



SUGAR INSURANCE FUND BOARD

Annual Report 2009





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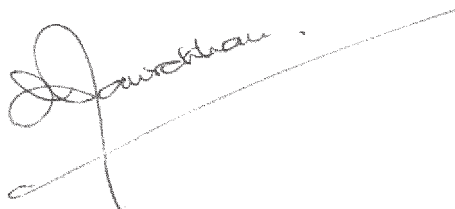
Chairman`s Letter

The Honourable Mr. Pravind Kumar Jugnauth,
Minister of Finance and Economic Development,
Vice-Prime Minister
Port-Louis

Dear Sir

The Board is pleased to present its Annual Report and the Audited Accounts of the Sugar Insurance Fund for the year 2009.

Yours faithfully



Professor J. Manrakhan G. O. S. K.
Chairman
Sugar Insurance Fund Board

Date: 8 October 2010

Letter to Insureds

Dear Insureds,

We are pleased to present the Annual Report of the Sugar Insurance Fund Board for the calendar year 2009. The accounts have been prepared within the best practices applicable to insurance entities and in line with International Financial Reporting Standards. The Board is also pleased to report that after consultation and approval of the Minister of Finance and Economic Empowerment a one off 10% discount on General Premium Crop 2009 has been granted to all insureds. The Fund's equity registered a growth of MUR 659.58 million (15.6%) despite a depressed financial environment and an average crop 2009 with a loss ratio of 33.3% to the Fund.



Launching Ceremony of refinery process by Dr The Honourable Navinchandra Ramgoolam, GCSK, FRCP, Prime Minister of the Republic of Mauritius at Omnicane Limited



Corporate Information



Board meeting of 25th March 2010

Directors of the Board:-

Professor J. Manrakhan, G.O.S.K

Mr K. Bunjun

Mr J. C. Béga

Mr C. Bhugun

Mr D. Bundhoo

Mr J. Bundhoo (as from 16 July 2009)

Mr G. Leung Shing

Mr D. Pilot

Dr. G. Rajpati (up to 21 May 2009)

Mr V. Ramharai

Mr S. Purmanund

Mr J. Seegobin

Chairman

Representative of the Ministry of Finance and Economic Development

Representative of Millers

Representative of the Ministry of Agro Industry, Food Production and Security

Representative of the Director General (Economic Division) Ministry of Finance and Economic Development

Representative of the Mauritius Sugar Authority

Representative of the Mauritius Chamber of Agriculture

Representative of Planters

Representative of the Mauritius Sugar Authority

General Manager, Cane Planters & Millers Arbitration & Control Board

Representative of Planters

Representative of Planters

Corporate Information (Contd)

Committees of the Board

Besides the statutory provision regarding the Investment Committee, the Board has in line with best practices established the following committees namely:

Corporate Governance Committee, Assessment Committee, Audit and Risk Management Committee, Budget and Procurement Committee and Staff Committee.

Corporate Governance Committee

The Corporate Governance Committee is chaired by the Chairman of the Board and has as members Chairmen of all Committees. Its main function is to ensure compliance with good corporate governance practice.

Investment Committee

The Committee established by legislation is presided by the Chairman of the Board and comprises (i) Mr. J. C. Béga, (ii) Mr. K. Bunjun and (iii) Mr. G. Leung Shing as members and has as attributes the investment strategies of the Fund.

Assessment Committee

The Assessment Committee is chaired by Mr. V. Ramharai with Messrs J. Bundhoo, D. Pilot and S. Purmanund as members.

The Committee reviews and formulates policies regarding the General and Fire insurances. The Committee further makes recommendations to the Board for declaration of “event years” and oversees the general assessment process.

Audit and Risk Management Committee

The Audit and Risk Management Committee under the chairmanship of Mr. J. C. Béga, has as members Mr. D. Bundhoo and Mr. J. Seegobin.

The Committee oversees the Internal Audit and Internal Control functions and reviews the effectiveness of the internal and external audit process. The Committee assesses and addresses risk inherent to the business.

Budget and Procurement Committee

The Budget and Procurement Committee is constituted as follows - Mr. G. Leung Shing as Chairman, Mr. D. Bundhoo, Mr. S. Purmanund and Mr. J. Seegobin as members.

The Budget and Procurement Committee through budgetary control monitors the annual expenditure and ensures procurement of goods and services through established procedures.

Staff Committee

The Staff Committee consists of Mr. K. Bunjun (Chairman), Mr. C. Bhugun, Mr. S. Purmanund and Mr. J. Seegobin (members).

The Staff Committee deals with all staff matters taking into account the dynamics of socio-economic and technological developments facing the sugar cane and insurance and related industries, in Mauritius and world-wide.

Corporate Information (Contd)

Senior Management

Mr. Diness PURRYAG	General Manager
Mr. Johnny S.S. CHONG CHAP SIN	Senior Network Engineer
Mr. Deorajnuth GANSAM	Manager (Survey)
Mr. Gaoutam GOOROOCHURN	Chief Manager Finance
Mr Nand JHOOTTEE (until 24 July 2009)	Administrative Secretary
Mr. Yan LOCK SON	Chief Manager (Information Systems Services)
Mr. Youveraj NATHOO	Internal Auditor
Mr. Yung Kiong J. NEWK FON HEY TOW	Chief Manager (Operations)
Mr. M.A. I. NOORMAHOMED (from 22 October 2009)	Manager (Finance)
Mr. Mohamed Y.M.A.F.E. PEERMAMODE	Senior Software Engineer
Ms. D. PURMESSUR (from 26 October 2009)	Manager (Finance)
Ms. L. D. RAMKISSOON (from 3 November 2009)	Administrative Secretary
Mr. Jayendra SOOKDEB (from 14 April 2009)	Manager (Claims)
Mr. Krishnamoorthy P. VAYAPOOREE	Manager (Inspection)

Legal Advisers

1. Andre Robert, Jr., Attorney-at-Law
2. State Law Office

Auditors

Director of Audit, National Audit Office

Re-Insurance Broker

Willis Re., Willis Limited, London

Main Bankers

1. Barclays Bank PLC
2. Mauritius Commercial Bank Ltd
3. State Bank of Mauritius Ltd.

Acknowledgement and Thanks

The Board wishes to thank the staff for their contribution and the other organisations for their collaboration.

Corporate Governance Report

The Sugar Insurance Fund Board is a statutory body created under the Sugar Insurance Fund Act 1974 (as amended).

Mission Statement

To provide financial support for a long term, viable and sustainable Sugar Industry.

Objectives

To insure the sugar production of planters, metayers, millers and refiners against losses due to the effects of inclement weather such as cyclones, drought and excessive rainfall under its General Insurance policy. Fire occurrence in sugar cane field is another risk covered by the Fund under its Fire Insurance policy.

Directors' Responsibility for the Financial Statements

The Fund's Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of prevailing statutes.

Responsibilities of the Board of Directors

The fundamental statutory responsibilities of the Board of Directors are to lay down the overall policies regulating the various business/activities of the Fund; it oversees the Fund's strategic direction and its organisational structure. The Board discharges the above responsibilities either directly or through Board Committees for more in-depth analysis and review of various issues while retaining its responsibility for all policy matters.

The Chairman of each Committee periodically places reports of its proceedings before the Board for approval/information, as may be relevant. The Board promotes openness, integrity and accountability to improve corporate behaviour, strengthens control systems over business and reviews management performance on a regular basis. In addition the Board is committed to ensure as far as reasonably possible, and in accordance with legislation in force, the safety and health of its staff. To fulfill their responsibilities, Board members have unhindered access to accurate, relevant and timely information.

Internal Control

Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Such systems should ensure that all transactions are authorised and recorded and that any material irregularities are detected and rectified within a reasonable time-frame. The Fund has an established Internal Audit function which assists the Board and Management in effectively discharging its responsibilities. Internal Audit is an independent function that reports directly to the Audit and Risk Management Committee. Business controls are reviewed on an ongoing basis by Internal Audit using a cycle-based risk approach.

Directorate and Management

Board of Directors - Directors' Profile



Prof. JAGADISH MANRAKHAN, GOSK

CHAIRMAN

Born in 1937 Prof. J. Manrakhan holds an MSC in Agricultural Economics from the University of Reading. He was the former Vice-Chancellor of the University of Mauritius and the former Executive Director of the Mauritius Research Council for period 1979 to 1995 and 1995 to 1998 respectively. He is also a former Director of the Standard Bank (Mauritius) Ltd and is the Chairman of the Board since November 2000.

JEAN CLAUDE BÉGA

DIRECTOR – Representative of Millers

Born in 1963, Mr. Jean-Claude Béga, a fellow of the Association of Chartered Certified Accountants, Finance Executive of Groupe Mon Loisir, was appointed as Director in January 2002. He is also Director of a number of companies including Naïade Resorts Ltd and Axys Leasing Ltd as well as an Alternate Director of AfrAsia Bank Limited and Mauritius Stationery Manufacturers Ltd.



CHETTANDEO BHUGUN

DIRECTOR – Representative of Ministry of Agro Industry, Food Production & Security
Born in 1956, Mr. C. Bhugun, Principal Assistant Secretary at the Ministry of Agro Industry & Fisheries holds an MBA. He was appointed Director of the Board since October 2005. He is also Board Member of the Mauritius Sugar Terminal Corporation, the Sugar Planters Mechanical Pool Corporation and the Irrigation Authority.

KRESHNA NUNDUN BUNJUN

DIRECTOR – Representative of the Ministry of Finance & Economic Development
Born in 1950, Mr K.N. Bunjun Director (Economic & Finance) at the Ministry of Finance & Economic Development holds a degree in Economics. He was appointed Director of the Board since December 2008. He is also a member of the National Economic and Social Council. Mr Bunjun has served as Head of the Transport Policy Unit, Ministry of Land Transport & Shipping until he was appointed Assistant Director in June 2005. He also assisted the UNECA and UNDP as a freelance consultant.



Directorate and Management (Contd)

Board of Directors - Directors' Profile (Contd)



DEOBRUT BUNDHOO

DIRECTOR – Representative of Ministry of Finance and Economic Development
Born in 1953, Mr. D. Bundhoo holds an MSc in Agricultural Economics from the University of Reading, UK. He was appointed Director of the Board in July 2001.

JUGDIS BUNDHOO (as from 16 July 2009)

DIRECTOR – Representative of Mauritius Sugar Authority
Born in 1954, Mr. J. Bundhoo holds a BSC Joint Honours degree in Chemistry and Physiology from the University of Salford, an MSC in Soil Chemistry from the University of Reading and an MSC in Information Science from City University. He is Human Resources Manager/Information Scientist and Officer-In-Charge at the Mauritius Sugar Authority and was appointed as Director of the Sugar Insurance Fund Board in July 2009. He is also a director of the Farmers Service Corporation and the Bagged Sugar Storage & Distribution Co. Ltd, and a member of the Mauritius Sugar Syndicate Committees, the Cane Planters & Millers Arbitration & Control Board.



GEORGES LEUNG SHING



DIRECTOR – Representative of the Chamber of Agriculture
Born in 1945, Mr. G. Leung Shing holds a Bachelor's Degree in Economics and is a Fellow of the Institute of Chartered Accountants in England and Wales and an Associate of the Chartered Institute of Taxation. He was appointed as Director in September 1992. Mr. G. Leung Shing is also the Chairperson of the Mauritius Development Investment Trust Co Ltd, the Vice-Chairman of the Mauritius Institute of Directors, a member of the Financial Reporting Monitoring Panel and a Director of Omnicane Ltd (formerly Mon Tresor and Mon Desert Ltd), Mauritius Chemical & Fertilizer Industry Ltd and Mauritius Stationery Manufacturers Ltd.

DENIS PILOT

DIRECTOR – Representative of Planters

Born in 1950, Mr. Denis Pilot, holder of a BSC in Agronomy (LSU), General Manager of Harel Frères, Sugar Operations was appointed as Director in 2004. He is also a Director of Belle Vue Milling Co Ltd and Société Koenig Frères.



Directorate and Management (Contd)

Board of Directors - Directors' Profile (Contd)



SRINIVASS PURMANUND

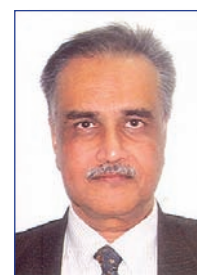
DIRECTOR – Representative of Planters

Born in 1933, Mr. S. Purmanund was appointed as Director of the Board in December 2006. He has wide experience in the sugar industry and co-operative movement.

GOWREESHANKURSING RAJPATI (until 21 May 2009)

DIRECTOR – Representative of Mauritius Sugar Authority

Born in 1952, Dr G. Rajpati holds a 'Diplome de Docteur Ingénieur Agronome from the Institut National Agronomique de Paris-Grignon'. He was the Executive Director of the MSA from 1986 to 2009. He was Director of the Board from 1989 to 1997 and from 2000 to 2009.



VINOD RAMHARAI

DIRECTOR – General Manager of Cane Planters & Millers Arbitration & Control Board

Born in 1952, Mr V. Ramharai holds a BSc (Hons) Sugar Technology (University of Mauritius) and an MSc (Hons) Public Sector Management (University of Technology Mauritius). He is a Director of the Board since May 2008.

JUGDUTH SEEOBIN

DIRECTOR – Representative of Planters

Born in 1929, Mr. J. Seegobin was appointed Director of the Board in April 2002. He has wide experience in the agricultural, industrial and commercial sector. He was previously Chairman of the Sugar Industry Labour Welfare Fund and a director of the Central Electricity Board and Mon Trésor Milling Co Ltd. He also owned and managed a stone crushing and block-making plant, La Concasseuse de Plaine Magnien.



Directorate and Management (Contd)

DINESS PURRYAG, *General Manager*

Mr D Purryag, Land Surveyor joined the SIFB as Chief Manager Operations in 1997, was Officer-in-Charge from May 1999 to May 2000 and was appointed General Manager of the Fund in June 2000. He is also a Director of SICOM Ltd since 2000 and was a member of the Value Assessment Tribunal from 1987 to 1993.

SIN SOO SHUING CHONG CHAP SIN, *Senior Network Engineer*

Mr. S.S.S. Chong Chap Sin holder of an MBA and BSc in Electronic Engineer joined the SIFB as Senior Network Engineer in November 1997.

DEORAJNUTH GANSAM, *Manager (Survey)*

Mr D. Gansam, Land Surveyor joined the SIFB in March 1974 and is presently Manager (Survey).

GAOUTAM GOOROOCHURN, *Chief Manager (Finance)*

Mr. G. Gooroochurn, ACCA, joined the SIFB as Manager Finance in September 2006. He was assigned responsibilities of Chief Manager Finance on 10 September 2007 and was subsequently appointed Chief Manager as from 5 June 2008.

NAND JHOOTTEE, *Administrative Secretary (until 24 July 2009)*

Mr N. Jhoottee holds an MSc in Human Resource Studies from the University of Mauritius and is an Associate Member of the Institute of Chartered Secretaries and Administrators (ACIS) and has a long experience in administration and human resource in the public service.

LI YAN LIM LOCK SON, *Chief Manager (Information System Services)*

Mr. L.Y. L. Lock Son holds a BSc. He joined the SIFB in July 1997 as Chief Manager (Information System Services).

YOUVERAJ NATHOO, *Internal Auditor*

Mr Y Nathoo, FCCA, MSC Finance, joined the SIFB in April 2003 as Internal Auditor and has long experience in Accounting/Auditing in the Banking Sector.

YUNGKIONG JIMMY NEWKFONHEYTOW, *Chief Manager (Operations)*

Mr J Newkfonheytow holds a BSc in Computer Science and is an Associate Member of the Society of Actuaries. He joined the SIFB in May 1998 as Claims Manager and is presently the Chief Manager (Operations).

MOHAMED AMEEN ISHACK NOORMAHOMED, *Manager Finance*

Mr. M.A. I. Noormahomed, ACCA, holds a BSc (Hons) in Economics & Accountancy from City University (UK) and is registered as a professional Accountant with the Mauritius Institute of Professional Accountants. He joined the SIFB on 22 October 2009

MOHAMED YASHIN MOHAMED AREFF FAREED ESMAEL PEERMAMODE, *Senior Software Engineer*

Mr MY Peermamode holder of a Diploma in Information Technology joined the SIFB as Senior Software Engineer in October 1997.

DEEPTEE RAJSHREE PURMESSUR, *Manager Finance*

Ms. Purmessur holds a BSc (Hons) in Banking and International Finance from the University of Technology of Mauritius and a Masters degree in Finance and Investments from Nottingham University (Malaysia). She joined the SIFB on 26 October 2009.

LAKSHIKA DEVI RAMKISSOON, *Administrative Secretary*

Ms. Ramkissoon holds a BA (Hons) Law and Management from the University of Mauritius and is an Associate Member of the Institute of Chartered Secretaries and Administrators. She joined the SIFB on 3 November 2009.

Directorate and Management (Contd)

JAYENDRA **SOOKDEB**, *Manager Claims*

Mr. Sookdeb holds a BSc Statistics from the University of Cape Town and a Diploma in Actuarial Techniques from the Institute of Actuaries, UK. He is currently an Affiliate member of the Institute of Actuaries, UK and joined the SIFB on 14 April 2009.

KRISHNAMOORTHY PILLAY **VAYAPOOREE**, *Manager (Inspections)*

Mr. K.P. Vayapooree holder of a Diploma in Land Surveying, joined the SIFB in February 1971 and is presently Manager (Inspection) as from March 2002.

Code of conduct

The Fund is committed to ethical practices in the conduct of its business and has adopted a code of ethics which sets out standards for its employees.

Board and Committee Meetings

The Board and its committees met on 34 occasions.

Board Directors	Board meeting	Corporate Governance Committee	Investment Committee	Assessment Committee	Audit Committee	Budget & Procurement Committee	Staff Committee	Total
Prof. J. Manrakhan	12/12	7/7	4/4	n/a	n/a	n/a	n/a	23
Mr. K. Bunjun	7/12	6/7	3/4	n/a	n/a	n/a	2/2	18
Mr. G. Leung Shing	10/12	5/7	4/4	5/6	n/a	1/1	n/a	25
Mr. J. C. Bega	10/12	6/7	4/4	4/6	2/2	n/a	n/a	26
Mr. D. Pilot	4/12	n/a	n/a	5/6	n/a	n/a	n/a	9
Dr. G. Rajpati (up to 21.05.09)	3/5	1/2	n/a	4/5	n/a	n/a	n/a	8
Mr. J. Bundhoo (as from 16.07.09)	5/6	n/a	n/a	2/2	n/a	n/a	n/a	7
Mr. D. Bundhoo	9/12	n/a	n/a	n/a	2/2	1/1	n/a	12
Mr. C. Bhugun	9/12	n/a	n/a	n/a	n/a	n/a	1/2	10
Mr. J. Seegobin	12/12	n/a	n/a	n/a	2/2	1/1	2/2	17
Mr V. Ramharai	6/12	2/4	n/a	5/6	n/a	n/a	n/a	13
Mr. S. Purmanund	11/12	n/a	n/a	6/6	n/a	1/1	2/2	20

Key: n/a – not applicable

Remuneration of Directors

During the year 2009, a total amount of MUR 661,000 has been paid as Directors' fee.

Related Party Transactions & Key Risks

Related party transactions and key risks areas have been fully disclosed in the financial statements at notes 22 and 23 respectively.

Addresses of Offices

Head Office

18 Sir S. Ramgoolam Street
Port Louis
Tel: 208-3236
Fax: 208-2634
E-Mail: s.i.f.b@intnet.mu
Web : www.sifb.biz

Sub-Offices

Camp de Masque

Mare D'Albert

Pamplemousses

Quartier Militaire

Souillac

Vacoas

Address

Royal Road
Camp de Masque
Tel: 416-5520

18 Royal Road
Mare D'Albert
Tel: 627-4026

Royal Road
Maison Blanche
Pamplemousses
Tel: 243-3542

New Road
Quartier Militaire
Tel: 435-5543

Royal Road
Souillac
Tel: 625-5691

Independence Road
Vacoas
Tel: 696-6386

Factory Areas

Beau Champ
Ex-Constance

Road Savannah
Ex-Mon Tresor
Ex-Riche En Eau
Ex-Rose Belle

Belle Vue
Mon Loisir
Ex-Beau Plan

F.U.E.L
Ex-Mon Desert Alma

Union St Aubin
Ex-Britannia
Ex-St Felix
Ex-Bel Ombre

Medine
Ex-Highlands

2009 Crop - General Outlook

CROP 2009 OVERVIEW

1.0 INDUSTRIAL REFORMS

Crop 2009 has been marked with a strategic shift in the marketing of our sugar with the introduction of refinery activity, a major investment gearing the industry for the future. This shift in the sector mitigates to some extent the loss in revenue following the cut in sugar price.

Crop 2009 remains a landmark in the history of the industry with the setting up of two refineries namely, FUEL Refinery Limited and OMNICANE Ltd, and the bulk of sugar produced to be marketed as refined sugar. During this transitional phase, sugar has been commercialised partly as raw and partly as refined and special sugars. It is envisaged that as from next year, sugar produced will be exported as refined and special sugars only.

Following requests from stakeholders of this sector and on further consultations, the Sugar Insurance Fund Act has been amended to provide insurance cover for the refinery activity against losses arising out of inclement weather.

2.0 GENERAL INSURANCE

2.1 Special Discount on General Premium

To further mark this transitional period and in light of the financial strength of the Fund, the Board has, in consultation with its Actuary and the subsequent approval of the Honourable Minister of Finance and Economic Empowerment, exceptionally granted a one-off 10% discount on the general insurance premium payable by all insureds for crop 2009. A total amount of Rs 64.5M has thus been discounted in favour of all insureds.

2.2 Crop 2009 Climatic Conditions

The initial phase of the vegetative period of 2009 crop was quite dry in the North, West and East whilst the later phase was affected by excessive rainfall in all sectors except the South.

The passage of tropical storm “Gael” in the vicinity of Mauritius in February 2009 resulted in some leaf laceration and lodging in the most advanced fields.

Weather has been unfavourable to ripening in the East, South and Centre as a result of high rainfall. Excessive rainfall prevailing in all sectors apart from the West has been detrimental to ripening.

2.3 Declaration of Event Year

Crop 2009 also witnessed a prolongation of milling operations due to an extension of the harvest period, with Belle Vue ceasing its milling activities as late as 8th January 2010. The submission of final millers’ returns and final extraction rates were consequently delayed.

The Board at its meeting of 17th December 2009 declared an Event Year, under **section 25 subsection (1)** of the SIF Act, with respect to Crop 2009 on account of **drought and excessive rainfall** for the factory areas of FUEL and Mon Loisir; and on account of **excessive rainfall** for the factory area of Union Saint Aubin. At that time no declaration could be made with respect to Beau Champ, Belle Vue, Médine and Savannah factory areas due to the unavailability of detailed information on actual sugar production as estimated losses in those factory areas in their aggregate did not show a marked crop reduction.

Formal requests for declaration of event year were thereafter received from insureds of Belle Vue factory area, Deep River Beau Champ factory area and Savannah factory area. A detailed analysis of crop reduction percentages was carried out by locality, based on final figures in the factory areas of Belle Vue, Deep River Beau Champ and Savannah. The analysis revealed pertinent losses suffered by our insureds in several localities of those 3 factory areas. As a result, on 10th February 2010, the Board resolved that declaration of an Event Year be made, under **section 25 subsection (4)(b)** of the Sugar Insurance Fund Act, with respect to Crop 2009 on the following grounds:

- (i) on account of **drought and excessive rainfall** for the factory areas of Belle Vue and Deep River Beau Champ and
- (ii) on account of **excessive rainfall** for the factory area of Savannah.

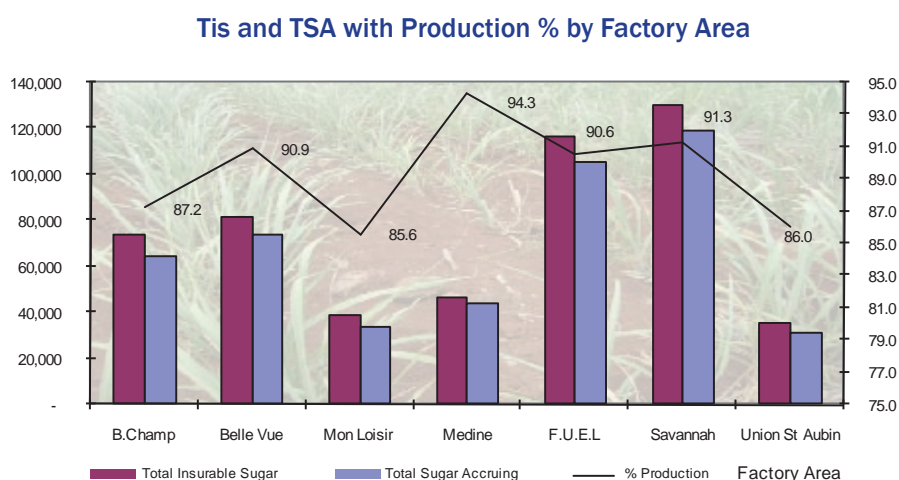
Following further representations from insureds of Médine and upon examining the losses incurred, the Board decided on 25th March 2010 that Crop 2009 be additionally declared an event year for the factory area of Médine on account of drought and excessive rainfall. Thus an event year for crop 2009 was declared for all factory areas.

2.4 Sugar Production

Total caneweight sent to mills for sugar production reached 4.667 million tonnes resulting in a sugar production of 470,895 tonnes at an islandwide average extraction rate of 10.09%.

The ongoing centralisation of the Sugar Industry resulted in the transfer of syrup from Union Saint Aubin factory to Omnicane factory, formerly known as Savannah factory for the production of plantation white sugar and refined sugar at Omnicane factory.

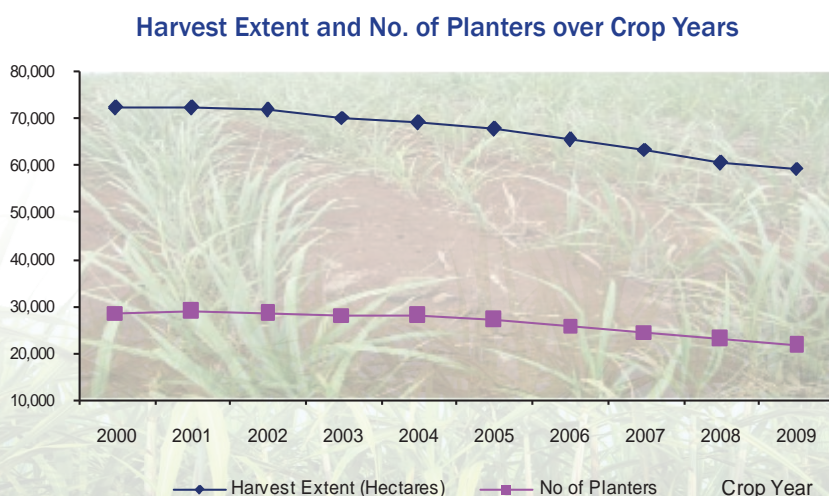
Variation in sugar production with respect to Total Insurable Sugar for all factory areas is shown below:



Médine factory area had the highest sugar production as a percentage of its Total Insurable Sugar (TIS), i.e. 94.3 per cent whilst the factory area of Mon Loisir had the lowest sugar production percentage of 85.6 per cent.

The Sugar Industry has continuously experienced a decline in terms of harvest extent and number of planters adjusting itself to the development needs of the economy. The gradual fall observed in the size of the planter community, a high proportion being small planters, indicates a lesser attractive economic activity during the past decade.

The harvestable extent declined from 60,381 hectares (crop 2008) to 59,108 hectares (crop 2009) leading to a fall in the number of accounts held by planters from 22,747 to 21,498. The evolution of harvest extent and number of growers over the ten preceeding crop years is shown below:



2.5 SUGAR PRICE FOR INSURANCE

Following the changes in trading preferences within the ACP-EU Sugar Protocol, sugar prices have experienced a gradual drop of up to 36% impacting on the revenue of producers. The need for added-value product is more than ever felt.

The sugar price for Crop 2009 final assessment of general premium and compensation payable to planters was, on 3rd December 2009, determined at the rate of Rs 15,627 per metric tonne of sugar, inclusive of the added value of molasses. The sugar price payable for insurance purposes for milling side was fixed at Rs 15,000 per metric tonne of sugar.

3.0 FIRE INSURANCE

3.1 Inter-crop Fire 2009

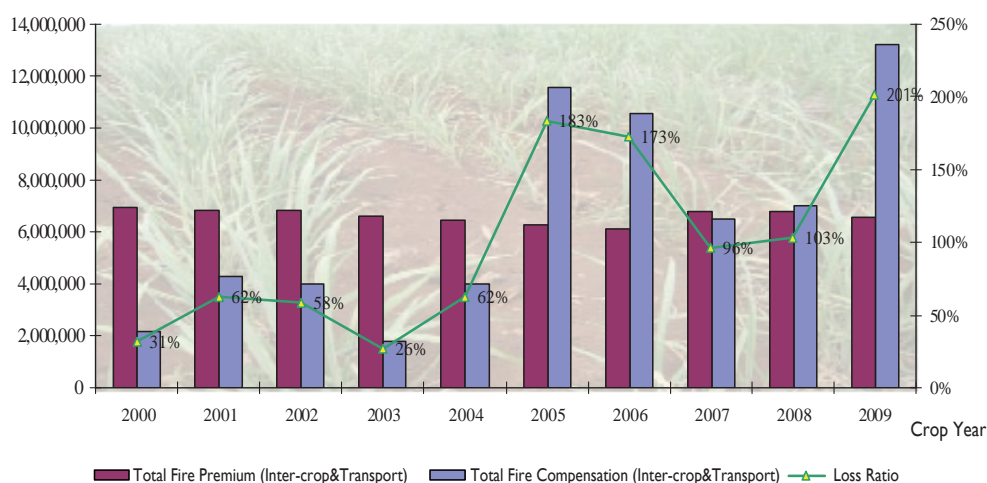
For crop 2009, the total number of reported and compensable damages caused by intercrop fire was 161 with a total extent of 183 hectares of canes destroyed island-wide. The number of fire cases was more prominent in the North sector of the island, followed by the South and East. The highest extent damaged was noted in the South sector of the island. The compensation paid to insureds for loss consequent upon destruction of cane plantations by inter-crop fire amounted to Rs 13.5M.

3.2 Fire during Harvest Season 2009

The number of fire occurrences during harvest season was more prominent in the North sector of the island. A total amount of Rs 3.0M has been disbursed to eligible insureds as transport allowance for milling of burnt canes outside the factory area.

Fire premium collected and fire compensation paid over the past ten crop years is shown hereunder:

Fire Premium and Compensation with loss ratios.



4.0 FINANCIAL PERFORMANCE

The financial year under review recorded a total net surplus of MUR 448.74M (General and Fire) compared to a net surplus of MUR 485.24M for the year ended 31 December 2008, due mainly to a lower Gross Premium Income, a one-off 10% discount on insurance premium given to Insureds across the board, and a translation loss of MUR 40.10M on foreign currency deposits (compared to a translation gain of MUR 85.73M in 2008). Nonetheless, the General Insurance Account registered a surplus of MUR 376.82M compared to MUR 260.19M for the previous year as a result of lower compensation payable to insureds.

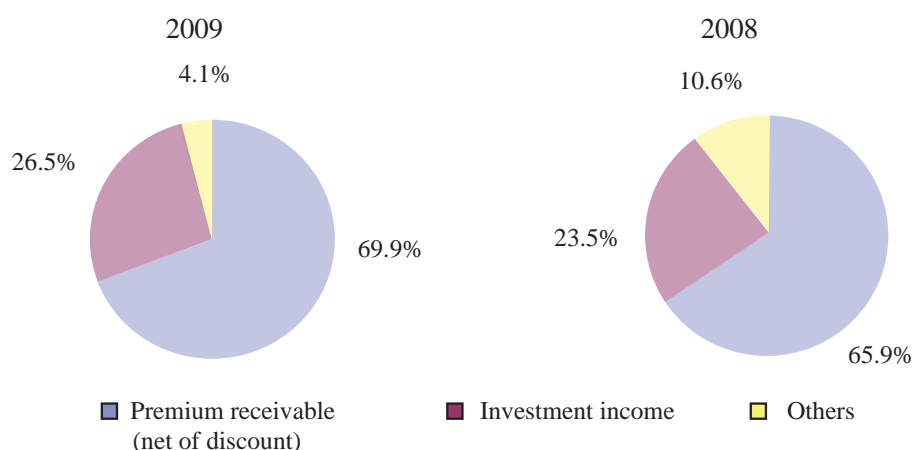
Table 1: Income and Expenditure summary

Item MUR Million	General Fund MUR Million	Fire Fund MUR Million	Total
Total Income	902.36	7.92	910.28
Total Expenditure	(447.77)	(13.77)	(464.54)
Total Net surplus/(deficit)	454.59	(5.85)	448.74

4.1 Income

Total income for the financial year amounted to MUR 910.28M, being mainly crop 2009 insurance premium receivable and investment income.

The composition of income is shown below:



4.2 Insurance Premium

Insurance premium (General and Fire) net of discount for crop year 2009 receivable during the period amounted to MUR 586.67M as compared to MUR 717.88M for the previous crop year. The decrease is attributable mainly to a drop in Total Insurable Sugar, a lower Sugar Price and the one-off 10% discount on premium given to Insureds.

Table 2: Premium Income

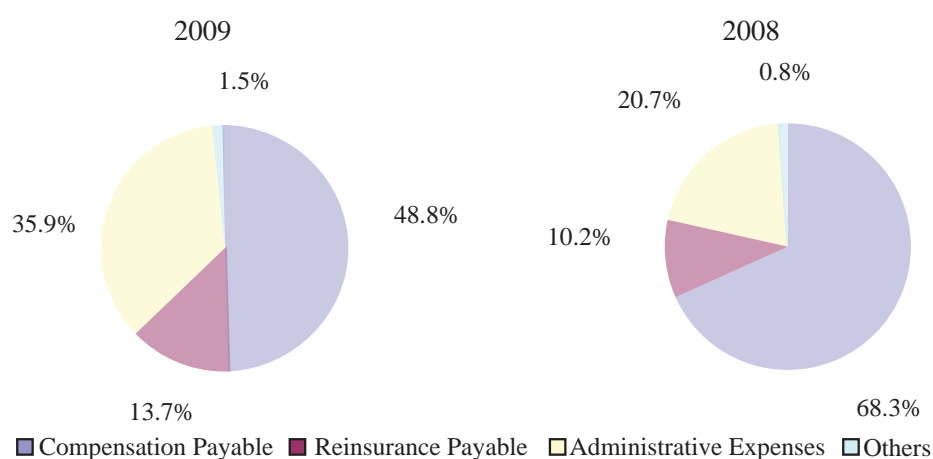
Premium	Total MUR Million
General (net of discount)	580.12
Fire	6.55
Total	586.67

4.3 Investment Income

Investment income was down by 36% over the one year period falling from a total return on investment of MUR 353.64M to MUR 224.27M for the year under report. During this period, a translation loss of MUR 40.10M on foreign currency deposits was registered compared to translation gain of MUR 85.73M for the previous year. Returns on deposits have been slightly lower during the year albeit a higher fund under management, and that in a quite volatile financial environment.

4.4 Expenditure

The overall expenditure of the Fund for the year was MUR 461.54M including an amount of MUR 196.58M being compensation crop 2009 compared to total expenditure of MUR 602.12M for 2008 inclusive of MUR 411.67M crop 2008 compensation.



4.5 Insurance Premium ceded (Re-insurance costs)

Gross re-insurance costs including the Board's co-reinsurance share of 50% amounted to MUR 53.81M (2008: MUR 61.74M).

4.6 Accumulated Fund

The Accumulated Fund, comprising of the General Fund and the Fire Fund, increased from MUR 3,512.76M to MUR 3,961.50M during the financial year, representing an increase of 12.8%.

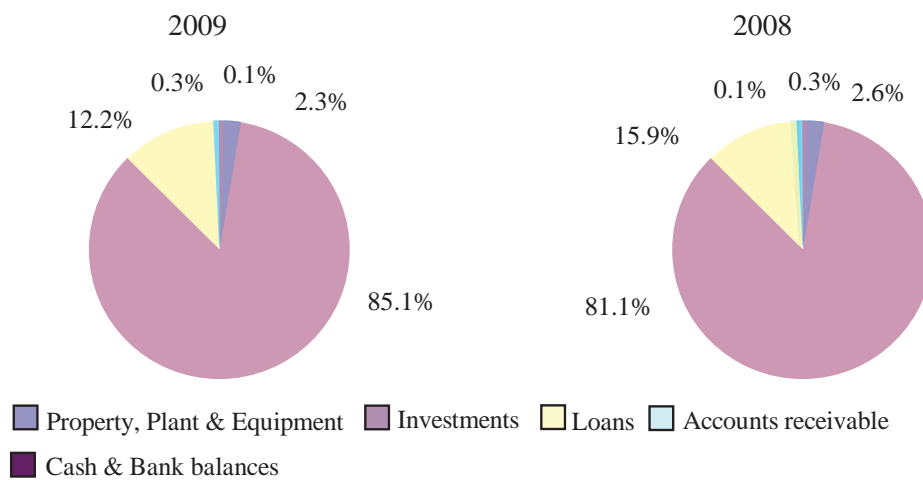
Table 3: Accumulated Fund

Fund	Total MUR Million
General	3,944.33
Fire	17.17
Total	3,961.50

ASSETS UNDER MANAGEMENT

Total assets under management amounted to MUR 5.25 billion as at 31 December 2009 (MUR 4.79 billion at 31 December 2008), posting a positive change of 9.60%. Financial Assets are stated on a fair value basis. Land and Buildings were last revalued in October 2007.

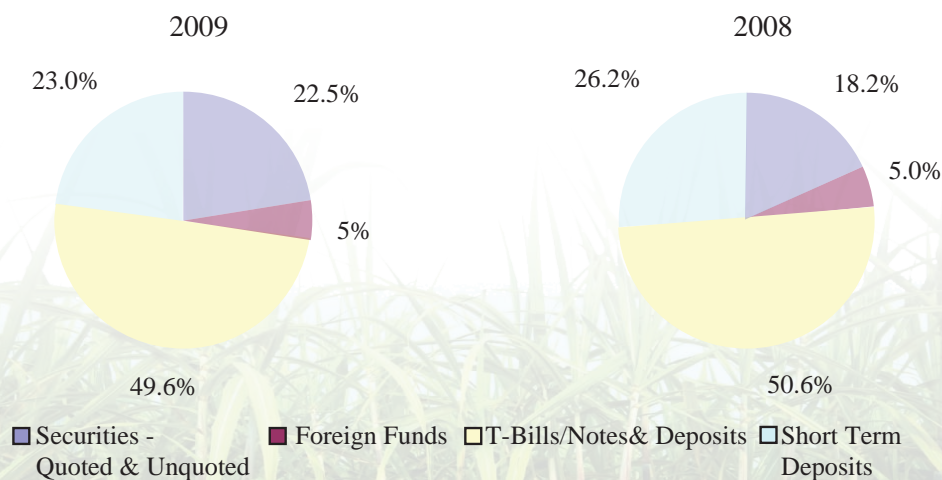
A breakdown of total assets under management is shown below:



INVESTMENTS

While the fund has to maintain liquid asset through prudently geared investment strategies within a well balanced portfolio, the Fund's value of investments grew by 15% from MUR 3.83 billion to MUR 4.42 billion.

A breakdown of investments is shown below



Appendix A



REPORT OF THE DIRECTOR OF AUDIT

**On the Financial Statements
of the Sugar Insurance Fund Board
for the Year Ended 31 December 2009**

NATIONAL AUDIT OFFICE

Report of the Director of Audit

to the board of the Sugar Insurance Fund Board

Report on the Financial Statements

I have audited the accompanying financial statements of the Sugar Insurance Fund Board which comprise its statement of financial position as of 31 December 2009, and the related statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Sugar Insurance Fund Board and for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and in compliance with the Sugar Insurance Fund Act No 4 of 1974 and the Statutory Bodies (Accounts and Audit) Act 1972. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my opinion.

Opinion

In my opinion, the attached financial statements give a true and fair view of the financial position of the Sugar Insurance Fund Board as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Statutory Bodies (Accounts and Audit) Act 1972.

I have obtained all information and explanations I have required. Proper accounting records have been kept by the Sugar Insurance Fund Board as far as it appears from the examinations of those records.

In my opinion, the financial statements of the Sugar Insurance Fund Board as of 31 December 2009 comply with the Statutory Bodies (Accounts and Audit) Act 1972.

The Financial Reporting Act 2004

The Board is responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). My responsibility is to report on these disclosures.

In my opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the "Code".



(Dr R. Jugurnath)
Director of Audit

National Audit Office Level 14
Air Mauritius Centre
PORT LOUIS

17 September 2010





SUGAR INSURANCE FUND BOARD

Financial
Statements
2009



Statement of the Financial Position

at 31 December 2009

	Notes	31 December 2009 MUR	31 December 2008 MUR
NON-CURRENT ASSETS			
Property, plant and equipment	5	121,123,867	124,217,383
Investments in securities and deposits	6	1,710,734,588	1,257,890,069
Investment Property	7	55,000,000	55,000,000
Long term loans	8	34,152,326	44,201,513
		1,921,010,781	1,481,308,965
CURRENT ASSETS			
Accounts receivable	9	14,520,974	15,209,677
Investments in securities and deposits	6	1,695,550,635	1,565,581,463
Investment Properties held for sale	10	3,925,000	3,925,000
Short term loans	11	597,468,474	718,810,900
Short term deposits	12	1,017,972,505	1,002,757,076
Bank and cash balances		6,057,741	4,724,787
		3,335,495,329	3,311,008,903
TOTAL ASSETS		5,256,506,111	4,792,317,868
EQUITY AND LIABILITIES			
RESERVES			
Accumulated funds		3,961,497,717	3,512,760,942
Revaluation reserves		918,613,753	707,771,046
TOTAL EQUITY		4,880,111,470	4,220,531,988
NON-CURRENT LIABILITIES			
Provision for staff passage benefits	13	7,773,846	6,061,425
Long term employees benefits	14	50,800,570	47,845,731
Retirement benefit obligations	15	105,134,252	91,675,769
		163,708,668	145,582,925
CURRENT LIABILITIES			
Accounts payable	16	212,685,973	426,202,955
TOTAL EQUITY AND LIABILITIES		5,256,506,111	4,792,317,868

Approved by the Board of Directors and authorised for issue on 25 March 2010 and subsequently amended on 16 September 2010.


Chairman


Director

Statement of Comprehensive Income

For the year ended 31 December 2009

	Notes	Year ended 2009 MUR	Year ended 2008 MUR
GENERAL INSURANCE ACCOUNT			
Revenue			
Insurance premium		644,580,000	711,100,000
Co-reinsurance premium	18	27,394,660	15,838,300
Recoveries from Reinsurer – Crop 1999		6,119,201	-
Investment income	19	249,417,919	255,779,814
Other gains and Losses	20	(25,506,310)	97,609,166
Sundry Income		355,984	248,197
		902,361,454	1,080,575,477
Expenses			
Insurance compensation		183,005,764	405,000,000
Discount on premium to Insureds		64,458,000	-
Insurance premium ceded to re-insurers	18	53,810,602	61,745,852
Administrative	21	146,496,004	128,694,493
		447,770,369	595,440,345
Surplus to General Fund for the year		454,591,084	485,135,132
FIRE INSURANCE ACCOUNT			
Revenue			
Insurance premium		6,551,000	6,786,029
Investment Income	19	1,368,020	-
		7,919,020	6,786,029
Expenses			
Insurance compensation		13,576,798	6,675,744
Management fee to General Fund		196,530	-
		13,773,328	6,675,744
(Deficit)/ Surplus to Fire Fund for the year		(5,854,308)	110,285
Total surplus for the year		448,736,775	485,245,417
Other Comprehensive Income			
Net Value gain on available-for-sale Financial Assets:			
- Quoted Securities		126,648,900	(120,520,825)
- Unquoted Securities		61,247,123	50,067,463
- Foreign Funds / Equities		27,745,569	(61,646,242)
Other Comprehensive Income for the year		215,641,591	(132,099,604)
Total Comprehensive Income for the year		664,378,366	353,145,813

Statement of Changes In Equity

For the year ended 31 December 2009

	General Fund MUR	Fire Fund MUR	Revaluation reserves Property MUR	Investments MUR	Total MUR
At 31 December 2007	3,004,603,087	22,912,438	90,506,583	760,305,324	3,878,327,432
Revaluation reserves realised on disposal				(10,941,256)	(10,941,256)
Decrease in fair value of available-for-sale investments	485,135,132	110,285		(132,099,604)	(132,099,604)
Net surplus for the year					485,245,417
At 31 December 2008	3,489,738,219	23,022,723	90,506,583	617,264,464	4,220,531,988
Revaluation reserves realised on disposal				(4,798,884)	(4,798,884)
Fair value gain on available-for-sale investments	454,591,084	(5,854,308)		215,641,591	215,641,591
Net surplus(deficit) for the year					448,736,776
At 31 December 2009	3,944,329,303	17,168,415	90,506,583	828,107,171	4,880,111,471

Cash Flow Statement

For the year ended 31 December 2009

	Year ended 31 December 2009 MUR	Year ended 31 December 2008 MUR
CASH FLOWS FROM OPERATING ACTIVITIES		
Net surplus for the year / period	448,736,775	485,245,417
Adjustments for:		
Provision for passage benefits	3,258,906	2,756,363
Payment of passage benefits	(1,546,485)	(1,817,328)
Depreciation of non current assets	5,743,679	4,842,682
Investment income	(87,568,674)	(77,589,690)
(Profit)/loss on sale of Plant & Equipment	18,880	6,462
Gain on disposal of Available-for-sale securities	(14,608,895)	(8,395,019)
Gain on disposal of investments properties	-	(3,493,750)
Retirement benefits(released)/charged	13,458,483	(1,095,461)
Provision for Employees benefits	6,564,342	18,654,996
Employees benefits paid	(2,665,157)	(2,385,328)
OPERATING (LOSS) /SURPLUS BEFORE WORKING CAPITAL CHANGES	371,391,855	416,729,344
Decrease in trade and other receivables	360,422	3,716,892
Decrease in trade and other payables	(214,463,829)	(448,539,825)
NET CASH (USED) /GENERATED BY OPERATING ACTIVITIES	157,288,448	(28,093,589)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment to acquire financial assets	(1,251,487,403)	(1,159,615,367)
Proceeds from sale of financial assets	981,686,618	1,105,964,613
Proceeds from sale of investments properties	-	9,618,750
Payment for property, plant and equipment	(2,673,361)	(2,699,635)
Proceeds from sale of property, plant and equipment	4,318	14,300
NET CASH (USED) /GENERATED IN INVESTING ACTIVITIES	(272,469,828)	(46,717,339)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loans granted	(631,992,048)	(794,162,950)
Proceeds from short term loans	753,344,346	1,280,345,636
Net proceeds from/(issue) of long term loans	10,377,467	9,567,155
NET CASH GENERATED/ (USED) IN FINANCING ACTIVITIES	131,729,764	495,749,841
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	16,548,383	420,938,913
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	1,007,481,863	586,542,950
CASH AND CASH EQUIVALENTS AT FINANCIAL YEAR	1,024,030,246	1,007,481,863
REPRESENTED BY:		
Bank and cash balances	6,057,741	4,724,787
Short term deposits	1,017,972,505	1,002,757,076
	1,024,030,246	1,007,481,863

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

1. GENERAL

1.1 Legal form and main objective

The Sugar Insurance Fund Board ("the Fund") is a para-statal body established by the Sugar Insurance Fund Act No 4 of 1974 (as subsequently amended) and operates under the aegis of the Ministry of Finance. Its main objective is to operate a Crop Insurance Scheme for sugar producers.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Standards and Interpretations in issue but not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

IAS 1	<i>Presentation of Financial Statements - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1st January 2010)</i>
IAS 7	<i>Statement of Cash Flow - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1st January 2010)</i>
IAS 17	<i>Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1st January 2010)</i>
IAS 36	<i>Impairment of Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1st January 2010)</i>
IAS 38	<i>Intangible Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1st January 2010)</i>
IAS 39	<i>Financial Instruments: Recognition and Measurement - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1st January 2010)</i>
IFRS 5	<i>Non-current asset held for sale and discontinued operations – Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1st January 2010)</i>
IFRS 8	<i>Operating Segments - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1st January 2010)</i>

Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Fund.

3 ACCOUNTING POLICIES

The principal accounting policies of the Fund are:

3.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and modified by the revaluation of certain property, plant and equipment and investments and in accordance with International Financial Reporting Standards.

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

3. ACCOUNTING POLICIES (CONT'D)

3.2 Revenue recognition

General Insurance Premium Income Account

Insurance premium income contributed to General Insurance Account is determined by reference to the total value of insurable sugar and premium percentage set out in the Second Schedule of the Sugar Insurance Fund Act No 4 of 1974 (as subsequently amended) in respect of the crop year for which the premium is payable.

Fire Insurance Premium Income Account

Insurance premium income contributed to Fire Insurance Account is determined on the basis of MUR 12.50 per ton of insurable sugar under the Fifth Schedule of the Sugar Insurance Fund Act No 4 of 1974 (as subsequently amended).

Other revenues

These are recognised on the following bases:

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on an accrual basis.

The Fund recognises its share of co-reinsurance premium as revenue and its related expenditure.

A management fee of 3% of Fire Premium is charged to the Fire Insurance Account.

A proportion of interest and dividend is apportioned to the Fire Fund.

3.3 Insurance contracts

(a) Recognition and measurement

Insurance covers provided by the Fund protect the insureds from the negative impact of events such as cyclones, droughts and excessive rainfall on sugar production consequently.

Compensation paid to insureds on occurrence of any event or a combination of events linked to the extent of loss suffered. Premiums are recognised as revenue on the period of cover.

Claims are charged to income based on the estimated liability for compensation payable to insureds. They include claims arising out of events that have occurred up to the end of reporting date though not reported to the Fund by the insureds. Estimated claims are based on internal data and provisional figures obtainable from different stakeholders.

(b) Liability adequacy test

At each end of reporting period, liability adequacy tests are performed to ensure the adequacy of the insurance liabilities. In performing these tests current best estimates of future contractual cash flows and claims are used. Any deficiency is immediately charged to the statement of comprehensive income.

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

3. ACCOUNTING POLICIES (CONT'D)

3.3 Insurance contracts (cont'd)

(c) Insurance contracts held

Contracts entered into with re-insurers under which the Fund is compensated for losses on the insurance contracts issued by the Fund and that meet the classification requirement of insurance contracts are classified as reinsurance contracts held. The benefits to which the Fund is entitled under reinsurance contracts are recognised as reinsurance assets. These assets consist of amounts due from re-insurers (classified as receivables).

Amounts recoverable from or due to re-insurers are measured consistently with the amounts associated with the reinsurance contracts. Reinsurance liabilities are primarily payable for reinsurance contracts and are recognised as expense when due.

3.4 Property, plant and equipment

Property, plant and equipment held for administrative purposes are stated at cost or valuation, net of accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis so as to write off the depreciable value of the assets over their estimated useful lives. The annual rates used for the purpose are as follows:

	%
Buildings	Higher of 2.5% or based on remaining useful economic life
Improvement to land and buildings	10
Furniture & other equipment	10
Motor vehicles	20
Computer equipment and software	20

The Depreciation charged on buildings is based on the remaining useful economic life, determined through a thorough examination carried out in December 2009 by S. Jaday and Partners – Structural Engineer.

Profit or loss on disposal of property, plant and equipment is determined by the difference between the carrying values of the assets and their disposal proceeds and is accounted for in the statement of comprehensive income.

Any revaluation increase arising on the revaluation of such land and buildings is credited in equity of the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit and loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

At each end of reporting date, the Fund reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

Notes to the Financial Statements (Cont`d)

For the year ended 31 December 2009

3. ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.5 Investment property

Investment property which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in the statement of comprehensive income in the period in which they arise. The property being bare land, do not generate any rental income.

3.6 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

3.7 Foreign currencies

Transactions in foreign currencies are recorded in Mauritian Rupees using the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated in Mauritian Rupees using the rate of exchange (buying rate) ruling at the end of reporting period.

All exchange differences on translation are dealt with in the statement of comprehensive income.

3.8 Insurance compensation

Insurance compensation is recorded as an expense when the claims are assessed following the end of the crop season.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits.

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

3. ACCOUNTING POLICIES (CONT'D)

3.10 Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each end of reporting period and adjusted to reflect the current best estimate.

3.11 Retirement benefit obligations

Defined Benefit Plan

Provision for retirement benefits for the SIFB staff are made under the Statutory Bodies Pension Act 1978 as amended and in accordance with IAS 19 (Employee Benefits). The Fund provides retirement benefits for its employees through a defined benefit plan called "The Sugar Insurance Fund Board (SIFB) Staff Pension Fund".

The SIFB Staff Pension Fund is a defined benefit plan and its assets are managed by the State Insurance Company of Mauritius Ltd (SICOM). The cost of providing the benefit is determined in accordance with actuarial review undertaken every five years.

The net liability at end of reporting period is determined as the present value of funded obligations after adjusting for the fair value of plan assets, any unrecognised actuarial gains and losses and any unrecognised past service cost.

The current service cost and any recognised past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets.

A portion of the actuarial gains and losses will be recognised as income or expense if the net cumulative unrecognised actuarial gains or losses at the end of the previous accounting period exceeded the greater of:

- 10 % of the present value of the defined benefit obligation at that date; and
- 10% of the fair value of plan assets at that date.

State Plan

Contributions to the National Pension Scheme are expensed to the statement of comprehensive income in the period in which they fall due.

3.12 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Fund has become party to the contractual provisions of the financial instruments.

Notes to the Financial Statements (Cont`d)

For the year ended 31 December 2009

3. ACCOUNTING POLICIES (CONT'D)

3.12 Financial instruments (cont'd)

(a) Financial Assets

Classification

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Fund manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

(ii) Held-to-maturity investments

Investments with fixed or determinable payments and fixed maturity dates, that the Fund has the positive intent and ability to hold to maturity, are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

3. ACCOUNTING POLICIES (CONT'D)

3.12 Financial instruments (cont'd)

(iii) Available-for-sale (AFS) financial assets

Securities that are traded in an active market are classified as being AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

(iv) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each end of reporting period.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost.

For all other financial assets evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Notes to the Financial Statement (Cont`d)

For the year ended 31 December 2009

3. ACCOUNTING POLICIES (CONT'D)

3.12 Financial instruments (cont'd)

Impairment of financial assets (cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(b) Financial liabilities

Classification

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(i) Financial liabilities at FVTPL

The Fund due to its nature of activities does not hold any financial liabilities designated "at FVTPL"

(ii) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognized.

Notes to the Financial Statement (Cont`d)

For the year ended 31 December 2009

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the Fund's management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the Financial Statements (Cont`d)

For the year ended 31 December 2009

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold/ Leasehold Land MUR	Building MUR	Improvement to Land and Buildings MUR	Furniture & Other Equipment MUR	Motor Vehicles MUR	Computer Equipment & Software MUR	Total MUR
COST AND VALUATION							
At 31 December 2007	52,275,000	66,325,000	1,503,891	11,613,802	1,437,359	6,716,128	139,871,179
Additions	-	-	77,433	431,607	1,600,000	590,595	2,699,635
Disposals	-	-	-	(27,485)	-	-	(27,485)
At 31 December 2008	52,275,000	66,325,000	1,581,324	12,017,924	3,037,359	7,306,722	142,543,329
Additions	-	-	1,512,047	535,466	-	625,848	2,673,361
Disposals	-	-	-	(39,055)	-	-	(39,055)
At 31 December 2009	52,275,000	66,325,000	3,093,370	12,514,336	3,037,359	7,932,571	145,177,636
DEPRECIATION							
At 31 December 2007	-	276,354	542,892	8,268,758	431,208	3,970,775	13,489,987
Charge for the year	-	1,658,125	158,132	1,062,207	607,472	1,356,746	4,842,682
Disposals	-	-	-	(6,723)	-	-	(6,723)
At 31 December 2008	-	1,934,479	701,024	9,324,242	1,038,680	5,327,521	18,325,946
Charge for the year	-	2,572,708	309,337	890,565	607,472	1,363,596	5,743,679
Disposals	-	-	-	(15,857)	-	-	(15,857)
At 31 December 2009	-	4,507,187	1,010,362	10,198,950	1,646,151	6,691,117	24,053,767
NET BOOK VALUE							
At 31 December 2009	52,275,000	61,817,813	2,083,008	2,315,386	1,391,208	1,241,454	121,123,869
At 31 December 2008	52,275,000	64,390,521	880,300	2,693,682	1,998,679	1,979,202	124,217,383

Freehold land and buildings were revalued in October 2007 by Alan Tinkler, Ramlackhan & Co. (Principal – Rhoy Ramlackhan, B.Sc (Hons)., M.R.I.C.S, M.M.I.S. Chartered Valuation Surveyor), at MUR 52.275 million and MUR 66.325 million respectively.

Notes to the Financial Statements (Cont`d)

For the year ended 31 December 2009

5. PROPERTY, PLANT AND EQUIPMENT (Contd)

Had freehold land and buildings and motor vehicles been valued at historic amount, the carrying value would have been as follows:

At 31 December 2009

Freehold land
Buildings
Motor vehicles

	Cost MUR	Accumulated depreciation MUR	Net book value MUR
Freehold land	4,022,745	-	4,022,745
Buildings	39,802,301	(17,591,569)	22,210,732
Motor vehicles	3,617,359	(2,351,152)	1,266,207
	47,442,405	(19,942,721)	27,499,684

At 31 December 2008

Freehold land
Buildings
Motor vehicles

Freehold land	4,022,745	-	4,022,745
Buildings	39,802,301	(16,596,512)	23,205,789
Motor vehicles	3,617,359	(1,793,680)	1,823,679
	47,442,405	(18,390,192)	29,052,213

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

6. INVESTMENTS IN SECURITIES AND DEPOSITS

	Available-For-Sale Financial Assets				Held-To-Maturity Securities and Deposits MUR	Total MUR
	Local Quoted MUR	Local Unquoted MUR	Foreign Equities MUR	Foreign Funds MUR		
AT FAIR VALUE						
At 1 January 2009:	221,529,080	475,141,006	45,940,527	146,079,457	1,934,781,463	2,823,471,532
Additions	120,868,781	1,017,000	-	-	1,121,598,321	1,243,484,102
Disposals/Matured/Redeemed	(18,274,842)	-	-	-	(953,601,764)	(971,876,606)
Interest capitalised/ receivable	-	-	-	-	89,592,982	89,592,982
Dividend in species	5,971,622	-	-	-	-	5,971,622
Increase/(Decrease) in fair value	126,648,900	61,247,123	17,584,245	10,161,324	-	215,641,591
At 31 December 2009	456,743,540	537,405,129	63,524,772	156,240,780	2,192,371,002	3,406,285,223
Classified as:						
- Short term	-	-	-	3,401,100	1,692,149,535	1,695,550,635
- Long term	456,743,540	537,405,129	63,524,772	152,839,680	500,221,467	1,710,734,588
AT COST	456,743,540	537,405,129	63,524,772	156,240,780	2,192,371,002	3,406,285,223
At 31 December 2009	185,872,102	16,151,155	74,128,385	103,486,060	2,192,371,002	2,572,008,704
At 31 December 2008	78,479,279	15,134,155	74,128,385	103,486,060	1,934,781,463	2,206,009,342

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

6. INVESTMENTS IN SECURITIES AND DEPOSITS (Cont'd)

(a) Available-For-Sale Securities and Deposits

Local Quoted

Local quoted investments include investments in companies listed on the Official Market, the Development and Enterprise Market and the Over the Counter Market of the Stock Exchange of Mauritius (SEM). Such investments are stated at fair values based on SEM prices at close of business on the end of reporting period.

Local Unquoted

Local unquoted investments comprise shares held in SICOM, Sugar Investment Trust (SIT) and The MFL Fund. Investments in SICOM and SIT have been fair valued at MUR 535.24 Million at 31 December 2009, based on the last available equity value (30 June 2009) of the company/trust. Investments in The MFL Fund, which is an open-ended Fund, are stated at market value at MUR 1.7 Million at 31 December 2009.

Foreign Equities

Investments in foreign equities, including shares held in African Reinsurance Corporation (Africa Re), Investec GSF, Comgest Asia, Comgest Growth, Global Sarasin CI Equity Funds, UK Equity Fund "A" Inc., UBS LUX Equity Fund are stated at market value based on exchange rate ruling at the end of reporting period.

Foreign Funds

Investments in foreign funds, including investments in fixed income securities, mutual funds (SICAV), L & C Global Growth Fund, UBS LUX, MAN AHL are stated at market value based on the exchange rate ruling at the end of reporting period.

(b) Held-To-Maturity Securities and Deposits

Held-To-Maturity Securities and Deposits, which are stated at amortised cost, bear interests at rates ranging from 4.58% to 13.15 % per annum to mature between January 2010 and December 2011 and comprise of :

	31 December 2009 MUR	31 December 2008 MUR
Treasury Bills	161,784,186	126,619,141
Treasury Notes	240,405,830	293,455,084
Deposits	1,790,180,986	1,514,707,238
	2,192,371,002	1,934,781,463

	31 December 2009 MUR	31 December 2008 MUR
At start/end of year	55,000,000	55,000,000

Investment property relates to bare land at Mere Barthelemy street Port Louis and was last revalued in December 2009 by Alan Tinkler, Ramlackhan & Co. (Principal - Rhoy Ramlackhan, B.Sc (Hons), M.R.I.C.S, M.M.I.S. Chartered Valuation Surveyor).

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

8. LONG TERM LOANS

Loan to Mauritius Housing Company Ltd
Motor Vehicles Loans
Personal Loans
Other Loans

(i)
(ii)
(iii)
(iv)

31 December 2009 MUR	31 December 2008 MUR
24,000,000	32,000,000
3,548,165	4,131,385
90,144	132,910
6,514,017	7,937,217
34,152,326	44,201,512
31 December 2009 MUR	31 December 2008 MUR
32,000,000	40,000,000
(8,000,000)	(8,000,000)
24,000,000	32,000,000

(i) Loan to Mauritius Housing Company Ltd

Total amount due
Deduct: Amount falling due within one year (Note 9)
Amount falling due after more than one year

The loan is guaranteed by the Government of Mauritius. The original amount loaned is reimbursable in 15 yearly instalments, with effect from December 1997, with interest being payable quarterly at the prevailing Repo Rate plus four decimal fifty percent capped however, to a minimum of 8.5% per annum (10.25% p.a as at 31 December 2009).

(ii) Motor Vehicles Loans (staff)

Total amount
Deduct: Amount falling due within one year (Note 9)
Amount falling due after more than one year

31 December 2009 MUR	31 December 2008 MUR
5,100,984	6,082,382
(1,552,819)	(1,950,997)
3,548,165	4,131,385

Motor vehicle loans to staff bear interest at 7.5% per annum.

(iii) Personal Loans (staff)

Total amount due
Deduct: Amount falling due within one year (Note 9)
Amount falling due after more than one year

31 December 2009 MUR	31 December 2008 MUR
381,411	410,370
(291,267)	(277,460)
90,144	132,910

Personal loans to staff bear interest at Prime Lending Rate (Commercial Bank) plus 2.5% per annum.

(iv) Other Loans (staff)

Total amount due
Deduct: Amount falling due within one year (Note 9)

31 December 2009 MUR	31 December 2008 MUR
7,753,001	9,120,111
(1,238,984)	(1,182,894)
6,514,017	7,937,217

Loans to staff bear interest at rates ranging from 9.0% to 13.0 % per annum as per the conditions of service, as well as the amount of the loan.

Notes to the Financial Statement (Cont`d)

For the year ended 31 December 2009

9. ACCOUNTS RECEIVABLE

	31 December 2009 MUR	31 December 2008 MUR
Loan - Mauritius Housing Company Ltd (Note 8(i))	8,000,000	8,000,000
Other loans (Note 8(iv))	1,238,984	1,182,894
Motor vehicles loans (Note 8(ii))	1,552,819	1,950,997
Personal loans (Note 8(iii))	291,267	277,460
Interest receivable	1,394,241	2,159,854
Debtors insurance premium receivable	1,523,384	1,524,312
Dividends receivable	234,273	113,386
Other receivables/Prepayments	286,006	774
	14,520,974	15,209,677

10. ASSETS CLASSIFIED AS HELD FOR SALE (INVESTMENT PROPERTIES)

	31 December 2009 MUR	31 December 2008 MUR
At start of year	3,925,000	10,050,000
Disposal	-	(6,125,000)
At end of year	3,925,000	3,925,000

The land relates to 2,490.3 square metres at Bramsthan which the Fund intends to dispose of within the next financial year through an open bidding exercise.

11. SHORT TERM LOANS

	31 December 2009 MUR	31 December 2008 MUR
Loans to planters (Note (i))	1,750	148,791
Loans to Mauritius Sugar Syndicate - (MSS) (Note (ii))	597,466,724	718,662,109
	597,468,474	718,810,900

- (i) These represent loans granted to planters to purchase shares of the Sugar Investment Trust.
- (ii) Loans to MSS relates mainly to Crop 2009 premium receivable advanced to MSS for a period of 2 months at an interest rate of 5.25% p.a, (see note 24.3 – interest rate risk management).

12. SHORT TERM DEPOSITS

	31 December 2009 MUR	31 December 2008 MUR
Foreign Currency deposits with banks:		
USD	448,368,922	408,667,072
EURO	538,122,099	541,960,674
GBP	26,265,430	24,346,992
Deposit on call at banks	5,216,054	27,782,338
	1,017,972,505	1,002,757,076

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

13. PROVISION FOR STAFF PASSAGE BENEFITS

	31 December 2009 MUR	31 December 2008 MUR
At start of year	8,061,425	7,122,390
Payment during the year	(1,546,485)	(1,817,328)
Provision for the year	3,258,906	2,756,363
At financial year end	9,773,846	8,061,425
Less: Amount due within one year (Note 16)	(2,000,000)	(2,000,000)
At 31 December	7,773,846	6,061,425

14. LONG TERM EMPLOYEES BENEFITS

	31 December 2009 MUR	31 December 2008 MUR
At start of year	54,544,402	38,274,733
Charge for the year	6,564,342	18,654,996
	61,108,744	56,929,729
Less: Payment during the year	(2,665,157)	(2,385,327)
	58,443,587	54,544,402
Short term employee benefits (Note 16)	(7,643,017)	(6,698,670)
At 31 December	50,800,570	47,845,732

15. RETIREMENT BENEFIT OBLIGATIONS

The pension plan is a final salary defined benefit plan for employees funded by the employer and the employees. The assets of the plan are held independently and are administered by the State Insurance Company of Mauritius Ltd (SICOM).

The following employee benefits information is based on the report submitted by the State Insurance Company of Mauritius Ltd (SICOM).

Any actuarial gain/loss is recognised within the Statement of Comprehensive Income using the Corridor Approach.

(i) Amounts recognised in statement of financial position:

	31 December 2009 MUR	31 December 2008 MUR
Present value of funded obligation	443,189,705	454,207,656
Fair value of plan assets	(323,092,281)	(277,172,443)
Unrecognised actuarial (loss)/gain	120,097,424 (14,963,172)	177,035,213 (85,359,444)
Liability in statement of financial position at end of year	105,134,252	91,675,769

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

15. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(ii) Amounts recognised in statement of comprehensive income:

	Year ended 31 December 2009 MUR	Year ended 31 December 2008 MUR
Current service cost	9,194,125	9,643,494
Interest cost	47,691,804	38,521,629
Expected return on plan assets	(30,362,242)	(32,974,568)
Actuarial loss/(gain) recognised	2,662,579	-
Fund Expenses	320,975	332,368
Total included in staff costs	29,507,241	15,522,923
Actual return on plan assets	48,223,953	(22,440,865)

(iii) The figures have been arrived at by using the following actuarial assumptions:

	31 December 2009 %	31 December 2008 %
Discount Rate	10.50	10.50
Expected Rate of Return on plan assets	11.00	11.00
Future salary increases	7.50	7.50
Future Pension increases	5.50	5.50

(iv) Movements in liability recognised in the statement of financial position:

	31 December 2009 MUR	31 December 2008 MUR
At start of the year	91,675,769	92,771,230
Total staff cost as above	29,507,241	15,522,923
Contributions paid by employer	(16,048,758)	(16,618,384)
At 31 December	105,134,252	91,675,769

(v) Reconciliation of the present value of defined benefit obligation:

	31 December 2009 MUR	31 December 2008 MUR
Present value of obligation at start of period	454,207,656	366,872,654
Current service cost	9,194,125	9,643,494
Interest cost	47,691,804	38,521,629
Benefits paid	(18,031,898)	(16,597,004)
Liability (gain)/ loss	(49,871,982)	55,766,883
Present value of obligation at end of period	443,189,705	454,207,656

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

15. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

(vi) Reconciliation of fair value of plan assets:

	Year ended 31 December 2009 MUR	Year ended 31 December 2008 MUR
Fair value of plan assets at start of period	277,172,443	299,924,296
Expected return on plan assets	30,362,242	32,974,568
Employer contributions	16,048,758	16,618,384
Benefits paid + other outgo	(18,352,873)	(16,929,372)
Asset gain/(loss)	17,861,711	(55,415,433)
Fair value of plan assets at end of period	323,092,281	277,172,443

(vii) Distribution of plan assets at end of period were:

	% of fair value of total plan assets 31 December 2009	31 December 2008
Percentage of assets at end of year		
Government securities and cash	53.3	57.4
Overseas equities and bonds	13.5	13.6
Local equities	24.2	19.2
Loans	8.1	8.7
Property	0.9	1.1
TOTAL	100.0	100.0

(viii) History of obligations, assets and experience adjustments:

	31 December 2009 MUR	31 December 2008 MUR
Fair value of plan assets	323,092,281	277,172,443
Present value of defined benefit obligation	(443,189,705)	(454,207,656)
Surplus /(deficit)	(120,097,424)	(177,035,213)
Asset experience gain/ (loss) during the period	17,861,711	(55,415,433)
Liability experience gain/(loss) during the period	49,871,982	(55,766,883)

(ix) Expected Employer's contributions (estimate to be reviewed by the Sugar Insurance Fund Board) for the year ending 31 Dec 2010: Rs. 19,474,646

16. ACCOUNTS PAYABLE

	31 December 2009 MUR	31 December 2008 MUR
Provision for insurance compensation (see note 17)	193,250,000	406,676,407
Reinsurance premiums payable	6,022,270	6,289,112
Creditors for compensation and premium	174,367	167,852
Amounts owed to SIT planters	2,500	25,876
Other Creditors	99,846	2,601,807
Accruals	3,493,973	1,743,231
Provision for staff passage benefits (note 13)	2,000,000	2,000,000
Short term employee benefits (note 14)	7,643,017	6,698,670
	212,685,973	426,202,955

Notes to the Financial Statements (Cont`d)

For the year ended 31 December 2009

17. PROVISION FOR INSURANCE COMPENSATION

	31 December 2009 MUR	31 December 2008 MUR
At start of year	406,676,407	851,330,100
Less : Payment during the year	(406,676,407)	(849,830,575)
Add : Provision for the year	193,250,000	405,176,882
At December	193,250,000	406,676,407

18. REINSURANCE PREMIUM

Reinsurance premium for Crop 2009 was paid under contract signed for an aggregate cover of 100% of the general premium income in excess of 150% of the general premium income. The Fund is a co-reinsurer to an extent of 50% of the cover.

19. INVESTMENT INCOME

	Year ended 31 December 2009 MUR	Year ended 31 December 2008 MUR
Interest Income (i)	224,646,256	239,457,260
Dividends	26,139,683	16,322,554
	250,785,939	255,779,814
Held to maturity deposits	184,076,649	180,915,371
Cash and cash equivalent	23,434,070	21,417,990
Loans & receivables	17,135,537	37,123,899
	224,646,256	239,457,260

(i) Interest Income

20. OTHER GAINS AND LOSSES

	Year ended 31 December 2009 MUR	Year ended 31 December 2008 MUR
Exchange gain/(loss) on revaluation of foreign currency deposit	(40,096,325)	85,726,859
Profit on sale of - Available-for-sale securities	14,608,895	8,395,019
- Property, Plant & Equipment	(18,880)	(6,462)
- Investment Properties	-	3,493,750
	(25,506,310)	97,609,166

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

21. ADMINISTRATIVE EXPENSES

Included in administrative expenses are:

Staff costs
Retirement benefits charge/(release)
Provision for Employees Benefits
Depreciation
Directors' fees
Auditors' remuneration

Year ended 31 December 2009 MUR	Year ended 31 December 2008 MUR
107,843,061	99,070,249
13,458,483	(1,095,461)
6,564,342	18,654,996
5,743,679	4,842,682
661,000	672,175
200,000	200,000

22. TAXATION

The Fund is exempt from income tax

23. RELATED PARTY TRANSACTIONS

The Fund is making the following related party transaction disclosures in accordance with IAS 24, Related Party Disclosures:

(a) Outstanding balances

Loans advanced to:

- (i) Key management personnel
- (ii) Entity under common control

31 December 2009 MUR	31 December 2008 MUR
407,590	653,780
32,000,000	40,000,000
32,407,590	40,653,780

- (i) Loans advanced to key management personnel under condition of service.
- (ii) Loans advanced to entity under common control represent loans granted to Mauritius Housing Corporation Ltd.

(b) Transactions with entity under common directorship

- Deposits
- Loans granted

303,991,717	208,704,383
597,466,724	718,662,109

Transactions with entity under common directorship represent:

- (i) deposits with Afrasia Bank and Axys Leasing Co. Ltd.
- (ii) loans granted to the Mauritius Sugar Syndicate.

These transactions have been effected at full arm's length.

(c) Compensation of key management personnel:

- Short term benefits
- Post-employment benefits contribution
- Other benefits

3,740,000	3,038,310
728,091	466,578
696,535	955,939
5,164,626	4,460,827

As per provisions of the Act constituting the Fund, the directors represent the interest of stakeholders. However, the Board considers that such representation does not trigger any other related party transactions that would require any further disclosure.

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

24. FINANCIAL INSTRUMENTS

24.1 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

24.2 Categories of financial instruments

Financial assets

	31 December 2009 MUR	31 December 2008 MUR
- Held to maturity investments	2,192,371,002	1,934,781,463
- Loans and Receivables (including cash & cash equivalents and excluding prepayments)	1,669,886,014	1,785,703,952
- Available for sale financial assets	1,213,914,221	888,690,069
	5,076,171,237	4,609,175,484
<i>Financial liabilities</i>		
Liabilities	376,394,641	571,785,879

24.3 Financial risk management

The Fund is exposed to financial risks namely market risk (including currency risk, interest rate risk and market price risk), credit risk and liquidity risk.

Market risk

The Fund's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

- *Foreign currency risk management*

The Fund undertakes certain transactions denominated in foreign currencies. Hence, the Fund is exposed to the risk that the exchange rate of the Mauritian rupee relative to the currencies listed below may change in a manner which has a material effect on the reported values of its financial assets and financial liabilities. The price paid to producers being influenced by the value of foreign currency exchange rates, reserves have been built in foreign currencies .

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

24. FINANCIAL INSTRUMENTS (Cont'd)

24.3 Financial risk management (cont'd)

The currency profile of the financial assets and financial liabilities is summarised as follows:-

Currency profile

	Financial Assets 2009 MUR	Financial liabilities 2009 MUR	Financial Assets 2008 MUR	Financial liabilities 2008 MUR
Currency				
Mauritian Rupees	3,862,126,618	376,394,641	3,445,180,763	571,785,879
United States Dollars	587,532,523	-	553,215,400	-
Euro	600,246,666	-	586,432,330	-
British Pounds	26,265,430	-	24,346,991	-
	5,076,171,237	376,394,641	4,609,175,484	571,785,879

The Fund is mainly exposed to USD and Euro.

The following table details the Fund's sensitivity to a 1% increase and decrease in the Rupee against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Rupee strengthens by 1% against the relevant currency. There would be an equal and opposite impact on profit and other equity, if the rupee weakens by 1%.

(a) USD Impact

	31 December 2009 MUR	31 December 2008 MUR
Profit or loss in statement of financial position	4,483,620	4,086,670
Revaluation Reserve in statement of financial position	1,391,706	1,445,483

(b) EURO Impact

	31 December 2009 MUR	31 December 2008 MUR
Profit or loss in statement of financial position	5,318,224	5,419,607
Revaluation Reserve in statement of financial position	621,246	444,716

The above is mainly attributable to:

- (i) available-for-sale securities
- (ii) held to maturity securities and deposits

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

24. FINANCIAL INSTRUMENTS (Cont'd)

24.3 Financial risk management (cont'd)

• Interest rate risk management

The Fund is not exposed to interest rate risk as none of its financial liabilities is interest bearing and most of the Fund's loans receivable and fixed deposits are fixed-interest bearing.

The interest rate profile of the financial assets of the Fund as at 31 December 2009 was:-

Financial assets	Currency	Fixed Interest rate		Floating Interest rate	
		2009 %	2008 %	2009 %	2008 %
Bank Deposits	MUR	4.50	5.50	-	-
Loan to MHC	MUR	-	-	10.25	11.25 – 13.75
Loan to MSS	MUR	5.25 – 9.00	8.00 – 9.85	-	-
Fixed deposits	MUR	6.40 – 13.15	8.10 – 10.80	6.75 – 10.15	-
Fixed deposits	GBP	1.10 – 4.84	4.80 – 5.74	-	-
Fixed deposits	USD	1.14 – 3.25	2.00 – 5.00	-	-
Fixed deposits	EUR	0.85 – 4.78	2.30 – 4.85	-	-
Yields on T.Bills	MUR	4.58 – 7.60	6.75 – 10.20	-	-

• Market price risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices no matter whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The carrying amount of investments which are traded on the market may be subject to market price variations. The Fund manages this risk by holding a diversified portfolio of investments in Mauritius and overseas.

The following table details the Fund's sensitivity to a 1% decrease/increase in the price of its equity investments.

	2009 MUR	2008 MUR
Available-for-sale securities	12,139,142	8,886,900

(I) Credit risk management

Credit risk is the risk that a counter party will default on its contractual obligations resulting in financial loss to the fund. The Fund's credit risk is primarily attributable to its insurance receivables. However, there was no concentration of credit risk at end of reporting period since there were no outstanding insurance receivables.

Notes to the Financial Statement (Cont'd)

For the year ended 31 December 2009

24. FINANCIAL INSTRUMENTS (Cont'd)

24.3 Financial risk management (cont'd)

(iii) Liquidity risk management

The Fund is exposed to calls on its available cash resources mainly from substantial claims arising from insurance contracts. The Fund manages this exposure through reinsurance.

The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate framework for the management of the Fund's short, medium and long-term funding and liquidity management requirements. The Fund manages liquidity risk by maintaining adequate liquidity reserves, banking facilities and highly liquid investments, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets.

The following table details the Fund's expected maturity for its financial assets. The table has been drawn up based on the undiscounted cash flow of contractual maturities of the financial assets including interest that will be earned on those assets except where the fund anticipates that the cash flow will occur in a different period.

	Within 1 month MUR	1 to 3 months MUR	3 months to 1 year MUR	More than 1 year MUR	No fixed maturity MUR
Held to maturity (including interest)	356,879,113	495,533,052	965,260,960	374,697,878	-
Available-for-sale	-	3,401,100	-	1,000,000	1,209,513,121
Loans & Receivables	1,628,514	597,466,724	11,083,070	34,152,326	1,525,134
Cash & cash equivalents	1,024,030,246	-	-	-	-
	1,382,537,873	1,096,400,876	976,344,030	409,850,204	1,211,038,255

The following table details the Fund's remaining maturity for its contractual liabilities. The table has been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Fund can be required to pay.

	Within 1 month MUR	1 to 3 months MUR	3 months to 1 year MUR	More than 1 year MUR
Liabilities	3,493,973	193,252,500	6,296,483	-

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

25. MANAGEMENT OF INSURANCE RISKS

Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Fund faces under its insurance contracts is the actual claims and benefit payments not covered by the reinsurance contracts.

Insurance contracts

(i) Frequency and severity of claims

If any, their severity is largely dependent upon climatic conditions prevailing such as the occurrence of cyclones, droughts and excessive rainfall.

Reinsurance/co-insurance arrangements are such that the Fund is adequately protected and would only suffer predetermined amounts.

(ii) Concentration of insurance risks

Because the Fund's main activities are restricted to providing insurance to the Sugar Industry against losses in sugar production, it faces similar risks in all of its insurance contracts such that the variability of the expected outcome cannot be reduced.

The Fund manages part of such risks through reinsurance arrangements mostly. The Fund's reinsurance strategy is set by its Board of Directors. It is itself responsible for monitoring and controlling reinsurance activity.

(iii) Sources of uncertainty in the estimation of future claim payments

Claims are payable on a claims-assessment basis. The Fund is liable for all insured risks that occurred during the crop year, even if the loss is discovered after the end of the crop year.

Although the Fund has in place estimation processes which consider all the factors that can influence the amount and timing of cash flows about the estimated costs of claims, such processes may prove to be very uncertain since the claims are mostly long tail. The Fund takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures.

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

26. SENSITIVITY ANALYSIS

The risk associated with the insurance contracts are complex and subject to a number of variables that complicate sensitivity analysis. The Fund uses assumptions based on internal and external data to measure its claims. Internal data is derived mostly from the Fund's records.

The assumptions used are as follows:

(i) Climatic conditions

Climatic conditions include effects of cyclonic winds, below long term mean rainfall and above long term mean rainfall.

(ii) Estimated islandwide tonnage of canes of 4.67 millions

Islandwide tonnage of canes is the total tonnage of canes harvested and milled.

(iii) Estimated islandwide extraction rate of 10.09%

Islandwide extraction rate is the sugar to be extracted from canes milled for sugar production based on the average % polarisation of cane (richesse).

(iv) Estimated islandwide sugar production of 471,000 tonnes

Islandwide sugar production is the total estimated sugar produced out of the total estimated tonnage of canes milled at the estimated islandwide extraction rate.

(v) Estimated Harvestable Extent of 59,149 Hectares

Harvestable extent is the total land under cane cultivation meant for sugar production.

(vi) Estimated islandwide Total Insurable Sugar 524,147 tonnes

Islandwide total insurable sugar is based on the individual sugar potential of each insured and the estimated harvestable extent of cane growers.

(vii) Estimated islandwide average ranking 8.8

The islandwide average ranking is the average ranking of all insureds weighted by their total insurable sugar (potential).

The main variable which has the most material effect on insurance liabilities is total sugar production. The Directors believe that the liability for the claims carried at the year end is adequate. An adverse variance of estimated islandwide sugar production to the extent of 1% would require the recognition of an additional amount of MUR 45 million.

Notes to the Financial Statements (Cont'd)

For the year ended 31 December 2009

27. CLAIMS HISTORY AND DEVELOPMENT

The claims history and development is summarised below:

General and Fire insurance

Crop Year	General and Fire Compensation	General and Fire Premium	Loss Ratio
2009	195,755,311	586,673,000 (net)	32.5%
2008	413,151,817	718,619,771	57.5%
2007	857,278,983	838,498,228	102.2%
2006	583,572,641	849,437,679	68.7%
2005	575,718,022	896,012,073	64.3%
2004	352,121,689	856,096,951	41.1%

No reinsurance proceeds were receivable from the above periods analysed.

28. CONTROLLING PARTY

The Government of Mauritius is regarded as the controlling party as it appoints the directors of the Fund.

Appendix B

FINANCIAL AND STATISTICAL TABLES

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Table 1: Statement of Funds

Financial Year	Income				Expenditure				Operating Surplus/ (Deficit)	Cumulative Fund Reserves
	Net Premium Note 2	Other contributions Note 3	Investments & Other Income Note 4	Total Income	Net compensation Note 5	Net Reinsurance Premium Note 6	Operating Expenses Note 7	Total Expenditure		
up to 1999/2000	8,815,688,217	2,109,403,907	1,726,178,657	12,651,270,781	9,147,940,480	1,551,346,063	849,266,699	11,548,553,242	1,102,717,539	1,102,717,539
2000/2001	637,516,175	204,239	121,474,106	759,194,520	359,467,735	75,133,343	78,558,068	513,159,146	246,035,374	1,348,752,913
2001/2002	727,453,281	-	188,511,709	915,964,990	69,844,329	171,179,007	90,085,102	331,108,438	584,856,552	1,933,609,465
2002/2003	800,228,759	-	255,044,145	1,055,272,904	814,135,579	185,291,404	95,418,324	1,094,845,307	(39,572,403)	1,894,037,062
2003/2004	837,256,065	-	432,189,979	1,269,446,044	629,033,959	145,377,305	93,884,812	868,296,076	401,149,968	2,295,187,030
2004/2005	896,012,073	-	177,893,428	1,073,905,501	575,718,022	91,126,553	101,975,541	768,820,116	305,085,385	2,600,272,415
2005/2006	849,437,679	-	244,393,634	1,093,831,313	583,572,641	83,143,754	128,419,854	795,136,249	298,695,064	2,898,967,479
2007	838,543,820	-	407,357,609	1,245,901,429	864,726,127	83,191,051	169,436,205	1,117,353,383	128,548,046	3,027,515,525
2008	717,886,029	-	369,475,477	1,087,361,506	411,675,744	61,745,852	128,694,493	602,116,089	485,245,417	3,512,760,942
2009	586,673,000	6,119,201	252,833,741	845,625,942	196,582,562	53,810,602	146,496,003	396,889,167	448,736,775	3,961,497,717
TOTAL	15,706,695,098	2,115,727,347	4,175,352,485	21,997,774,930	13,652,697,178	2,501,344,934	1,882,235,101	18,036,277,213	3,961,497,717	

Notes

- Figures for financial years 2003/2004 , 2004/2005 and 2007 have been restated on application of new IFRS
- Net Premium includes Total General and Fire Premium receivable from all insureds, net of adjustments.
- Other contributions include receipts from Price Stabilisation Fund, cyclone and Drought Reserve Fund, Special levy, Recoveries from Reinsurers and other transfers from reserves.
- Other income includes all other items not classified under Note 2 and 3 and also includes items posted directly to reserves.
- Net compensation includes amounts payable during the financial year/period, net of adjustments.
- Reinsurance premium is based on amounts payable during the financial year/period, net of adjustments.
- Operating expenses include all other items not classified under Note 5 and 6

Table II: Reinsurance

Year	Reinsurance Premium (Rs)	Reinsurance Compensation (Rs)
Up to 1998/1999	1,356,928,610	469,103,749
1999/2000	204,369,607	1,277,804,087
2000/2001	78,804,510	-
2001/2002	179,737,907	-
2002/2003	194,555,974	-
2003/2004	273,734,284	-
2004/2005	114,970,722	-
2005/2006	98,956,256	-
2007	83,191,051	-
2008	61,745,852	-
2009	53,810,602	6,119,201 ⁽ⁱ⁾

Figures for the financial year 2004/2005 have been restated on the application of IFRS in the financial year 2005/2006.

Table III: Fire Statistics, Crop 2009

Sector	Cases Compensated (Number)	Effective Area Burnt (Hectares) (1)	Total Area Harvested (Hectares) (2)	Area Burnt as % of Area Harvested %(1)/(2)
North	75	68.329	13,670	0.5
East	21	22.056	16,324	0.1
South	47	70.226	18,657	0.4
West & Centre	18	22.461	10,457	0.2
Island	161	183.072	59,108	0.3

Table IV: Fire Insurance

	Fire Premium	Fire Compensation	Balance of Fund
	Rs M		
Up to 2000	59.4	53.5	12.9
2000/2001	6.9	2.3	17.5
2001/2002	6.8	4.2	20.1
2002/2003	6.8	3.9	23.0
2003/2004	6.6	1.8	27.8
2004/2005	6.3	11.5	22.6
2005/2006	6.1	9.9	18.8
2007	7.1	7.1	18.8
2008	6.8	6.7	18.9
2009	6.5	13.5	11.9

Figures for the financial year 2004/2005 have been restated on the application of IFRS in the financial year 2005/2006.

Table V: Sugar Price

	Planters	Millers	Weighted
	(Rupees)		
2000	11,066	10,950	11,040
2001	12,875	12,650	12,826
2002	14,252	14,100	14,219
2003	15,316	15,200	15,290
2004	16,094	15,900	16,051
2005	17,392	17,050	17,317
2006	17,120	16,700	17,028
2007	18,206	17,900	18,139
2008	16,444	16,000	16,346
2009	15,627	15,000	15,489

Table VI: Analysis by Ranking, Crop 2009

Ranking	Planters (Number)	Area Harvested (Hectares)	Canes Milled	(Tonnes)		Shortfall	(Rupees)	
				Insurable Sugar	Sugar Produced		General Premium	General Compensation
Up to 5.4	6,758	5,738	350,479	33,267	26,677	3,166	46,054,860	27,105,359
5.5- 5.9	3,021	3,632	260,881	23,192	20,180	1,512	31,552,765	13,127,257
6.0- 6.4	2,774	2,451	176,022	24,122	20,879	1,334	31,890,593	11,660,921
6.5- 6.9	1,765	2,452	176,043	15,605	13,285	974	20,723,036	8,695,972
7.0- 7.4	1,591	7,644	624,169	71,381	64,376	1,544	92,246,456	13,753,184
7.5- 7.9	1,261	4,443	347,405	30,015	26,127	1,352	38,755,479	12,536,395
8.0- 8.4	1,060	2,787	225,546	36,373	32,548	1,322	45,639,951	12,205,537
8.5- 8.9	793	948	70,787	6,486	5,689	497	8,195,710	4,730,365
9.0- 9.4	661	2,890	235,567	45,690	41,525	592	55,283,979	7,231,472
9.5- 9.9	489	12,035	991,472	134,378	122,331	4,178	161,125,316	41,443,002
10.0-10.4	381	1,573	131,033	11,626	10,098	896	13,888,144	9,169,915
10.5-10.9	318	3,255	240,575	21,064	19,117	867	24,568,444	9,090,830
11.0-11.4	199	1,697	125,800	10,240	9,944	68	11,714,773	728,201
11.5-11.9	137	3,387	311,643	26,810	26,337	65	29,508,538	692,578
12.0-12.4	91	1,309	136,016	10,621	10,400	50	11,449,082	558,881
12.5-12.9	60	71	5,415	522	448	58	551,497	662,502
13.0-13.4	36	30	2,545	234	209	17	238,792	192,971
13.5-13.9	41	2,205	203,027	17,672	16,478	403	17,124,151	4,805,510
14.0-14.4	22	540	50,719	3,897	4,099	15	3,572,897	176,626
14.5-14.9	13	8	680	61	56	3	54,291	36,131
15.0 or more	27	13	1,125	98	92	6	83,914	40,854
Island	21,498	59,108	4,666,949	523,354	470,895	18,919	644,222,668	178,644,463

Table VII: Events by Factory Area, 2000 - 2009

Factory Area	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
North										
Belle Vue	D	D	C&D&E	C&D	---	D&E	D&E	C&D&E	D&E	D&E
Mon Loisir	D	D	C&D&E	C&D	---	D&E	D&E	C&D&E	D&E	D&E
East										
Beau Champ	D&E	D	C&D&E	C&E	E	E	C&D&E	C&D&E	E	D&E
FUEL	D&E	---	C&D&E	C&E	E	E	C&D&E	C&D&E	E	D&E
South										
Britannia	D	D	C&D&E	mill ceased operation						
Mon Tresor	D	---	C&D&E	C&E	E	E	C&D&E	mill ceased operation		
Riche en Eau	D&E	---	C&D&E	C&E	E	E	C&D&E	mill ceased operation		
Rose Belle	D	D	mill ceased operation							
Savannah	D&E	---	C&E	C&E	E	E	C&D&E	C&D&E	E	E
St Felix	D	---	C&D&E	C&E	E	E	mill ceased operation			
Union	D	---	C&D&E	C&E	E	E	C&D&E	C&D&E	E	E
West & Centre										
Medine	D	D	C&E	D	---	D&E	D&E	C&D&E	D&E	D&E
Highlands	D	D	mill ceased operation							
Mon Desert Alma	D	D	C&D&E	C&E	E	E	C&D&E	C&D&E	mill ceased operation	

Table VIII: Events (1957-2009)

Events	1957 - 1959	1960 - 1969	1970 - 1979	1980 - 1989	1990 - 1999	2000 - 2009	Total
C	1	4	2	1	1	--	9
C & D	--	2	2	--	2	--	6
C, D & E	--	--	1	--	--	4	5
C & E	--	--	--	2	--	--	2
D	2	4	2	4	5	1	18
D & E	--	--	2	2	2	4	10
E	--	--	1	1	--	1	3

Legend: C : Cyclone
D : Drought
E : Excessive Rainfall

Table IX: Area Irrigated (Hectares), Crop 2009

Sector	Overhead Irrigation	Surface Irrigation	Drip Irrigation	Area Irrigated (a)	Area Harvested (b)	% (a)/ (b)
North	6,534	592	1,065	8,191	13,670	60
East	2,864	-	-	2,864	16,324	18
South	4,198	-	482	4,680	18,657	25
West & Centre	3,664	283	138	4,085	10,457	39
Island	17,260	875	1,685	19,820	59,108	34

Source: Irrigation Authority

Table X: Credit Co-operative Societies, Crop 2009

Sector	Planters	Area	Sugar	Insurable	General	General
		Harvested	Produced	Sugar	Premium	Compensation
	(Number)	(Hectares)	(Tonnes)		(Rupees)	
North	2,632	1,644	9,373	10,761	14,592,408	5,893,764
East	3,349	1,982	11,159	12,895	16,616,513	9,209,072
South	2,935	1,746	9,241	10,691	13,847,770	7,574,916
West & Centre	1,003	627	3,190	3,699	4,881,666	2,864,975
Island	9,919	5,999	32,963	38,046	49,938,357	25,542,727

Table XI: Millers, Crop 2009

Sector	Millers	Sugar	Insurable	General	General
		Produced	Sugar	Premium	Compensation
	(Number)	(Tonnes)		(Rupees)	
North	2	22,894	26,480	33,412,187	5,575,072
East	2	37,572	41,857	50,389,549	7,817,445
South	1	32,952	36,588	42,917,689	8,881,821
West & Centre	1	9,712	10,286	11,926,421	-
Island	6	103,130	115,211	138,645,846	22,274,338

Table XII: Area Harvested & Cane Weight, Crop 2009

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Total
North	Area Harvested (Hectares)	798	802	992	960	389	687	9,042	13,670
	Cane Weight (Tonnes)	64,187	61,587	77,299	74,144	28,601	58,328	766,189	1,130,335
East	Area Harvested (Hectares)	921	1,166	1,285	1,399	565	547	10,441	16,324
	Cane Weight (Tonnes)	64,775	78,555	86,290	94,758	37,538	35,789	859,408	1,257,113
South	Area Harvested (Hectares)	907	1,147	1,091	1,312	453	1,009	12,738	18,657
	Cane Weight (Tonnes)	62,184	71,824	70,111	83,023	29,222	69,781	1,096,146	1,482,291
West & Centre	Area Harvested (Hectares)	330	758	595	542	258	617	7,357	10,457
	Cane Weight (Tonnes)	19,692	43,143	36,913	34,966	19,401	41,966	601,129	797,210
Island	Area Harvested (Hectares)	2,956	3,873	3,963	4,213	1,665	2,860	39,578	59,108
	Cane Weight (Tonnes)	210,838	255,109	270,613	286,891	114,762	205,864	3,322,872	4,666,949

Table XIII: Number of Planters, Sugar Produced & Insurable Sugar, Crop 2009

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Millers	Total
	Number of Planters	3,216	1,135	717	331	59	19	11	2	5,490
North	Sugar Produced (Tonnes)	4,652	4,478	5,599	5,385	2,090	4,367	57,726	22,894	107,191
	Insurable Sugar (Tonnes)	5,337	5,240	6,546	6,378	2,538	4,883	62,796	26,480	120,198
	Number of Planters	3,673	1,629	916	480	81	27	4	2	6,812
East	Sugar Produced (Tonnes)	5,211	6,311	6,914	7,552	3,001	2,891	69,212	37,572	138,664
	Insurable Sugar (Tonnes)	6,002	7,337	8,117	9,018	3,501	3,506	74,831	41,857	154,169
	Number of Planters	3,334	1,583	773	441	68	30	14	1	6,244
South	Sugar Produced (Tonnes)	4,958	5,674	5,511	6,446	2,267	5,324	86,752	32,952	149,884
	Insurable Sugar (Tonnes)	5,847	6,769	6,592	7,718	2,648	6,313	93,766	36,588	166,241
	Number of Planters	1,266	1,000	429	188	37	22	9	1	2,952
West & Centre	Sugar Produced (Tonnes)	1,609	3,439	2,972	2,853	1,609	3,507	49,455	9,712	75,156
	Insurable Sugar (Tonnes)	1,917	4,231	3,542	3,358	1,860	4,451	53,101	10,286	82,746
	Number of Planters	11,489	5,347	2,835	1,440	245	98	38	6	21,498
Island	Sugar Produced (Tonnes)	16,430	19,902	20,996	22,236	8,967	16,089	263,145	103,130	470,895
	Insurable Sugar (Tonnes)	19,103	23,577	24,797	26,472	10,547	19,153	284,494	115,211	523,354

Table XIV: Premium, Compensation and Shortfall - Crop 2009

Sector		Up to 0.49 H	0.5 to 0.99 H	1 to 1.99 H	2 to 4.99 H	5 to 9.99 H	10 to 99.99 H	100 H and above	Millers	Total
North	Premium (Rs)	7,249,461	7,115,500	8,877,100	8,672,024	3,427,219	6,614,217	81,161,283	33,412,187	156,528,991
	Compensation (Rs)	3,643,659	3,410,795	4,005,717	3,812,491	1,498,740	2,666,056	5,267,761	5,575,072	29,880,291
	Shortfall (Tonnes)	417	393	466	439	176	306	572	642	3,411
East	Premium (Rs)	7,809,348	9,576,228	10,531,451	11,717,130	4,544,749	4,477,659	92,307,292	50,389,549	191,353,406
	Compensation (Rs)	4,556,639	5,476,960	6,117,812	8,091,136	2,598,363	3,244,703	16,236,555	7,817,445	54,139,613
	Shortfall (Tonnes)	502	603	672	882	277	340	1,621	857	5,754
South	Premium (Rs)	7,633,634	8,879,637	8,606,095	10,086,505	3,473,565	7,988,037	107,766,914	42,917,689	197,352,076
	Compensation (Rs)	5,111,866	5,835,629	5,742,925	6,186,087	2,027,314	3,868,759	26,150,151	8,881,821	63,804,552
	Shortfall (Tonnes)	561	643	627	677	217	286	2,540	928	6,479
West & Centre	Premium (Rs)	2,574,313	5,697,738	4,731,149	4,471,128	2,483,497	5,961,086	61,142,863	11,926,421	98,988,195
	Compensation (Rs)	1,537,662	3,748,151	2,690,796	2,397,868	1,177,806	4,799,025	14,468,699	-	30,820,007
	Shortfall (Tonnes)	177	425	305	274	135	539	1,420	-	3,275
Island	Premium (Rs)	25,266,756	31,269,103	32,745,795	34,946,787	13,929,030	25,040,999	342,378,352	138,645,846	644,222,668
	Compensation (Rs)	14,849,826	18,471,535	18,557,250	20,487,582	7,302,223	14,578,543	62,123,166	22,274,338	178,644,463
	Shortfall (Tonnes)	1,657	2,064	2,070	2,272	805	1,471	6,153	2,427	18,919

Table XV: Past Years Data(2000 -2009)

Crop Year	Planters	Area Harvested	Canes Milled	Sugar Produced	Insurable Sugar	Shortfall	General Premium	General Compensation	Crop Reduction	Events
	(Number)	(Hectares)		(Tonnes)			(Rupees Th)		%	
2000	28,461	71,912	5,109,402	571,266	690,891	54,548	630,436	356,116	17	D & E
2001	28,659	72,087	5,792,327	648,090	682,455	8,497	720,384	63,938	5	D
2002	28,165	71,482	4,874,043	523,167	684,373	94,189	793,416	814,662	24	D; E; C: Dina
2003	28,046	69,995	5,200,045	538,904	662,649	66,943	830,615	628,513	19	D; E; C: Gerry, Manou
2004	27,617	68,745	5,281,455	574,140	644,356	36,120	849,606	349,302	11	E
2005	26,898	67,404	4,984,315	521,541	628,854	54,188	889,665	566,857	17	D & E
2006	25,693	65,243	4,695,173	506,576	608,730	56,736	843,454	581,800	17	D; E; C: Diwa
2007	24,342	63,188	4,236,793	438,068	567,003	77,774	830,595	848,782	23	D; E; C: Gamede
2008	22,747	60,381	4,533,384	455,374	540,382	40,718	711,852	406,633	16	D & E
2009	21,498	59,108	4,666,949	470,895	523,354	18,919	644,223	178,644	10	D & E

Note: C: Cyclone; D: Drought; E: Excessive Rainfall

Staff List

HEAD OFFICE

Athion L, Audit M, Aumeerally A, Ballgobin R, Basant Rai S, Belut S, Bhuttoah R, Boodhoo S, Bundhoo V, Bundhun U, Chamroo S D, Chinappen V, Chong Chap Sin J S S, Coopamah P P, Dabee R, Damry K, Dewan D, Dewkurrin M, Doollub K, Gangaram J, Gansam D, Ghumondee C, Gooroochurn G, Gujadhur D, Gunesh M, Gungadeen G, Gunness B, Halkhoree S, Huree A, Jagun R, Jahul A, Jankee M D, Janoo S, Jatoonah S, Jeewooth V K, Jhuree S, Jhoottee N, Jooron V, Kallychurn R, Khemraz Y, Koolash K, Koonja S D, Kunniah R, Kurreemun U D, Lock Son Y, Mahadeo R, Maulloo K, Nathoo Y, Newk Fonheyto J, Noormahomed M A I, Pareemanun K, Pattoo S, Peermamode M Y, Perianen D, Poreema A K, Purmessur D K, Purmessur R D, Purryag D, Purryag K, Ragen-Beeharry S, Ragudu M, Ramanna S, Ramaswami V, Rambojun R, Ramkissoon L D, Ramlall C, Ramlochund P, Ramnochane P, Ramrecha D, Ramrichia R, Ramsokul H, Rekhaye R D, Runglollsing B, Sahajasein A, Seblin F, Seeboo S, Servansingh S, Shookhye V, Sonahee R, Soobrayen N S, Sookun R, Sookdeb J, Soopal R, Sooruyah P, Sreemantoo N, Surjoo Rita, Tauckoor R, Vayapooree K P.

CAMP DE MASQUE

Bhaukaurally R, Bulato G, Bumma D, Cuniah A S, Jugnarain P, Kaderbatia T M, Luttoo S, Moorut R, Naiko R, Narsimulu S, Nauthoo A, Nunhuck M, Pothen N, Rajoo D, Rambhojoo R, Sheoraj K, Siburuth R, Soodhoo H, Taulloo P.

MARE D'ALBERT

Andian M, Arnasalon S, Bansy G, Beedassy M K, Beeharry A P, Bhunjun K, Bissoonauth V K, Boodhoo T, Buchoo J, Bundhun R, Chevathian H, Groodoyal T, Kissensing N, Mokoonlall J, Mungra P, Mungur Harrish, Nathoo D, Nistar S, Nunnoo M R, Peryagh G, Pillay A S, Pydiah N, Ramsahye A, Sanassee S, Seechurn K, Seegolum R, Soobrayen J M, Soogumbur M, Sooklall P, Soonarane T, Sunassee L.

PAMPLEMOUSSES

Aiahsaib M, Appa A, Baboolall R K, Bamma S L, Bhuckory R, Bijlall R, Bissessur S, Bohorun B, Buton S, Callychurn S K, Chacoory N, Choolun O, Charlot-Colomes C, Curpen D, Dinnoo P S, Dookhy D, Emerith D, Goorah V, Hulkua S, Khettoo C, Khoodeeram H, Leddah I, Maywah R, Mungur Hunsraj, Punchu S, Ramasawmy A P, Ramchurn I, Ramkeessoon O, Ramkurrin R, Ramsahye D, Ramsamy S, Sheik Fareed Y, Sookaloo S, Sookun A, Sreepaul D, Surjoo Rajandra, Teeluck K.

QUARTIER MILITAIRE

Anadachee S, Arsadi R, Bachasingh Y, Baldeo R, Balgobin K, Beemadoo R, Bhoondah R, Bissessur D, Buljeeon A S, Chitamun B, Coolanaden N, Daby V, Golam I, Hossen N K, Kadoo V, Maghun D, Mautadin R, Mohabeer A, Mohajeer R, Mohun S, Mookien S, Multra S, Paniken M, Ramdewor B C, Ramhit S, Ramiad D S, Ramkissoon B, Ramtohil D, Roopun B, Sauba D A, Seebaluck A, Seebaluck P, Seewooram A, Sohabul S, Sookun D.

SOUILLAC

Appiah A, Beelato D, Bhooabul B, Bhunjun B, Bhurtun S, Coomaraswamy P, Coondiah V, Dewoo S, Gangoo V, Ghoora L, Goberdhan S, Greedharee R K, Jahajeeah R, Jayeprokash D, Jamansing Y, Jumnah M, Kissensing R, Luchmun S, Mooneesawmy S, Nuckcheda S, Nundun O, Ramdowar S, Sham R, Soobroydoo C, Teeluck J, Toory A.

Staff List (Contd)

VACOAS

Appadoo B, Bhaukaurally Reshad, Chowrimootoo F, Dargaye S, Dinajsing A, Garibdass J, Gopal S, Gunesssing T, Jeewooth R, Jhurkut S, Kanhye S, Kathapermal S, Mangra B, Mathurah I, Motee N, Mungur Harrish, Nathoo C, Oozeer R, Peerun N, Ramsokul K, Rosun M, Sandean I, Seebun R, Seekunto R, Seewoonauth I, Sooben K, Tackopersadh S, Veeren S.

RETIREMENT

The following officers retired from the services of the Board: Mungra P (on 17.10.09) and Nauthoo A (on 01.11.09)

RESIGNATION

The following officers resigned from the services of the Board: Audit M (on 04.02.09), Mr. Shookhye V K (on 15.06.09) and Mr. N Jhoottee (on 24.07.09).

OBITUARY

It is noted with regret that the officer, Mr. P. Parsad, has passed away.

Glossary

Crop Year	Period beginning on the 1st of June in any year and ending on the 31st of May in the following year
Event Year	In respect of any factory area, a crop year is declared an event year on account of the occurrence of all or any of the following causes: cyclones, drought or excessive rainfall
Factory Area (F.A.)	Area assigned by the Cane Planters & Millers Arbitration & Control Board to a factory
I. S. H.	Insurable Sugar per Hectare
Insured	A Planter, Sugar Estate, Miller or Metayer
Metayer	A person who, by agreement with a planter, cultivates cane on land which belongs to the planter and in consideration for the use of land, gives the planter a portion of the annual sugar yield of such land, with or without any additional payment
Miller	Any person, or group of persons, operating a factory and includes any person, acting as Manager for that person or group of persons
Planter	Any person, or group of persons, growing canes in a factory area and includes any person acting as Manager for that person or group of persons
Tonnes	Metric tons



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