Mauritius Sugar Syndicate
16 November 2026

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bank Facilities - Short Term	**2,300**	**CARE MAU A1+**	Reaffirmed
Bank Facilities - Short Term	**880**	**CARE MAU A1+**	Assigned
Total	**3,180**		

Rating Rationale

The rating assigned to the bank facilities of Mauritius Sugar Syndicate ("MSS") continues to derive strength from MSS's strategic importance in the Mauritian sugar sector, being the sole organisation responsible for the marketing and sale of sugar produced in Mauritius. The rating also factors in MSS's structured and market-linked price-setting mechanism, whereby operating costs, finance costs and other common charges are deducted before distribution of net proceeds to growers and millers, thereby limiting residual profitability risk under its operating model. Further comfort is derived from established demand and premium positioning of White Refined Sugar ("WRS") and Speciality Sugars, preferential / duty-free access to key export markets including the EU, UK, COMESA, SADC and US, reputed global client relationships, comfortable collection profile, established foreign exchange hedging mechanism and strong liquidity supported by adequate working capital lines and utilisation.

However, the rating remains constrained by MSS's limited net worth accretion owing to its not-for-profit proceeds' distribution model, whereby surplus proceeds are distributed to producers after deduction of costs. The rating is further constrained by exposure to volatility in international sugar prices, foreign exchange movements, structural risks in the Mauritian sugar industry, including climate variability, declining cane acreage, lower cane throughput and counterparty risk, although partly mitigated by long-standing relationships with reputed clients and the absence of material historical defaults.

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 and leading to pressure in profitability
- Significant reduction in sugarcane cultivation area leading to lower cane availability and ultimately impacting the overall sugar production
- 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

Applicable Criteria

Financial Ratios – Non financial Sector
Liquidity Analysis of Non-financial sector entities
Short Term Instruments

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

About the company

The Mauritius Sugar Syndicate ("MSS" or "the Syndicate") was incorporated in 1919 and is constituted for an indefinite period under to the Mauritius Sugar Syndicate Act 1951. MSS is the sole organisation responsible for the marketing and sale of sugar produced in Mauritius, including a diversified range of specialty sugars marketed internationally. The Syndicate has a long operating track record of over 100 years and plays a central role in the Mauritian sugar industry. Its primary objective is to optimise returns to sugar producers, comprising both growers and millers, by collectively marketing sugar and distributing sale proceeds after deducting common expenses.

All sugar producers in Mauritius are members of MSS. These include corporate planters, independent sugarcane planters, cooperative planters and millers. The milling segment comprises three corporate mills, which process sugarcane into sugar and generate by-products such as bagasse, used for energy generation, and other cane-related outputs. For the 2025/26 crop season (July 2025 to June 2026), MSS had 6,892 members (7,578 members for crop season July 2024 to June 2025). MSS's objective is to sell all the sugar received from its members in domestic and export markets and distribute the net proceeds to producers after deducting actual operating expenses, interest costs and any other common charges, including bad debts, if any. In addition to marketing Mauritian-origin sugar, MSS also undertakes activities relating to non-originating sugar ("NOS"), whereby raw sugar is imported, mainly from Brazil, processed/refined by local mills and subsequently re-exported. Any surplus generated from such operations is also distributed among members.

During FY26, around 90% of the sugar produced in Mauritius was exported. The key export markets including the European Union and the UK, which accounted for around 58%, followed by China, UAE and Madagascar, collectively accounting for around 11%, with the balance sold to other destinations.

MSS's operations are organised into specialised departments that support its core mandate. These include:

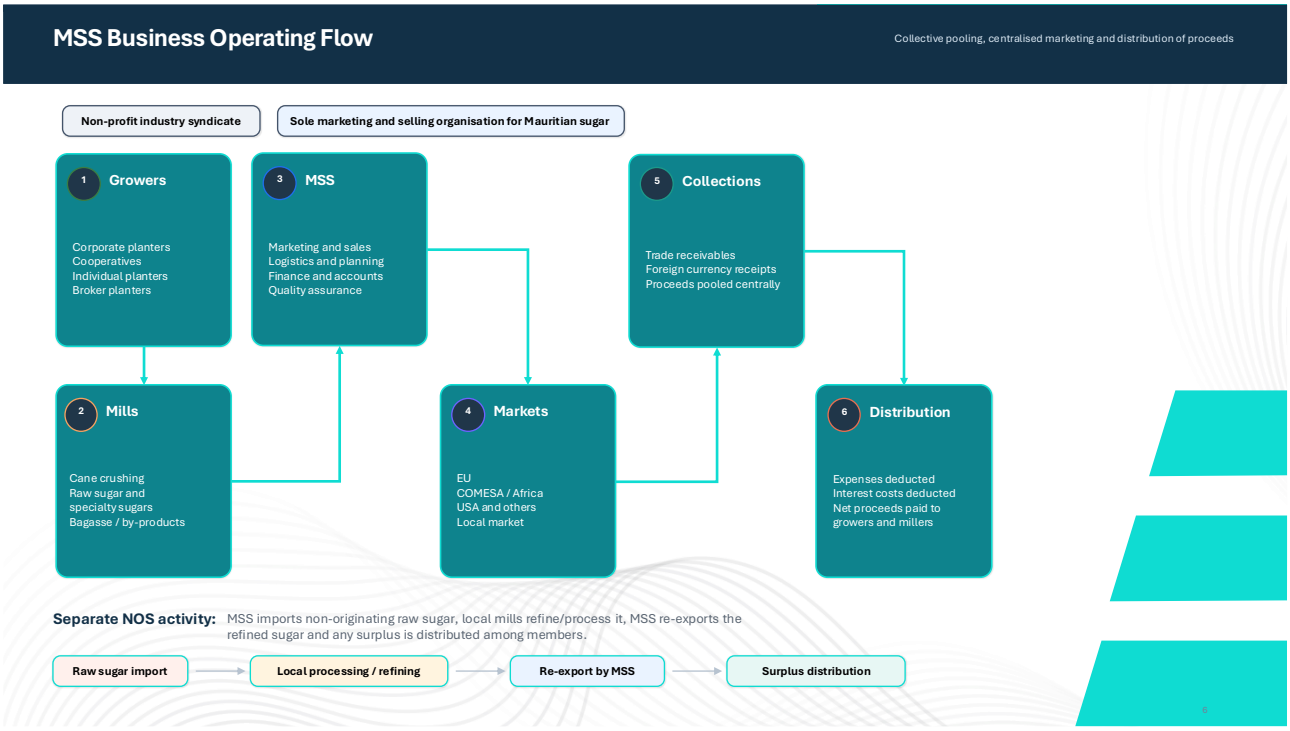
- Marketing and sales;
- Logistics and planning;
- Finance and accounts;
- Producer support services;
- Quality assurance and food safety.

Business Model with non-profit motive

MSS operates under a non-profit, industry-wide pooling model. Its purpose is not to generate profits for itself, but to maximise returns to sugar producers, namely cane growers and millers. As a result, the Syndicate's ability to accumulate net worth is inherently limited, since surplus proceeds are entirely distributed to members after meeting operating and financing costs.

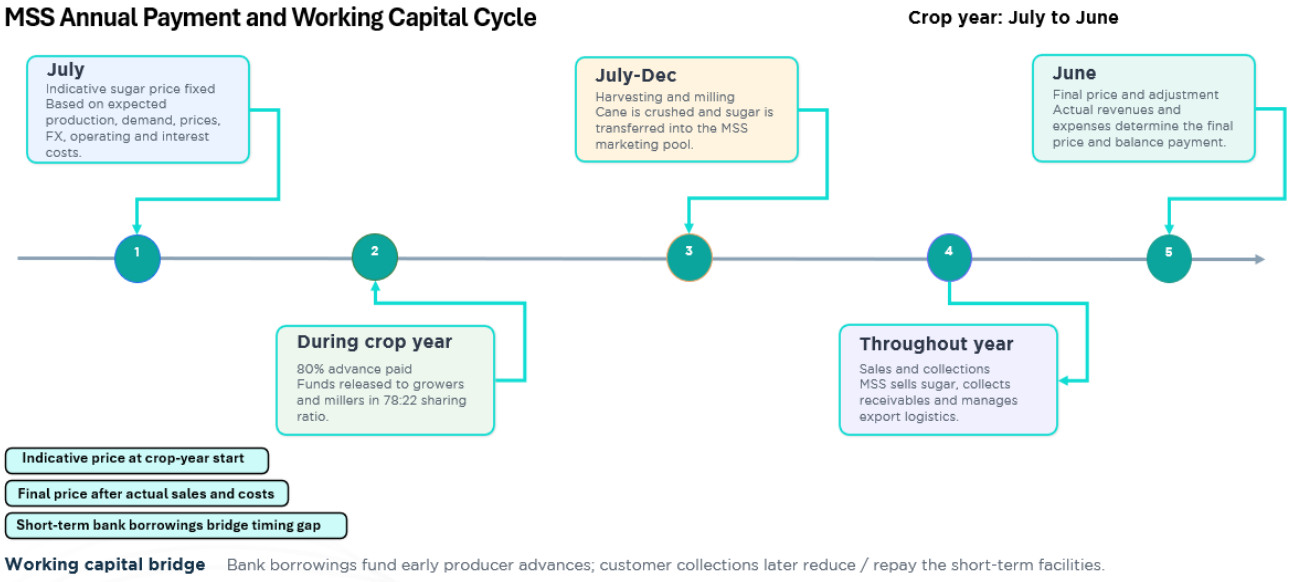
The business model is structured around the collective sale of sugar produced in Mauritius. Sugarcane grown by planters is supplied to mills, where it is processed into raw sugar and specialty sugars. MSS then markets and sells the sugar, mainly in export markets, and distributes the proceeds to growers and millers after deducting actual expenses.

The broad operating flow is as follows:



MSS distributes proceeds through a structured price payment mechanism. At the beginning of each crop year, generally in July, MSS determines an indicative sugar price based on expected crop production, anticipated sugar demand, expected export prices, exchange rate assumptions, and estimated operating and interest expenses.

Based on this indicative price, MSS releases an advance payment to producers. Around 80% of the indicative price is paid during the crop year, funded largely through short-term bank borrowings. The proceeds are distributed between growers and millers in the established sharing ratio of 78:22.



The remaining balance is paid at the end of the crop year, once the final sugar price is determined. The final price is calculated after considering actual sugar sales, realised prices, foreign exchange movements, operating expenses, interest costs and other applicable deductions. Collections from customers are subsequently used to repay the short-term borrowings availed by MSS to fund interim payments to producers.

Given this structure, MSS's net worth is expected to remain nil, as excess proceeds are distributed to members after meeting expenses. As at June 30, 2025, MSS's net worth stood at nil, consistent with its operating model. All lenders to MSS, including banks and financial institutions, benefit from a preferential lien over sugar, as conferred under Government Ordinance No. 87 of 1951 and referenced in the Mauritius Sugar Syndicate Act.

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