Mauritius Sugar Syndicate
26 February 2026

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bank Facility - Short Term	**800**	**CARE MAU A1+**	Reaffirmed
Bank Facility - Short Term	**1,500**	**CARE MAU A1+**	Reaffirmed
Money Market Instrument (Short Term)	**- Reduced from (2,000)**	**-**	Withdrawn*
Total	**2,300**		

** CRAF has taken note of the proof of payment provided by the management of Mauritius Sugar Syndicate ("MSS"), confirming that the Money Market Instrument (MMI) of MUR 2,000 million has been fully repaid. The repayment was funded through drawdowns of under the SBM Money Market Line (MML) and under the Absa MML.*
Taking cognizance of the fact, CRAF hereby withdraws the credit rating CARE MAU A1+, assigned to the Money Market Instrument (MMI) of MUR 2,000 million with immediate effect.

Rating Rationale

The rating assigned to Bank Facilities of Mauritius Sugar Syndicate ("MSS") continue to derive strength from the strategic importance of MSS in the sugar sector of Mauritius, the professional and qualified management team, the profit-sharing arrangement independent of Government intervention and higher premium for White Refined Sugar ("WRS") and Speciality Sugar ("SS"). The rating also factors in the flexible pricing and forex hedging mechanism, duty free access to European Union region – resulting in higher premium for refined sugar, the reputed clientele base, comfortable collection period and strong liquidity.

However, the rating is constrained by the non-profit organizational structure/business model of MSS, which limits the growth of its net worth, risks associated with counterparties and the price fluctuations of sugar in the global market.

Rating Sensitivities
Positive Factors - Factors that could lead to positive rating action / upgrade – Not Applicable

Negative Factors - Factors that could lead to negative rating action / downgrade

- Significant decline in export sales, adversely impacting the company's total operating income.
- Sharp correction in sugar prices, leading to pressure on profitability and cash flows.
- Material increases in receivables, resulting in stretched liquidity and weakened cash flow position.

Analytical approach: Standalone approach factoring in the financial flexibility of MSS to fix the price of Sugarcane producers and millers based on the retained profit post servicing of all the debt outstanding.

Detailed description of key rating drivers
Key strengths

Strategic importance of MSS in the sugar sector of Mauritius

MSS is the sole organization responsible for the marketing and selling of all sugar produced in Mauritius. All sugarcane growers (30 Corporate planters, 113 Cooperatives and 7,462 individual sugarcane planters) and millers (3 Corporate mills producing sugar, ethanol & bagasse from sugar cane) of Mauritius are members of the MSS. Its structure aims at providing

[1]Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

maximum returns for all its members. Entire sugar industry sales happen through MSS and is very critical and strategic importance to the country for smooth functioning of the industry.

Experienced management team & committee members

The Mauritius Sugar Syndicate is managed and administered by 21 members (13 representatives of the corporate sector of the industry including corporate growers and 8 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 Ministry of Agro-Industry and Food Security upon recommendation of their respective associations.

Mr. Nicolas Maigrot is the current president and Mr. Sachin Sookna is the vice-president of the MSS. They are assisted by Mr. Devesh Dukhira, CEO of MSS, and a team of experienced professionals. Mr. Dukhira, who joined MSS in 2001 and was appointed as CEO in 2015, holds an MSc in Business Administration and Management from Boston University.

Profit-sharing arrangement independent of Government intervention

The MSS sells all sugar from its members, then distributes the proceeds after covering operational and interest expenses. It sets both the indicative price at the start (July) and the final price at the end (May-June) of each crop year in Mauritius. The indicative price is based on expected sales, with 60-80% of it distributed at the start of the season. The final price is fixed on actual revenue & expenses at the end of the crop year. Post fixation of the final price, MSS distributes the balance to the growers & millers. Hence, the MSS will neither incur profit nor loss. About 78% of the final Ex Syndicate revenue is paid to the growers and 22% of the Ex-Syndicate revenue is paid to the millers. The government of Mauritius does not interfere into the fixation of the final sugar price, and it is market determined.

Comfortable collection period

The MSS generally provides a 2 to 3 months of average credit period on sale of sugar only to those customers with whom they have a strong relationship. In general, they realise the receivables within 4 months. Export proceeds (inventory shipped and payment pending from client), has increased to MUR 2,344 million in FY25 from MUR 2,205 million in FY24. Unshipped sugar refers to sugar that has been contracted for export but remains in inventory at the reporting date, pending shipment after the reporting date, based on firm orders already secured.

Efficient hedging mechanism

Around 90% of the revenue is from the export of sugar. Exports are mainly denominated in EUR and USD. The Syndicate has established the practice of hedging its foreign currency receipts to mitigate the risks and volatility inherent in the currency market. To manage its foreign exchange risk arising from future commercial transactions, and recognized assets and liabilities, the Syndicate uses foreign exchange forward contracts and has foreign currency bank accounts which are transacted with commercial banks. In FY24 and FY25, MSS posted a foreign exchange gain of MUR 339 million and MUR 287 million respectively.

Strong revenue growth driven by favourable sugar prices: Over the past two years, elevated global sugar prices have supported the Mauritian sugar industry through improved export realisations. In FY25, total income declined by 15% to MUR 11,118 million (from MUR 13,140 million in FY24), mainly due to an 11% drop in the ex-Syndicate sugar price to MUR 27,478/tonne. Profitability softened, with EBITDA at MUR 6,166 million and surplus at MUR 6,268 million, although margins remained stable at 56% and 56% respectively, supported by continued cost discipline and lower inventory levels.

As per its distribution model, the entire surplus was passed on to producers, resulting in a nil net worth as at June 30, 2025.

Strong and reputed client relationships

MSS caters to a reputed and diversified clientele across Europe, the USA, Africa, and the domestic market, supplying a wide range of specialty sugars. Sales are primarily extended on credit to long-standing customers, accounting for 71% of sales in FY25 and 55% in FY24. The company maintains a credit period of 50–60 days with Cristal Union, one of the largest sugar cooperatives in France, while other open-account customers such as Czarnikow, British Sugar, Altromercato, and Sugar Industry of Singapore typically settle payments within 10 days of delivery.

Over the past 15 years, MSS has not experienced any payment defaults or required any bad debt provisioning from these clients, reflecting the strength of its business relationships and prudent customer selection. In the unlikely event of a default, any associated losses are contractually passed on to the growers and millers.

Diversified supplier base and pre-determined milling quota

Sugarcane is cultivated on a total area of around 35,000 hectares and the island has the capacity to produce some 230,000 – 238,000 tonnes of sugar annually. Some 7,625 individual planters grow sugarcane on some 11,000 hectares and contribute to 20-22% of national sugarcane production. The balance (around 78-80%) is supplied by 22 corporate planters (ENL Agri, Omnicane Agri, Terra Agri, Alteo Agri, Medine, etc.) and 113 Cooperatives providing diverse plant grower base. At present, there are 3 millers in Mauritius - Omnicane Milling Operations Limited (rated CARE MAU A-; Stable), Alteo Milling Limited (holding company of Alteo Limited rated CARE MAU A; Stable) and Terra Milling Limited. Annually all three millers together crush 3,000,000 – 3,500,000 of sugar cane and produces around 150,000 tonnes of raw sugar annually. The ratio of quota of quantity to be crushed is pre-determined among the millers. Post closure of Medine Sugar estate's mill in 2019 and as per the agreement between the other 3 millers and the MSS, 42% of annual cane production by Medine (around 350,000 tonnes) goes to Omnicane for crushing and balance to Alteo and Terra. During the crop 24/25, the three mills produced 224,460 tones of raw sugar (238,854 tonnes of raw sugar were produced during crop 23/24).

High demand for Mauritius White Refined Sugar (WRS) & Speciality Sugar (SS)

Mauritius mainly exports WRS and SS, that has high demand in Europe and the U.S. markets. The specialty sugar fetches premium compared to raw sugar and provides higher return to the producers. In recent years, the unfavourable weather condition in Europe led to the reduction in beet sugar production in the country. This led to higher demand for special sugar produced in Mauritius in the EU market (65% of the export market of Mauritius). Mauritius produces 18 varieties of WRS and Special Sugar SS which includes different types of Demerara, Muscovado and Golden Caster sugar. These sugar command a premium in the European market over the normal sugar. All the millers send their entire raw sugar production to the MSS. MSS then re-allocates the raw sugar to the producers of WRS (Omnicane) and special sugar (Alteo and Terra) as per the demand in EU market. The MSS pays a conversion price to the refiners based on a fixed percentage of the FOB price of white refined sugar and speciality sugars.

Increasing trend in sugar prices

Benchmarking price for WRS is done with the world market price and the premium achievable in the EU, regional and the China markets, respectively. For special sugar, they are usually priced 25%-35% higher than the white refined sugar price. For pricing purposes, market feedback and competition are taken into consideration. The MSS communicates the Indicative and final price of every year on its website. The price communicated for last 3 years are as under:

Sugar Season	Communicated	Indicative Price (MUR/ton)	Final Price (MUR/ton)
July 2022 - June 2023	Sept 2022	21,000	25,554
July 2023 - June 2024	Sept 2023	26,000	30,951
July 2024 - June 2025	Jul 2024	22,000	27,478

Export primarily in E.U region due to duty Free access

MSS exported 89% of the sugar produced in Mauritius for crop 2024-25. Export destinations are as under:

The MSS, which is already present in over 55 countries across the world, with a total of 120 customers, continues to strengthen its energies towards further market diversification. Break-up of export and local sales:

International Market	(2022-23) Tons	%	(2023-24) Tons	%	(2024-25) Tons	%
European Union	173,802	56	153,455	46	98,171	32
African regional market (through COMESA)- **sugar deficient and protected market**	80,453	26	105,334	32	65,520	21
World market (incl. local sales)	18,677	6	26,212	8	9,828	3
United States	12,013	4	13,719	4	15,115	5
Non-Originating sugar exports	NA		NA		86,515	28
Total Export	**284,945**		**298,720**		**275,149**	
Total sales in local market	**27,762**	**8**	34,005	**10**	34,665	**11**
Total Sales	**312,707**	**100**	**332,725**	**100**	**309,814**	**100**

The MSS sells sugar primarily in the European which pays the highest premium for refined sugar. Mauritius, as a member of the Eastern and Southern African (ESA) trade bloc, continues to benefit from duty-free access to the E.U. market. Due to preferential trade access, the MSS can arbitrate sales, especially for WRS, between the EU and non-EU markets, in light of the most remunerative market prices obtainable and the EUR/US$ exchange rate. It also has duty free access to U.S. market for 12,500 tonnes annually.

Industry landscape and overview of the Mauritian and Global sugar industry

The Mauritian sugar industry comprises around 30 corporate planters, 113 cooperatives, and over 7,400 individual growers, supported by three corporate mills producing sugar, ethanol, and bagasse. The Mauritius Sugar Syndicate (MSS) markets the country's White Refined and Specialty Sugars, which have established demand in Europe and the US. Over the past three years, the cultivated area has gradually declined from around 39,000 to 35,000 hectares, while sugar production has remained stable at about 225,000–240,000 tonnes annually. Total sugar sales have averaged 310,000–330,000 tonnes, with ex-syndicate sugar prices firming from MUR 25,500 per tonne in FY2022/23 to about MUR 30,900 in FY2023/24 before easing marginally in FY2024/25.

Globally, the industry is characterized by cyclicality and supply-driven volatility, with Brazil, India, the EU, and Thailand being the major producers, and the EU, US, and Asian economies among the key importers. Global production is expected to increase modestly in the near term, led by record output in Brazil and steady production in India, though India's ethanol blending policy and adverse weather remain limiting factors. While sugar prices may soften gradually as supply normalizes, continued exposure to climatic risks, energy price movements, and geopolitical uncertainties could maintain a degree of tightness in global markets.

Key weakness

Business Model with not-for-profit motive

The MSS aims at providing maximum returns to the growers (cane planters) and millers (producing sugar, ethanol & bagasse from the cane) by way of procuring & selling the entire sugar produced in Mauritius (all growers and millers in Mauritius are members of the MSS) and distributing the proceeds during the year after ensuring deduction of its actual operational (including bad debt, if any) and interest expenses. Thus, profit is not a motive of the MSS, and hence build-up of net worth is restricted because of its business model. The sugar producers (growers and millers) are at the base of the Syndicate structure. The cane produced by the growers is supplied to the mills. It is processed by the mills into raw sugar and then special sugar. MSS sells the special sugar in the export market. MSS releases 80% of the indicative price to the growers and millers in 78:22 ratio by borrowing from banks. The remaining balance of 20% is released at the end of the Crop year (June) once the final sugar price for the crop year is fixed by the MSS - after considering the actual sales and expenses. The collection from the debtors is utilized to repay the short-term borrowings to banks (utilized to pay to the growers and millers).

Liquidity: Strong

The MSS has a fixed payment structure for all the sugar producers. It releases funds to growers & planters through a two-step price payment mechanism during the year. The MSS has MUR 4,250 million of sanctioned overdraft and committed money market lines from banks in Mauritius and MUR 3,617 million of uncommitted money market lines from banks in Mauritius. These banking facilities are denominated in MUR/USD/EUR. The average utilization of the working capital facilities (bank facilities and MMI) was 31% in FY25.

Applicable Criteria

Rating Methodology - Manufacturing Companies
Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Withdrawal and Suspension Policy
Definition of Default

About the company

Mauritius Sugar Syndicate ("MSS"), incorporated in 1919, was legally constituted for an indefinite period in pursuance of the Mauritius Sugar Syndicate Act of 1951 (An Act of Parliament). MSS is the sole organization responsible for the marketing and selling of all sugar produced in Mauritius. It is a 100-year-old organization dealing with marketing and sale of sugar - including a wide range of specialty sugar produced in Mauritius. Its structure aims at providing maximum returns to all sugar producers/ growers and millers in Mauritius who are the members of the MSS.

MSS's objective is to sell all sugar received from its members and distribute the proceeds. MSS also imports raw sugar from Brazil which is processed in the local mills and then exported. The profit is also distributed among the members. More than 90% of the sugar produced are exported to the European Union and African regional market (through COMESA), USA and others.

Financial summary of Mauritius Sugar Syndicate **MUR million**

For the year ended as on 30 June	FY23	FY24	FY25
Final Sugarcane price	**25,350**	**30,951**	**27,478**
12M		**Audited**	
Total Income	11,355	13,140	11,117
EBITDA	5,880	7,254	6,130
Depreciation	3	2	2
EBIT	5,877	7,252	6,128
Interest Costs	176	162	179
PAT	5,980	7,429	6,237
Gross Cash Accruals (GCA)	5,983	7,431	6,239
Financial Position			
Equity share capital	-	-	-
Tangible Networth	(1)	(1)	(6)
Total debt	2,885	2,950	3,733
- Long term debt	-	-	-
- Short term debt	2,885	2,950	3,733
Cash & Bank balances	615	974	318
Key Ratios			
EBITDA / Total operating income (%)	51.78	55.21	55.15
PAT / Total income (%)	52.66	56.54	56.10
Interest coverage (times)	33.50	44.67	34.30
Total debt/ EBITDA	0.49	0.41	0.61
Total debt/ GCA	0.48	0.40	0.60
Current ratio	1.00	1.00	1.00
Quick ratio	0.76	0.89	0.96
Avg. Collection Period (days)	50	54	74
Avg. Inventory (days)	62	57	30
Avg. Creditors (days)	152	146	147
Op. cycle (days)	(40)	(35)	(44)

Annexure I
Details of Rated Facilities

A.1 – Short Term Facility

Bank	Facility	Amount	Repayment (MUR Million)
Absa Bank (Mauritius)	Overdraft	Up to MUR 800 million	One year tenure
	Discounting		60 days
	Trade Loan Facility		3 months
	Short Term Loans		6 months

A.2 – Short Term Facility

Bank	Facility	Amount	Repayment (MUR Million)
SBM	Overdraft	Up to MUR 1,000 million	One year tenure
	Discounting		60 days
	Trade Loan Facility		3 months
	Short Term Loans		6 months
Bank One	Import	Up to MUR 500 million	One year

Disclaimer

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Annexure II

Rating Symbols

Short term Instruments

Symbols	Rating Definition
CARE MAU A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
CARE MAU A2	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry low credit risk.
CARE MAU A3	Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry higher credit risk as compared to instruments rated in the two higher categories.
CARE MAU A4	Instruments with this rating are considered to have minimal degree of safety regarding timely payment of financial obligations, in Mauritius. Such instruments carry very high credit risk and are susceptible to default.
CARE MAU D	Instruments with this rating are in default or expected to be in default on maturity.

Modifiers {"+" (plus)} can be used with the rating symbols for the categories CARE MAU A1 to CARE MAU A4. The modifiers reflect the comparative standing within the category.

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About CARE Ratings (Africa) Private Limited:

CARE Ratings (Africa) Private Limited (CRAF) is the first credit rating agency to be licensed by the Financial Services Commission of Mauritius in May 2015. It is also recognized by Bank of Mauritius as External Credit Assessment Institution (ECAI) from May 2016. CRAF is also licensed by Capital Markets Authority of Kenya to operate as a Credit Rating Agency in Kenya. CRAF intends to expand across other geographies in Africa with Mauritius as its hub of operations. With an equitable position in the Mauritius capital market, CARE Ratings (Africa) Private Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited.

CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the international best practices.

CRAF's Rating Committee consist of full-time members comprising of Senior Rating officials from CARE Ratings Limited and a panel of experienced professionals from Mauritius and African Development Bank.

CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.