of cane per hectare, the average cane productivity for the 2022 Crop was 9.7% below the previous year's performance but 18.0% below the last five years' mean. Persistent dry weather conditions during the crucial vegetative phase of cane growth, combined with the 6.4% decrease in cane area harvested, resulted in a significant cane loss which unfortunately could not be offset by the extraction rate, which rose to 10.32%, compared with the 9.59% achieved in the previous year. The sales of these sugars have been finalised over the course of the year by the Mauritius Sugar Syndicate (MSS), as detailed hereunder.



# 2022 Crop Production & Sales Performance (cont'd)

## Market Environment

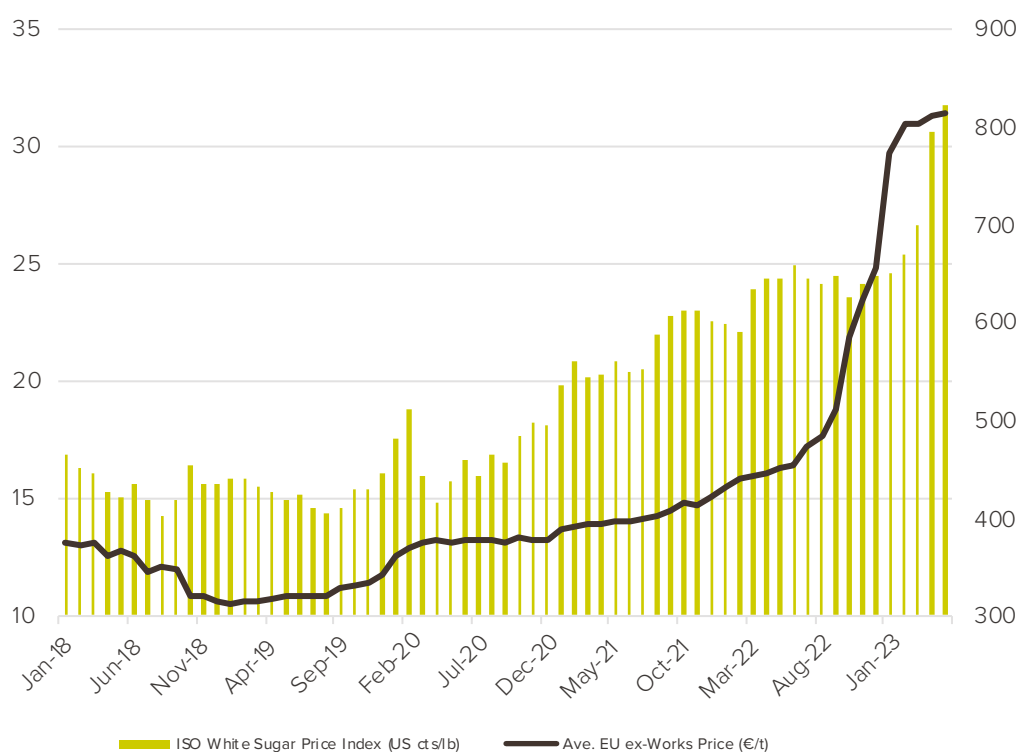
### World Market

Despite a gradual increase in global sugar production over the last two years, it has still not reached the record level of 180 million metric tons tel quel (mttq) achieved over the 2017/18 campaign. According to the International Sugar Organisation (ISO) August 2023 estimates, production could attain 177.0 million mttq in 2022/23, a reduction of 4.9 million mttq from its initial forecast in August 2022, but 2.5% higher than the 2021/22 production estimates of 172.7 million mttq. The 2022/23 production forecast decline is attributed mostly to the reduced crop outturn in India and EU, with the latest ISO estimates pointing to 32.7 million and 13.9 million mttq, compared with the initial figures of 35.5 million and 14.9 million mttq respectively, mostly due to insufficient rainfall. It should be recalled that, for the same reason, Brazil had experienced a significant drop in production from 38.5 million mttq in 2020 to 32.1 million mttq in 2021, though it is expected to have reverted back to some 42.1 million mttq in 2022 with an improvement in yields thanks to better weather conditions and a higher sugar mix led by enhanced prices.

Global consumption is expected to reach 176.5 million mttq, compared with 174.8 million mttq in the previous year, seemingly restoring average annual growth of 1% after the impact of COVID-19. Hence, a global production surplus of less than half million mttq is estimated during the year under review.

Though the surplus is a relief after three consecutive years of deficit, this is deemed insufficient as the stock-to-consumption ratio would be at a mere 57.5%, still short of the last 5 years' average of 59.1%. Export availability is exacerbated by reduced trade flows triggered by regulatory and logistics constraints amongst the world's largest producers.

For the above reasons, the world market price for sugar, with the New York #11 price for raw sugar having already risen over the previous campaign to a range of US 18-20 cts/lb, remained supported over 2022/23, and in fact increased further as of the first quarter of 2023 with the announcement of reduced production in India in particular. With the support of non-trader speculators, their investment having reached 150,000 lots long, i.e. over 7.5 million tons sugar equivalent, the New York #11 futures surged to a peak of US 27.41 cts/lb by the end of April before receding to US 25-26 cts/lb. Sugar in fact outperformed other agricultural commodities over the year under review. However, at the end of the crop year in June 2023, there was a major sell-off of funds, as for several other agricultural commodities, despite little change in the market fundamentals, and the New York #11 futures fell below US 23 cts/lb before reverting around US 24 cts/lb over the following months.





## EU Market

According to the EU Sugar Market Observatory, EU-27 production from the 2022 beet crop is estimated at 14.6 million tons white sugar equivalent (wse), representing a decline of 2.0 million tons wse over the previous year. It is in fact comparable to the 2020 EU crop outturn, as the harvest was impacted by a further reduction in area under beet cultivation, from 1.40 million to 1.34 million ha over these two years, and a sharp drop in yields to 10.8 tons sugar per ha (tsh), compared with 11.7 tsh in the previous year. The beet was impacted by a combination of a hot and dry Summer, the yellow aphid virus in certain risky regions, and cold December spells in North Western Europe.

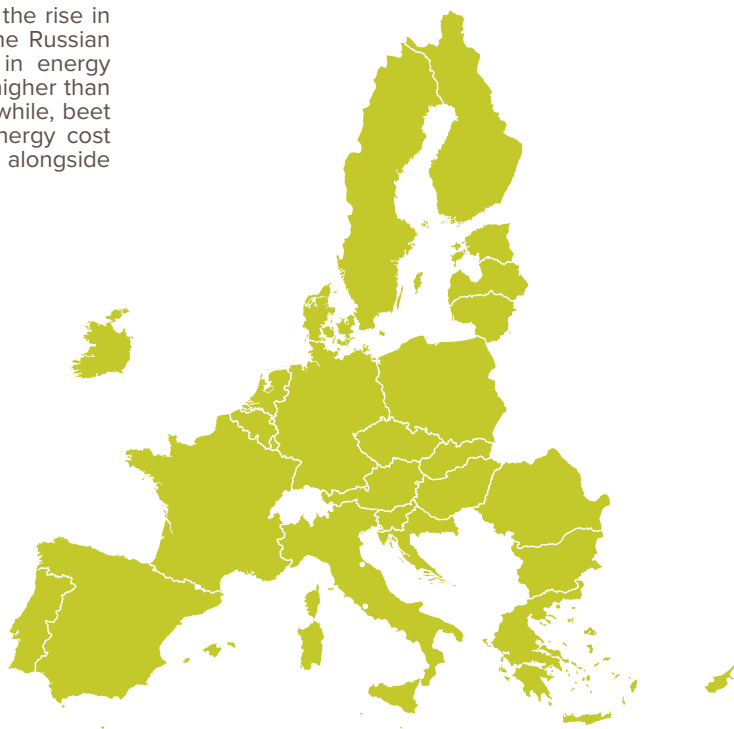
According to the June 2023 balance sheet, EU-27 sugar consumption has fallen to an annual average of 14.7 million tons wse since the outbreak of COVID-19, which is some 16% lower than the three-years' average preceding the pandemic. Taking into consideration an opening stock of only 1.5 million tons wse for the year under review, compared with the five years' average of 2.0 million tons use and export of sugar in processed foods to the tune of 2.6 million tons wse, the continent faced a significant deficit, hence requiring imports to meet market demand. According to the June 2023 balance sheet estimates, total sugar imports for the year, excluding processed foods, are estimated to have reached 2.4 million tons wse, compared with the last five years' average of 1.6 million tons wse.

EU sugar prices over the 2022/23 campaign were consequently influenced by Import Parity, supported by a firm world market price which in fact strengthened further as from the end of 2022. The cost of imports was exacerbated by the rise in refining costs in the EU, especially as the Russian invasion of Ukraine triggered a surge in energy prices, which rose to up to seven times higher than the preceding five years' average. Meanwhile, beet sugar processors experienced similar energy cost rises, intensified by beet price escalation alongside

price increases for alternative crops like cereals, wheat, rapeseed, soya, etc. The price paid per ton of beet hence rose to €40-65 over the 2022 crop, compared with the average of € 25 seen in previous years.

The EU price increases have been reflected in the EU Sugar Market Observatory monthly reports, which show that the average ex-works price of white sugar in EU-27 increased from € 512 per ton at the end of the prior marketing year in September 2022, to € 655 per ton in December 2022, surging to € 821 per ton sugar across the continent in July 2023, as reported at time of writing, and € 915 per ton sugar in the Southern European deficit regions, which are record high levels. The average price for the 2022-23 crop campaign as of that date consequently reached € 751, a 67% rise over the preceding year's average of € 449, and over twice the average level attained over the 2018-19 campaign, which had been impacted by the record EU beet production of 2017.

The prevailing prices are likely to persist over the following delivery period, especially in light of an opening stock which remains low, a beet sugar production level which is expected to be marginally higher than for the preceding crop, hence a continued reliance on imports, and, most importantly, a world market price which remains at high levels. Although the cost of energy has meanwhile subsided, the price per ton beet remains within the € 40 - 65 range in order to preserve its competitiveness and maintain acreage under beet cultivation.



# 2022 Crop Production & Sales Performance (cont'd)

## White Refined Sugar

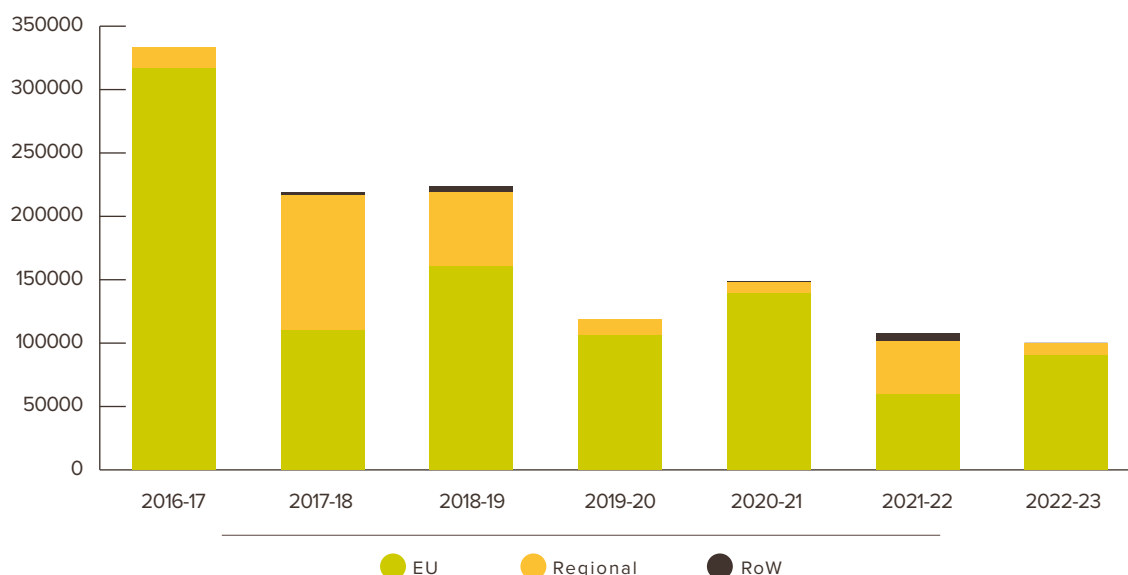
In view of the above, especially with the significant premium above the world market price obtained for white sugar within the EU, most of Mauritius' white sugar was directed to this destination, exported duty-free under the EU/ESA Economic Partnership Agreement. Hence, the MSS finalised sales of some 88,000 metric tons (mt) white refined sugar from the 2022 crop, compared with some 59,000 mt in the previous crop. By contrast, deliveries to the regional COMESA market, where Kenya is usually the most attractive destination, and where Mauritian sugars also benefit from duty-free access, reached a mere 13,000 -mt, compared with 42,000 mt in the previous year.

Meanwhile, the MSS has assessed and explored with its EU commercial partners how to generate more value for Mauritius white refined sugar, especially among industrial users looking for cane sugar specifically, bottlers' grade or extra fine sugar standards, or even those looking for Fairtrade or Bonsucro certifications. The objective was to capture

an additional premium over the price of standard white refined sugar, made possible through delivery of some 38% of the EU sales from the 2022 crop.

Other destinations where Mauritius white refined sugar enjoys preferential access include the Southern African Customs Union (SACU), where a duty-free Tariff Rate Quota (TRQ) of 2,984 mt was allocated for 2022/23, and China where a TRQ of 20,000 -mt at 15% import tariff was granted for 2022 under the Free Trade Agreement (FTA) signed between the two countries. Given that prices obtainable in these markets have been closer to price levels, with a year-on-year increase of less than 15%, compared with almost 100% in the EU, deliveries from the 2022 crop to these destinations reached a mere 1,100 -mt, compared with almost 8,000 -mt in the previous year. The average selling prices achieved by MSS in the EU, including for value-added sugars, were in fact over 40% higher than those which applied in its other export destinations.

Evolution of export sales of white refined sugar (in mt)



## Special Sugars

Exports of Special Sugars produced from the 2022 crop have been finalised at some 136,200 mt. Though short of the 156,200 mt delivered in the preceding harvest, this tonnage included only 2,100 mt of Direct Consumption Raw sugar delivered to Kenya as spot sales, significantly less than the 40,900 tons delivered in the previous year. Unlike the authentic Mauritius special sugars, Direct Consumption Raw sugar has in fact been sold in Eastern Africa over the last six years as a commodity, and for the campaign under review, the average price obtainable has been markedly inferior to that achievable in the EU, hence

sales of white refined sugar to the latter destination have been prioritised.

In absolute terms, the market share of Mauritius Special Sugars in the EU market has increased by 38% from 2021/22 to 2022/23 to 101,800 mt, accounting for 75% of the total sales of special sugars for the crop under review. In parallel, the average price obtained from sales of these special sugars has increased by over 25% compared with the preceding year.

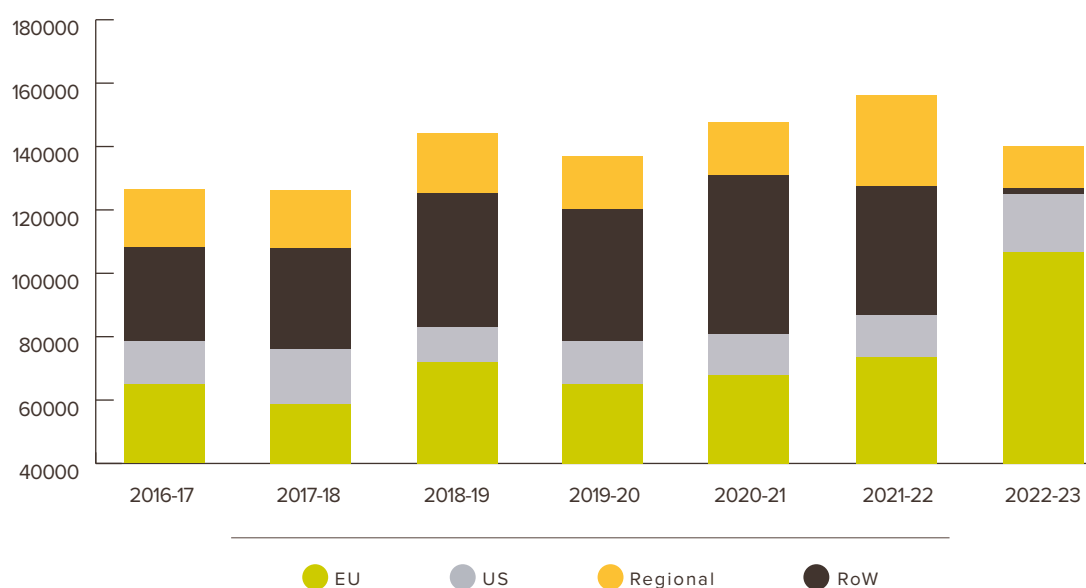
This outstanding performance is also the consequence of competing origins, especially those in Central and Latin America, having focused on delivery of white refined sugar to the EU to the detriment of their direct consumption raw sugars, thus triggering a shortage of supply. The MSS, with one of its core values being to provide reliability and consistency of supply, has not only secured the tonnage contracted with its existing customers, but also opened business partnerships with new customers who had been let down by other producers.

As regards the US market, out of the minimum 1,117,195 metric tons raw value (mtrv) in-quota raw sugar under its WTO obligations, the office of the US Trade Representative allocated to Mauritius a minimum

TRQ of 12,910 mtrv for FY2023 in July 2022, and an additional 3,539 mtrv during a reallocation exercise in March 2023. The MSS took this opportunity to consolidate its market presence by securing higher sales with its strategic US partners, reaching a total of 17,955 metric tons in 2022/23, compared with 13,065 tons in the previous year.

With regards to other market destinations - namely, the Far East and Middle East regions - sales reached 16,464 -mt for the period under review compared with 28,657 -mt in the previous year, mainly due to a sales reduction in China to only 3,550 mt, compared with 9,400 mt in the previous year. This is due to inferior price levels, with Mauritius special sugars not yet being valued as they are in the MSS' traditional markets.

### Evolution of export sales of special sugars (in mt)



### Refining of imported raw sugar for export sales

With the continuous decline in sugarcane production, and despite the closure of the Alteo Refinery in 2020, the Omnicane refinery, now the only such facility on the island, has found itself with spare capacity, which has prompted the industry to import raw sugar for processing, to complement local produce. This flexibility is allowed under the trade agreements which Mauritius sugar enjoys, i.e., under the Economic Partnership Agreements with the European Union and United Kingdom, where a 15% value-tolerance rule applies, or under COMESA, where a minimum 35% local value-addition is imposed. Consequently, high polarisation raw sugar can be imported by MSS on behalf of Omnicane, mixed at the refinery with local sugar production to meet the specific rules of

origin, and exported against back-to-back contracts, primarily to Eastern Africa under COMESA, but also to the EU and other destinations when market conditions warrant. Such operations are performed by MSS against a management fee, under the terms of an MOU signed with Omnicane Refinery in which all risks and rewards are borne by the latter. In the year under review, pursuant to tender procedures, two vessels of raw sugar were purchased from Brazil and one from India, amounting to 125,753 mt in total. 67,810 -mt of the imported raw sugar feedstock are estimated to have been refined for the above purposes and another 23,080 -mt for sales on the domestic market.

# 2022 Crop Production & Sales Performance (cont'd)



## Local Market

MSS domestic sales reached some 23,363 mt white refined sugar and 6,476 mt Direct Consumption (DC) raw sugar over the 2022 crop year, compared with 28,546 and 6,646 mt respectively in the preceding year. The loss in market share is attributed to continued imports over the last quarter of 2022 by industrial users who are still exempt from payment of the 100% customs tariff. However, with the increasing cost of imports, especially with the surge in world market price in early 2023, while the MSS has made price adjustments solely on the basis of the better prices obtainable in export destinations after deduction of delivery charges, these competing imports have been suspended as of early 2023.

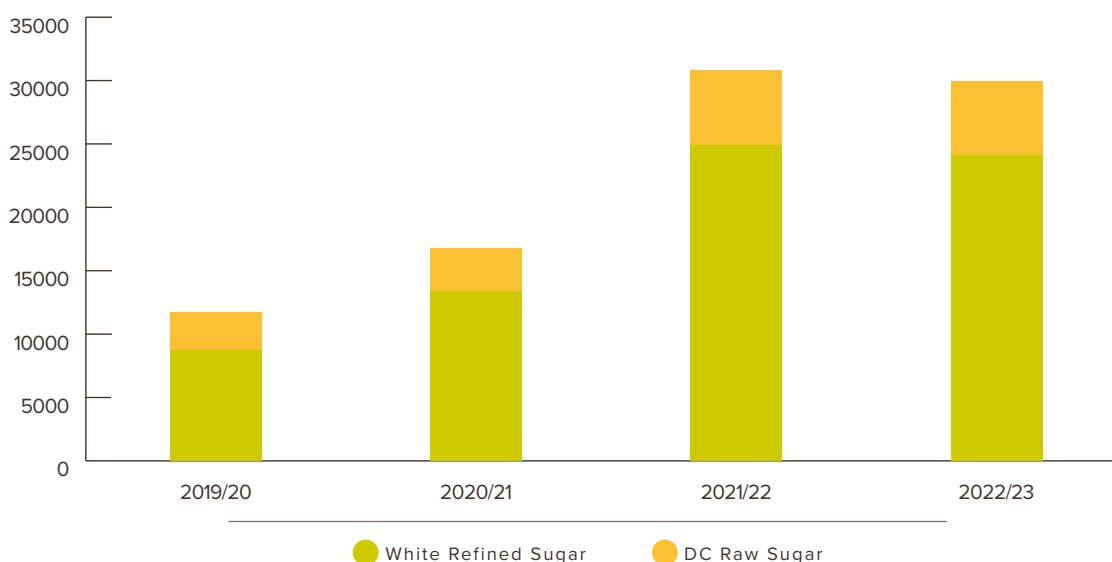
On the other hand, while sugar consumption within the catering trade has been driven by the re-opening

of the Mauritian borders, overall sales seem to have been impacted by the increase in selling prices. This includes taxes representing 6 cents per gram of sugar content applicable to processed foods and drinks, sales of which have consequently been affected.

Meanwhile, the MSS has sustained a dynamic social media communication campaign to keep educating local consumers on the use of special sugars across recipes and other applications. The Facebook page of the MSS has already attracted some 20,300 followers and likes.

As a result, special sugars sales have risen to 500 mt in 2022/23, compared with less than 100 mt in the preceding period.

Evolution of local sales (in mt)





## Deliveries

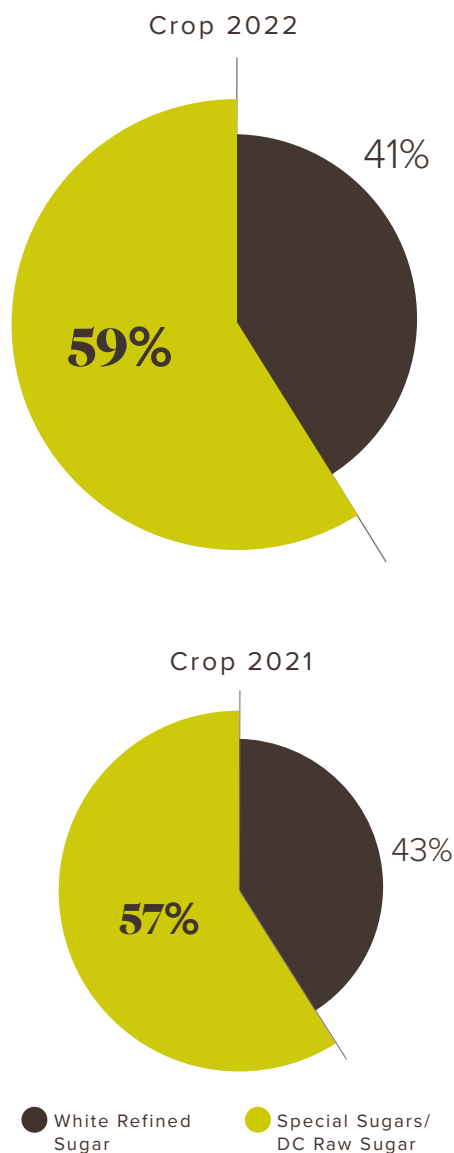
The global supply chain crisis endured in 2021/22 has eased considerably as the shipping industry moves towards a normalisation of its activities. Export operators in Mauritius, including the Mauritius Sugar Syndicate (MSS), have consequently experienced more regular departure of vessels from Port Louis. In addition, the Mediterranean Shipping Company (MSC) has introduced a new service from India to South Africa via Port Louis, increasing its services from Port Louis to South Africa to two weekly sailings for connections to EU and USA ports. With the increased fluidity in container movements In and Out from Port Louis, MSS has partially regained customer confidence and satisfaction, which had been severely impacted during the two preceding years as a result of the COVID-19 related movement restrictions. Likewise, there has been a significant reduction in port storage costs for containers at the Cargo Handling Terminal prior to loading onto vessels.

Ocean freight is an important cost element in the export of sugar, determining the competitiveness of the origin. After having reached an unprecedented peak in 2022, freight levels started subsiding as of Q4 of 2022 with persistent inflation, rising interest rates, and excessive inventories to name a few factors impacting negatively on international trade. The MSS has accordingly reviewed its freight agreements with the shipping lines.

For the period under review, the MSS has arranged delivery of its sugars with the support of the three shipping lines serving Port Louis, namely MSC, Maersk line and CMA-CGM, to 88 ports worldwide. This includes 42 ports in the EU, 6 in the USA and the remaining 40 including regional and world market destinations. Moreover, with a view to mitigating its shipping risks, while continuously tapping into optimal freight rates and space allocation, the MSS has spread its shipment orders more evenly amongst these companies and remains open to discussions with new operators.

Another essential component in the MSS supply chain is the availability of empty food grade containers. As the largest domestic exporter, it needs to ensure the security of supplies of empty food grade units at any given time to meet the export requirements of bagged sugar, both white and special sugars. For 2022/23, the buffer stock has remained relatively stable as import activities gained momentum compared -with the previous two years. MSC has meanwhile optimised its container fleet, with its sister company Medlog Ltd now being responsible for preparing their food grade standard containers, while the other shipping lines have secured their supplies of such containers through third party operators like Mauritius Freeport Development (MFD) and Associated Containers Services Ltd (ACS Ltd). The MSS Quality Assurance team has played an important role in ensuring that all containers used for the export of sugar undergo a strict selection and preparation process as *per its 'Cahier des Charges'*, bearing in mind that the sugars are produced by BRC-certified mills. The depots are regularly audited and personnel trained, and the containers randomly inspected by MSS Quality Analysts to ensure they are fit for purpose.

### Production Mix



For the crop under review, Omnicane loaded some 7,554 containers of white sugar, refined from both originating and imported raw sugar feedstock in compliance with the rules of origin, at its loading facilities at La Baraque, L'Escalier. These filled containers were subsequently transported to two pre-shipment storage facilities in Port Louis, namely Cargo Handling Corporation Ltd (CHCL) and ACS Ltd, allowing MSS to mitigate its operational risks while reducing its storage costs. All container movements, from preparation at the depots and loading at the refinery to delivery to customers are tracked by the MSS in-house IT platform. Moreover, through a joint and continuous effort, the MSS and Omnicane teams have been matching production with customers' delivery plans, thereby reducing storage costs, and containing demurrage and detention at reasonable levels.

# ↓ Deliveries (cont'd)

Production of special sugars over the 2022 crop dropped to 138,358 mt from 150,561 mt in 2021, a decline attributed firstly to the reduced crop outturn and secondly to an improved remuneration for white refined sugar. The special sugars produced by Alteo Milling and Terra Milling Ltd during the harvest were delivered for storage in Port Louis to the warehousing facilities managed by the Mauritius Industry Cane Authority (MICA), at Caudan and Sheds 1 and 2 of the Bulk Sugar Terminal, as well as to Velogic Ltd and Mauritius Freeport Development Ltd (MFD) warehouses in Mer Rouge and Jin Fei respectively. The respective storage capacity and throughputs achieved over the year under review are as follows:

	MICA	MFD	VELOGIC	TOTAL
Storage capacity (mt)	95,000	25,000	9,000	129,000
Stock throughput (mt)	88,572	33,634	16,153	138,358

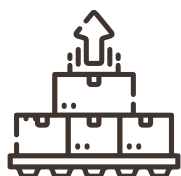
While there was a general increase of 5% in warehousing costs over the year, the MFD increased its rate significantly at the time of renewal of the agreement in May 2022. With regards to future storage capacity, further to the Government's announcement in the 2021 Budget that it will finance the construction of a state-of-the-art warehouse in Jin Fei to accommodate some 100,000 mt of bagged sugar, the MICA has appointed a consultant for its conceptual design and specifications. Unfortunately, at the time of writing, the contractor has not yet been appointed. Given the poor visibility on the completion date of this project, the MSS has had no choice than to extend its agreement with MFD for two additional years.

## Total Export July 2022 - June 2023



No of TEUs  
(Special Sugars):

**5,913**



No of TEUs  
(White refined Sugar):

**7,554**

## Production from 2022 Crop



Special Sugars /DC Raw Sugar

**138,358** mt

**150,561** mt  
(crop 2021)



White Refined Sugar:

**203,164** mt

Including 95,992 mt from  
locally grown cane

## Payment to Producers

In addition to proceeds from their sugar sales, handled by the MSS, and details of which are in the Financial Review of the report, producers receive payment for the sugar co-products, namely bagasse and molasses, being mainly used for the production of electricity and alcohol respectively. Following the review in bagasse remuneration in the June 2021 national budget, which increased payment for bagasse to Rs 3,300 per ton equivalent sugar for the 2 consecutive crops, Government approved the National Biomass Framework in May 2023. This framework aims at incentivising producers to maximise, in addition to bagasse, the use of cane trash and also cultivate other biomass in difficult areas to increase production of energy from green sources, thus contributing meaningfully to the national effort to attain the 60% renewable energy target by 2030.

Otherwise, a Cane Replantation Revolving Fund was set up to provide loans to planters at an annual preferential interest rate of 2.5%. Managed by the Development Bank of Mauritius, this scheme which carried an envelope of Rs. 200 M in the year under review, is mainly meant to service the needs of corporate and large planters and 17 applications for a total cane extent of some 2,500 Ha have accordingly been submitted. As for the smaller growers, the Cane Replantation Scheme was renewed, whereby concerned planters are eligible for a grant of Rs. 50,000 per arpent for the same purpose: 751 planters owning 515 Ha land benefitted from this programme. In addition, planters with up to 60 tons of sugar accruing also benefitted from a waiver of general and fire insurance premiums for the 2022 crop. In accordance with the long-standing agreements between the MSS and suppliers of cane management and harvest services, at-source cost deductions have been made from sugar proceeds of concerned planters of the Alteo and Omnicane factory areas for subsequent repayment to service providers.

Compared with the 2021 crop during which a total 72,000 tons of cane belonging to 405 planters had been harvested and transported to these two mills, the 2022 campaign was marked by a reduction in both the volume harvested and the number of supplying planters, with only 40,293 tons of cane reaped by 371 growers. By virtue of agreements with milling companies over the last 7 years, payment of transport costs over 4 miles (6.4 km) and compensation for weighbridge closures were made to eligible planters by the MSS. For the 2022 crop, Rs. 35.9 M were thus distributed to concerned planters via the MSS, compared with Rs. 35.6 M for the preceding year. In addition, in pursuance of the terms of an accord with the Mauritius Cane Industry Authority (MCIA), the MSS made at-source deductions representing 50% of the value of fertilizers supplied to some 6,580 planters cultivating sugar cane on less than 100 ha. Whereas Rs. 54.9 M had been recouped under this scheme for the previous crop, Rs. 89.4 M were deducted from this category of planters' sugar proceeds for the 2022 crop for remittance to the MCIA. In November 2022, following a Government decision to refund SIFB premium deducted for the 2019, 2020 and 2021 crops from the minimum price of Rs. 25,000 per ton sugar guaranteed to planters with sugar accruals of up to 60 tons, the MSS received an amount of Rs. 104.8 M from the MCIA which was subsequently remitted to the relevant beneficiaries.





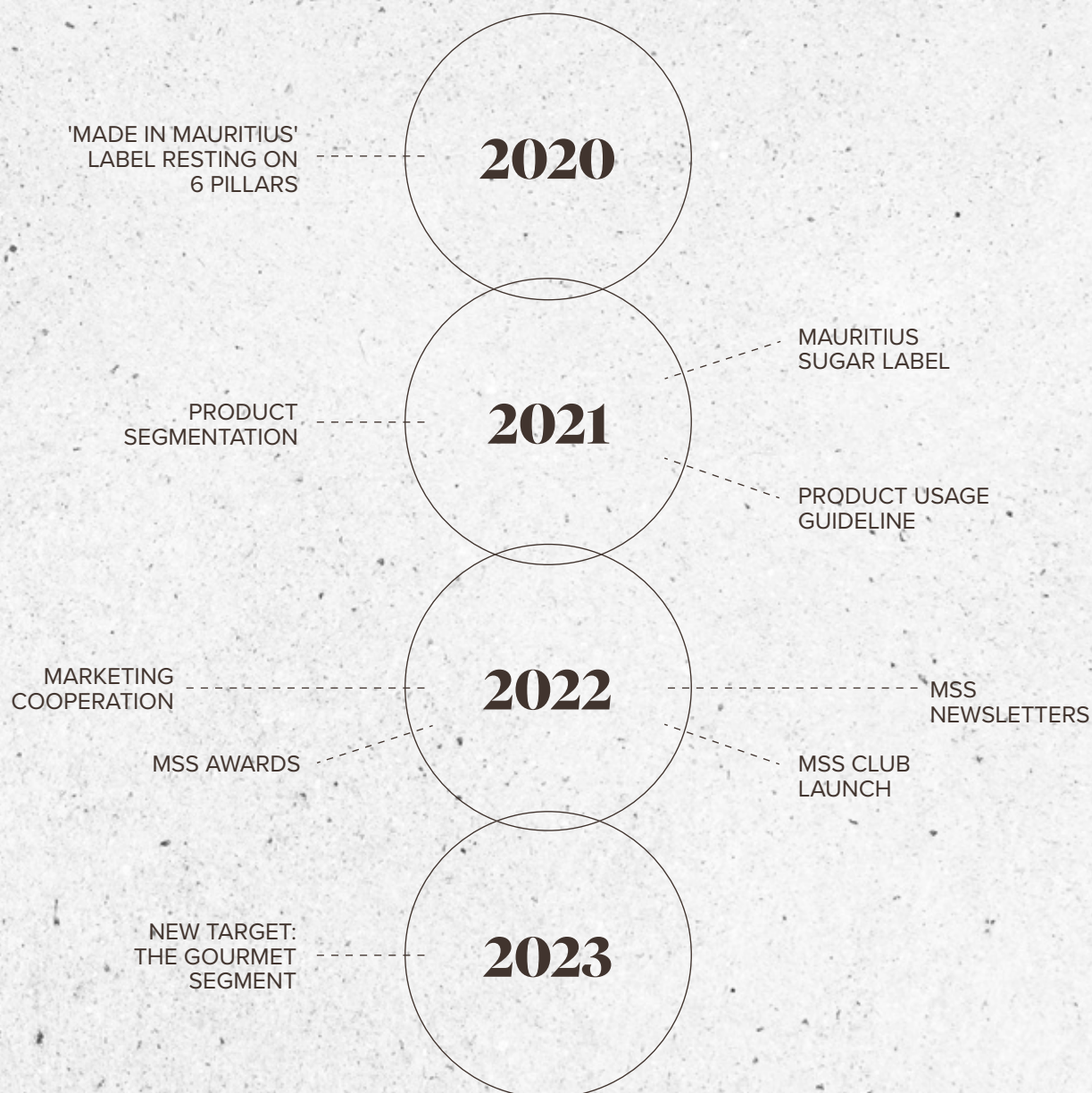




# Demerara sugars

- ‡ *Extra Fine Demerara*
- ‡ *Fine Demerara*
- ‡ *Dark Demerara*
- ‡ *Dry Demerara*
- ‡ *Standard Demerara*

# ↓ A Continuous Journey | Towards Greater Heights



## The journey since 2020

Our journey towards enhancing the value of Mauritius Sugars was reinvigorated in 2020 with the definition of the six pillars; these consist of the key successful factors of the Special Sugars in particular, namely, (1) their wholesomeness, with no additive, (2) their unique taste, (3) their health benefits, with high -content of nutritional elements, (4) their traceability, from the field to the crystalised sugar, (5) the sustainable production practices used, including the green farming methods and circular economy comprising production of the sugar and its co-products, and finally (6) the role of the Mauritius Sugar Syndicate (MSS) as an easy and convenient one-stop-shop for buyers to contract orders for all Mauritius sugars.

The essence of these unbeatable values has led to the creation of the Mauritius Sugar Label as a gauge of quality, reliability and consistency.

As such, a number of brands have seen value in adding the Mauritius Sugar Label to their product packaging.

The “Made in Mauritius” has enabled brands to associate themselves in delivering an experience. The visits of brand ambassadors, which was subsequently relayed through stories across specialised media, have fostered such exposures.

In parallel, the MSS has focused on the classification of Mauritius Sugars through a distinctive product segmentation, thereby providing buyers with better clarity and guidance towards product usage and application in both B2B and B2C market segments.



## DELIVERING AN EXPERIENCE



## DELIVERS THE STORY





# ↓ A Continuous Journey | Towards Greater Heights (cont'd)

## Reaching out to MSS commercial partners

As part of a communication initiative aimed at buyers better understanding the Mauritius Sugar package, the MSS has produced and circulated three newsletters over the period under review highlights of which follow:

### ● Edition No 1: Sustainability of the Mauritius Sugar Industry

#### Best 'Green' Cultural Practices

The MSS celebrates the commitment and dedication of sugar cane planters and millers towards safeguarding the environment.

The industry has truly embraced changes in the way it interacts with the environment, bringing innovative solutions to the market. For example, green cane harvesting is the preferred policy, leaving the trash blanket on the soil, thereby reducing the use of herbicides and improving soil fertility. Recently, there has been a significant acceleration in the adoption of green practices. These not only help to mitigate the impact of climate change and reduce negative health outcomes for neighbouring communities, but also improve cane and sugar quality.

#### Honouring A Unique Terroir

These green practices honour the island's unique terroir, the origin of the natural goodness of our sugar cane. Leveraging the rich experience of Mauritian growers and millers, our different sugars are ethically and carefully crafted from freshly cut non-GMO canes.

#### Millers' Commitments towards Corporate Social Responsibility

Our millers believe in promoting community wellbeing. The Omnicane, Alteo and Terra mills have partnered with different NGOs to support local communities, especially the most vulnerable layers. Poverty alleviation, environmental protection, women empowerment, education, and training, are amongst the priority areas around which their social projects are devised.

#### Quality Management & International Accreditations

The Mauritius sugar industry is uncompromising on quality.

All mills are BRCGS (British Retail Consortium Global Standard) certified and have strong quality and food safety cultures.

Moreover, Mauritius Sugars are Bonsucro certified, meaning there is a continual assessment and improvement of our operational performance and efficiency. The result of this unwavering quest for quality: perfect sugar crystals with excellent flavour.

#### Negative Carbon Footprint & Low Blue Water Footprint

In the fields or in the mills, our people strive to protect our ecosystems. Committed to containing our carbon and water footprints, we play our part in promoting the United Nations Sustainable Development Goals.

From farm to port, when the export to the national grid of bagasse-fired energy is taken into account, the carbon footprint of our sugar is negative, while our blue water footprint is lower than the world average utilisation.

#### Sustainability at the heart of milling operations

Today, it cannot be denied that the industry is much more than sugar production. We know that offering delicious products is simply not enough and believe that quality and sustainability go hand in hand. This is why we are committed to adopting best sustainable practices from end to end.

Through strict quality control procedures, we ensure that our sugars conform with the highest quality and safety standards, from the production process at the mills to the packaging and distribution. The millers take operational excellence at heart and accompany us in our continuous quest for the perfect balance between taste, quality and sustainability.

Producing value while reducing our environmental impact, the mills have adopted the circular economy approach: an opportunity to do more while producing less waste. They make an optimal use of the by-products to generate electricity – a significant part of which is exported to the national grid - bioethanol and fertilisers.

Moreover, the mills are increasingly reusing effluents for the irrigation of sugar cane fields as part of their waste management programme strategy. Thanks to the millers' unceasing efforts, we are progressing towards our sustainability goals and those of our clients.



### **Trading fairly**

Our priority is to help shape a sustainable future for our people.

We are proud to affirm that this is – slowly but surely – being made possible through Fairtrade. Small planters have seen their resilience and livelihoods considerably improve since the certification of their co-operative credit societies.

A few facts and figures: today, 21 co-operatives are Fairtrade certified while a few others have applied for certification. Since the certification of the first group of 5 cooperatives in 2009, small-scale planters grouped in Fairtrade Cooperatives have benefited from Fairtrade, receiving more than Rs 700 million as premium on the approximately 265,396 metric tons of certified sugars sold over the last 12 years.

The premium obtained has allowed planters to improve the sustainability of their farms and increase their resilience. Governance at the level of their cooperative societies has improved and women are now increasingly involved.

Health and safety considerations are now key focus areas for farmers and workers alike. Whereas the uptake of Fairtrade certified sugar stands at around 30% globally, MSS has consistently sold almost the complete annual Mauritian production, thus providing maximum benefits for our farmers.

### **Supporting & Empowering Our People**

We have been collaborating with growers and supporting them for more than a century, by bringing them maximum value for their sugar. Today, all industry partners, including workers, are aligned with the imperative to work together for the advancement of the Mauritian sugar cane industry and the preservation of its unique legacy.

# ↓ A Continuous Journey Towards Greater Heights (cont'd)

## ● Edition No. 2: Product Focus

While it was important to set up an eco-friendly and a social environment, the next step of the communication plan was to talk about Mauritius Sugar's range of products.

A feast for the eyes, each sugar is perfectly crafted, in crystal size and shade, before sweeping the consumer in a gourmet journey of intense aromas and tastes.

Centuries-old craftsmanship and traditions coupled with an exceptional terroir have led to the development of our core collection of Special Unrefined Sugars. This unmatched natural product line is segmented as follows:

- Dark Brown Soft & Light Brown Soft sugars,
- Dark Demerara & Demerara sugars,
- Raw Cane sugars
- Golden sugars

One ingredient, a million recipes... What makes Mauritius Sugars stand out is... the versatility of the product range.

## The new sugar gems launched over 2022 crop campaign

The MSS developed - with the technical support of its industrial partners - several new sugars to respond to specific customers' needs, enhancing the choice, quality, and consistency of Mauritius Sugars beyond the horizon.

### Granulated Dark Muscovado

Moist medium size crystals enrobed with natural cane molasses that confers to it a buttery treacle flavour and a hint of liquorice taste

Suitable for sweetening warm beverages like coffee or tea or for sprinkling on top of baked goods for extra texture, flavour or sweetness.

Its treacle flavour marries up well with most type of herbs and spices found in sauces mixture used to marinate meat before grilling and roasting

This molasses rich sugar has a high mineral content as well as antioxidant properties.

### New Dark Demerara

A free-flowing brown sugar with homogeneous sparkling crystals having a crunchy texture and a richer aroma courtesy of the cane molasses enrobing each crystal. This product is made from cane juice without the use of additives for extra colour or flavour. It is ideal for sweetening coffee, sprinkling on cereals, in muesli production, or as a crunchy topping for cakes and fruits.

### Extra Fine Demerara

This sparkling, fine powdered, free-flowing sugar delivers a unique caramel taste with a distinct character. Prized for its dissolving properties, it is an efficient alternative to white extra fine beet sugar or icing sugar, blending smoothly into buttercream, frosting and macarons...

### Demerara XL

A reference for baristas and coffee lovers! The delicate and crunchy caramel notes of these brown, extra-large sugar crystals infuse your drinks with the intensity of their classic molasses flavour. Perfect for baking, crumbles and ice creams...

The production processes for these new special sugars adhere to BRC Standards and undergo a process of Quality Assurance to ensure they are fit for human consumption.

### Low G.I. Cubes

The low Glycemic Index Sugar Cubes under Omnicane's Dina Life, was selected by the « Comité Produits Grande Consommation », a jury consisting of independent experts, i.e. SIAL Innovation 2022.



## Exploring, developing, and capturing demand in new market segments

### Dark and Light Muscovado

Meanwhile, the Dark and Light Muscovado sugars, the best sellers within the Mauritius Soft Sugars range, have enabled customers to reach out to new market segments, their versatility as key ingredients offering greater taste.

#### Mauritius Sugars respond to new trends

	Dark Muscovado	Light Muscovado
Smoky BBQ Sauce	✓	
Bubble Tea	✓	✓
Popcorn		✓
Craft Beer	✓	
Cookies	✓	✓
BBQ Chutney	✓	
Cocktails	✓	✓

Source: Premier Lab - UK

These sugars have generated demand among semi-industrial and industrial users, creating new business opportunities for our customers. The MSS has adapted its laminated bags with an inner PE liner to keep the product stable and consistent over storage and transit, assuring quality and ready-to-use status throughout the supply chain.

The Mauritius Muscovado sugars fulfil several certifications and provide high amounts of nutritional elements which also help in their positioning as a healthier option, with a sucrose content of 8-12% lower than white sugar. The nutritional elements naturally present in these sugars comprise Calcium, Iron, Potassium, Magnesium and Manganese that have real value and benefits when consumed daily.

Reference Daily intake mg	Mineral	White Sugar	Dark Muscovado	Light Muscovado
1000	Calcium mg/100g	0.018	6.85	4.53
18	Iron mg/100g	<0.083	6.64	2.58
3500	Potassium mg/100g	0	8.80	4.76
400	Magnesium mg/100g	n/p	7.79	4.36
2.0	Manganese mg/100g	n/p	14.75	7.25

## Specialised White Refined Sugar

With regards to white cane sugar, the industry has pushed its expertise to develop new high value-added specialised refined sugars. Firstly the MSS has been able to capture demand among industrial users looking to claim Pure Cane Sugar as part of the ingredients listed on their finished products.

The Omnicane Refinery has, moreover, extended its capabilities in order to produce different grades of white sugar, responding to specific requirements of industrial bottlers and other specialised users, while also adapting to particular retail market needs.

#### Bottlers' Grade

- This refers to Coca-Cola's specification that the syrup should not change the taste of the end product, nor any colour disruption to lighter coloured and flavoured beverages.

#### ICUMSA (IU) 30 Maximum.

- IU 30 defines the whiteness of the sugar granule. It indicates a highly refined sugar of high purity which would usually be used for low-colour drinks.

#### Extra Fine White Sugar:

- Extra Fine white sugar is a free-flowing crystalline product that consists of colourless, pure crystals of sucrose with a white appearance. Also called bakers' special or caster sugar, this is a granulated sugar that has been finely ground. As a result, the smaller crystals dissolve and mix more easily. It is an excellent and useful choice in dairy, delicate baked goods and desserts with a lighter texture, and is often seen in recipes for meringues, soufflés, sabayons, macarons, puddings, mousses, and simple syrups.

All the above White Refined sugars are produced to BRC Standards and undergo a process of Quality Assurance to ensure the product is fit for human consumption. Coupled with the Bonsucro certification, they have enabled MSS to capture higher premium values.

Overall, these Mauritius Sugars respond to new trends!

# ↓ A Continuous Journey Towards Greater Heights (cont'd)

## Food Awards: adding value to the brand equity.

In 2021, Mauritius Sugars partnered with the Billington's brand, and has subsequently been awarded three UK Great Taste Awards. Judged by food specialists, these awards have brought significant value to the brand and highlight our commitment to delivering the best quality sugars.

Billington's brand with Mauritius Sugars won two Great Taste awards in 2023! 



The Awards won to date across all Billington's range with Mauritius Sugars 

2 Stars: Outstanding	
2023:	
2022:	
2021:	 

1 Star: Simply delicious	
2023:	
2022:	
2021:	 



## A new approach to packaging

In our commitment to becoming more sustainable, our partners have introduced eco-friendly paper-based packs with minimum plastic.

Moreover, local packers have been able to supply ready-to-use, on-the-shelf carton packaging, reducing handling cost for customers by facilitating direct delivery to the points of sales.

By developing the capability to supply bulk packaging (25kg, 50 kg and Big Bags of 1.2 /1.1 /1.05 tons) - and retail packaging (500 grams, 1 kg, 3 kg, 10 kg and 25 kg paper bags), for both special sugars and white refined sugar, MSS has positioned itself as a “One-Stop-Shop” for its customers, providing peace of mind and flexibility of sourcing.



# ↓ A Continuous Journey | Towards Greater Heights (cont'd)

## Edition No 3: MSS Promotional Events

### Introducing the MSS Club “Les Grands Sucres”



To celebrate its strong relations with its loyal clients and to further enhance these partnerships, MSS has created an exclusive platform where they will be able to enjoy numerous advantages while supporting the brand's marketing objectives. This will also provide a way to align clients with a common vision and help improve brand value and sales.

### The vision behind “Les Grands Sucres”

The MSS Club has been established to serve four main purposes:

1. Create a platform of exchange and interaction.
2. Sustain long-lasting relationships with our partners.
3. Support our partners in developing and increasing their sales.
4. Enhance our customers' Responsible Sourcing Vision.

The MSS Club was launched in Paris on 17 October 2022 around a social event attended by some 100 customers. It offered an opportunity for guests to embark on a culinary adventure hosted by professional chefs. We were honoured to have had three talented figures from the culinary world to share their craftsmanship and passion for Mauritius Special Sugars, namely: (i) London-based, award-winning chocolatier and cookbook author, Chef Paul A. Young, (ii) 2012 MasterChef UK winner and owner of Lakaz Maman restaurant, Chef Shelina Permalloo, and (iii) Chef Philippe Bertrand, renowned pastry chef and chocolatier, awarded the title of Meilleur Ouvrier de France in 1996.



## MSS Awards 2022: Rewarding and celebrating our customers for their best practices.

The Mauritius Special Sugars have been proven to be trustworthy and consistent suppliers to many customers over the years. The relationships which MSS has developed with its core customers have lasted 10, 15, and in a few cases, even over 30 years.

These customers have understood the added-value offered by Mauritius Special Sugars and the contribution they make to their brand equity. The opportunity to sell and promote these unique sugars to the fine/gourmet foods market segment, moreover, contributes to the profitability and sustainability of these brands and businesses, and brings high brand/customer recognition and loyalty.

The MSS Awards launched in 2022 recognised that it was time to reward and celebrate these customers.



The first edition took place in October 2022 during the SIAL event in Paris, focusing on EU customers, and a second edition was held for our Middle East customers alongside Gulfood in Dubai in February 2023.

Five MSS awards have been defined for EU customers as follows:

### Category One: Best Marketing Practices



**Winner:** Billingtons by Silverspoon  
**First Runner- up:** Passiflora by Suico  
**Second Runner- up:** La Route du Sucre by Daby Umada

### Category Two: Best Retail Packaging Design



**Winner:** Dodo Sugar by Konsonetas  
**First Runner- up:** Druid  
**Second Runner- up:** Multipack by Tropi Commodity  
**Category Three: Best Sustainable Storytelling**



**Winner:** "Made In Dignity" by Altromercato  
**First Runner- up:** Daddy "Cassonade Équitable" by Cristal Co  
**Second Runner- up:** Mauritius Muscovado Sugar Cane "Fair Trade" by Italia Zuccheri  
**Category Four: Best International Packer**



**Winner:** Mauritius Muscovado Packing by Pinin Pero



## ↓ A Continuous Journey | Towards Greater Heights (cont'd)

### Category Five: Best Local Packer



Winner: Sukpak by Velogic

### Category Six: “Coup de Coeur”



Winner: Daddy pour Cassonade Équitable by Cristal Co

## The MSS Club Launch and Awards ceremony were extended to our Middle East Customers.

A summary of the winners and runners-up across the four categories of Middle East MSS Awards follows:

### Category One: Best Sourcing Performance in Mauritius Sugar



Winner: SIS 88 PTE LTD  
First Runner-up: AL SHAMI  
Second Runner-up: KHIMJI RAMDAS LLC

### Category Three: Best New Business Development for Mauritius Sugar



Winner: SUGAT GROUP  
First Runner-up: SIS 88 PTE LTD  
Second Runner-up: AL SHAMI

### Category Two: Best Market Penetration of Mauritius Sugar



Winner: KHIMJI RAMDAS LLC  
First Runner-up: AL SHAMI  
Second Runner-up: SUGAT GROUP

### Category Four: “Coup de Coeur” Awards



Winner: AL SHAMI

The MSS congratulates all winners and runners-up for their hard-work, engagement, and meaningful partnerships in selling and promoting Mauritius Special Sugars within their brand strategy.



## WEBINARS

The MSS organised a series of webinars to bring together its customers in order to impart some facts about the importance of sugarcane in Mauritius, some recipes to share with their loved ones, and finally some key facts and figures about how the Fairtrade premium has helped the community of certified planters, and how these funds have been effectively used to improve their work.

Webinar on **“The Historical Journey across Centuries of Cane Sugar in Mauritius”**

by **Dr. Jean Claude AUTREY.**

**“Christmas Recipes”** using **Mauritius Special Sugars**

by **Chef Philippe BERTRAND.**

Webinar on **“The Impact of Fairtrade on Mauritian farmers”**

by **Ms Robyn Cooper.**

## MARKETING COOPERATION

### Launch of Azucarera : Moka and Java brands (Spain)

The MSS made a pledge in 2022 to assist its clients in promoting their businesses using Mauritius Sugars, namely through the allocation of a marketing support valued in relation to the tonnage contracted.

A strong partnership has developed in the Spanish market with Azucarera, where this marketing cooperation has contributed to the setting up of a marketing plan for the launch of Moka and Java brands using Dark and Light Muscovado sugars from Mauritius.

### Mauritius Label on the forefront with Chenab Impex Pvt Ltd (India)

With the wheels in motion, MSS collaborated with Chenab Impex Pvt Ltd on the sales and marketing of Mauritius Special Sugars in India.

Mauritius Sugars, known for their premium quality, perfectly complement Chenab Impex's motto of 'enriching the flavour of life.' Mauritius Special Sugars secured a niche position in the Indian market with the help of Chenab Impex's existing experience and know-how in the trading of Gourmet foods.

Chenab Impex Pvt. Ltd. developed its own brand - “Pirouette” - for the debut of Mauritius Special Sugars in India, reinforcing this brand with:

1. The launch of the whole spectrum of Mauritius Special sugars, providing end-consumers with an amazing culinary experience.
2. The use of the Mauritius Sugar label on retail packaging as a guarantee of origin and quality.
3. The adoption of integrated marketing initiatives, such as a Valentine's Day campaign, a baking competition at a top-ranked catering college in Mumbai, and a presence at the AAHAR in New Delhi, where the entire product line was displayed.



# Timeline of Mauritius Sugar Events

## SEPTEMBER 2022

The Mauritius Sugar Syndicate sponsors the Mauritian Chef at the World Cup Pastry in Lyon



## OCTOBER 2022

SIAL International Food Exhibition 2022  
The MSS participated in SIAL 2022 in Paris under the Mauritius national pavilion, together with its local partners. Whilst facilitating meetings with a range of its existing customers, thereby reinforcing the long-term relationships, this participation also led to new business opportunities in new markets, which is part of Mauritius Sugar's strategy.

## JANUARY 2023

Our Molasses Sugar took a trip to Bulgaria.  
Our partner SUICO, creator of the brand Passiflora, have created a beautiful campaign for our Molasses Sugar.  
This campaign also provided an opportunity for SUICO to express its main vision: "caring for food is caring for both people and the Earth"



## MAY 2023

Testimony of Cheffe Sandy Scioli about Mauritius Special Sugars in **Voya G - Plus Grand avec le savoir-faire Mauricien**



### SANDY SCIOLI les sucres spéciaux peuvent sublimer vos recettes

Il y a une différence entre le sucre et le sucre spécial. Le sucre spécial est un sucre qui a été traité avec des produits naturels pour lui donner des propriétés uniques. C'est pourquoi il est si apprécié des chefs et des amateurs de pâtisserie. Le sucre spécial est un sucre qui a été traité avec des produits naturels pour lui donner des propriétés uniques. C'est pourquoi il est si apprécié des chefs et des amateurs de pâtisserie.

« J'ai toujours été passionnée par le sucre. C'est un ingrédient si important dans la cuisine. Et maintenant, j'ai découvert le sucre spécial. C'est un sucre qui a été traité avec des produits naturels pour lui donner des propriétés uniques. C'est pourquoi il est si apprécié des chefs et des amateurs de pâtisserie. Le sucre spécial est un sucre qui a été traité avec des produits naturels pour lui donner des propriétés uniques. C'est pourquoi il est si apprécié des chefs et des amateurs de pâtisserie. »





## DECEMBER 2022

Best Wishes  
Publication of a compilation of  
favourite Christmas recipes us-  
ing Mauritius special sugars.

## MAURITIUS FAIRTRADE SUGAR IMPACT STUDY

Key Findings for Customers

Evaluative study on the contributions of fairtrade towards driving the  
positive change in the Mauritian sugar cane sector

Robyn Cooper | Agriscane Ltd. | February 2023 |

## FEBRUARY 2023

Webinar on The Mauritius Fairtrade  
Sugar Impact Study

## JUNE 2023

Promotion of Mauritius Sugars in France  
- sponsoring "L'île Maurice à Bordeaux"  
- organised by Lakaz Maurice, with  
cooking workshops led by two "food  
bloggers" from Bordeaux: Thomas  
Galharague (Bordeauxfood) and Gaëlle  
Sacarabany (Epices les saisons).

ENTRÉE  
GRATUITE

L'île Maurice  
à Bordeaux

SAMEDI 17 JUIN 2023

LES VIVRES DE L'ART  
4 RUE ACHARD - 33500 BORDEAUX

AU PROGRAMME









# Quality Control

- ‡ *Good Manufacturing Practices*
- ‡ *Internationally Recognised Certifications*
- ‡ *Product Oriented*
- ‡ *Due Diligence*
- ‡ *Customer Satisfaction*

# Sustainability & Quality

## Sustainable Sugar Production

Alive to the imperative to promote sustainability principles and practices across the various layers of the Mauritian cane sugar industry, the MSS spared no effort in accompanying producers in their continuous improvement journey. Sensitisation to evolving consumer exigencies being an important component of this strategy, the MSS endeavoured to connect producers and buyers through the organisation of meetings and site visits. Information meetings with farmers were also held in collaboration with the Farmers' Service Agency (FSA) of the Mauritius Cane Industry Authority (MCIA).

Following the successful certification respectively in 2019 and 2021 of the Omnicane and Alteo mills and their corresponding farms to the Bonsucro Standard, a multi-stakeholder led global sustainability platform for sugar cane, the MSS welcomed Terra Milling's resolve to apply and prepare for this accreditation. *Meanwhile, ENL Agri Ltd became the island's first corporate outgrower to become Bonsucro certified after the successful audit of its farm in the Omnicane factory area in August 2023. Total availability of sugar certified to this standard in 2022 thus amounted to 45,961 tons, compared with 37,515 tons in the previous crop. Furthermore, taking advantage of Bonsucro's online trading platform where producers can sell credits to buyers against a premium, Omnicane sold credits equivalent to 7,500 tons out of the 15,999 tons sugar produced from cane supplied by its farms.*

Fairtrade sugar production, on the other hand, did not progress, with the 21 certified co-operatives supplying only 13,645 tons over the 2022 Crop compared with 15,275 tons in the previous year. Meanwhile, after the lifting of Covid-19 sanitary restrictions, the MSS Multi-purpose Co-operative Society Ltd held its first Annual General Meeting in February 2023, when the decision to join Fairtrade was ratified by its members. The Society's application to FLOCERT for Fairtrade certification was accepted in May 2023 and, at time of writing, it is gearing up for the audit to be undertaken in this regard.

## Quality and Food Safety

To guarantee sugar of the highest quality and safety to its buyers, the Compliance Department of the MSS collaborated closely with buyers and producers to establish product specifications to enable it to meet their requirements as well as reaching specific niche market segments. Prior to the start of the crop, mill and warehouse managers were thus provided with guideline documents detailing the food safety and quality framework within which sugar would be produced and stored. Through regular visits and audits at production and warehousing sites, the MSS ensured that requirements specified in these guideline documents have been met. Once produced and delivered to the warehouses in Port Louis, the quality of the sugar was continuously assessed during storage allowing the MSS to proactively address potential quality issues before delivery or export.

It should be highlighted that the sugar mills and refinery, as well as certain warehouses are BRCGS certified. Meanwhile, following an audit by OU Kosher, the Terra, Omnicane and Alteo mills became the first sugar mills in the world to obtain the BeVeg vegan certification in October 2022. As a result of this accreditation, all sugars manufactured in Mauritius, after having been Kosher and Halal, are now vegan certified.

As the supplier of packaging materials to producers, the MSS ensured that they were fit for their intended purposes as well as meeting legal requirements. Containers used for the transport of sugar to buyers were also the subject of control by the MSS. Announced and unannounced audits conducted at the depot thus ensured that boxes delivered for sugar transport conformed to the requirements specified in the guideline document issued by the MSS to shipping lines. The MSS was also involved in the preparation of insurance survey reports for damaged sugar containers resulting from mishandling in port areas.

The product release certificates issued by the mills were reviewed prior to release of sugar for export and delivery. In addition, information contained in these documents was used to prepare certificates of analysis and other quality documents. As is the case each year, quality and food safety questionnaires and customer complaints sent by buyers were reviewed with representatives of mills, refinery and warehousing facilities, while the MSS ensured appropriate and effective corrective actions with regard to customer complaints. In parallel, the technical team assisted MSS buyers in the differentiation of Mauritius sugars and in defending their respective market share in export destinations.

Meanwhile, with the view to optimising the production capacity of local refineries, the MSS facilitated the import of high Pol and low colour sugar for refining in Mauritius. As part of its responsibilities, it ensured that appropriate quality control was in place during loading, discharge and delivery of same to the refinery. All relevant quality documents relating to the imported sugar feedstock were made available to the refiner to meet specific clauses of the BRCGS standard.

Lastly, the MSS also diligently performed its standing obligation towards sugar producers by analysing daily sugar samples sent by mills for Polarisation and moisture content. The results of such analyses were averaged and communicated to the Control and Arbitration Department (CAD) of the MCIA at the end of the harvest. These data were used to determine the final sugar accruals of millers and planters.

In fulfillment of its mission to preserve the quality of the products in its custody, it is imperative for MSS to remain abreast of evolutions in laboratory procedures for sugar analysis. Thus, in June 2023, MSS participated in the 33rd session of the International Commission for Uniform Methods of Sugar Analysis (ICUMSA) held in Vienna, Austria. Regrouping some 60 international delegates, the main objective of this meeting is to discuss how to adapt ICUMSA methods to the demands of the modern analytical world. In this context, a proposal for adoption of a visual colour appearance testing method rather than colour in solution was presented by MSS and, after discussion, recommended for future collaborative works at ICUMSA level.

Likewise, the applicability of ICUMSA method GS1/3-7 (2011) to include our special sugars like Demerara and Muscovado shall be verified through further collaborative tests. It was also decided that our special sugars will be included in the next research works for the use of higher porosity filter paper for the determination of insoluble matter. With regard to white refined sugar, further comparative study will continue with cane sugar to investigate the determination of sulphite in the sugar using the ICUMSA method GS2-33 and an iodometric method. The main objective of the investigation of the two techniques is to evaluate each performance and to determine if an iodometric method could perform as well as the current ICUMSA method. For all these future research works, the MSS representative has been nominated as Associate referee to closely collaborate with other designated sugar researchers. Conclusions and recommendations of these works will be presented at the next ICUMSA session scheduled in 2025.





## Our Sustainability Milestones

2009

A 1st group of 5 sugar cane farmers' cooperatives becomes Fairtrade certified. MSS obtains its Fairtrade accreditation shortly after.



2010

Omnicanne becomes the 1st Mauritian sugar mill to subscribe to Global Reporting Initiative (GRI) Standards which centre around sustainability reporting. The other mills would subsequently follow suit.



2016

Beginning of the 2016 – 2020 Altromercato – Ferrero Sustainability Development Programme in Mauritius, with the participation of 25 coops grouping some 700 small sugar cane farmers. 4,000 tonnes of sugar were shipped to Ferrero each year under the SDP which also carried an annual financial incentive of EUR 40 per tonne.

altromercato

2018

MSS and the Omnicanne and Alteo refineries are VIVE certified. VIVE is a sustainability programme run by Czarnikow Group Ltd.



2019

Omnicanne is Bonsucro certified, thus becoming the 1st mill in the sub-Saharan region to obtain this accreditation.





## 2014

Terra Milling, through adoption of SMETA (Sedex Members Ethical Trade Audit), enforces compliance with labour laws, health and safety, and environmental regulations, and business ethics. Alteo Milling would subsequently adhere to SMETA.



## 2022

A study commissioned by Fairtrade International highlights the positive impacts of the adoption of Fairtrade Standards by small sugar cane planters in Mauritius.

Our 3 mills become the 1st in the world to be vegan-certified. This certification project was spearheaded by MSS.



## 2020

MSS becomes Bonsucro certified.

Proposed by MSS and funded by Fairtrade International, a project is conducted by the EU-based consultancy firm Soil & More to assess the carbon and water footprints of cane sugar production in Mauritius. The study reveals that, from field to local port, our sugars' carbon footprint amounts to – 0.17 kg CO<sub>2</sub>e per kg sugar.



## 2021

Alteo Milling becomes Bonsucro certified.

At the initiative of the Syndicate, the MSS Multi-purpose Co-operative Society Ltd is set up to group free sugar cane planters, with Fairtrade certification as a priority objective.





# ↓ The unbeatable promises of i **Mauritius sugar**

## **Taste**

We take pride in the natural aroma and flavour of our Special Sugars, which is why we place a strong emphasis on purity to ensure the authentic taste of the product.



## **Healthy benefits**

Prioritising customers' health concerns has been a primary goal for Mauritius Sugar. Our Special Sugars are conceived as healthier options packed with numerous health benefits.



## **Wholesomeness**

We are committed to the production of pure natural products.







## Traceability

Our food safety management system is recognised by Global Food Safety Institutions, and has earned international accreditation.

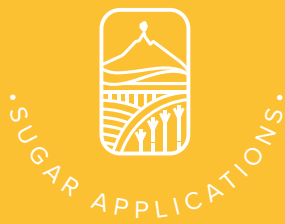
## Sustainability

The Mauritius Sugar Syndicate prides itself in its caring for its terroir and consciously working to nurture it in collaboration with its partners within the industry, from the farms till delivery of the sugar to its customers.



## Easy & Convenient Sourcing

The Mauritius Sugar Syndicate acts as a one-stop shop, easing the process of doing business for buyers seeking quality sugars.



# One ingredient, a million recipes...

What makes Mauritius Sugars stand out is the versatility of use of the product range.

## **Multi-usage and Application** **A versatile ingredient**

- In the manufacture of a broadening product range
- As a natural sweetener
  - In haute cuisine
  - In the baking industry
- In the retail and catering industry

‡ *Wholesome Gems*  
‡ *Authentic Specials*  
‡ *Natural Classics*







# Financial Review

## 2022-23 highlights

TOTAL SUGAR SALES REVENUE

**Rs 11,242M\***

2021-22: Rs 9,421M

SUGAR SALES REVENUE  
FROM LOCALLY GROWN CANE

**Rs 8,567M**

TOTAL EXPENDITURE  
ON LOCALLY GROWN  
CANE

**Rs 2,881M**

NET REVENUE  
DISTRIBUTED TO  
PRODUCERS

**Rs 5,980M**

2021-22: Rs 4,311M

SALES  
VOLUME

**312,680MT\***

2021-22\*: 336,114 MT

INCREASE IN  
EX-SYNDICATE  
PRICE

**+ 52%**

2021-22: +19%

EX-SYNDICATE  
PRICE

**Rs 25,554\***

2021-22\*: Rs 16,765

BORROWINGS

**Rs 2,885M**

2021-22: Rs 2,489 M

*\*including production from imported raw sugar*

The 2022 Crop sugar outturn attained 232,707 metric tons tel quel (mttq), or 233,999 mt on pol basis, a drop of 9% compared with the 257,155 mt pol basis produced over the preceding crop. Revenue, however, increased substantially by 20% thanks to a significant rise in sugar prices.

An increase in direct operating expenses of 7% was mainly driven by the rise in sugar processing costs, which are themselves in direct proportion to sales prices, sea freight & other export charges, and bagging & packaging materials costs.

Finance costs increased by 26% on account of increase in interest rates. On the other hand, administrative and other charges decreased after a credit was realised on the net assets plan of the retirement benefits obligations scheme.

Finance income improved by 94% compared with the previous crop. This is attributable to an increase in hedging gains on forward contracts through judicious treasury management.

The net impact was an increase of 52% in the ex-Syndicate price to Rs 25,554 per ton sugar for the 2022 Crop, compared with Rs 16,765 paid to sugar producers in the previous campaign.

## Disbursements to sugar producers

A snapshot of disbursements made by the MSS to the various categories of sugar producers for the 2022 Crop (net of SIFB premium) is provided in the table below :

### Payments to producers for crop 2022

Revenue Streams	PLANTERS with production		MILLERS
	up to 60 mt	more than 60 mt	
	Rs. / mt	Rs. / mt	Rs. / mt
Sugar Proceeds	25,554	25,554	25,554
Bagasse	3,300	3,300	3,300
Molasses	1,965	1,965	-
(SIFB Premium)	-	(1,903)	(1,903)
<b>TOTAL</b>	<b>30,819</b>	<b>28,916</b>	<b>26,951</b>

### Sugar Accruing

At the start of 2022 Crop harvest, advance payments were effected on basis of a conservative estimate of the ex-Syndicate price at Rs.18,000 per ton sugar. This forecast was revised to Rs. 21,000 in September 2022 and subsequently to Rs. 21,500 in March 2023. Advances to producers on sugar accruing were paid on this basis, as detailed in the table below.

Period	Growers cultivating less than 100 ha land		Other Producers	
	increase in advances	cumulative advance	increase in advances	cumulative advance
	Rs. / mt	Rs. / mt	Rs. / mt	Rs. / mt
<b>July to August 2022</b>	14,400	14,400	10,800	10,800
<b>September 2022</b>	2,400	16,800	1,800	12,600
<b>December 2022</b>	-	16,800	2,000	14,600
<b>March 2023</b>	1,000	17,800	1,500	16,100
<b>April 2023</b>	1,000	18,800	2,000	18,100
<b>May 2023</b>	2,200	21,000	2,900	21,000
<b>June 2023</b>	1,500	22,500	1,500	22,500



# Financial Review (cont'd)

The above advances paid to producers during the financial year ended 30 June 2023 necessitated disbursement by MSS of Rs 5.2 billion. Once the ex-Syndicate price was finalised at Rs. 25,554.38 per ton sugar, a further disbursement of Rs. 714 million was made by the MSS on 13 July 2023 for the final price settlement.

## Payment for Molasses, including contribution by Distillers/Bottlers

The Control and Arbitration Department (CAD) of the MCIA determines the final price payable for molasses. This price includes the contribution made by distillers/bottlers of absolute alcohol on their domestic sales. For the 2022 Crop, the price was finalised by the CAD at Rs. 4,833.26 per ton of molasses, equivalent to Rs. 1,964.64 per equivalent ton of sugar. A first advance of Rs. 2,000 per ton of molasses was paid to eligible producers on 28 December 2022, and the final settlement of Rs. 2,833.26 per ton of molasses was made to all planters on 2 August 2023 after receipt of final dues from the different distilleries.

The contribution from distillers/bottlers, amounting to Rs.163 million for the year under review, was collected by the Mauritius Revenue Authority and remitted to the MSS on a monthly basis.

## Bagasse Proceeds

Bagasse proceeds for Crop 2022 were equivalent to Rs. 3,300 per ton of sugar. Corresponding disbursements, totalling Rs.772.2 million, were made to growers and millers in two instalments, namely on 29 December 2022 and 29 June 2023.

## SIFB Premium

The final premium declared and payable to the Sugar Insurance Fund Board (SIFB) for the 2022 Crop by producers with an output of more than 60 tons of sugar accruing amounted to Rs. 375.6 million i.e., an average of Rs. 1,903 per sugar ton. This premium was retained by the MSS out of the payments due to them as follows :

Millers' share : Rs 95.9 million ; and

Planters' share : Rs 279.7 million.

## Treasury Management and Borrowings

As per its usual practice, the MSS provided advance payments to producers from the start of the harvest. As of 30 June 2023, these advances amounted to Rs 5.2 billion. These advances were financed through the utilisation of existing facilities with commercial banks and through the issuance of Money Market Instruments.

Treasury management was quite challenging due to global rate hikes during the year under review. The US Federal Reserve increased its rate from 1.75% to 5.25%, the European Central Bank from 0% to 4.00%, whilst the Bank of England increased its rate from 1.25% to 5.00%. The Bank of Mauritius followed the international trend by increasing the Key Rate (formerly Key Repo Rate) from 2.25% to the current 4.50%. The MSS positioned its second issue of Money Market Instruments for Rs 2 billion at an opportune time in September 2022, thereby securing an average rate of 1.85% for the year. A MAU A1+ rating has been awarded to the MSS by CARE EDGE Ratings (Africa) Ltd for the issue of these Money Market Instruments.

During the year under review, the MSS also financed the import of three consignments of raw sugar for further processing to the tune of USD 66 million by availing itself of its existing facilities with banks at competitive rates.

## Foreign Exchange Receipts and Hedging Performance

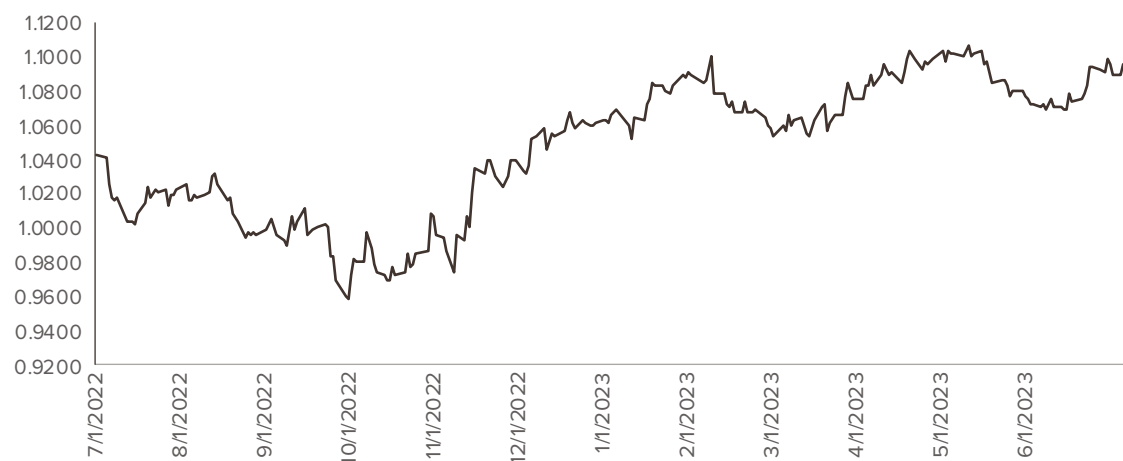
Annual revenue derived from sugar sales amounted to Rs 11.24 billion, out of which Rs 1.03 billion represented local market sales. Export proceeds, amounting to Rs. 10.21 billion, were denominated in EUR (53%), USD (37%) and GBP (10%). Under the guidance of the Forex Committee, the MSS continued, in its proven practice, hedging its foreign currency receipts to mitigate the risks and volatility inherent in the Forex market.

For the 2022 Crop, the MSS started hedging its foreign currencies as from September 2022, when the EUR/USD was trading at below parity and the spot MUR rates were at Rs 44.32 to the Euro, Rs 44.40 to the USD, and Rs 51.26 to the GBP.

Following the Covid 19 pandemic, the world unfortunately faced another crisis with the Russian-Ukraine conflict. This was mostly impactful on the Eurozone due to its dependence on Russian oil and gas, hence the volatility of the Euro, which oscillated between a low of US\$ 0.9594 in September 2022 and a peak of US\$ 1.1063 in May 2023.

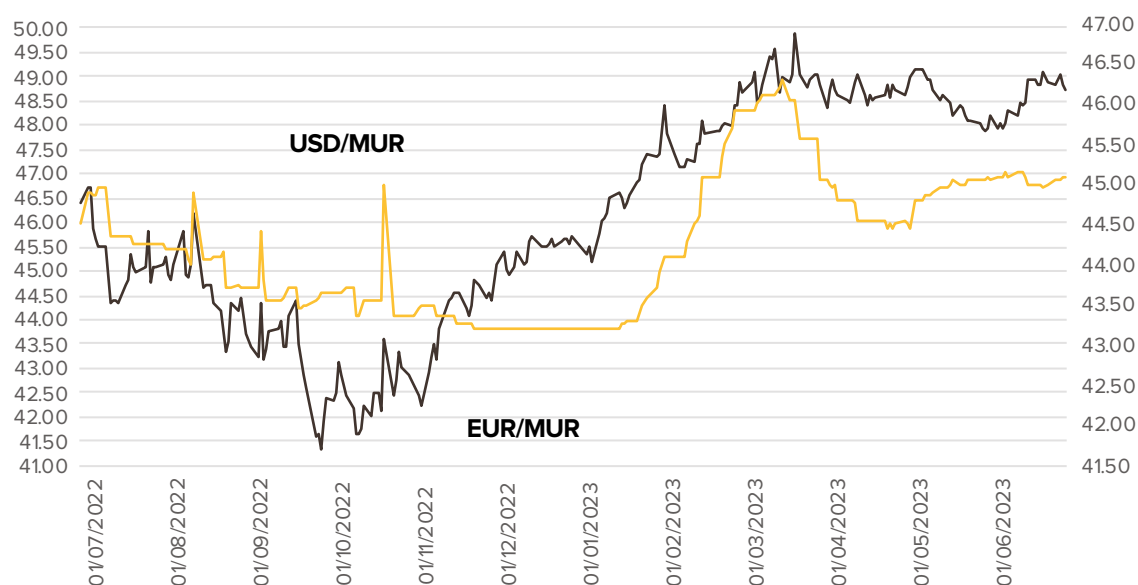
Meanwhile, both the US and Eurozone have been trying to curb rampant inflation meanwhile through interest rate hikes, thus feeding the volatility of the EUR/USD pair.

The evolution of the EUR/USD pair from 1 July 2022 to 30 June 2023 is shown in the chart below.



On the domestic front, the MUR weakened vis a vis the EUR and GBP by some 5%, whilst the depreciation vis a vis the US dollar was to the tune of 1.35% for the period July 2022 to June 2023, as depicted in the following chart:

#### Evolution EUR/MUR and USD/MUR – 1 Jul 2022 to 30 June 2023



Due to the depreciating trend of the MUR, the MSS resorted to sales of its foreign currencies on a short-term forward basis.

The average rate achieved by MSS compared to the average market spot rate is shown in the table below.

	Average Spot rates over 2022-23	Average rate achieved by MSS for 2022 Crop	Average rate achieved by MSS for 2021 Crop
<b>EUR/MUR</b>	46.15	47.67	48.54
<b>USD/MUR</b>	44.25	45.47	44.26
<b>GBP/MUR</b>	53.04	55.34	56.34



# From the field to the spoon





# Independent auditors' report to the Members of The Mauritius Sugar Syndicate

## REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of The Mauritius Sugar Syndicate ("the Syndicate") set out on pages 68 to 85, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, the financial position of the Syndicate as at 30 June 2023, the financial performance and the cash flows for the year then ended have been prepared, in all material respects, in accordance with and comply with the accounting policies of the Syndicate.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Syndicate in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the 'IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter- Basis of preparation

We draw your attention to Note 2(a) of the financial statements in respect of the Basis of Preparation which states that the financial statements have been prepared, in all material respects, in accordance with and comply with the accounting policies of the Syndicate. Our opinion is not modified in respect of this matter.

### Other information

The Main Committee is responsible for the other information which comprises the Role and Status of the Mauritius Sugar Syndicate, Committee Members and Staff, President's Report, CEO's Report, Governance, Risk Management and Audit, Production & Sales Performance 2022-2023, The Marketing of Mauritius Sugars, Timeline of Mauritius Sugar Events, Sustainability and the Financial Review but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Main Committee for the financial statements

The Main Committee is responsible for the preparation and fair presentation of the financial statements in accordance with and in compliance with the accounting policies of the Syndicate and they are also responsible for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee is responsible for assessing the Syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the main committee either intend to liquidate the Syndicate to cease operations, or have no realistic alternative but to do so.

The Main Committee is responsible for overseeing the Syndicate's financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# Independent auditors' report to **the Members of The Mauritius Sugar Syndicate**

## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Syndicate's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Main Committee' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Syndicate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Syndicate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Main Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on the contractual requirements

In accordance with the engagement letter dated 28th March 2023, we report as follows:

- we have no relationship with, or interest in, the Syndicate other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Syndicate as far as appears from our examination of those records.

### Use of this report

This report is made solely to the Syndicate's members, as a body, in accordance with engagement letter dated 28th March 2023. Our audit work has been undertaken so that we might state to the Syndicate's members those matters we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Syndicate and the Syndicate's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Deloitte**  
Chartered Accountants

**LLK Ah Hee, FCCA**  
Licensed by FRC



# Statement of Financial Position

AT 30 JUNE 2023

	Notes	2023 Rs'000	2022 Rs'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Equipment	4	18,671	37,183
Intangible assets	5	1,253	1,227
		<b>19,924</b>	38,410
<b>CURRENT ASSETS</b>			
Current receivables	6	-	70,000
Inventories	7	1,271,169	624,576
Trade and other receivables	8	3,358,253	3,342,728
Cash and cash equivalents	9	615,092	709,697
		<b>5,244,514</b>	4,747,001
<b>TOTAL ASSETS</b>		<b>5,264,438</b>	4,785,411
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Retirement benefit obligations	10	22,264	22,063
		<b>22,264</b>	22,063
<b>CURRENT LIABILITIES</b>			
Bank overdraft	11	-	1,473
Borrowings	11	2,885,497	2,489,200
Trade and other payables	12	2,356,677	2,272,675
		<b>5,242,174</b>	4,763,348
<b>TOTAL LIABILITIES</b>		<b>5,264,438</b>	4,785,411

These financial statements have been approved by the Committee for issue on \_\_\_\_\_

Devesh Dukhira

**Chief Executive Officer**

Ahmad N. Sulyman

**Chief Finance Officer**

The notes on pages 71 to 85 form an integral part of these financial statements.

Independent auditors' report on pages 66 to 67.

# Statement of Profit and Loss\*

FOR THE YEAR ENDED 30 JUNE 2023

		2022 - 2023 Crop			2021 - 2022 Crop		
<b>MT OF SUGAR ACCRUING</b>		<b>233,999</b>			<b>257,155</b>		
	Notes	Rs'000	Rs per MT	%	Rs'000	Rs per MT	%
<b>REVENUE</b>							
Sales proceeds	13	11,242,148	48,044	99.01%	9,420,793	36,635	99.53%
Other income	14	112,647	481	0.99%	44,463	171	0.47%
		<b>11,354,795</b>	<b>48,525</b>	<b>100%</b>	<b>9,465,256</b>	<b>36,806</b>	<b>100%</b>
<b>EXPENDITURE</b>							
Direct operating costs	15	(5,075,102)	(21,689)	-44.70%	(4,723,617)	(18,369)	-49.90%
Storage charges	16	(214,629)	(917)	-1.89%	(230,188)	(895)	-2.43%
Administrative and other charges	17	(73,124)	(312)	-0.64%	(94,747)	(367)	-1.00%
Service Providing Institutions and MCIA Levy	18	(115,707)	(494)	-1.02%	(109,830)	(427)	-1.16%
Sugar Insurance Reserve Fund		(284)	(1)	-0.00%	(255)	(1)	-0.00%
<b>TOTAL EXPENDITURE</b>		<b>(5,478,846)</b>	<b>(23,414)</b>	<b>-48.25%</b>	<b>(5,158,637)</b>	<b>(20,059)</b>	<b>-54.50%</b>
<b>Finance income - net</b>	19	<b>103,750</b>	<b>443</b>	<b>0.91%</b>	<b>4,607</b>	<b>18</b>	<b>0.05%</b>
<b>NET REVENUE DISTRIBUTED TO ALL PRODUCERS AS EX-SYNDICATE PRICE</b>							
		<b>5,979,698</b>	<b>25,554</b>	<b>52.66%</b>	<b>4,311,226</b>	<b>16,765</b>	<b>45.55%</b>

The notes on pages 71 to 85 form an integral part of these financial statements.

Independent auditors' report on pages 66 to 67.

\*The split in revenue and expenditure between originating sugar and imported sugar is provided in Appendix (page 86).

# Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 Rs'000	2022 Rs'000
<b>Cash flows from operating activities</b>			
Net revenue distributed to all producers as Ex-Syndicate price		5,979,699	4,311,226
<i>Adjustments for:</i>			
Profit on disposal of equipment	14	(344)	(375)
Interest payable	19	175,531	139,718
Interest income	19	(657)	(682)
Depreciation of equipment	4	18,639	17,511
Amortisation of intangible assets	5	522	438
Retirement benefit obligations	10(vi)	201	5,396
<b>Operating profit before working capital changes</b>		<b>6,173,591</b>	<b>4,473,232</b>
Increase in inventories	7	(646,593)	(4,886)
Decrease / (increase) in trade and other receivables	6 & 8	54,475	(613,413)
Increase in trade and other payables	12	84,002	995,634
		(508,116)	377,335
<b>Cash generated from operations</b>		<b>5,665,475</b>	<b>4,850,567</b>
Advance payment made to producers/planters		(5,979,699)	(4,311,226)
Interest paid		(175,531)	(139,718)
<b>Net cash (used in) / generated from operating activities</b>		<b>(489,755)</b>	<b>399,623</b>
<b>Investing activities</b>			
Purchase of equipment	4	(313)	(13,459)
Purchase of intangible assets	5	(548)	(1,089)
Proceeds from disposal of equipment		530	375
Interest received		657	682
<b>Net cash generated from / (used in) investing activities</b>		<b>326</b>	<b>(13,491)</b>
<b>Financing activities</b>			
Loan repaid	11	7,963,661	(7,636,919)
Loans received	11	(7,584,739)	7,674,907
<b>Net cash generated from financing activities</b>		<b>378,922</b>	<b>37,988</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(110,507)</b>	<b>424,120</b>
<b>Movement in cash and cash equivalents</b>			
At July 01, 2022		708,224	279,924
Net (decrease) / increase in cash and cash equivalents		(110,507)	424,120
Effects of foreign exchange	11	17,375	4,180
<b>At June 30, 2023</b>	9	<b>615,092</b>	<b>708,224</b>

The notes on pages 71 to 85 form an integral part of these financial statements.

Independent auditors' report on pages 66 to 67.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 1 GENERAL INFORMATION

In 1951, following the recommendations made by the Mauritius Economic Commission 1947-48, the Mauritius Sugar Syndicate ("the Syndicate"), which had been founded in 1919, was set up for an indefinite period in pursuance of the Mauritius Sugar Syndicate Act of 1951.

The Syndicate is the sole sugar marketing organisation in Mauritius and its objective is the sale of all sugars received by it on the account of its members, all of whom are sugar producers of comprising corporate and independent sugarcane growers, and millers and the distribution of the proceeds of such sale.

All local sugar producers are members of the Syndicate. The Syndicate's registered office and principal place of business is 7th Floor, Medine Mews Building, La Chaussee Street, Port Louis.

These financial statements are submitted for consideration and approval at the Annual General Meeting of the members of the Syndicate.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

The financial statements have been prepared, in all material respects, in accordance with and comply with the accounting policies of the Syndicate as stated in the financial statements.

In preparing these financial statements, the Syndicate had to proceed with a 'hard close' at 31 May in order to finalise distribution to sugar producers by beginning of July each year. The Syndicate's statement of profit and loss has been prepared up to 31 May with accruals for forthcoming June transactions based on existing contracts for sales transactions and accruals or provisions for expenses that will be incurred whilst the statement of financial position has been prepared as at 30 June. Any adjustment between the accounting estimates used in the 'hard close' exercise as at 31 May and the actual figures for June transactions as well as any resulting foreign exchange differences arising on retranslation of foreign currency denominated financial instruments as at 30 June will be released to the statement of profit or loss in the next financial year.

The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest thousand (Rs'000), except when otherwise stated.

The financial statements are prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the time the transaction is entered. Fair value is the price that would be received on sale of an asset or on transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Syndicate takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### (b) Equipment

Equipment are stated at cost less accumulated depreciation and impairment loss. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

	%
Computer equipment	25
Furniture and equipment	10
Motor vehicles	20
Offsite equipment	33.3

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

### (c) Intangible Assets

Acquired computer software licences with finite useful lives are capitalised on the basis of costs incurred to acquire and bring to use the specific software (carried at cost) less accumulated amortisation and impairment losses.

Amortisation is recognised on a straight-line basis over their useful economic lives which generally range from 3 to 5 years and assessed for impairment whenever there is an indication that the asset may be impaired. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (c) Intangible Assets (cont'd)

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Syndicate and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### (d) Trade and Other Receivables

Trade receivables are amounts due from customers for sugars sold in the ordinary course of business. Also included in trade receivables are the sale of sugars relating to the crop year under review, and may not yet have been shipped to the customers at the end of the reporting period. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current asset. If not, they are presented as non current asset.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Syndicate will not be able to collect all amounts due.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in profit or loss.

### (e) Borrowings

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 the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs for the loan to the extent that it is probable that some of or all the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

At the end of the reporting date, borrowings denominated in foreign currencies are stated at their carrying amount at the time of disbursement. Exchange differences arising on the repayment of loan are recognised in statement of profit or loss at the time of repayment.

### (f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits. Bank overdrafts are included in borrowings within current liabilities on the statement of financial position. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (g) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non current liabilities. Included in trade and other payables are direct operating costs accrued at year end with respect to the unshipped portion of sugars that relate to the current crop year.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### (h) Inventories

Inventories comprise of bags, steel bars, liners, other consumables and non originating sugar which are stated at the lower of cost and net realisable value using the weighted average cost method. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### (i) Retirement Benefits Obligations

The Syndicate has both defined benefit and defined contribution plans. The Syndicate and all its employees also contribute to the appropriate National Pension Scheme, which are defined contribution schemes.

#### Defined Contribution Plan

A defined contribution plan is a pension plan under which the Syndicate pays fixed contributions to a separate entity. The Syndicate has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to their service in the current and prior year periods. Payments to defined contribution plans are recognised as an expense included in profit or loss within employee benefit expenses when employees have rendered service that entitle them to the contributions.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (i) Retirement Benefits Obligations (cont'd)

#### Defined Benefit Plan

A defined benefit plan is a retirement benefit plan that is not a defined contribution plan. Typically defined benefit plans define the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in profit or loss in the period in which they occur.

The Syndicate determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

#### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts redundancy in exchange for these benefits. The Syndicate recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

### (j) Foreign Currencies

#### Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees ("Rs"), the currency of the primary economic environment in which the Syndicate operates ("functional currency"). The financial statements are presented in Mauritian rupees, which is the Syndicate's functional and presentational currency.

#### Transactions and balances

Transactions in currencies other than the Mauritian Rupees are recognised at the rates of exchange prevailing on the dates of the transactions. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated at end of reporting date. Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at 31 May. The exchange differences are recognised in profit or loss in the period in which they arise. At each reporting date, monetary assets and liabilities, that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Any resulting adjustment between the prevailing rates at these dates will be released to the statement of profit or loss in the next financial year.

### (k) Revenue recognition

Revenue consists of gross sugar export proceeds derived from:

- Shipped' sugar exports
- Unshipped' sugars
- Sales of sugar on local market

Revenue is measured based on the consideration to which the Syndicate expects to be entitled in a contract with a customer. The Syndicate recognises revenue on a crop basis, that is, for 'shipped' sugar exports at the time when the sugar is shipped for export and for 'unshipped' sugars which pertain unsold stock quantities available for sale for the current crop year. Revenue is shown net of returns, rebates and discounts.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (k) Revenue recognition (cont'd)

#### **'Shipped' Sugar exports**

The Syndicate sells white refined sugar and special sugars to the European Union (EU), United States of America (USA), Regional Market (Africa) and the World Market. Revenue is recognised when control of the goods has transferred to the customer, that is, at the time the sugar is loaded on the ship. A receivable is recognised by the Syndicate when the goods have been shipped to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

#### **'Unshipped' sugar**

Unshipped' sugar at the reporting date is recognised from customers based on the remaining quantities of firm orders for exports which will be shipped after the reporting date. The amount of revenue is measured at the latest contract price agreed between the customer and the Syndicate or the best prudent estimate by management where contract is not yet secured.

#### **Sales of Sugar on local market**

The Syndicate sells white refined sugar and special sugars to customers on the local market. Revenue is recognised when control of the goods is transferred to the customer, generally on delivery and acceptance by the customer.

### (l) Expenses

Expenses are accounted for on the accrual basis and charged to statement of profit or loss. Included in expenses are the direct operating costs accrued at year end with respect to the 'Unshipped' sugars that relate to the current crop year under review.

### (m) Non-Current Receivables

Non current receivables represent amounts advanced to producers through various Government financial support schemes from previous crops. They are re-imbursed by Producers over the next three to five years and are included within the finance costs of the Syndicate.

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Syndicate's accounting policies, which are described in note 2, the Main Committee is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Critical judgements in applying the Syndicate's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Main Committee has made in the process of applying the Syndicate's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

#### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### **Discount rate used to determine the carrying amount of the Syndicate's defined benefit obligation**

The determination of the Syndicate's defined benefit obligation depends on certain assumptions, which include the selection of the discount rate. The discount rate is set by reference to market yields at the end of the reporting period on government bonds yields. Significant assumptions are required to be made when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Syndicate's financial statements within the next year. Further information on the carrying amounts of the Syndicate's defined benefit obligation and the sensitivity of those amounts to changes in discount rate are provided in note 10. Any change in these amount will impact the amount for retirement gratuities.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

### Revenue recognition

At the end of the reporting period, the Syndicate recognises the 'Unshipped' sugars that relate to the crop year under review as revenue and the valuation of the 'Unshipped Sales' is described in note 2(k).

### Depreciation

Equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net of the amount that the Syndicate expect to obtain from disposal of the asset, if the asset was already of the age and in the condition expected at the end of its useful life.

## 4. EQUIPMENT

	Offsite Equipment	Computer Equipment	Furniture and Equipment	Motor Vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>COST</b>					
At July 01, 2021	35,561	3,516	16,082	8,928	64,087
Additions	12,734	441	284	-	13,459
Disposal	-	-	-	(1,760)	(1,760)
<b>At June 30, 2022</b>	<b>48,295</b>	<b>3,957</b>	<b>16,366</b>	<b>7,168</b>	<b>75,786</b>
At July 01, 2022	48,295	3,957	16,366	7,168	75,786
Additions	-	242	71	-	313
Disposal	-	-	-	(2,455)	(2,455)
<b>At June 30, 2023</b>	<b>48,295</b>	<b>4,199</b>	<b>16,437</b>	<b>4,713</b>	<b>73,644</b>
<b>DEPRECIATION</b>					
At July 01, 2021	3,679	2,608	9,999	6,566	22,852
Charge for the year	14,330	444	1,355	1,382	17,511
Disposal	-	-	-	(1,760)	(1,760)
<b>At June 30, 2022</b>	<b>18,009</b>	<b>3,052</b>	<b>11,354</b>	<b>6,188</b>	<b>38,603</b>
At July 01, 2022	18,009	3,052	11,354	6,188	38,603
Charge for the year	16,098	413	1,371	757	18,639
Disposal	-	-	-	(2,269)	(2,269)
<b>At June 30, 2023</b>	<b>34,107</b>	<b>3,465</b>	<b>12,725</b>	<b>4,676</b>	<b>54,973</b>
<b>NET BOOK VALUE</b>					
<b>At June 30, 2023</b>	<b>14,188</b>	<b>734</b>	<b>3,712</b>	<b>37</b>	<b>18,671</b>
At June 30, 2022	30,286	905	5,012	980	37,183

Depreciation expense of Rs 2,541,449 (2022: Rs 3,181,038) has been charged to administrative and other charges and depreciation of Rs 16,098,048 (2022: Rs 14,329,494) on Offsite equipment has been charged to direct operating costs.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 5. INTANGIBLE ASSETS

	Computer software Rs'000
<b>COST</b>	
At July 01, 2021	5,016
Disposal	1,089
<b>At June 30, 2022</b>	<b>6,105</b>
At July 01, 2022	6,105
Addition	548
<b>At June 30, 2023</b>	<b>6,653</b>
<b>AMORTISATION</b>	
At July 01, 2021	4,440
Charge for the year	438
<b>At June 30, 2022</b>	<b>4,878</b>
At July 01, 2022	4,878
Charge for the year	522
<b>At June 30, 2023</b>	<b>5,400</b>
<b>NET BOOK VALUE</b>	
<b>At June 30, 2023</b>	<b>1,253</b>
At June 30, 2022	1,227

Amortisation charge of Rs 521,889 (2022: Rs 438,060) has been charged to administrative and other charges.

## 6. CURRENT RECEIVABLES

	2023 Rs'000	2022 Rs'000
Support Scheme to producers ( less than 1year)	-	70,000
Total receivable	-	70,000

During the year, Rs 70M was charged against the Ex Syndicate price for crop 2022 for the full and final settlement of the financial support extended to producers for crop 2017.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 7. INVENTORIES

	2023 Rs'000	2022 Rs'000
<b>At Cost</b>		
Bags, steel bars and liners	69,866	74,045
<b>At Net Realisable Value (NRV)</b>		
Non Originating Sugar	1,201,303	550,531
	<b>1,271,169</b>	<b>624,576</b>

## 8. TRADE AND OTHER RECEIVABLES

	2023 Rs'000	2022 Rs'000
<b>Trade Receivables</b>		
Shipped sugar exports	1,732,979	1,358,733
Unshipped sugars - Contracted	1,535,637	1,634,770
Unshipped sugars - Uncontracted	-	306,038
	<b>3,268,616</b>	<b>3,299,541</b>
Staff loans	1,496	2,662
Advances to producers/ planters	47,172	3,521
Other receivables	40,969	37,004
	<b>3,358,253</b>	<b>3,342,728</b>

The average credit period on sales of sugars is between 30 and 120 days. No interest is charged on trade receivables. The Syndicate does not hold any collateral over any past due trade debtors balances. Allowances for doubtful debtors are recognised against trade receivables which are past due on a case to case basis. Out of the trade receivables, the Syndicate has recovered 80% in value of its shipped sugar exports at the date of approval of these financial statements.

Before accepting any new customer, the Syndicate assesses the credit quality of the customer and defines the terms and credit limits accordingly.

The carrying amounts of trade and other receivables approximate their fair values.

The Committee is of opinion that the trade receivables are fully recoverable and that no provision is required.

As of June 30, 2023, trade receivables of Rs 39,136,000 (2022: Rs 3,963,000) were past due but not impaired. The Syndicate has recovered 93% at the date of approval of these financial statements.

	2023 Rs'000	2022 Rs'000
more than 120 days	39,136	3,963

The Syndicate has entered into forward contracts with financial institutions with which they agreed to sell EUR for MUR on specified dates. As of June 30, 2023, other receivables include unrealised future gains amounting to Rs 12,915,000 under foreign exchange forward contracts with contracted value of Rs 338,240,000 and maturity date falling after 30 June 2023 but not exceeding 3 months.

The carrying amounts of trade and other receivables are denominated in the following currencies:

	2023 Rs'000	2022 Rs'000
Mauritian Rupee	323,455	249,093
US Dollar	1,185,608	1,562,105
Euro	1,459,367	1,224,984
GBP	389,823	306,546
	<b>3,358,253</b>	<b>3,342,728</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 9. CASH AND CASH EQUIVALENTS

	2023 Rs'000	2022 Rs'000
Bank and cash balances	615,092	709,697
Bank overdraft	-	(1,473)
	<b>615,092</b>	<b>708,224</b>

The carrying amounts of the cash and cash equivalents are denominated in the following currencies:

	2023 Rs'000	2022 Rs'000
<b>Bank and cash balances (excluding bank overdraft)</b>		
Mauritian Rupee	395,582	265,350
US Dollar	74,093	148,617
Euro	29,386	260,147
<b>GBP</b>	<b>116,031</b>	<b>35,583</b>
	<b>615,092</b>	<b>709,697</b>

## 10. RETIREMENT BENEFIT OBLIGATIONS

- (i) The Syndicate operates a defined benefit and a contributory pension plan. The level of benefits provided depends on the length of service of the members and their salary in their respective final year leading up to retirement.
- The assets of the plan are held independently and administered by the Sugar Industry Pension Fund / Feber Associates.
- (ii) The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2023 by AON Hewitt. The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- (iii) The amounts recognised in the statement of financial position are as follows:

	2023 Rs'000	2022 Rs'000
Present value of funded obligations	164,053	170,848
Fair value of plan assets	(141,789)	(148,785)
	<b>22,264</b>	<b>22,063</b>
Unrecognised actuarial loss	-	-
Liabilities recognised in the statement of financial position	<b>22,264</b>	<b>22,063</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 10. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

	2023 Rs'000	2022 Rs'000
At July 1,	22,063	35,907
Recognised in the statement of profit or loss	5,011	(9,942)
Employer contributions paid	(4,810)	(3,902)
At June 30,	22,264	22,063

(iv) The movement in the defined benefit obligations over the year is as follows:

	2023 Rs'000	2022 Rs'000
At July 1,	170,848	168,459
Current service cost	3,512	3,741
Past service cost	2,721	-
Employee Contributions	473	441
Interest costs	8,515	8,085
Benefit paid	(6,614)	(7,012)
Liability experience gain	771	(1,078)
Liability gain due to change in financial assumptions	(16,173)	(1,788)
At June 30,	164,053	170,848

(v) The movement in fair value of plan assets of the year is as follows:

	2023 Rs'000	2022 Rs'000
At July 1,	148,785	132,552
Interest income	7,406	6,430
Employer contribution	4,810	3,902
Employee contributions	473	441
Benefit paid	(6,614)	(7,012)
Return on plan assets excluding interest income	(13,071)	12,472
At June 30,	141,789	148,785



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 10. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(vi) Amounts recognised in the statement of profit or loss:

	2023 Rs'000	2022 Rs'000
Current service cost	3,512	3,741
Past service cost	2,721	-
Net interest on net defined benefit liability	1,109	1,655
Actuarial gain	(2,331)	-
Employer contribution	(4,810)	-
Total included in employee benefit expense	201	5,396

Amounts included in accruals:

	2023 Rs'000	2022 Rs'000
Actuarial gain	-	(15,338)
Employer contribution	-	(3,902)
Total included in accruals treated as non-cash items	-	(19,240)

	2023 Rs'000	2022 Rs'000
Actual return on plan assets	(5,665)	18,902

(vii) The principal actuarial assumptions used for accounting purposes were:

	2023 %	2022 %
Discount rate	5.80	5.00
Future salary increases	3.70	3.20

(viii) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	2023 Rs'000	2022 Rs'000
Increase due to 1% decrease in discount rate	15,715	21,471
Decrease due to 1% increase in discount rate	18,770	17,781

The above sensitivity analysis has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the project unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 10. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(viii) Sensitivity analysis on defined benefit obligations at end of the reporting date (cont'd):

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

- (ix) The defined benefit pension plan exposes the Syndicate to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.
- (x) The Syndicate expects to pay Rs 3.9M in contributions to its post-employment benefit plans for the year ended June 30, 2023.
- (xi) The weighted average duration of the defined benefit obligation is 11 years at the end of the reporting period.

## 11. BORROWINGS

	2023 Rs'000	2022 Rs'000
<b>Current</b>		
Bank overdrafts	-	1,473
Banks & Institutional loans	2,885,497	2,489,200
	<b>2,885,497</b>	<b>2,490,673</b>
<b>Total borrowings</b>	<b>2,885,497</b>	<b>2,490,673</b>

Reconciliation of liabilities arising from financing activities

	At July 1, 2022 Rs'000	Additions Rs'000	Repayments Rs'000	Foreign exchange Effects of foreign exchange Rs'000	At June 30, 2023 Rs'000
Short-term borrowings	2,489,200	7,963,661	(7,584,739)	17,375	2,885,497

	At July 1, 2021 Rs'000	Additions Rs'000	Repayments Rs'000	Foreign exchange Effects of foreign exchange Rs'000	At June 30, 2022 Rs'000
Short-term borrowings	2,447,032	7,674,907	(7,636,919)	4,180	2,489,200

- (a) The interest rates on bank loans and other loans are secured and varied from 1.85 % to 5.50 % per annum on Rupees accounts (2022: 2.5 % to 3 %) and from 0.90% to 6% per annum on USD accounts (2022: 0.90 % to 1.10 %) while no interest on loans in Euros was taken for Crop 2022 (2022 0.80% to 0.90%).
- (b) Short term loans & money market lines are secured by the preferential lien over all sugars as conferred by Government Ordinance No.87 of 1951. They are utilised to enable advances to be made to producers pending receipt of export proceeds.
- (c) The carrying amounts of the Syndicate's borrowings and bank overdrafts are denominated in the following currencies:

	2023 Rs'000	2022 Rs'000
Mauritian Rupee	2,609,497	2,401,473
Euro	-	-
US Dollar	276,000	89,200
	<b>2,885,497</b>	<b>2,490,673</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 12. TRADE AND OTHER PAYABLES

	2023 Rs'000	2022 Rs'000
Amount payable to producers	992,348	1,019,946
Trade payables and accrued expenses	1,273,458	1,205,825
Provisions and other payables	90,871	46,904
	<b>2,356,677</b>	<b>2,272,675</b>

- (a) The carrying amounts of trade and other payables approximate their value.  
 (b) The Syndicate has policies in place to ensure that all payables are settled within the credit timeframe.  
 (c) The carrying amounts of trade and other payables are denominated in the following currencies:

	2023 Rs'000	2022 Rs'000
Mauritian Rupee	1,875,516	2,061,945
US Dollar	306,932	90,371
Euro	174,229	120,359
<b>GBP</b>	-	-
	<b>2,356,677</b>	<b>2,272,675</b>

## 13. SALES PROCEEDS

	2023 Rs'000	2022 Rs'000
'Shipped' Sugar exports	8,178,004	5,720,747
'Unshipped' Sugar exports	2,031,644	2,722,160
	<b>10,209,648</b>	<b>8,442,907</b>
Sales of Sugar on local market	1,032,500	977,886
<b>Total sales proceeds</b>	<b>11,242,148</b>	<b>9,420,793</b>

## 14. OTHER INCOME

	2023 Rs'000	2022 Rs'000
Insurance claim received and miscellaneous income	112,303	44,088
Profit on disposal of equipment	344	375
	<b>112,647</b>	<b>44,463</b>

## 15. DIRECT OPERATING COSTS

	2023 Rs'000	2022 Rs'000
Sugar processing fees and packing cost	1,791,589	1,341,290
Freight and export charges	910,737	839,053
Bags and other related charges	316,997	206,515
Liners, steel bars and other related costs for white refined sugar	583	23,818
Cost of imports for local market and re-export	1,992,756	2,180,064
Depreciation of Offsite equipment (note 4)	16,098	14,330
Other costs	46,342	118,547
	<b>5,075,102</b>	<b>4,723,617</b>

### Cost of imports

Costs of imports for local market and re-export are calculated on a landed basis for 91,429MT (2022: 105,752MT) of white refined sugar and raw sugar feedstock.



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 16. STORAGE CHARGES

	2023 Rs'000	2022 Rs'000
MCIA (Ex-BSSD)	105,000	99,250
CHC and MFD	109,629	130,938
	<b>214,629</b>	<b>230,188</b>

## 17. ADMINISTRATIVE AND OTHER CHARGES

	2023 Rs'000	2022 Rs'000
Depreciation on equipment (note 4)	2,541	3,181
Amortisation of intangible assets (note 5)	522	438
Rental of office	3,595	3,935
Employee benefit expense	33,760	58,113
Overseas representation and mission expenses	5,468	4,246
Professional fees including subscriptions	6,759	9,131
Committee members fees	460	430
Others	20,018	15,273
	<b>73,124</b>	<b>94,747</b>

## 18. SERVICE PROVIDING INSTITUTIONS AND MCIA LEVY

	2023 Rs'000	2022 Rs'000
Levy on Local Sales	115,707	109,830

This relates to contribution made by the Syndicate for docker's pension fund.

## 19. FINANCE INCOME - NET

	2023 Rs'000	2022 Rs'000
<b>Finance income</b>		
Interest income	657	682
<b>Finance costs</b>		
Interest accrued on :		
- Foreign currency loans	(14,327)	(5,303)
- Bank Overdraft	(37)	-
- Money Market Instruments	(41,475)	(42,073)
- Mauritian rupee loans	(49,692)	(17,342)
Reimbursement of financial support extended to producers for Crop 2017 (note 6)	(70,000)	(75,000)
<b>Total Finance costs</b>	<b>(175,531)</b>	<b>(139,718)</b>
Net foreign exchange gain	278,624	143,643
	<b>103,093</b>	<b>3,925</b>
<b>Finance income - Net</b>	<b>103,750</b>	<b>4,607</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 20. RELATED PARTY TRANSACTIONS

Key management personnel remuneration

2023	2022
Rs'000	Rs'000
16,691	16,839

## 21. FINANCIAL INSTRUMENTS

### Financial Risk Management

The Syndicate's activities expose them to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Syndicate's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on its financial performance. The Syndicate seeks to minimise the effects of these risks by using plain vanilla instruments to hedge these risk exposures. The Syndicate does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Risk management is carried out under policies approved by the Marketing Committee, Risk Management Committee and the Forex Management Committee. These Committees are independent bodies that monitor risks and policies implemented to mitigate risk exposures.

#### Market risk

##### Currency risk

The Syndicate operates internationally and is exposed to foreign exchange risks arising from various currency exposures, primarily in respect of the Euro, GBP and US Dollar. Foreign exchange risks arise on future commercial transactions and assets and liabilities that are recognised in a currency that is not the Syndicate's functional currency.

The Forex Committee manages foreign exchange risks by monitoring the concentration and timing of trade receivables by type of currencies. To manage its foreign exchange risks, the Syndicate uses foreign exchange forward contracts and has foreign currency bank accounts which are transacted with commercial banks.

##### Currency profile

The currency profile of the Syndicate's financial assets and liabilities is summarised below:

	Financial Assets		Financial Liabilities	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian Rupees	679,295	568,632	4,483,837	4,447,402
US Dollar	1,259,701	1,710,722	582,932	179,571
Euro	1,488,753	1,465,555	174,229	120,359
GBP	505,854	342,129	-	-
	3,933,603	4,087,038	5,240,998	4,747,332

##### Foreign currency sensitivity analysis

At the end of reporting period, if the Mauritian rupee had weakened/strengthened by 5% against the following currencies with all variables remaining constant, the impact for the year on net revenue, before distribution to producers, are shown in the table below:

	Financial Assets		Financial Liabilities	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Impact on net revenue before distribution to producers:				
US Dollar	62,985	85,536	29,147	8,979
Euro	74,438	73,278	8,711	6,018
GBP	25,293	17,106	-	-
	162,716	175,920	37,858	14,997

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 21. FINANCIAL INSTRUMENTS (CONT'D)

### Financial Risk Management (cont'd)

#### Market risk (cont'd)

##### Interest rate risk

The Syndicate is exposed to interest rate risks as it borrows funds at both fixed and floating rates. The risk is managed through negotiating the best interest rates available with commercial banks and institutions of the sugar industry.

The interest rate profile of the interest bearing financial liabilities at June 30, 2023 was as follows:

	2023 % per annum	2022 % per annum
<b>Bank Loans:</b>		
MUR accounts	1.90% to 5.50%	2.50% to 5.50%
USD accounts	3.70% to 5.50%	0.80% to 1.10%
EURO accounts	nil	0.85%

At June 30, 2023, if interest rate on rupee-denominated borrowings had been 50 basis points higher or lower with all other variables held constant, the net amount distributed to producers would have been Rs248,460 (2022: Rs 86,665) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

#### Liquidity risk

Liquidity risk is the risk that the Syndicate will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or other financial asset.

A liquidity risk arises on advances to planters made on a weekly basis. To meet its cash outflows, the Syndicate uses overdraft and loan facilities with banks and institutions in the sugar sector to supplement its regular inflow of sugar proceeds to settle its debts as they become due.

All borrowings, bank overdrafts and other payables that are due for settlement within 12 months of the date of the statement of financial position, have been classified under current liabilities.

The Syndicate manages liquidity risks by maintaining an adequate level of cash and overdraft facilities to settle its debts as they become due.

#### Credit risk

Credit risk is the risk of financial loss to the Syndicate if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from cash and cash equivalents as well as credit exposures to retail customers, including trade and other receivables.

The Syndicate assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. Local sales to retail customers are settled by cheques or bank transfers. Similarly proceeds from exports are received through transfers to the Syndicate's bank accounts held with reputable local commercial banks.

For banks and financial institutions, credit risk can be assessed by the historical information about the financial strengths of the financial institutions with which the Syndicate is dealing with. In the opinion of Management, there is no associated risk as these are reputable institutions' in the industry.

The credit quality of trade and other receivables that are neither past due nor impaired, can be assessed by reference to external credit ratings if available, or historical information about counterparty default rates. For the year under review trade receivables were not impaired.

The carrying amount of trade and other receivables in the financial statements, which is net of impairment losses, represents the Syndicate's maximum exposure to credit risk without taking into account the value of any collateral obtained. The Syndicate's main debtors are its overseas buyers on account of sugar sold to them.

## 22. TAXATION

The Syndicate is a non-profit making organisation and is exempt from taxation.

## 23. CONTINGENT LIABILITIES

The Syndicate has no contracted bank guarantee at June 30, 2023 and 2022.

## 24. SUBSEQUENT EVENTS

- (a) The Syndicate has been rated CARE MAU A1+ by CARE Ratings for its next issue of Money Market Instruments of Rs 2 billion.



# Appendix

## Statement of Profit and Loss

FOR THE YEAR ENDED 30 JUNE 2023  
ANALYSED BY ORIGIN OF SUGAR (\*\*)

	CROP 2022			
	Sales of Originating Sugar	Local sales from non originating sugar	Export of sugar refined from imported raw sugar	Total
	Rs. M	Rs. M	Rs. M	Rs. M
<b>REVENUE</b>				
Sales Proceeds from Sugar	8,424.1	-	1,831.0	10,255.1
Sales Proceeds for Local Market	188.5	844.0	-	1,032.5
Provision for losses and credit notes	(45.4)	-	-	(45.4)
Other Income	112.6	-	-	112.6
<b>TOTAL REVENUE</b>	<b>8,679.8</b>	<b>844.0</b>	<b>1,831.0</b>	<b>11,354.8</b>
<b>EXPENDITURE</b>				
Consumption of NOS for Local Market	-	534.0	1,458.7	1,992.8
Sugar Processing & Bagging Fees	1,385.6	166.8	239.2	1,791.6
Costs of Bags	275.9	9.5	32.3	317.6
Freight & other export charges	875.2	-	35.5	910.7
Other Direct Operating Costs	62.4	-	-	62.4
Direct operating costs	2,599.2	710.3	1,765.6	5,075.1
Storage charges	188.8	14.7	11.1	214.6
Levy to MCIA	19.7	96.0	-	115.7
Sugar Insurance Reserve Fund	0.2	-	0.1	0.3
Admin Expenses	73.1	-	-	73.1
Total Expenditure	2,881.1	820.9	1,776.8	5,478.8
<b>NET REVENUE BEFORE FINANCE COSTS</b>	<b>5,798.8</b>	<b>23.1</b>	<b>54.1</b>	<b>5,876.0</b>
Finance (costs)	(61.6)	(13.0)	(30.9)	(105.5)
Finance Income - net	279.3	-	-	279.3
Financial support re-imbursement	(70.0)	-	-	(70.0)
<b>NET REVENUE TO PRODUCERS</b>	<b>5,946.4</b>	<b>10.1</b>	<b>23.2</b>	<b>5,979.7</b>
<b>EX-SYNDICATE PRICE - Rs. / MT</b>	<b>25,412</b>	<b>43</b>	<b>99</b>	<b>25,554</b>
<b>PRODUCTION - POL MT</b>	<b>233,999</b>	<b>233,999</b>	<b>233,999</b>	<b>233,999</b>

\*\*The figures shown above have been rounded to the nearest million.

This may result in immaterial rounding differences to the sub-totals.

## Notes

[illegible]

[illegible]







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SYNDICATE

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