



ANNUAL REPORT 2017-2018



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CHAIRPERSON'S LETTER

The Honourable Mahen Kumar SEERUTTUN
Minister of Agro Industry and Food Security
9th floor, Renganaden Seeneevassen Bldg
Port Louis

Sir,

In accordance with Section 9 (1) and (2) of the Statutory Bodies (Accounts and Audit) Act, the Board of the Sugar Insurance Fund hereby presents its Annual Report including the audited Financial Statements ended 30 June 2018 to be laid before the National Assembly.

The new Board which was reconstituted during Financial Year 2018/2019 granted on 26 September 2019 a *'qualified approval specifying that their knowledge of the contents of the report is derived solely from the relevant records and that approval is being given for the purpose of allowing the auditor to audit the financial statements of the statutory body under the Statutory Bodies (Accounts and Audit) Act.'*

Yours faithfully



Chairperson

Sugar Insurance Fund Board

Date: 31/10/2019

CROP 2017 REVIEW

With the liberalisation of the EU market and elimination of quota in September 2017, and the resulting drastic fall in revenue from sugar proceeds, the stakeholders in the sugarcane industry, mainly the planters, are facing much hardship. The Board of SIF is sensitive to the plight of the insureds. As a result it was agreed to pay a one-off financial support of MUR 1250 per tonne of sugar accrued for crop 2017 to all its insureds. The total amount paid was Rs 446.8 Million. The SIF Act was amended to cater for financial support.

The SIFB has at heart the interests of the planters. This is portrayed by (i) the loan, amounting to MUR 300M, provided by SIFB to the Mauritius Sugar Syndicate to on loan to sugar producers, and (ii) the financial assistance disbursed over the last three years as shown in the table below.

Table
Payment of Financial Assistance to Insured

Crop Year	Amount (MUR/Million)
2014	900.0
2015	413.4
2017	446.8

Crop 2017 was affected by below normal total rainfall on average till end January. Fortunately the passage of moderate tropical cyclone Carlos in February 2017 and the high rainfall in March, April and May with high maximum temperature have been beneficial to the sugarcane crop with the heavy downpours that contributed in correcting the soil moisture deficit. Thus the overall weather conditions that prevailed during these months and with the absence of adverse weather events such as cyclones and dry periods, have favoured cane stalk elongation at a good elongation rate across all sectors.

Crop 2017 registration started on 18th April 2017 to end on 31st May 2017. A total of 13,956 accounts of planters were registered for crop year 2017. The total area under cane plantations stood at 54,078 Ha for Crop 2017, representing a drop in extent under cane by 1,800 hectares compared to last crop year. Similarly the total area harvested for Crop 2017 for milling purposes dropped by 2,135 Ha. The total area harvested stood at 48,855 Ha compared to 50,990 Ha for Crop 2016. The amount of sugar produced “*tel quel*” for Crop 2017 was 357,702 tonnes compared to 388,934 tonnes manufactured in 2016. This is attributed to a lower sucrose accumulation in crop year 2017. The total number of sugar producers (insureds) for Crop 2017 was 12,630 that is 1103 producers less than the preceding year.

In accordance with Section 47 of the Sugar Insurance Fund Act, the sugar price for insurance purposes in respect of Crop Year 2017 was determined at the rates of:

- (i) MUR 14,196 per metric ton of sugar for growing side, inclusive of added value of molasses; and
- (ii) MUR 13,500 per metric ton of sugar for milling side.

Following recommendations from the Fact Finding Committee, general compensation was paid to all eligible insureds in respect of the Enlarged Factory Areas of ALTEO, OMNICANE and MEDINE.

The Fund’s Consulting Actuary submitted his 2017 Actuarial Review with recommendations deemed as short-term measures applicable for Crop 2018 and Crop 2019 only. (see section 8 of the Crop 2017 Highlights for more details).

ABOUT THE SUGAR INSURANCE FUND BOARD

From its introduction by the Dutch, to its cultivation by the French and the British, the sugarcane has turned the sugar industry in Mauritius into its first source of revenue for decades, if not centuries. The sugar industry in Mauritius has constantly been faced with challenges and it has always stood up to convert these challenges into opportunities to ensure sustainable productions of sugarcane and derived products derived.

Insuring the Mauritian sugar cane against the weather, one of long standing, became a reality when cyclone-damage in 1945 precipitated matters at governmental level, and at the local Chamber of Agriculture. The very next year saw the formal establishment, in October, of a Cyclone and Drought Insurance Fund through Ordinance No 53 of 1946 with compulsory insurance for all cane planters and millers, and an obligation on the latter to provide all relevant information to that Insurance Board. Subsequently in 1974 a Fire Insurance Scheme was incorporated with existing schemes for cyclones, droughts and excessive rainfall and the organisation was restyled the Sugar Insurance Fund Board.

The Fund kicked off as a self-financed not-for-profit institution with no initial capital injection, hence its compulsory participation by all categories of producers. The first premiums paid covered crop 1947 and the first “Event Year” was declared by the Board in 1957 on account of drought. The claims for compensation amounting to some Rs 9 Million were settled for that crop.

In 1960 the devastating cyclones Alix and Carol damaged 62% of the national crop harvest. During that year, the fund collected Rs 12 Millions as premiums but effectively paid out 11 times more as compensation to all producers amounting to Rs 140 Millions. This scenario prompted the Fund to strengthen its methods of assessing claims of small planters. Thus, verification of acreages cultivated by small planters first began in February 1960 through land surveys. Registration of planters was for the first time resorted to in May 1960 in respect of the 1960 crop.

The 1999 crop encountered the most severe and prolonged drought that inhibited cane growth. An unprecedented drought that ever struck the island resulting with 47% of insurable crop harvest lost. The SIFB again stood by the side of all producers by its prompt intervention of cash advance payments on compensation to the tune of 80% of losses paid by December 1999.

Due to its financial strength, arising from sound management of the Fund and the Board’s investment philosophy, the SIFB has, since 2009, stood by the side of the industry in its turbulent times by offering financial assistance to insureds in terms of: (i) Discounted General Premiums; (ii) Premium Holidays; and (iii) Special Financial Assistance.

The role played by SIFB in its long history has been of paramount importance as a protection mechanism for the sugarcane planter community and in the sustainability of sugarcane as an economic activity.

CROP 2017 HIGHLIGHTS

1 CLIMATIC CONDITIONS

(extracts from MSIRI crop 2017 end of month reports)

1.1 The Growth Phase

The weather conditions prevailing for Crop 2017 in terms of cumulative rainfall during the initial part of the growth phase were characterized by below normal rainfall in all sectors. This resulted into slow cane growth and development and was reflected in the stalk elongation, in various sectors as at end-January 2017, which lagged behind that of last year at the same period and is considered among the lowest recorded as in 2005, 2011 and 2012.

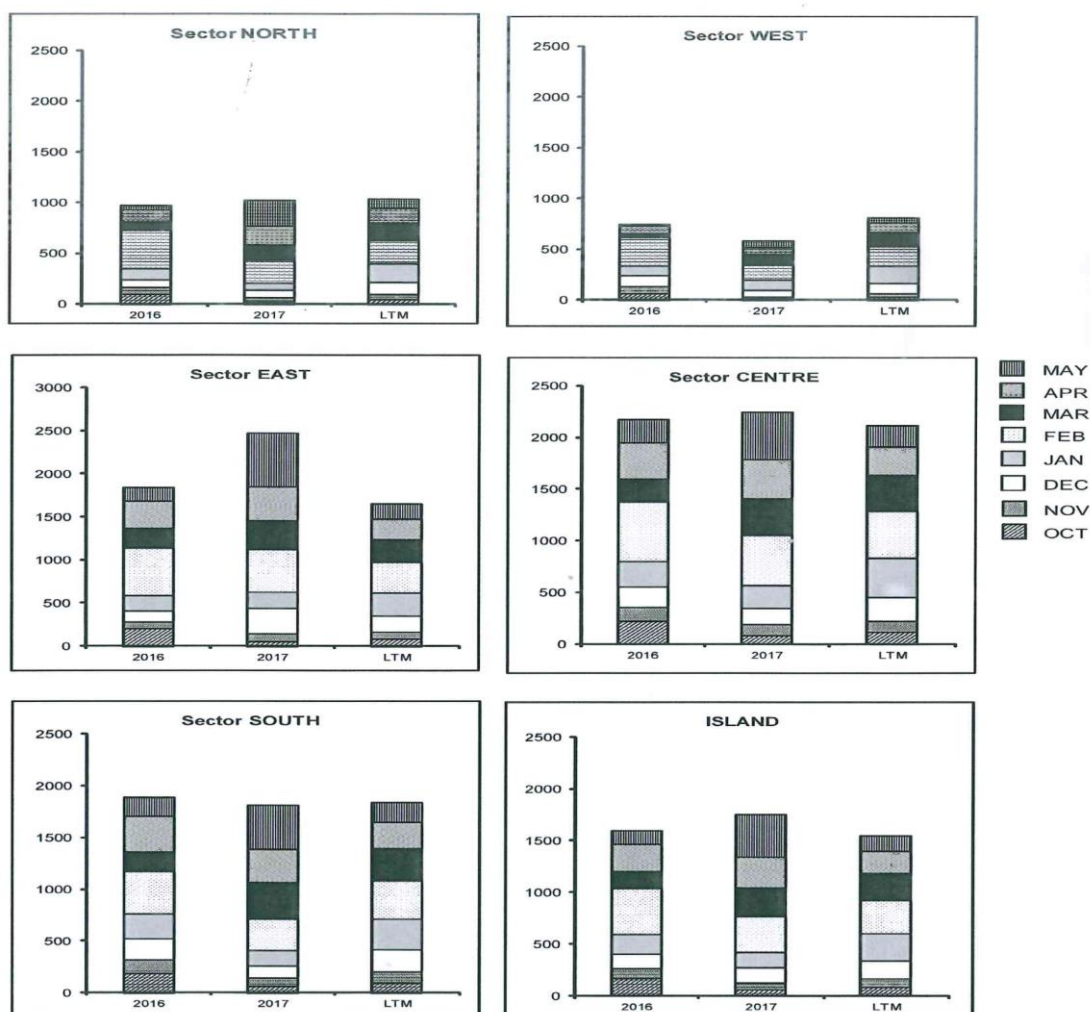
The overall weather conditions in subsequent months of March, April and May were characterized by high rainfall with higher maximum temperature in all sectors well above the long-term mean in the West, East, South and Centre. The overall weather conditions during these months have favoured cane stalk elongation at a good elongation rate across all sectors.

MSIRI

SUGAR CANE CROP 2017 – Status: End May 2017

13/06/17

Figure 1. Monthly rainfall (mm) for the period October 2016 to May 2017 for the 2017 crop compared to the corresponding period of the 2016 crop and to the long term mean (LTM).



1.2 The Ripening Phase

Weather conditions in the months of July and August have not been favourable to sucrose accumulation. In most sectors, rainfall had exceeded the normal coupled with below normal temperature, amplitude and solar radiation that have been detrimental to sucrose accumulation.

Sectorwise, the extraction rates recorded at end-November 2017 was 9.95% in the North, 9.22% in the East/Centre, 9.42% in the South and 9.92% in the West, but inferior to those of the corresponding period in 2016 in all sectors.

1.3 In general, weather conditions in terms of rainfall, temperature and sunshine duration has favoured stalk growth and cane development, however not conducive to cane ripening and sucrose accumulation at the optimal rate. This was reflected in the good elongation rates and cane productivity in all sectors, but sucrose content and extraction rates inferior to Crop 2016.

2 REGISTRATION OF FACTORIES AND PLANTATIONS

- 2.1 Effective Crop 2017, the Board decided to reinstate the former practice of annual registration of all small planters as well as provide a proximity service to all cane planters over the period of registration with the collaboration of all stakeholders of the sugar industry.
- 2.2 A one-stop shop service to all cane planters was offered by SIFB in collaboration with all Millers and the Control & Arbitration Department of the Mauritius Cane Industry Authority (MCIA) for:
 - (i) Registration of cane plantations with the SIFB,
 - (ii) Signing of cane contracts with the Millers; and
 - (iii) Registration of cane contracts with the Control & Arbitration Department.
- 2.3 Thus, all valid registration cards under the previous 5-year registration cycle became void and all planters were invited to register their cane plantations with the Board anew by issue of press communiques and display of posters at strategic places around the island.
- 2.4 Crop 2017 registration started on 18th April 2017 to end on 31st May 2017.
- 2.5 A total of 13,956 accounts of planters were registered for crop year 2017, inclusive of late registrations and re-registrations.

3 CROP HARVEST & MILLING OPERATIONS

- 3.1 The total area under cane plantations (plant, virgin and ratoon canes) stood at **54,078** Ha for Crop 2017 witnessing an effective drop in extent under cane of **1,800** hectares of cane land when compared to previous year's figures. **Figure 1** below depicts the trend in harvest extent since Crop 2006.

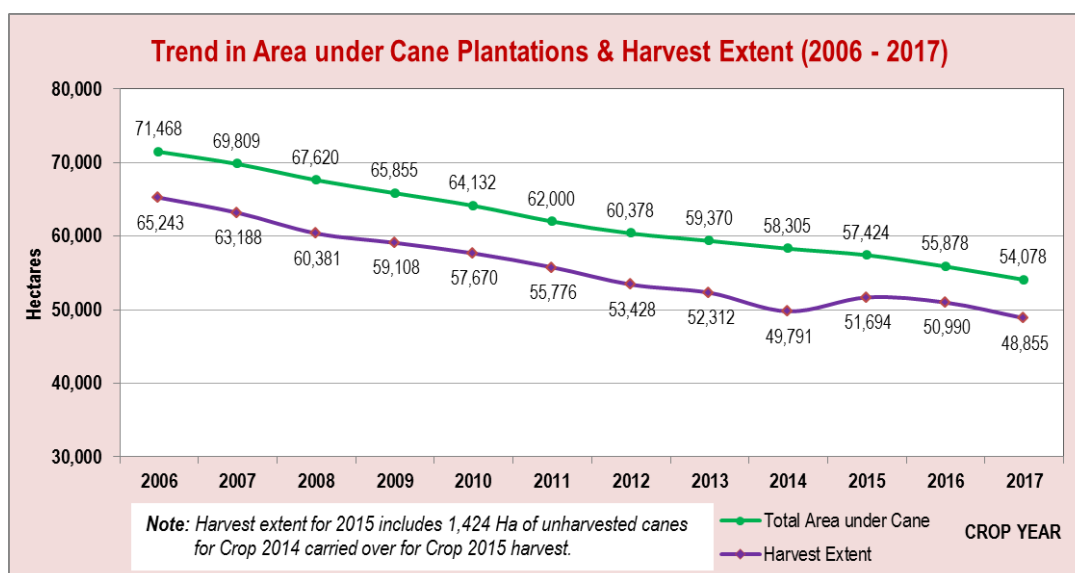


Figure 1

- 3.2 With the centralization of milling activities, the 4 sugar factories in operation island-wide are:
- TERRA Milling Ltd in the North sector;
 - ALTEO Milling Ltd in the Centre/East sector;
 - MEDINE Sugar Milling Co. Ltd in the West sector; and
 - OMNICANE Milling Operations Ltd in the South sector.
- 3.3 Milling operations for Crop 2017 first started at ALTEO factory on the 26th May 2017 and ended with TERRA factory on 29th December 2017.
- 3.4 The total area harvested for Crop 2017 for milling purposes stood at **48,855** Ha as compared to 50,990 Ha for Crop 2016. The highest harvest extent is seen in ALTEO enlarged factory with 19,288 hectares under cane harvested for milling whilst MÈDINE enlarged factory area had the lowest (4,437 Ha).
- 3.5 The highest cane yield per hectare recorded at enlarged factory level is 81.90 T/Ha for MÈDINE, whilst OMNICANE had the lowest cane yield (73.32 T/Ha). **Table 1** shows the harvest extent, cane weight and cane yield for each enlarged factory area.

Table 1 – Harvest Extent and Cane Yield

Enlarged Factory Area	Harvest Extent (Ha)	Cane Weight (T)	Cane Yield [T/Ha]
TERRA	10,674	871,630	81.66
ALTEO	19,288	1,418,398	73.54
OMNICANE	14,456	1,059,943	73.32
MÈDINE	4,437	363,360	81.90
TOTAL	48,855	3,713,331	76.01

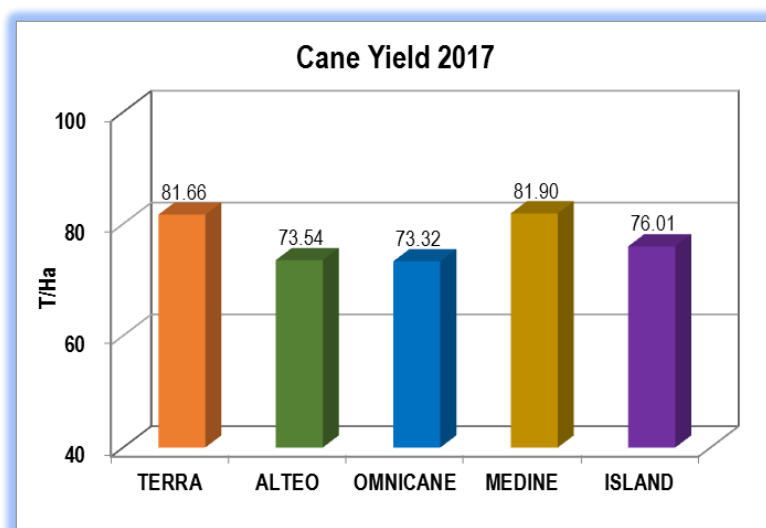


Figure 2

4 SUGAR PRODUCTION

- 4.1 The total tonnage of canes harvested and sent to mills for sugar production island-wide by planters for Crop 2017 is **3,713,331** tonnes, as compared to 3,798,657 tonnes for the last crop season.
- 4.2 For Crop 2017, the amount of sugar produced “*tel quel*” is **357,702** tonnes as compared to 388,934 tonnes manufactured in 2016. This is attributed to sucrose accumulation being lower than the preceding crop.
- 4.3 Island average sucrose content per tonne of cane crushed for Crop 2017 is **9.63%** as compared to 10.25% in 2016, a fall by 0.62 percent. The highest extraction rate was recorded at TERRA (10.15%) and the lowest at ALTEO (9.27%).

Table 2 – Final Assessment of Sugar

ENLARGED FACTORY	Crop 2017	Crop 2016
TERRA	10.15	11.11
ALTEO	9.27	9.75
MEDINE	9.56	10.17
OMNICANE	10.02	10.41
ISLAND AVERAGE	9.63	10.25

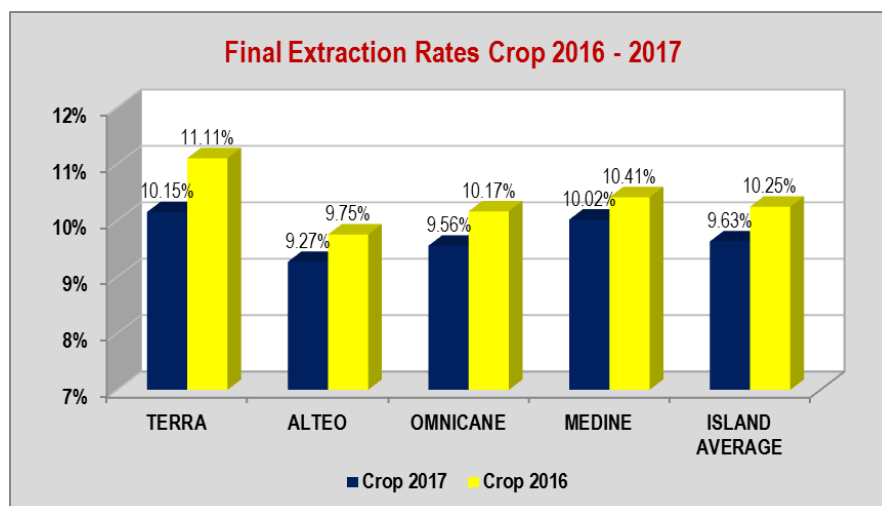


Figure 3

5 NUMBER OF SUGAR PRODUCERS

- 5.1 The total number of sugar producers (insureds) for Crop 2016 is **12,630**. This consists of:
- (i) **12,626 planters/ métayers** consigning canes; and
 - (ii) **4 millers** each having a sugar accruing corresponding to 22% of sugar share from all canes consigned to mill by cane growers.
- 5.2 **1,103** planters have effectively moved out of business in 2017 representing a fall of **8% over Crop 2016**. The trend in the number of sugar producers since 2005 is depicted in **Figure 4** below:

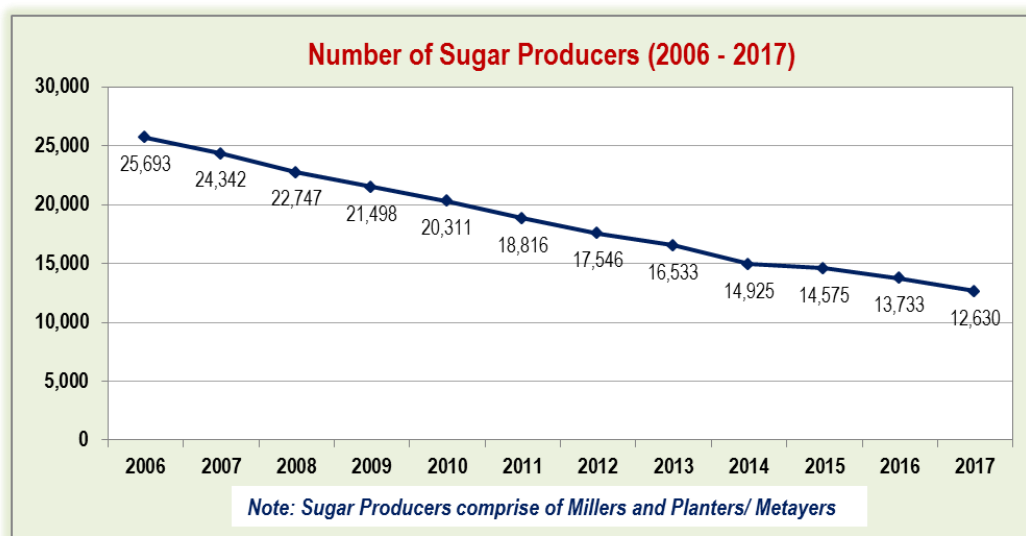


Figure 4

6 GENERAL INSURANCE

6.1 **Sugar Price for Insurance**

6.1.1 In accordance with Section 47 of the Sugar Insurance Fund Act, the sugar price for insurance purposes in respect of Crop Year 2017 was determined at the rates of:

- (iii) **Rs. 14,196** per metric ton of sugar for growing side, inclusive of added value of molasses; and
- (iv) **Rs. 13,500** per metric ton of sugar for milling side.

6.1.2 These rates were published under General Notice No. 1824 of 2017 in the Government Gazette.

6.2 Financial Assistance

In April 2018, the SIFB paid financial assistance out of the General Insurance Account for Crop 2017 to all insureds amounting to **Rs 447 Million** at the rate of Rs 1,250 per ton of sugar produced.

Table 3

ENLARGED FACTORY AREA	Financial Assistance Rs M
TERRA	110.5
ALTEO	164.2
OMNICANE	126.5
MEDINE	45.5
TOTAL	446.8

6.3 General Re-assessment

6.3.1 Several accounts with missing insurable sugar per hectare as a result of cane disposal through other accounts for 8 consecutive years and accounts whose basic data had been deemed unreliable as a result of neglected cane cultivation were re-assessed for Crop 2017 following the recommendations of the Fact Finding Committee.

6.3.2 For Crop Year 2017, the total amount of sugar accruing was 357,702 tonnes against an island-wide Total Insurable Sugar of 422,779 tonnes, i.e. a reduction of 15%. The sugar production and crop reduction percentages for each Enlarged Factory Area (EFA) were determined as follows:

Table 4 – Sugar Production

ENLARGED FACTORY AREA	Total Insurable Sugar [T]	Total Sugar Accrued [T]	Sugar Production %	Crop Reduction %
TERRA	93,247	88,506	95%	5%
ALTEO	158,096	131,507	83%	17%
OMNICANE	126,589	101,289	80%	20%
MEDINE	44,847	36,400	81%	19%
ISLAND-WIDE	422,779	357,702	85%	15%

Following recommendations of a Fact Finding Committee set up by the Government, general compensation was paid to all eligible insureds of the EFAs of ALTEO, OMNICANE & MEDINE

6.3.3 Table 5 below shows the general premium receivable, general compensation payable and the loss ratio for the General Insurance Account for Crop 2017 in respect of each enlarged factory area:

Table 5-General Premium and Compensation

ENLARGED FACTORY AREA	General Premium Receivable Rs M	General Compensation Payable Rs M	Loss Ratio
TERRA	44.2	0	0%
ALTEO	72.5	193.9	268%
OMNICANE	53.3	206.8	388%
MEDINE	18.8	67.7	360%
TOTAL	188.8	468.5	248%

The figures reported in the Financial Statements are: General Premium -Rs 184.95M and General Compensation -Rs 466.63M. These have changed due to subsequent re-assessment of Insureds as per table above.

- 6.3.1 On 14 March 2018, the Minister of Finance and Economic Development made regulations under section 51 of the SIF Act providing for the nil payment of Crop 2017 general insurance payable by planters and metayers having total sugar accrued not exceeding 60 tonnes. Government paid the general insurance premium for those planters and metayers from the Consolidated Fund to the tune of Rs 39 Million.

The regulations were gazetted in Government Notice No. 30 of 2018.

7. FIRE INSURANCE

7.1 Inter-crop Fire 2017

- 7.1.1 For Crop 2017, the total number of compensated fire cases caused by inter-crop fire was **61** representing a total extent of **59** hectares of canes was destroyed island-wide.

- 7.1.2 The number of compensable fire cases was more prominent in the Centre/East, followed by the North and South sectors of the island. Inter-crop Fire compensation paid amounted to **Rs 2.42 M**.

7.2 Fire during Harvest 2017

The number of fire occurrences during harvest season was observed to be highly prominent in the North sector of the island. A total amount of **Rs 0.47 M** was disbursed to **29** eligible insureds as road transport allowance for milling of burnt canes in factories outside their respective enlarged factory areas.

7.3 Fire Insurance Account Status

- 7.3.1 The loss ratio under the Fire insurance Account for Crop 2017 was **40.7%**, representing an island-wide compensation of **Rs 2.9 M** against an island-wide premium of **Rs 7.1 M**.
- 7.3.2 The Fire Insurance Scheme has been operating in constant technical deficit over the preceding crop years. By virtue of an amendment to the SIF Act in the Finance Miscellaneous Provisions Bill 2019, the deficit as at 31 December 2016 will be zeroised via a transfer from the General Insurance Account to give effect to Actuarial Recommendations 2016/2017.

8. ACTUARIAL REVIEW 2017

The Consulting Actuary noted that overall the Fund appears to be in a precarious solvency position whilst also facing various challenges in terms of the relevance and appropriateness of the design of its existing insurance product offering. He noted that the Fund reduced significantly in terms of net assets in part due to the once-off financial assistance and premium waivers recommended as interim measures for crop years 2014 and 2015 during the last actuarial review. A further significant reduction occurred during crop 2017 with the payment MUR1, 250 per tonne of sugar in the form of further financial assistance

The Fund also operates in an environment that is rapidly changing with its insureds facing significant pressure on revenues (through the reduced sugar prices) and increased production costs – which was understood to threaten the long-term viability of the sugar-cane industry in Mauritius.

The Consulting Actuary's recommendations are set out below.

1. Under the General Insurance Product

- (1) The “area basis” for the declaration of an event year be maintained at the Enlarged Factory Area (EFA).
- (2) Large planters, defined as having an extent under cane of not less than 300 hectares island-wide, be assessed on an individual basis.

- (3) All planters, other than large planters, and *métayers* within an EFA be grouped as a “growing unit” for the purposes of determining premium and compensation.
- (4)(i) All insureds within the “growing unit” of an EFA, receive the same ranking, which moves in line with the combined experience of this grouping within that EFA;
 - (ii) Large planters receive individual ranks which move in line with their individual experience, and
 - (iii) Ranks for all insureds are to reset to 15 for Crop 2018 whilst moving according to the ranking formula thereafter.
- (5) The first loss percentage used to indirectly reduce the amount of compensation be removed.
- (6) Individual premiums and compensation are calculated based on harvest extent for the exposure at risk of each insured within the “growing unit” of an EFA.
- (7) The premium discount of 50% currently in effect is maintained for the next two crop years.
- (8) The threshold for declaration of event year be set at 80% per grouping per EFA.

Under the new Fire Insurance Product

- (1) The flat fire premium of Rs16.75 per tonne of insurable sugar be increased to a base premium of:
 - Rs34.19 per tonne of insurable sugar for planters, other than large planters, and *métayers*, and
 - Rs27.01 per tonne of insurable sugar for large planters.
- (2) A discount structure be applied to the base fire premium as follows:
 - No discount be applied on the base premium if a planter or *métayer* was paid fire compensation in the previous crop year;
 - A 20% discount be applied on the base premium if a planter or *métayer* was not paid fire compensation in the previous crop year, but was paid fire compensation 2 crop years ago; and
 - A 40% discount be applied on the base premium if a planter or *métayer* was not paid fire compensation in the last 2 crop years.

CORPORATE GOVERNANCE REPORT

1. Corporate Governance

Corporate Governance refers to the way in which Institutions are governed and to what purpose. It identifies who has power and accountability, and who makes decisions. It is, in essence, a toolkit that enables management and the board to deal more effectively with the challenges of running an Institution. Corporate governance ensures that businesses have appropriate decision-making processes and controls in place so that the interests of all stakeholders (shareholders, employees, suppliers, customers and the community) are balanced. (*Source: <https://www.icsa.org.uk/about-us/policy/what-is-corporate-governance>*).

Since corporate governance also provides the framework for attaining the Institution's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

2. Corporate Governance and the Board of Directors

The Board of Directors is the primary direct stakeholder influencing corporate governance. The board is tasked with making important decisions, such as corporate officer appointments, executive compensation etc. In some instances, board obligations stretch beyond financial optimization, when shareholder resolutions call for certain social or environmental concerns to be prioritized.

The Sugar Insurance Fund is headed and administered by a Board as established under the Sugar Insurance Fund (SIF) Act. The Act sets out the various business/activities of the SIFB including administration matters. In that context the main responsibilities of the Board of Directors are to ensure that the various business/activities of the Institution are aligned with the exigencies of the Act and an appropriate environment is established in respect of the institution's culture, values and ethics. These standards of behaviour should permeate through all levels of the organisation.

▪ Vision

To always have a community of planters happily engaged in a flourishing cane producing business.

▪ Mission

The mission of the Sugar Insurance Fund Board is to be a premier provider of sugar insurance service in the Republic of Mauritius guided by discipline in underwriting and claims, maintaining strict financial standards, excellent customer service and prudent expense management.

▪ Objectives

To insure the sugar production of planters, métayers, millers and refiners against losses occurring out of inclement weather namely cyclones, drought and excessive rainfall. Fire occurrence in sugar cane field is another risk covered by the SIFB.

The Board of Directors of the Sugar Insurance Fund is fully committed to achieving and sustaining the highest standards of corporate governance with the aim of maximizing long term value for all stakeholders. The Board is committed to attaining high standards of corporate governance and recognizes the importance of good governance to safeguard continual growth, success and to boost stakeholders' confidence.

▪ Role and Responsibilities of the Board of Directors

- a) The Board is ultimately responsible and accountable for the performance and activities of the Institution.
- b) The Board has delegated authority for the operations and administration of the organization to the Chief Executive Officer (CEO).
- c) The Board is responsible for: adoption of strategic plans and policies as proposed by Management; monitoring the operational performance; establishing policies and processes that ensure integrity of the Institution's internal controls; and risk management.
- d) The Board is to ensure that the Fund is managed in an effective and responsible manner in accordance with the SIF Act.
- e) The Directors have a legal duty to act in the best interest of the Fund.
- f) The Board is responsible for ensuring that management actively cultivates a culture of ethical conduct and sets the values to which the institution will adhere.
- g) The Board is responsible for ensuring that the strategies adopted promote the sustainability of the Institution.

The Directors report that:

- a) adequate accounting records and an effective system of internal controls and risk management have been maintained,
- b) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently,
- c) the Code of Corporate Governance has been adhered to where applicable
- d) Financial Reporting Standards have been adhered to.

3. The Structure of the Board

The Board of SIFB consists of

- (a) a Chairman, appointed by the Minister on such terms and conditions as the Minister may determine;
- (b) a representative of the Ministry of Agro Industry & Food Security;
- (c) the Director of Economic Planning or his representative;
- (d) the Director of the Control and Arbitration Department of the Mauritius Cane Industry Authority;
- (e) a representative of the Ministry of Finance;
- (f) a representative of the Chamber of Agriculture appointed or designated by the Minister;
- (g) four representatives of planters appointed or designated by the Minister;
- (h) a representative of millers appointed or designated by the Minister;
- (i) one representative of the Mauritius Cane Industry Authority

4. Duties of Board Members

Each Board member has the fiduciary duty to—

- a) Exercise a reasonable degree of care, skill and diligence;
- b) act in good faith and in the best interests of the Institution and not for any other purpose;
- c) act honestly at all times and must not place themselves in a situation where personal interests conflict with those of the Institution;
- d) exercise independent judgement at all times;
- e) devote sufficient time to carry out their responsibilities and enhance their skills;
- f) promote and protect the image of the Institution; and
- g) owe the Institution a duty to hold in confidence all information available to them by virtue of their position as a Board member.

Directors of the Board (For period 2015 – 2018):

Mr V. Lochun	Chairman
Mr. G. Leung Shing	Representative of Mauritius Chamber of Agriculture
Mr. D. Bundhoo	Representative of Ministry of Finance and
(up to Feb 2018)	Economic Development,
Mr A.K. Kokil	Representative of Ministry of Finance and
(as from Mar 2018)	Economic Development,
Mr. J. Bundhoo.....	Representative of Mauritius Cane Industry Authority
Mr. D. Busgeet.....	Ag. Director, Control and Arbitration Department of
	the Mauritius Cane Industry Authority
Mr. J. Li Yuen Fong	Representative of Millers
Mr C. Dabydoyal	Representative of Planters
Mr V. Dewkurrun	Representative of Planters
Mr I. Jugroo	Representative of Planters
Mr S. Veerasamy	Representative of Planters
Mr V. Boodhna.....	Representative of Ministry of Agro- Industry
(up to Nov 2017)	and Food Security
Mrs D. Takoory	Representative of Ministry of Agro-Industry
(as from 22 Nov 2017)	and Food Security

Director's Profiles

MR VIVEKANAND LOCHUN

CHAIRMAN



Born in 1962, Mr V. Lochun holds a degree in Engineering and an MSc in Electrical and Electronic Engineering. He has worked as Computer/Telecoms Engineer at Currimjee Jeewanjee Co Ltd, State Informatics Ltd. He worked as Manager ICT at EPZDA, Enterprise Mauritius. Mr V. Lochun also worked as Managing Director of Pansoft Ltd. In addition, he worked as part-time lecturer at University of Mauritius. He was Consultant for International Trade Centre in Geneva. Mr Lochun worked as Consultant to the European Union Delegation in Mauritius, COMESA and Indian Ocean Commission. He has also been involved in the agriculture sector for a very long time and was been founder member of Letchis Du Paradis Co-operative Society Ltd, of which he is, presently the President. He was also the President of APEXHOM. Mr V. Lochun is presently Special Adviser ICT and Advanced Technologies at the Ministry of Foreign Affairs, Regional Integration and International Trade after having held the same post at the Ministry of Finance and Economic Development for one year.

MR. GEORGES LEUNG SHING

DIRECTOR - Representative of the Mauritius 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 UK Chartered Institute of Taxation. He is the Chairperson of the Mauritius Development Investment Trust Co Ltd, a director of PNL Ltd and also a member of the Audit Committee Forum of the Mauritius Institute of Directors (MIOD) and Advisory Council of the Chartered Institute of Financial Analysts Society Mauritius. He is a past Chairperson of Illovo Sugar Mauritius Ltd, the Mauritius Chamber of Agriculture and MIOd as well as Managing Director Omnicane Ltd (formerly Mon Trésor & Mon Désert Ltd) and has served as a Board member of companies in the banking, commerce, hotel, insurance and sugar sectors.



MR. 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.

MR ANIL KUMAR KOKIL

DIRECTOR – Representative of Ministry of Finance and Economic Development

Born in 1954, Mr. Anil Kumar Kokil, a professional with over 45 years of experience, is a Director at the Ministry of Finance and Economic Development, of Mauritius.

He has also been the Chairperson of the Skills and Information Technology Fund in 1998, Chairperson and Assessor of several Disciplinary Committees and Commission of Inquiries appointed by the Public Service Commission and the Disciplinary Forces Service Commission, the Acting Chief Executive Officer of the Gambling Regulatory Authority from 2011 to 2012 and been the representative of the Ministry on several Boards and Committees including Mauritius Institute of Training and Development, National Ocean Council, Enterprise Mauritius, Mauritius Shipping Corporation Ltd, Mauritius Oceanography Institute, Mauritius Research Council and Casinos de Maurice Ltee. Mr. Kokil has also contributed at regional and international level.

**MR. JUGDIS BUNDHOO**

DIRECTOR – Representative of Mauritius Cane Industry 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 the Chief Executive Officer of the Mauritius Cane Industry Authority.

MR. DEVENDRA NATH BUSGEETH

DIRECTOR – Representative of Control and Arbitration Department

Born in 1958 Mr D.N. Busgeeth holds a BSc Honors in Sugar Technology from the University of Mauritius. He is the Acting Director of the Control and Arbitration Department.



MR. JEAN LI YUEN FONG

DIRECTOR – Representative of Millers

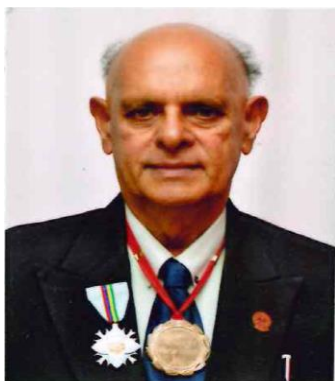
Born in 1955, Mr Jean Li Yuen Fong was the Director of the Mauritius Sugar Producers' Association until the dissolution of the organization in November 2015. Since January 2016, he is Director of TY Consulting Ltd whose services have been retained by the millers with regard to their representation in the various sugar institutions in Mauritius. He is thus a Board Member of the Mauritius Cane Industry Authority, the Mauritius Sugar Syndicate, Business Mauritius and the Sugar Industry Pension Fund. He is also the Chairman of the Regional Training Centre and a Director of Capital Horizon Ltd and the Sugar Association Building Ltd.

MR. CHABEELALL (SEN) DABYDOYAL

DIRECTOR – Representative of Planters

Born in 1960, Mr C. Dabydoyal is the Secretary of the Medine Camp de Masque Cooperative Credit Society, the Queen Victoria Multipurpose Cooperative Society Ltd and the La Queen Agricultural Cooperative Society Ltd.

He worked as Senior Test Chemist at the former Cane Planters and Millers Arbitration and Control Board. He was the Board Chair of Fairtrade Southern Africa Network and Director of the Board of Fairtrade Africa (November 2013 to February 2016).

**MR. VIDHIANUND DEWKURRUN**

DIRECTOR – Representative of Planters

Born in 1936, Mr V. Dewkurrun was employee at Highlands Sugar Estate in accounting department for 40 years. He is a social worker and also member of Mauritius Arya Sabha and Mauritius Council Social Service (MACOSS). He was honoured "Citoyen D'honneur" of Moka Flacq District Council in 1991 and honoured as O.S.K by President of Mauritius in 1999.

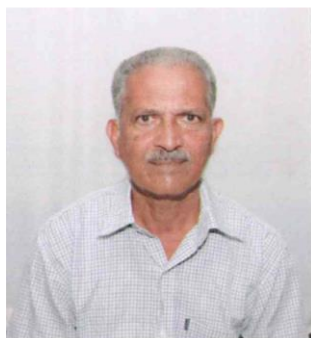
MR. ISHWURDUTH JUGROO

DIRECTOR – Representative of Planters

Born in 1951, Mr I. Jugroo is a small sugarcane planter from Holyrood, Vacoas. Mr I. Jugroo is also the founder member of the Mauritius Planters Association (MPA), now called the Mauritius Planters Agricultural By-Products Processing Co-operative Society Ltd, where he served as Treasurer, Secretary and President for the last four decades. He is also one of the founder members of the Holyrood Co-operative Thrift and Credit Society founded in 1983. Furthermore, Mr I. Jugroo was awarded President's Certificate of Honour for the long and meritorious service as civil servant.

**MR. SHYAMNATH VEERASAMY**

DIRECTOR – Representative of Planters



Born in 1947, Mr S. Veerasamy holds a BSc Hons. in Meteorology from Reading University, England and a MSc Agricultural Physics from McGill University, Canada. He was Deputy Director of Mauritius Meteorological Services. Mr S. Veerasamy is the author of (i) "A Report on Climate Variability and Sugar Production in Mauritius", (ii) "Comments on Reexamination of Tropical Cyclone Wind-Pressure Relationship" and co-author of "Climate Variability, Agriculture and Forestry: An Update". He has been a sugarcane planter since 2004.

MR. VEERSINGH BOODHNA

DIRECTOR – Representative of Ministry of Agro Industry and Food Security

Born in 1963, Mr V. Boodhna holds a BSc (Hons) in HRM from University of Technology (Mauritius) and a Master in Public Policy and Administration from University of Mauritius.. He has worked as Assistant Permanent Secretary at (i) Prime Minister's Office (Home Affairs), (ii) Ombudsman's Office, (iii) Ministry of Fisheries, (iv) Ministry of Tourism and Leisure, (v) Ministry of Health and Quality of Life and (vi) Office of the President. He has also worked as Deputy Permanent Secretary at Prime Minister's Office (Home Affairs) and is presently posted at Ministry of Agro-Industry and Food Security. Mr V. Boodhna was appointed as Director of SIFB on 31 March 2015.



MRS. DAMYANTEE TAKOORY

DIRECTOR – Representative of Ministry of Agro Industry and Food Security



Born in 1961, Mrs D. Takoory holds a Diploma in Human Resource Management (University of Mauritius), a Diploma in Administration and Management (University of Technology, Mauritius) and a First Class BSc (Hons) in Human Resource Management (University of Technology, Mauritius).

She is currently the Assistant Permanent Secretary at the Ministry of Agro Industry and Food Security and is responsible of the sugar and tea sector and land conversion schedule within the Ministry. She also represents the Ministry of Agro Industry and Food Security on the following Boards and Committees: Rose Belle Sugar Estate Board; Control and Arbitration Committee of the Mauritius Cane Industry Authority; Advisory Council for Occupational Safety and Health; Town and Country Planning Board; and Work Permit Committee.

5. Board Committees

The Board has established different committees. The Committees report to the Board on matters referred to it by the Board and on the proceedings following each meeting of the committee. The reports include findings, matters identified for specific recommendation to the Board, action points and any other issues as deemed appropriate. The Committees liaise with each other in so far as it is expedient to effectively perform their different roles. The Board remains collectively responsible for the decisions of any committee and shall review the effectiveness and performance of committees annually.

- Corporate Governance & Information Technology Committee*



The purpose of the Corporate Governance & Information Technology Committee is to carry out the responsibilities delegated by the Board relating to (i) developing and maintaining the Fund's corporate governance processes, policies and any related matters required by law, and (ii) developing and maintaining the IT strategy of the Fund

- *Investment Committee*



The Investment Committee is a statutory committee established under section 10 of the Sugar Insurance Fund Act. The purposes of the Investment Committee are to oversee the Fund's investment transactions, management, policies and guidelines, including the review of investment performance and oversight of investment risk management exposure policies and guidelines.

- *Assessment Committee*



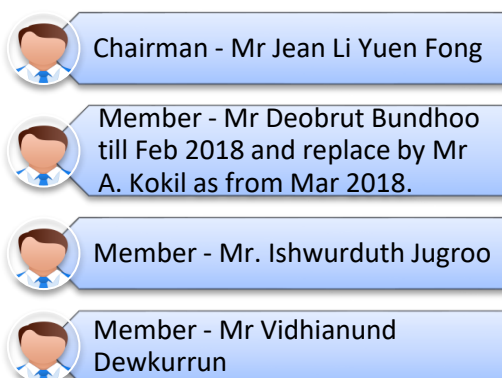
The Assessment Committee reviews and formulates policies regarding the General and Fire insurances. The Committee further makes recommendations to the Board for declaration of “event years” and oversees the general assessment process. It also reviews and recommends the adoption of techniques pertaining to survey, inspection and related matters.

- Audit and Risk Management Committee*



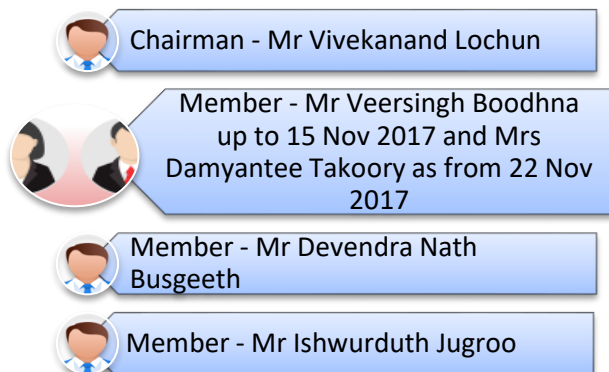
The Audit and Risk Management Committee oversees the Internal Audit and Internal Control functions, risk management, compliance and investment management and reviews the effectiveness of the internal and external audit process. The Committee assesses and addresses risks inherent to the business.

- Budget and Procurement Committee*



The Budget and Procurement Committee through budgetary control monitors the annual expenditure and ensures consistent and correct application of procurement practices.

- Staff Committee*



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.

The Board and its various committees met on **21** occasions during the period 1 July 2017 to 30 June 2018.

Board Directors	Board meeting	Investment Committee	Assessment Committee	Audit Committee	Budget & Procurement Committee	Staff Committee	CGC & IT Committee	Total
Mr V. Lochun	11/11	4/4	-	-	-	2/2	1/1	18
Mr D. Bundhoo (up to Feb 2018)	7/9	2/3	-	-	**	-	-	9
Mr A.K. Kokil (as from Mar 2018)	2/2	0/1	-	-	1/1	-	-	3
Mr J. Bundhoo	10/11	-	Nil	-	-	-	0/1	10
Mr D.N. Busgeeth	11/11	-	Nil	-	-	2/2	-	13
Mr C. Dabydoyal	11/11	-	Nil	-	-	-	-	11
Mr V. Dewkurrun	10/11	-	-	2/2	1/1	-	-	13
Mr I. Jugroo	9/11	-	-	-	1/1	2/2	-	12
Mr G. Leung Shing	10/11	4/4	-	2/2	-	-	1/1	17
Mr J. Li Yuen Fong	10/11	4/4	-	-	1/1	-	1/1	16
Mr S. Veerasamy	11/11	-	Nil	2/2	-	-	-	13
Mr V. Boodhna (up to Nov 2017)	4/6	-	-	-	-	**	-	4
Mrs D. Takoory (as from 22 Nov 2017)	5/5	-	-	-	-	2/2	-	7

Key: n/a – not applicable

6. Remuneration of Directors

Directors' fees (inclusive of tax) are fixed in accordance with section (5) (3) of the SIF Act No 4 of 1974. Details from July 2017 to June 2018 are given below:

Board Directors	Total fees (in MUR)
Mr V. Lochun	840,000
Mr. D. Bundhoo (up to Feb 2018)	216,129
Mr A.K. Kokil (as from Mar 2018)	83,871
Mr. J. Bundhoo	300,000
Mr D. Busgeeth	300,000
Mr G. Leung Shing	300,000
Mr. J. Li Yuen Fong	300,000
Mr. C. Dabydoyal	300,000
Mr V. Dewkurrun	300,000
Mr I. Jugroo	300,000
Mr S. Veerasamy	300,000
Mr V. Boodhna (up to 15 Nov 2017)	125,000
Mrs D. Takoory (as from 22 Nov 2017)	175,000

6. Role of the Chair and General Manager

As per the SIF Act, the Chairman is appointed by the Minister on such terms and conditions as the Minister may determine. the Board shall with the approval of the Minister, appoint a General Manager who shall be the Chief Executive Officer (CEO) of the Board. The General Manager keeps the Chair informed about the business of the Institution.

The Role of the Chair is to:

- (1) Represent the Board, provide leadership to the Board and ensure its effectiveness in all aspects of its role.
- (2) Set the Board agenda with the assistance of the Chief Executive Officer and Board Secretary.
- (3) Ensure that the Board is fully appraised of critical issues and has the opportunity to debate the strategic direction of the Institution.
- (4) Ensure the Board undertakes continuous development in order to enhance governance practices within the Board itself and in the interest of the Institution.

The Role of the General Manager is to:

- (i) Develop and Recommend policies for Board adoption
- (ii) Ensure that policies already adopted are duly implemented.
- (iii) Strive consistently to achieve the company's financial and operating goals and objective
- (iv) Ensure that the day-to-day business affairs of the company are appropriately monitored and managed;
- (v) Establish and maintain efficient and adequate internal control systems.

- (vi) Ensure that the Board is frequently and adequately appraised about the operations of the institution through presentation of relevant board papers.
- (vii) Oversee the implementation of a framework on information, information technology and information security governance.
- (viii) Develop and implement health and safety policies and practices aligned with regulatory requirements.

8. Secretary to the Board

The Administrative Secretary acts as the Secretary to the Board and its Committees. The Secretary is responsible for:

- Providing guidance to the Board on its duties and responsibilities and ensuring that Board procedures are followed.
- Assisting the Chairperson of the Board in organizing the Boards activities.
- Ensuring that the secretarial functions provide adequate support to the Main Board (and Board Committees) for all Board-related administrative functions.
- Facilitating effective communication between the organization and the shareholders.

9. Conflicts of Interest and Related Party Transactions

All directors are required to:

- Declare any interests that may give rise to potential or perceived conflict e.g. multiple directorships, business relationships or other circumstances that could interfere with exercise of objective judgment;
- Declare as soon as they become aware that a subject to be discussed at a Board or committee meeting may give rise to a conflict of interest at the outset of the applicable meeting.

10. Senior Management Profile

RAJUN JUGURNATH, *Chief Executive Officer*

Dr. Rajun Jugurnath is the CEO of Sugar Insurance Fund Board. Prior to that, he was the Officer-in-Charge of the Public Sector Efficiency Bureau, Ministry of Financial Services, Good Governance and Institutional Reforms. In June 2002, Dr. Rajun Jugurnath was appointed Director of Audit, at the National Audit Office where he retired after a career extending over 40 years in the civil service.

Dr Rajun is a Fellow of ACCA, holder of a PhD, an MBA, and a Certificate in Company Directorship from the Institute of Directors of New Zealand. In 1991 he was appointed Director of Management Audit Bureau, Ministry of Finance where he stayed in post, for 11 years.

Dr Rajun served as Council Member of ACCA in London, for six years, President of ACCA Mauritius for 3 consecutive years and represented Mauritius on the Executive Board of Eastern, Central and Southern African Federation of Accountants (ECSAFA). He is also a member of the American Management Association (AMA), and member of All India Management Association (AIMA).

YUNGKIONG JIMMY NEWKFONHEYTOW, *Chief Operations Officer*

Mr. J Newkfonlytow holds a BSc in Computer Science and enrolled as an Associate Member of the Society of Actuaries, North America. He joined the SIFB in May 1998 as Claims Manager and is presently the Chief Operations Officer.

GAOUTAM GOOROOCHURN, *Chief Finance Officer*

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

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

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

BANEETA RAMDHONY, *Administrative Secretary*

Mrs. B. Ramdhony holds a BSc in Public Administration and Management and a Master's in Business Administration (General), both from the University of Technology, Mauritius (UTM). She joined the SIFB on 14 November 2014. She was an Administrative Manager in the private sector for some 10 years preceding her appointment at the SIFB.

MOHAMMAD AMEEN ISHACK NOORMAHOMED, *Internal Auditor*

Mr. M. A. I. Noormahomed, FCCA, 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 as Manager (Finance). He was appointed as Internal Auditor on 19 November 2012.

SOO SHUING CHONG CHAP SIN, *Senior Network & Systems Administrator*

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

RAJSHREE DEEPTEE BOODHOO, *Manager (Finance)*

Mrs. R. D. Boodhoo holds a BSc (Hons) in Banking and International Finance from the University of Technology of Mauritius and a MSC in Finance and Investments from Nottingham University. She joined the SIFB on 26 October 2009.

JAYENDRA SOOKDEB, *Operations Manager*

Mr. J. Sookdeb holds a BSc Statistics from the University of Cape Town and an Executive MBA from the European Business School (Paris). He is currently registered as an Associate member of the Institute and Faculty of Actuaries, UK. He joined the SIFB as Claims Manager in April 2009 and is presently the Operations Manager.

SASAN BUTON, *Land Surveyor*

Mr. S. Buton joined the SIFB in May 1976 and is presently the Land Surveyor. He is the Board's current representative of the Land Conversion Committee of the Ministry of Agro-Industry and Food Security since August 2013.

11. Code of Conduct and Ethics for Staff of SIFB

The code of conduct for Staff of SIFB which was approved by the Board in 2006 provides guidance concerning the standards of ethical conduct by employees of the SIFB. The Code outlines the broad principles of legal and ethical business conduct embraced by the SIFB.

12. Corporate Governance as Risk Management

Corporate governance is of paramount importance to an Institution and is almost as important as its primary business plan. When executed effectively, it significantly reduce the risk of corporate scandals, fraud and the civil and criminal liability of the Institution. A corporation without a system of corporate governance is often regarded as a body without a soul or conscience. Corporate governance keeps the Institution honest and transparent.

The Board of Directors is responsible for identifying the nature and extent of the risks facing the organisation in achieving its strategic aims and the risks to its long-term viability. The Board is tasked with ensuring that there is a risk management process, an information system and an appropriate internal control system in place to aid the operation of the Institution. Directors monitor the companies' risk management and internal control system and carryout periodic reviews of their effectiveness and report on this review in the annual report. These responsibilities are allocated to the Audit & Risk committee which reports to the Board and directly to the shareholders and stakeholders in the annual report.

13. Equal Opportunity Policy

In line with the requirements of the Equal Opportunity Act 2008 and good governance practices, the SIFB has established an Equal Opportunity Policy to safeguard employees and prospective recruits against the risks of discrimination and to promote recruitment, selection, training and employment based on merit. It reflects SIFB commitment to ensure equality, treat everyone with respect and promote diversity in the workplace.

14. Complaints Policy

Complaints are an important way for the management of an organisation to be accountable to the public, as well as providing valuable prompts to review organisational performance and the conduct of people that work within and for it. A well-developed complaints handling policy gives a business or company a strategy, guidelines and clear set of directions for handling customer complaints. In line with good corporate governance, the SIFB has formulated a Complaints Policy and designated a Complaints Coordinator to ensure that complaints and representations from our insureds/stakeholders are dealt with promptly and systematically.

15. Health & Safety

The SIFB has on its establishment, a Health and Safety Officer to ensure compliance to health and safety policies / regulations. All reasonable precautions are taken to provide and maintain the health and well being of SIFB's visitors and employees. A Health and Safety Committee meets regularly.

16. Related Party Transactions & Key Risks

Related party transactions and key risks areas have been fully disclosed in the financial statements.

17. Legal Advisers

- (a) Andre Robert, Jr., Attorney-at-Law
- (b) Attorney-General's Office

18. External Auditors

Director of Audit, National Audit Office

Acknowledgement and Thanks

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



STATEMENT OF COMPLIANCE
WITH THE CODE OF CORPORATE GOVERNANCE UNDER SECTION 75(3)
OF THE FINANCIAL REPORTING ACT

Name of Public Interest Entity: **Sugar Insurance Fund Board**

Reporting Period: **1 July 2017 to 30 June 2018**

We, the Directors of Sugar Insurance Fund Board, confirm that to the best of our knowledge:


- a) The Sugar Insurance Fund Board has complied with all its obligations and requirements under the Code of Corporate Governance.

SIGNED BY:

Chairperson and one Director

Names:


.....
Chairperson


.....
Director
(Mr. Vikraj Ramkelaux)

Date: 31/10/2019

ADDRESS 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
Website: www.sifb.mu

Sub-Offices	Address	Factory Areas
Bon Accueil	FSC Building Royal Road Bon Accueil Tel: 418-1967	Beau Champ Constance
Mare D'Albert	18 Royal Road Mare D'Albert Tel: 627-4026	Savannah Mon Trésor Riche En Eau Rose Belle
Riviere du Rempart	FSC Building Behind Bus Terminal Riviere du Rempart Tel: 409 0490	Mon Loisir Belle Vue
St Pierre	FSC Building Royal Road St Pierre Tel: 433-5177	Médine Highlands Mon Désert Alma Réunion
St Felix	Royal Road St Felix Tel: 621-1731	Union St Aubin Britannia St Félix Bel Ombre
Mount	Royal Road The Mount Pamplemousses Tel: 245 – 9974	St Antoine Beau Plan
Unité	Royal Road Unité Camp de Masque 416-2866	Fuel

Financial Performance

The financial year under review showed a net deficit of MUR 240.64M (General and Fire) compared to a net deficit of MUR 94.04M for the 18 months period ending 30 June 2017. The higher deficit is mainly attributable to the provision of some MUR 782.53M made in the Accounts for Crop 2017 General Insurance compensation and Financial Assistance for Crop 2018. The effect of this provision on the deficit has however been mitigated by high profit realised on sale of available-for-sale securities (MUR 247.69M).

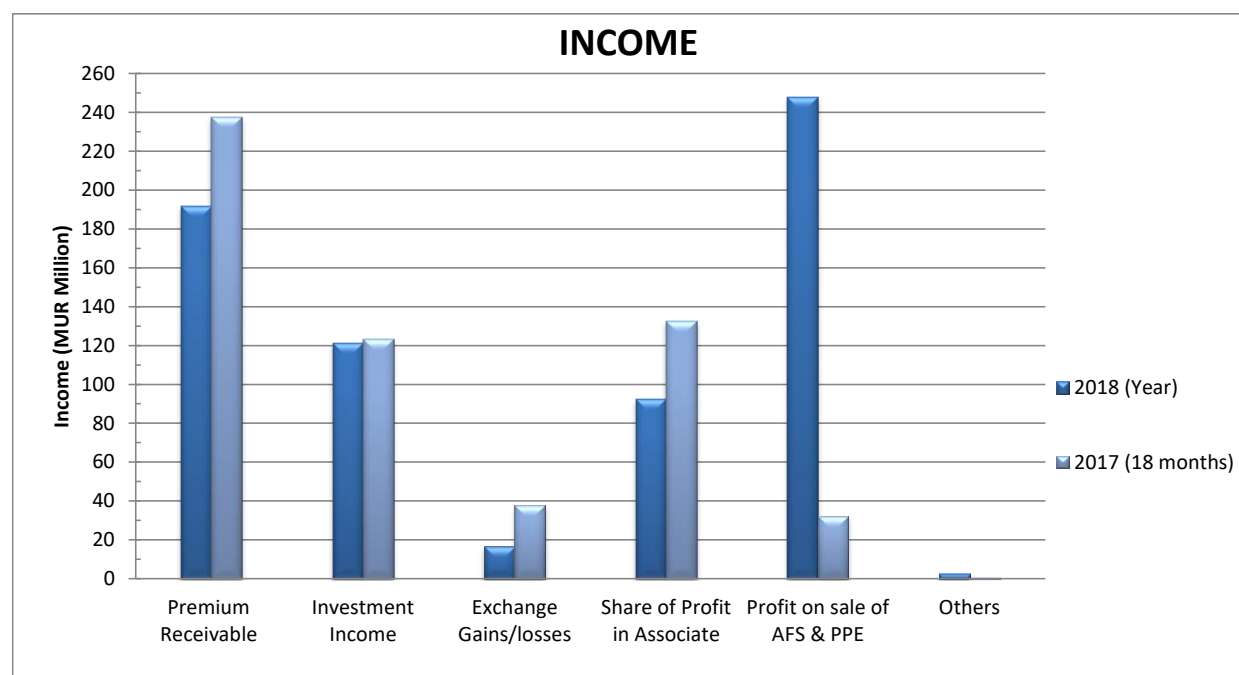
Summary of Income and Expenditure

Item	General Fund MUR Million	Fire Fund MUR Million	Total MUR Million
Gross Insurance Premium	184.9	7.0	191.9
Insurance compensation payable	(466.6)	(3.1)	(469.7)
Financial Assistance	(315.9)		(315.9)
	(597.6)	3.9	(593.7)
Other Expenses	(139.3)	(0.2)	(139.5)
Other Income	492.6	-	492.6
Net (Deficit)/Surplus	(244.3)	3.7	(240.6)

Income

Insurance premium received, investment income, share of profit of Associate, gain on revaluation of investment properties and profit on sale of quoted securities form the bulk of the Fund's income amounting to MUR 684.5M for the period under review.

The composition of income is shown below:



Insurance Premium

Gross Insurance Premium (General and Fire) for crop year 2017 received during the year amounted to MUR 191.9M compared to MUR 237.4M for the previous crop year. The 19.6% decrease is mainly attributable to a lower Total Insurable Sugar and a lower weighted average sugar price for crop 2017.

Premium Income

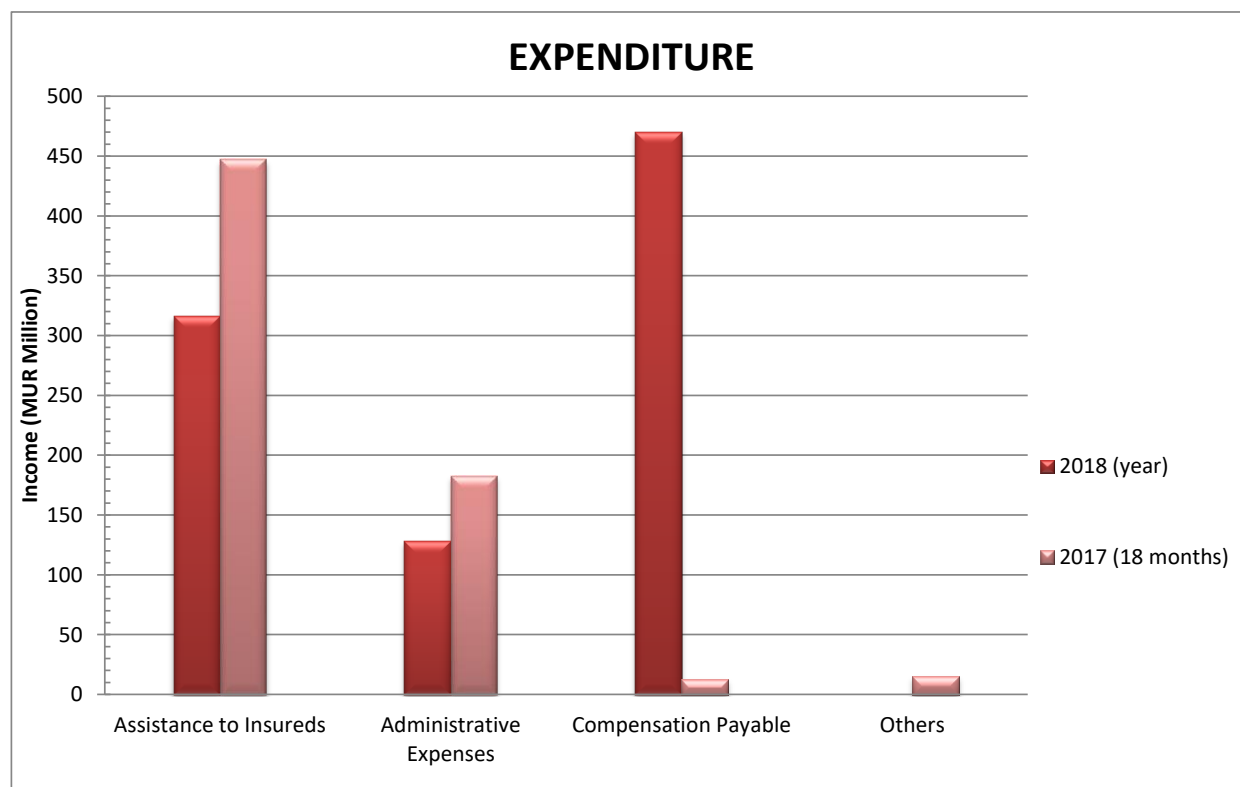
Premium (Gross)	Total MUR Million
General	184.9
Fire	7.0
Total	191.9

Investment Income

Investment income (Interest and Dividend) totaling MUR 121.8M for the year under review is up by 48.3% compared to the previous reporting period (MUR 123.1M for 18 months; pro-rated to MUR 82.1M for 12 month). The upturn is a direct effect of the judicious re-allocation of funds from low yielding foreign currencies deposits towards bonds/notes yielding much higher returns.

Expenditure

The overall expenditure of the Fund for the year was MUR 921.8M compared to MUR 661.9M for the previous 18 months period. In contrast to the previous financial period where a provision of MUR 447M was made for financial assistance to Insureds, with no event year declared for general insurance; in this financial year, provisions have been made for both financial assistance to planters (MUR 315.9M) and general insurance compensation (MUR 466.6M).



Accumulated Fund

The Accumulated Fund, comprising of the General Fund and the Fire Fund, regressed by 6.7% during the year from MUR 3,654.9M to MUR 3,409.2 M.

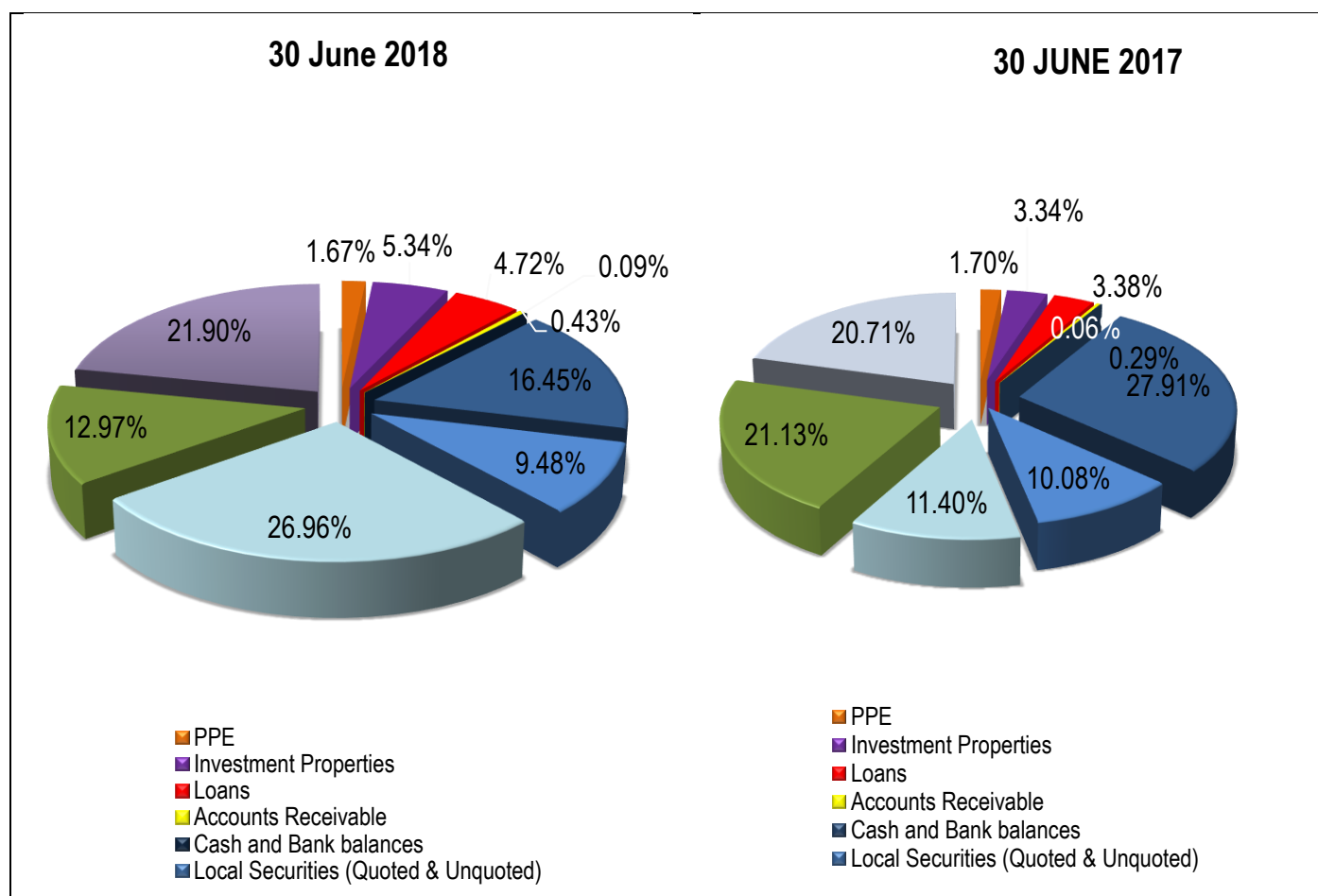
Accumulated Fund

Fund	Total MUR Million
General	3,411.3
Fire	(2.1)
Total	3,409.2

Assets under management

Despite the fact that 8.5% of the Fund's total assets had to be used during the year under review to assist Insureds in respect to crop 2016, the Fund's total assets under management decreased by only 1.8% from MUR 5.26 billion to MUR 5.16 billion at 30 June 2018.

A breakdown of total assets under management is shown below:



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Report of the Director of Audit



CERTIFICATE OF THE DIRECTOR OF AUDIT

**On the Financial Statements
of the Sugar Insurance Fund Board
for the year ended 30 June 2018**

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE SUGAR INSURANCE FUND BOARD

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of the Sugar Insurance Fund Board, which comprise the statement of financial position as at 30 June 2018, and the statement of profit and loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the financial position of the Sugar Insurance Fund Board as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with the International Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Sugar Insurance Fund Board in accordance with the INTOSAI Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to the Note 23 to the financial statements wherein it is reported that further to the outcome of the Fact Finding Committee set up by Government, Crop 2017 has been declared as an event year for Enlarged Factory Areas. Total general compensation payable to planters and millers for Crop 2017 totalling Rs 466,630,737 was therefore provided for as at 30 June 2018. This provision has contributed to the deficit to the General Fund, which amounted to Rs 244,309,992 for that financial year 2017-18.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there is nothing to report in this regard.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Sugar Insurance Fund Board for the year ended 30 June 2018, but does not include the financial statements and my auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Sugar Insurance Fund Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Sugar Insurance Fund Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the laws and authorities which govern them.

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them. This responsibility includes performing procedures to obtain audit evidence about whether the Sugar Insurance Fund Board's expenditure and income have been applied to the purposes intended by those charged with governance. Such procedures include the assessment of the risks of material non-compliance.

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

Opinion on Compliance***Statutory Bodies (Accounts and Audit) Act***

In my opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Act.

Other Matter

The financial statements for the year ended 30 June 2018 were received at my Office on 31 October 2018. Following examination of the financial statements, a few amendments had to be made. The amended financial statements were submitted on 5 November 2019.

Financial Reporting Act

The Directors are responsible for preparing the Corporate Governance Report. My responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In my opinion, the disclosure in the Annual Report is consistent with the requirements of the Code.



C. ROMOOAH
Director of Audit

National Audit Office
Level 14, Air Mauritius Centre
PORT LOUIS

1 June 2020



SIFB

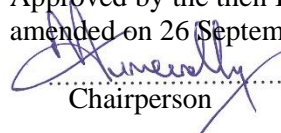
Financial Statements For the year ended 30 June 2018


STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

ASSETS	Notes	30 June 2018 MUR	30 June 2017 MUR
CURRENT ASSETS			
Cash and cash equivalents	4	673,497,199	1,113,324,668
Receivables	5	22,873,860	15,287,334
Short term loans	6	34,117,614	168,163,843
Investments in securities and deposits	7	505,545,603	130,299,421
Investment property held for sale	8	–	35,000,000
		1,236,034,276	1,462,075,266
NON-CURRENT ASSETS			
Investments in securities and deposits	7	2,222,858,259	2,465,582,365
Investment property	9	275,205,253	140,350,000
Long term loans	10	209,128,252	9,442,220
Investment in Associate	11	1,129,509,011	1,088,220,390
Property, plant and equipment	12	84,893,433	87,090,951
Intangible Assets	13	1,377,256	2,455,404
		3,922,971,464	3,793,141,330
TOTAL ASSETS		5,159,005,740	5,255,216,596
LIABILITIES			
CURRENT LIABILITIES			
Payables	14	789,867,124	459,314,489
Short Term employee benefits	15	4,912,130	4,612,734
		794,779,254	463,927,223
NON-CURRENT LIABILITIES			
Provision for staff passage benefits	16	3,490,378	3,455,747
Long term employees benefits	15	44,109,062	41,514,610
Retirement benefit obligations	17	259,433,565	243,852,487
		307,033,005	288,822,844
TOTAL LIABILITIES		1,101,812,259	752,750,067
NET ASSETS		4,057,193,481	4,502,466,529
NET ASSETS / EQUITY			
Revaluation reserves		647,993,655	847,541,742
Accumulated funds		3,409,199,826	3,654,924,787
TOTAL NET ASSETS / EQUITY		4,057,193,481	4,502,466,529

Approved by the then Board of Directors and authorised for issue on 28 September 2018 and subsequently amended on 26 September 2019.


Chairperson


Director
(Mr. Vikram Ramkela)

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2018

	Note	Year ended 30 June 2018 MUR	18 months ended 30 June 2017 MUR
GENERAL INSURANCE ACCOUNT			
REVENUE FROM EXCHANGE TRANSACTIONS			
Insurance premium	18	184,954,237	230,132,799
Investment income	19	121,775,017	123,106,344
Profit on sale of AFS securities	20	247,952,167	32,179,649
Fair value and Other gains	21(a)	27,898,922	54,666,652
Other Revenue	22	2,830,276	646,868
TOTAL REVENUE		585,410,619	440,732,311
EXPENSES			
Insurance Compensation	23	466,630,737	—
Special Assistance to Insureds	24	315,900,000	447,000,000
Administrative	25	127,992,470	182,207,591
Voluntary Retirement Scheme Compensation		—	15,492,875
Fair value and Other losses	21(b)	11,320,604	17,183,671
TOTAL EXPENSES		921,843,811	661,884,137
Share of surplus of Associate	11	92,123,200	132,625,400
Deficit to General Fund for the year/ period		(244,309,992)	(88,526,426)
FIRE INSURANCE ACCOUNT			
REVENUE FROM EXCHANGE TRANSACTIONS			
Insurance premium		6,950,943	7,322,651
TOTAL REVENUE		6,950,943	7,322,651
EXPENSES			
Insurance compensation		3,070,713	12,612,851
Management fee to General Fund		208,528	219,680
TOTAL EXPENSES		3,279,241	12,832,531
Surplus/(Deficit) to Fire Fund for the year/ period		3,671,702	(5,509,880)
Total Deficit for the year/ period		(240,638,290)	(94,036,306)

STATEMENT OF CHANGES IN NET ASSETS/EQUITY
for the year ended 30 June 2018

	Accumulated Funds		Revaluation Reserves		Total
	General Fund	Fire Fund	Property	Investments	
	MUR	MUR	MUR	MUR	MUR
At 31 December 2014	4,506,458,666	(210,348)	116,829,041	620,290,587	5,243,367,946
Revaluation reserves realised on disposal	–	–	–	1,232,751	1,232,751
Change in value of available-for- sale financial assets	–	–	–	(42,341,428)	(42,341,428)
Re-measurement of Defined Benefit Obligations	(71,110,560)	–	–	–	(71,110,560)
Share of Associate not reported in surplus	–	–	–	7,527,400	7,527,400
Net Deficit for the year	(619,180,307)	(36,480)	–	–	(619,216,787)
At 31 December 2015	3,816,167,799	(246,828)	116,829,041	586,709,310	4,519,459,322
Gains on revaluation of land and building	–	–	15,893,244	–	15,893,244
Released on disposal of available-for- sale financial assets	–	–	–	(30,177,592)	(30,177,592)
Change in value of available-for- sale financial assets	–	–	–	148,589,740	148,589,740
Re-measurement of Defined Benefit Obligations	(66,959,878)	–	–	–	(66,959,878)
Share of Associate not reported in surplus	–	–	–	9,698,000	9,698,000
Net Deficit for the period	(88,526,426)	(5,509,880)	–	–	(94,036,306)
At 30 June 2017	3,660,681,494	(5,756,708)	132,722,285	714,819,457	4,502,466,529
Released on disposal of available-for- sale financial assets	–	–	–	(223,186,168)	(223,186,168)
Change in value of available-for- sale financial assets	–	–	–	43,199,280	43,199,280
Re-measurement of Defined Benefit Obligations	(5,086,670)	–	–	–	(5,086,670)
Share of Associate not reported in surplus	–	–	–	(19,561,200)	(19,561,200)
Net (Deficit)/Surplus for the year	(244,309,992)	3,671,702	–	–	(240,638,290)
At 30 June 2018	3,411,284,832	(2,085,006)	132,722,285	515,271,370	4,057,193,481

STATEMENT OF CASH FLOWS

for the year ended 30 June 2018

	Note	Year ended 30 June 2018 MUR	Period ended 30 June 2017 MUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Deficit for the year/ period		(240,638,290)	(94,036,306)
Adjustments for:			
Share of profit of Associate		(92,123,200)	(132,625,400)
Provision for passage benefits		2,574,825	3,854,647
Payment of passage benefits		(3,040,194)	(4,121,537)
Depreciation of non-current assets		4,372,139	7,024,955
Amortisation of Intangible Assets		1,078,147	1,750,522
Investment income		(121,775,017)	(123,106,344)
Profit on sale of plant & equipment		(83,400)	(58,770)
Gain on disposal of available-for-sale securities		(247,952,167)	(32,179,649)
Gain on revaluation of investment properties		(17,923,235)	(53,517,381)
Impairment loss on local unquoted securities		11,320,604	—
Reversal of Impairment loss on local unquoted securities		—	(200,000)
(Gain)/Loss on valuation of investments		(5,098,413)	2,475,400
Retirement benefits charged		10,494,408	8,260,493
Provision for employees benefits		6,433,064	7,778,452
Employees benefits paid		(3,467,585)	(6,892,383)
Decrease/(Increase) in trade and other receivables		144,285	(1,272,766)
(Decrease)/Increase in trade and other payables		330,704,029	(380,612,726)
NET CASH USED BY OPERATING ACTIVITIES		(364,980,000)	(797,478,793)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment to acquire financial assets		(475,223,131)	(852,193,362)
Proceeds from sale of financial assets		405,562,943	884,475,880
Dividend received		55,144,237	63,068,077
Interest received		89,941,797	102,631,542
Payment for Investment properties		(116,907,008)	(2,070,668)
Payment for property, plant and equipment		(1,906,347)	(5,579,727)
Proceeds from sale of investment property		35,083,400	58,770
NET CASH (USED)/GENERATED BY INVESTING ACTIVITIES		(8,304,109)	190,390,512
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term loans granted		(451,747,867)	(1,151,752,873)
Proceeds from short term loans		585,809,579	991,001,030
Long term loans granted		(204,879,064)	—
Proceeds from long term loans		4,273,992	(686,001)
NET CASH USED BY FINANCING ACTIVITIES		(66,543,360)	(161,437,844)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(439,827,469)	(768,526,125)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD		1,113,324,668	1,881,850,793
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	27	673,497,199	1,113,324,668

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 30 June 2018

	Note	Original/ Final Budget MUR	Actual Amount MUR	Variance MUR
GENERAL INSURANCE ACCOUNT				
REVENUE				
Insurance premium	28(i)	230,200,000	184,954,237	(45,245,763)
Interest Receivable	28(ii)	80,000,000	95,978,596	15,978,596
Dividend Income	28(iii)	40,000,000	25,796,421	(14,203,579)
Profit on sale of AFS Securities	28(iv)	–	247,952,167	247,952,167
Share of surplus of Associate	28(v)	–	92,123,200	92,123,200
Fair value and other gains	28(vi)	–	27,898,922	27,898,922
Other Revenue		3,000,000	2,621,748	(378,252)
TOTAL REVENUE		353,200,000	677,325,291	
EXPENSES				
Insurance Compensation	28(vii)	–	466,630,737	466,630,737
Assistance to Insureds	28(viii)	–	315,900,000	315,900,000
Administrative Expenses	28(ix)	108,422,000	127,992,470	19,570,470
Fair value and other Losses	28(vi)	–	11,320,604	11,320,604
TOTAL EXPENSES		108,422,000	921,843,811	
Surplus/(Deficit) to General Fund for the year		244,778,000	(244,518,520)	
FIRE INSURANCE ACCOUNT				
REVENUE				
Insurance premium		7,300,000	6,950,943	(349,057)
TOTAL REVENUE		7,300,000	6,950,943	
EXPENSES				
Insurance compensation	28(x)	8,200,000	3,070,713	(5,129,287)
TOTAL EXPENSES		8,200,000	3,070,713	
(Deficit)/Surplus to Fire Fund for the year		(900,000)	3,880,230	
Total Surplus/(Deficit) for the year		243,878,000	(240,638,290)	

- (1) The Original and Final Budget are the same.
- (2) The Budget is prepared on the accrual basis of accounting.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

1. GENERAL

Legal form and main objective

The Sugar Insurance Fund Board (“the Fund”) is a statutory body established under the Sugar Insurance Fund Act No 4 of 1974 (as subsequently amended). Its registered office is situated at 18, Sir Seewoosagur Ramgoolam Street, Port-Louis, Mauritius and operates under the aegis of the Ministry of Finance and Economic Development. Its main objective is to operate a Crop Insurance for sugar producers.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out hereafter. These policies have been consistently applied to all the period presented, unless otherwise stated.

2.1 Basis of preparation

The Financial Statements of the Sugar Insurance Fund Board have been prepared on a going concern basis and in accordance with the Statutory Bodies (Accounts and Audit) Act and in line with International Public Sector Accounting Standards (IPSASs) in contrast to the previous reporting which was in line with the International Financial Reporting Standards (IFRSs). The Fund first adopted IFRSs for financial reporting for the year ended 30 June 2006. Following amendments to the Statutory Bodies (Accounts and Audit) Act 2010, IPSAS was adopted for financial years 2011 to 2013. In 2013, further to amendments to the Financial reporting Act through the Economic and Financial Measures (Miscellaneous Provisions) Act, the Fund was classified as a Public Interest Entity and reported in line with the IFRSs up to the financial period ended 30 June 2017. The Statutory Bodies (Accounts and Audit) Act and the Financial reporting Act was again amended in the Finance (Miscellaneous provisions) Act 2017 and required the Fund to prepare its Financial Statements under IPSAS. While the comparative figures were exceptionally reported for an 18 months period ending on 30 June 2017, this reporting covers the financial year starting on 1 July 2017 and ending on 30 June 2018. Consequently, the figures for the current financial year are not fully comparable with those of the previous financial period.

The financial statements comply will all applicable IPSASs in issue at end of reporting date and have been consolidated to include the state of affairs and results of the Fund’s associate and are prepared under the historical cost convention, except that:

- (i) Land and buildings are carried out at revalued amounts;
- (ii) Investments properties are stated at fair value;
- (iii) Available-for-sale financial assets are stated at their fair value; and
- (iv) Held-to-maturity investments are carried at amortised cost.

For Financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised International Public Sector Accounting Standards (IPSASs).

2.2.1 Standards, Amendments to published Standards issued but not yet effective

IPSAS 40 – Public Sector combinations

This Standard was issued in January 2017 and will be effective for accounting periods beginning on or after 1 January 2019. The scope of this standard includes all transactions or other event that meet the definition of a public sector combination; that is the bringing together of separate operations into one public sector entity. The Fund has not applied this Standard prospectively and the Directors anticipate that adoption of this Standard in future will have no impact on the financial statements of the Fund.

2.2.2 New and Revised IPSASs applicable to the Fund

In the current period, the Fund has applied the following new IPSASs issued by the International Public Sector Accounting Standards Boards (IPSASB) that are mandatorily effective for an accounting period beginning on or after 1 July 2017.

IPSAS 36: Investments in Associates and Joint Ventures

The objective of this Standard is to prescribe the accounting treatment for investments in associates and joint ventures and sets out with the requirements for the application of the equity method when accounting for investments in associates and joint ventures. As the Fund's previous financial statements were consolidated in line with IAS 28 (IPSAS 36 counterpart) to include the state of affairs of its Associate, the standard is not expected to have any impact on the Fund's financial statements.

IPSAS 39: Employee Benefits

The Standard supersedes IPSAS 25 and prescribes the accounting and disclosure for employee benefits including short term benefits; pensions, post-employment life insurance and medical benefits; termination benefits and other long term benefits, except for share-based transactions and employee retirement benefit plans. The effective date for adoption of this standard is for accounting periods starting on or after 1st January 2018. However, the Fund elects for an early adoption as this reporting starts on 1st July 2017. As the Fund's previous reporting in respect to employee benefits was made in line with IAS 19 (counterpart of IPSAS 39), the standard is not expected to have any impact on the Fund's financial statements.

2.2.3 New and Revised IPSAS not applicable to the Fund

The following new IPSASs issued by the International Public Sector Accounting Standards Boards (IPSASB) that are mandatorily effective for an accounting period beginning on or after 1 July 2017 are not applicable to the Fund's operations.

IPSAS 34: Separate Financial Statements

This Standard prescribes the accounting for investment in controlled entities, joint ventures and associates in separate financial statements. As the fund consolidates its investment in Associate in line with IPSAS 36, the Standard is not applicable to the Fund's Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised International Public Sector Accounting Standards (IPSASs) (Cont'd)

2.2.3 New and Revised IPSAS not applicable to the Fund (Cont'd)

IPSAS 35: Consolidated Financial Statements

The Standard establishes the principle for presentation and preparation of consolidated financial statements when an entity controls one or more other entities. As the fund consolidates its investment in Associate in line with IPSAS 36, the Standard is not applicable to the Fund's Financial Statements

IPSAS 37: Joint arrangements

The Standard introduces new accounting requirements for joint arrangements and replaces IPSAS 8. It removes the option to apply the proportional consolidation method when accounting for jointly controlled entities. The Standard is not applicable to the Fund's Financial Statements.

IPSAS 38: Disclosure of interests in other entities

The Standard sets the information required to be disclosed in an entity's financial statement that will enable users to evaluate the nature of, and risks associated with the entity's interest in other entities whether consolidated or unconsolidated. The Standard is not applicable to the Fund's Financial Statements.

2.3 Existing IPSASs not applicable to the Fund

The following Standards already effective since prior financial years are not applicable to the Fund's operations.

IPSAS 6 – Consolidated and Separate Financial Statements

IPSAS 10 – Financial reporting in Hyperinflationary Economies

IPSAS 12 – Inventories

IPSAS 18 – Segment Reporting

IPSAS 22 – Disclosure of Financial Information about the General Government Sector

IPSAS 27 – Agriculture

IPSAS 32 – Service Concession Arrangements: Grantor

2.4 Basis of consolidation

The financial statements have been consolidated to include the state of affairs and results of the Fund and those of its Associate.

An Associate is an entity over which the Fund has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in associate is accounted for by the equity method of accounting and is initially recognised at cost. The Fund's investment in associate includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Fund's share of its associate's post-acquisition profits or losses is recognised in the Statement of Comprehensive Income, its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Fund's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Fund does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Revenue recognition

The Fund's revenue are earned from exchange transactions only and measured at the fair value of consideration received or receivable.

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 16.75 per tonne 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 basis:

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

Interest income is recognised on an accrual basis.

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 based on Fund Value at start of reporting period.

2.6 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 insured. They include claims arising out of events that have occurred up to the end of reporting period 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 Financial Performance.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Property, plant and equipment

Property, plant and equipment held for administrative purposes are stated in the statement of financial position at their revalued amounts, 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. A full year depreciation is charged in the year of acquisition, with no charge in year of disposal. 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	6.67% (15 years)
Motor vehicles	20%
Computer equipment and software	20%

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

Prior to the year 2011, items of Furniture & Other equipment were depreciated at the rate of 10% (over 10 years). The consumption experience showed that the Fund was still deriving economic benefit from items under this asset class above the 10 year period. The depreciable life was increased to 15 years as from the year 2011.

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 increase arising on the revaluation of land and buildings is credited in equity (Revaluation Reserve), except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or 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.

Freehold land is not depreciated.

2.8 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 at end of reporting period, representing open-market value determined by external valuers. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

2.9 Intangible Assets acquired

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment loss (if any). Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at each end of reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less impairment losses and are not subject to any amortisation.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of tangible and intangible assets

At each end of the reporting period, 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.

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.

2.11 Non-current Asset 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. Non-current assets held for sale are measured at the lower of carrying value or fair value net of associated cost to sell.

2.12 Foreign currencies

The financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (functional currency). The results and financial position of the Fund are expressed in Mauritian rupees, which is Fund's functional and presentation currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in such currencies are retranslated in Mauritian Rupees using the rate of exchange (buying rate) ruling at the end of reporting period, such rate being determined as the highest buying rate available from the Fund's main bankers and the Bank of Mauritius. Profits and losses arising on exchange are included in the profit or loss for the year. Translation of non monetary items, such as equities classified as available-for-sale financial assets is accumulated in the investments revaluation reserve.

2.13 Insurance compensation

Insurance compensation is expensed when the claims are assessed following the end of the crop season.

2.14 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Provision/Contingent Liabilities

(a) Provision

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.

(b) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. A contingent liability should not be recognised but disclosed. The present obligation that arises from past events is not recognised because:

- (i) It is not probable that an outflow of resources will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

2.16 Retirement benefit obligations

(i) Defined Benefit Plan

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by the Pension Fund Manager (SICOM Ltd) using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Re-measurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Fund determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss. Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements (if any) are recognised immediately in profit or loss. The defined benefit plan is closed for new entrants and any employee joining the Fund on a permanent and pensionable service will join a defined contribution plan.

(ii) Defined Contribution Plan

A defined contribution plan is a pension plan under which the Fund pays fixed contributions and has no legal or constructive obligations to pay further contributions if the fund has insufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitled them to the contributions.

(iii) State Plan

Contributions to the National Pension Scheme are expensed to profit or loss in the period in which they fall due.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Fund has become party to the contractual provisions of the financial instruments. Financial Assets are initially measured at fair value, plus transaction costs. Financial assets are classified into the following specified categories: “held-to-maturity” investments, “available-for-sale” 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.

a) Financial Assets

(i) 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.

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.

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

Quoted AFS Financial Assets

Listed and Quoted 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 accumulated in the investments revaluation reserve until the security is disposed of or is determined to be impaired at which time the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. Impairment losses recognised in profit or loss for securities classified as available-for-sale is not subsequently reversed through profit or loss.

Unquoted Available For Sale Investments

Unquoted available-for-sale investments for which reliable fair values cannot be obtained are stated at cost. Investments of the Fund in unquoted available-for-sale investments are generally in the form of shares. The fair value of these financial instruments cannot be measured reliably as there is no specific market for the exchange/sale of these instruments.

Available-for-sale financial assets are included in non-current assets unless Management intends to dispose the investments within twelve months of the end of the reporting period.

(iii) Loans and receivables

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. 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 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Financial instruments (cont'd)

a) Financial Assets (cont'd)

Impairment of financial assets(cont'd)

For shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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
- high probability 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.

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 to 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 in other comprehensive income.

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 asset and substantially all the risks and rewards of ownership of the asset to another entity.

(b) Financial liabilities

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs. Subsequently they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Fund derecognises financial liabilities only when its share of obligations are discharged or expired.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

3. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IPSASs 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.

4. CASH AND CASH EQUIVALENT

	June 2018 MUR	June 2017 MUR
Foreign Currency deposits with banks:		
USD	197,104,803	336,939,669
EURO	434,372,190	712,366,001
GBP	28,468,823	27,863,667
Deposits on call at banks – MUR	9,007,702	32,999,067
Bank and Cash Balances - MUR	4,511,769	3,156,264
Cash Balances – EURO	31,912	-
	673,497,199	1,113,324,668

5. ACCOUNTS RECEIVABLE/ PREPAYMENTS

Other loans (Note 10(iii))	15,813	60,776
Motor vehicles loans (Note 10(iv))	3,281,938	2,918,819
Personal loans (Note 10(ii))	904,057	303,173
Interest receivable	17,117,072	10,885,270
Debtors insurance premium receivable	14,928	14,928
Dividends receivable	599,718	6,300
Other receivables/Prepayments	940,334	1,098,068
	22,873,860	15,287,334

6. SHORT TERM LOANS

Loans to Mauritius Sugar Syndicate - (MSS)	34,117,614	168,163,843
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Loans to MSS relates to the balance of Premium Crop 2017 advanced to the MSS for a period of 2 months at an interest rate of 2.50% p.a.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

7. INVESTMENTS IN SECURITIES AND DEPOSITS

	----- Available-For-Sale Financial Assets -----			Held-To-Maturity Securities and Deposits	Total
	Local Quoted Securities MUR	Local Unquoted Securities MUR	Foreign Equities/ Funds/ Bonds MUR	MUR	MUR
AT FAIR VALUE					
At 30 June 2017	1,009,969,649	12,117,511	529,664,563	1,044,130,064	2,595,881,786
Re-classification	76,790,740	–	(76,790,740)	–	–
Additions	133,522,225	129,672	–	341,571,234	475,223,131
Disposals/Matured / Redeemed	(380,096,944)	(700,000)	–	(12,796,686)	(393,593,630)
Interest capitalised / receivable	–	–	–	12,583,340	12,583,340
Dividend in specie	–	1,332,144	–	–	1,332,144
Fair value Gain / (Loss)	(4,712,552)	601,409	35,989,821	5,098,413	36,977,090
At 30 June 2018	835,473,117	13,480,736	488,863,644	1,390,586,365	2,728,403,861
Classified as:					
- Short term	39,825,325	–	84,053	465,636,225	505,545,603
- Long term	795,647,792	13,480,736	488,779,591	924,950,140	2,222,858,259
	835,473,117	13,480,736	488,863,644	1,390,586,365	2,728,403,861
AT COST					
At 30 June 2018	577,418,172	1,280,827	224,365,375	1,375,368,760	2,178,433,134
At 30 June 2017	530,706,723	2,151,155	294,465,375	1,033,797,526	1,861,120,778

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

7. 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 and the Development and Enterprise Market of the Stock Exchange of Mauritius (SEM). Such investments are stated at fair values based on SEM prices at close of business at the end of reporting period.

Local Unquoted

Local unquoted investments comprise of shares and bonds held in Sugar Investment Trust (SIT), Units of the MFL Fund and Shares held in Afrasia Bank. Investment in SIT shares have been fair valued at MUR 10.35 Million at 30 June 2018. Investments in The MFL Fund, which is an open-ended Fund, are stated at market value at MUR 1.67 Million at 30 June 2018 and Shares in Afrasia Bank valued at MUR 1.46M.

Foreign Equities /Funds /Bonds

Investments in foreign equities/ funds/ bonds, include shares held in African Reinsurance Corporation (Africa Re), Investec GSF, Comgest, Threadneedle, Sarasin, BlackRock Global, Shroders, GAM, London & Capital Real Estate, UBS, Fidelity, Franklin Templeton, Morgan Stanley Funds, IOST Perpetual Bonds, India Sovereign Bonds and are stated at market value based on the exchange rate ruling at the end of reporting period.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable (levels defined in section 2.1):

	Period 2017/2018			Total MUR
	<u>Level 1</u> MUR	<u>Level 2</u> MUR	<u>Level 3</u> MUR	
Available-for-sale financial assets	835,473,117	488,863,644	13,480,736	1,337,817,498

	Period 2016/2017			Total MUR
	<u>Level 1</u> MUR	<u>Level 2</u> MUR	<u>Level 3</u> MUR	
Available-for-sale financial assets	1,009,969,649	529,664,563	12,117,511	1,551,751,723

(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 2.50 to 6.30 % per annum and mature between July 2018 and August 2023 and comprise of:

	<u>June 2018</u> MUR	<u>June 2017</u> MUR
Deposits	445,507,940	445,796,686
Fixed Maturity Unquoted Bonds	915,255,325	598,333,378
Treasury Bills	29,823,100	—
	<u>1,390,586,365</u>	<u>1,044,130,064</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

8. AMOUNT CLASSIFIED AS HELD FOR SALE (INVESTMENT PROPERTY)

	June 2018 MUR	June 2017 MUR
At the start of period / year	35,000,000	—
Transfer from Freehold Land & Buildings	-	25,153,127
Additions	-	557,730
Carrying value	35,000,000	25,710,857
Fair value gain	-	9,289,143
Disposal	35,000,000	-
At end of year / period	-	35,000,000

9. INVESTMENT PROPERTY

At start of year/ period	140,350,000	68,500,000
Transfer from Land & Building (NBV)	-	25,571,728
Additions	116,932,018	2,050,034
Carrying value	257,282,018	96,121,762
Gain on revaluation	17,923,235	44,228,238
At end of year/	275,205,253	140,350,000

Investment property relates to Land and Buildings which are no more used for administrative purposes and includes the following:-

- (i) Land at Brown Sequard Street, Port Louis for a total extent of 314 toises: rented as covered parking.
- (ii) A 2 storey concrete building at Royal Road, Quartier Militaire standing on a plot of land of a total extent of 73.35 perches.
- (iii) Two buildings situated at corner Independence and Brown Sequard Avenue, Vacoas standing on a plot of land of 24.50 perches (1118.82m²).
- (iv) A building at Royal Road, Mare D'Albert standing on a plot of land of 60.0 perches.
- (v) Bareland at Royal Road, Central Flacq of a total extent of 48.92 perches (2064.79m²).
- (vi) Bare Agricultural land at Trianon for a total extent of 25.323m².

The above properties with the exception of the bare agricultural land at Trianon were last revalued by Ramrekha & Patten Chartered Valuation Surveyors (Principal – P Ramrekha, M.S.C, F.R.I.C.S. CSK Chartered Valuation Surveyor) in August 2018 and in accordance with the requirements of the RICS Valuation - Global Standards 2017 incorporated International Valuation Standards (IVS) 2017. As disclosed by the valuer, the Market Approach was adopted to value the properties; except for the property at Brown Sequard Street, Port Louis where the income generating capacity of the property has been adopted. The bare land at Trianon which was acquired nearly at year end is reported at cost.

The fair value hierarchy is as follows:

	June 2018 MUR	June 2017 MUR
Land and Buildings	275,205,253	140,350,000

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

10. LONG TERM LOANS

		June 2018 MUR	June 2017 MUR
Loan to MSS	(i)	200,000,000	–
Personal Loans	(ii)	635,698	1,276,527
Other Loans	(iii)	12,900	86,852
Motor Vehicles Loans	(iv)	8,479,654	8,078,841
		209,128,252	9,442,220

(i) Loan to Mauritius Sugar Syndicate

Loan to Mauritius Sugar Syndicate advanced at an interest rate of 4.50% p.a. repayable over a period of 5 years with a 2 year moratorium period.

(ii) Personal Loans (staff)

	June 2018 MUR	June 2017 MUR
Total amount due	1,539,755	1,579,700
Deduct: Amount falling due within one year (Note 5)	(904,057)	(303,173)
Amount falling due after more than one year	635,698	1,276,527

Personal loans to staff bear interest at Repo plus 1% per annum.

(iii) Other Loans (staff)

Total amount due	28,713	147,628
Deduct: Amount falling due within one year (Note 5)	(15,813)	(60,776)
Amount falling due more than one year	12,900	86,852

Other loans represent housing loans to staff.

(iv) Motor Vehicles Loans (staff)

Total amount	11,761,592	10,997,660
Deduct: Amount falling due within one year (Note 5)	(3,281,938)	(2,918,819)
Amount falling due after more than one year	8,479,654	8,078,841

Motor Vehicle Loans to staff disbursed prior to January 2013 bear interest at 7.5% per annum and thereafter at 4.0% per annum, as per conditions of service.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

11. INVESTMENT IN ASSOCIATE

The Fund holds 20% of the ordinary share capital of SICOM Group and is represented on its Board of Directors. SICOM Group has a financial year starting on 1 July and ending on the subsequent 30 June.

Summarised financial information of the Fund's Associate is set out below:

	June 2018 MUR	June 2017 MUR
Total Assets	19,685,301,000	19,067,693,000
Total Liabilities	14,033,100,000	13,621,827,000
After Tax adjusted profit for the year/period	460,616,000	663,127,000
Share of profit (20%)	92,123,200	132,625,400
Share of net assets	1,129,509,011	1,088,220,390

12. PROPERTY, PLANT AND EQUIPMENT

The Fund's Property, Plant and Equipment include freehold land and building that were last revalued in August 2017 by Ramrekha & Patten Chartered Valuation Surveyors (Principal – P Ramrekha, M.S.C, F.R.I.C.S. CSK Chartered Valuation Surveyor).

Had Freehold Land and Buildings been valued at historic amount, the carrying value would have been as follows:

At 30 June 2018	Cost MUR	Accumulated depreciation MUR	Net book value MUR
Freehold Land	2,946,841	–	2,946,841
Building	22,763,712	(20,487,341)	2,276,371
	25,710,553	(20,487,341)	5,223,212
At 30 June 2017			
Freehold Land	2,946,841	–	2,946,841
Building	22,763,712	(19,918,248)	2,845,464
	25,710,553	(19,918,248)	5,792,305

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold Land	Buildings	Improvement to Land and Buildings	Furniture & Other Equipment	Motor Vehicles	Computer Equipment	Total
	MUR	MUR	MUR	MUR	MUR	MUR	MUR
COST AND VALUATION							
At 31 December 2015	53,183,000	71,714,400	6,801,873	14,796,595	1,066,450	24,760,531	172,322,849
Transfer to Investment Property	(12,403,000)	(15,700,000)	–	–	–	–	(28,103,000)
Transfer to Investment Property held-for-sale	(6,280,000)	(25,114,400)	–	–	–	–	(31,394,400)
Surplus on revaluation	6,900,000	4,400,000	–	–	–	–	11,300,000
Additions	–	–	805,085	1,454,093	3,000,000	594,233	5,853,411
Disposal	–	–	–	–	–	(29,700)	(29,700)
At 30 June 2017	41,400,000	35,300,000	7,606,958	16,250,688	4,066,450	25,325,064	129,949,160
Additions	–	–	55,556	1,291,785	–	827,282	2,174,623
At 30 June 2018	41,400,000	35,300,000	7,662,514	17,542,473	4,066,450	26,152,346	132,123,783
DEPRECIATION							
At 31 December 2015	–	12,113,084	4,579,614	12,474,736	853,161	19,208,147	49,228,742
Eliminated on revaluation	–	(13,365,788)	–	–	–	–	(13,365,788)
Eliminated on disposal	–	–	–	–	–	(29,700)	(29,700)
Charge for the period	–	1,252,702	942,229	576,760	1,113,290	3,139,973	7,024,954
At 30 June 2017	–	–	5,521,843	13,051,496	1,966,451	22,318,420	42,858,210
Charge for the year	–	1,086,154	612,140	342,734	600,000	1,731,111	4,372,139
At 30 June 2018	–	1,086,154	6,133,983	13,394,230	2,566,451	24,049,531	47,230,349
NET BOOK VALUE							
At 30 June 2018	41,400,000	34,213,846	1,528,531	4,148,243	1,499,999	2,102,815	84,893,433
At 30 June 2017	41,400,000	35,300,000	2,085,115	3,199,192	2,099,999	3,006,644	87,090,951

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Details of the Fund's buildings and freehold land measured at fair value and information about the fair value hierarchy at period/year end are as follows:

	June 2018	Level 3
	MUR	June 2017
		MUR
Freehold Land	41,400,000	41,400,000
Buildings	34,213,846	35,300,000
	75,613,846	76,700,000
<i>Reconciliation:</i>		
		MUR
Opening balance at 1 July 2017		76,700,000
Depreciation charge for the year		(1,086,154)
Balance at year end		75,613,846

(i) *As disclosed by the Valuer:*

- (a) for the purpose of the valuation report, the Market Approach was adopted;
- (b) The valuation exercise is in accordance with the requirements of the RCIS Valuation – Global Standards 2017 incorporating International Valuation Standards (IVS) 2017.

(ii) *The following assumptions were made by the Valuer:*

- (a) The property is appraised free and clear from all charges and encumbrances;
- (b) The property has good and marketable title deed;
- (c) Vacant possession can be given;
- (d) The building have been erected under competent supervision, in accordance with all planning regulations and have the benefit of planning consents or existing use rights for their current use;
- (e) The building comply with all statutory and local authority regulations including building, fire and health and safety regulations.

13. INTANGIBLE ASSETS – COMPUTER SOFTWARE

	June 2018	June 2017
	MUR	MUR
Cost		
At start of year/ period	9,706,728	8,940,978
Additions	–	765,750
At end of year/period	9,706,728	9,706,728
Amortisation		
At start of year/period	7,251,324	5,500,802
Charge for the year/period	1,078,148	1,750,522
At end of year/period	8,329,472	7,251,324
Carrying value at year end/ period	1,377,256	2,455,404

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

14. PAYABLES

	June 2018 MUR	June 2017 MUR
Assistance to Insureds	316,281,555	447,191,134
General Compensation-crop 2017	466,630,737	-
Accruals	3,551,693	8,507,716
Provision for passage benefits (note 16)	3,000,000	3,500,000
Others	403,139	115,639
	789,867,124	459,314,489

15. EMPLOYEES BENEFITS

At start of year/ period	46,127,344	45,241,275
Charge for the year/ period	6,433,064	7,778,452
	52,560,408	53,019,727
<u>Less:</u> Payment during the year/ period	(3,539,216)	(6,892,383)
At end of year/ period	49,021,192	46,127,344
Classified as:		
Long Term	44,109,062	41,514,610
Short Term	4,912,130	4,612,734

16. PROVISION FOR STAFF PASSAGE BENEFITS

At start of year/ period	6,955,747	7,222,638
Payment during the year/ period	(3,040,194)	(4,121,537)
Provision for the year/ period	2,574,825	3,854,646
	6,490,378	6,955,747
<u>Less:</u> Amount due within one year (Note 14)	(3,000,000)	(3,500,000)
At end of year/ period	3,490,378	3,455,747

17. RETIREMENT BENEFIT OBLIGATIONS

Provision for retirement benefits for the SIFB staff are made under the Statutory Bodies Pension Act 1978 as amended. The pension plan is a final salary defined benefit plan for employees and is wholly funded by the employer and the employees. The assets of the funded plan are held independently and are administered by the State Insurance Company of Mauritius Ltd (SICOM Ltd).

The following employee benefits information is based on the report submitted by SICOM Ltd in line with IPSAS 39.

(i) Amounts recognised in statement of financial position:

	June 2018 MUR	June 2017 MUR
Defined benefit obligation	824,317,122	794,349,530
Fair value of plan assets	(564,883,556)	(550,497,042)
Liability recognised in statement of financial position	259,433,566	243,852,488

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(ii) Amounts recognised in statement of financial performance:

	June 2018	June 2017
	MUR	MUR
Current service cost	7,170,190	9,923,364
Employee Contributions	(3,203,556)	(5,023,797)
Fund Expenses	213,406	317,374
Net Interest expense	16,458,964	18,952,243
Profit & Loss Charge	20,639,004	24,169,184

(iii) Amount recognised in Other Comprehensive Income:

Liability experience (gain) / Loss	20,689,968	57,775,657
Assets experience (gain) / Loss	(15,603,298)	9,184,221
Net Asset/Equity (NAE)	5,086,670	66,959,878

(iv) Liability recognised in the statement of financial position:

At start of year	243,852,488	168,632,117
Amount recognised in Profit & Loss	20,639,004	24,169,184
Contributions paid by employer	(10,144,596)	(15,908,691)
Amount recognised in NAE	5,086,670	66,959,878
At end of period / year	259,433,566	243,852,488

(v) Reconciliation of present value of obligation:

Present value of obligation at start of period	794,349,530	727,804,418
Current service cost	7,170,190	9,923,364
Interest cost	50,044,020	70,960,931
Benefits paid	(47,936,586)	(72,114,840)
Liability loss	20,689,968	57,775,657
Present value of obligation at end of period	824,317,122	794,349,530

(vi) Reconciliation of fair value of plan assets:

Fair value of plan assets at start of period	550,497,042	559,172,301
Expected return on plan assets	33,585,056	52,008,688
Employer contributions	10,144,596	15,908,691
Employee contributions	3,203,556	5,023,797
Benefits paid + other outgo	(48,149,992)	(72,432,214)
Asset gain/(loss)	15,603,298	(9,184,221)
Fair value of plan assets at end of period	564,883,556	550,497,042

(vii) Components of the amount recognised in NAE:

Assets experience gain / (Loss) during the year	15,603,298	(9,184,221)
Liability experience gain / (Loss) during the year	(20,689,968)	(57,775,657)
Net Asset/Equity (NAE)	(5,086,670)	(66,959,878)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

Percentage of assets at end of year	% of fair value of total plan assets	
	June 2018	June 2017
Fixed interest securities and cash	59.5	56.6
Loans	3.7	4.4
Local equities	14.6	15.8
Overseas equities and bonds	21.6	22.6
Property	0.6	0.6
Total	100.0	100.0

(ix) Actual Return on plan assets:

Actual Return on plan assets	Not available	43,921,073
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(x) Weighted average duration of the defined benefit obligation (Calculated as a % change in PV of liabilities for a 1% change in discount rate) : 11 years

(xi) Additional disclosure on assets issued or used by the reporting:

At the end of the reporting period, assets were neither held in entity's own financial instruments nor were property and other assets occupied or used by the entity.

(xii) Expected Employer's contributions for the financial year 2018/2019: **Rs. 10,719,294.**

(xiii) The plan is exposed to actuarial risks such as: Investment risk, Interest rate risk, mortality and longevity risk and salary risk.

(xiv) The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Year ended 30 June 2018 %	18 months ended 30 June 2017 %
Discount rate	6.30	6.50
Future salary increases	4.00	5.00
Future pension increases	3.00	3.00
Mortality before retirement	A 6770 Ultimate Tables	
Mortality in retirement	PA (90) rated down by 2 years	
Retirement age	As per Schedule II in the Statutory Bodies Pension Funds Act	

The discount rate is determined by reference to market yields on bonds.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(xv) Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase & mortality. The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (1%) higher (lower), the defined benefit obligation would decrease by Rs 84.4 M (increase by Rs 101.2 M) if all other assumptions were held unchanged.
- If the expected salary would increase (decrease) by 100 basis points, the defined benefit obligation would increase by Rs 22.3 M (decrease by Rs 20.0 M) if all assumptions were held unchanged.
- If life expectation would increase (decrease) by one year, the defined benefit obligation would increase by Rs 23.3 M (decrease by Rs 23.3 M) if all assumptions were held unchanged.
- In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

(xvi) Five year summary – Experience adjustment

Amounts recognised in statement of financial position:

	June 2018	June 2017	December 2015	December 2014	December 2013 (Restated)
	MUR	MUR	MUR	MUR	MUR
Present value of funded obligation	824,317,122	794,349,530	727,804,418	677,619,115	670,531,072
Fair value of plan assets	(564,883,556)	(550,497,042)	(559,172,301)	(298,461,467)	(316,485,350)
	259,433,566	243,852,488	168,632,117	379,157,648	354,045,722
Unrecognised actuarial (loss)/gain	–	–	–	–	–
Liability in statement of financial position	259,433,566	243,852,488	168,632,117	379,157,648	354,045,722

Reconciliation of the present value of defined benefit obligation:

	June 2018	June 2017	December 2015	December 2014	December 2013 (Restated)
	MUR	MUR	MUR	MUR	MUR
Present value of obligation at start of period	794,349,530	727,804,418	677,619,115	670,531,072	485,944,924
Current service cost	7,170,190	9,923,364	7,126,083	6,965,121	6,753,249
Interest cost	50,044,020	70,960,931	50,821,434	53,642,486	38,875,594
Benefits paid	(47,936,586)	(72,114,840)	(47,413,261)	(46,784,676)	(109,261,844)
Liability loss/(gain)	20,689,968	57,775,657	39,651,047	(6,734,888)	248,219,149
Present value of obligation at end of period	824,317,122	794,349,530	727,804,418	677,619,115	670,531,072

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

Reconciliation of fair value of plan assets:

Fair value of plan assets at start of period	550,497,042	559,172,301	298,461,467	316,485,350	374,967,115
Expected return on plan assets	33,585,056	52,008,688	32,135,902	23,920,553	26,259,508
Employer contributions	10,144,596	15,908,691	8,579,378	8,781,769	11,671,085
Employer Special Contribution	—	—	296,200,000	—	—
Employee contributions	3,203,556	5,023,797	2,851,218	3,315,582	4,401,379
Benefits paid + other outgo	(48,149,992)	(72,432,214)	(47,596,151)	(47,054,234)	(109,519,004)
Asset gain/(loss)	15,603,298	(9,184,221)	(31,459,513)	(6,987,553)	8,705,267
					296,200,000
Fair value of plan assets at end of period	564,883,556	550,497,042	559,172,301	298,461,467	316,485,350

18. INSURANCE PREMIUM

The Government of Mauritius paid a total of MUR 38.37 Million to the Fund, representing General Insurance Premium for Crop 2017 for all Insureds having a sugar production of up to 60 tons.

19. INVESTMENT INCOME

	June 2018 MUR	June 2017 MUR
Interest Income on:		
<i>Held to maturities securities/ deposits</i>	60,820,397	49,421,845
<i>Cash and cash equivalent</i>	7,897,487	13,166,135
<i>Loans & receivables</i>	10,880,040	6,056,723
<i>Available-for-sale securities</i>	16,380,672	21,101,125
Total Interest Income	95,978,596	89,745,828
Dividends	25,796,421	33,360,516
	121,775,017	123,106,344

20. PROFIT ON SALE OF AFS SECURITIES

On sale of local quoted shares	247,697,167	32,681,001
On maturity of local quoted notes	255,000	(60,000)
On sale of foreign fund	—	(441,352)
	247,952,167	32,179,649

21(a) FAIR VALUE AND OTHER GAINS

On AFS Securities (reversal of impairment loss)	—	200,000
On translation of foreign currency deposits	2,790,678	—
On revaluation of investment properties	17,923,235	53,517,381
On held to maturity securities	5,098,413	—
On disposal of foreign currencies	2,086,596	949,271
	27,898,922	54,666,652

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

21(b) FAIR VALUE AND OTHER LOSSES

	June 2018 MUR	June 2017 MUR
On translation of foreign currency deposits	-	14,708,271
On fair value of securities	11,320,604	2,475,400
	11,320,604	17,183,671

22. OTHER REVENUE

Request for information/land conversion/duty-free certificate	1,036,127	55,590
Late registration fee	101,940	40,010
Morcellement permit fee	64,715	62,332
Rental of parking	1,183,500	-
Disposal of scrap items	8,900	168,900
Management fee from fire fund	208,528	219,680
Profit on sale of PPE	83,400	58,770
Other sundry receipts	143,166	41,586
	2,830,276	646,868

23. GENERAL INSURANCE COMPENSATION

Further to the outcome of a Fact Finding Committee set-up by Government, Crop 2017 has been considered as an event year for Enlarged Factory Areas (EFAs) Alteo, Omnicane and Medine. The total general compensation payable to planters and Millers for Crop 2017 was Rs 466M.

24. ASSISTANCE TO INSURED

As per Cabinet decision dated 21 September 2018, the Fund is to provide a cash compensation of MUR 1,250 per ton of sugar to all sugarcane planters as a result of financial difficulties being faced due to decline of sugar price on the world market. Further to this decision, a provision of some MUR 315.9M has been made at financial year end.

25. ADMINISTRATIVE EXPENSES

	June 2018 MUR	June 2017 MUR
Staff costs	96,693,606	132,634,069
Provision for Employees Benefits	6,433,064	7,778,452
Depreciation	4,372,139	7,024,955
Amortisation of Intangible Assets	1,078,148	1,750,522
Directors fees	3,840,000	5,760,000
Auditors' remuneration	425,000	350,000
Legal, Professional, Actuarial and Fund Mgmt fees	5,186,864	5,453,909
Utilities	3,541,339	5,762,831
Severance Allowance	-	3,708,378
Others	6,422,310	11,984,475
	127,992,470	182,207,591

26. REINSURANCE PREMIUM

Having regards to its ability to muster maximum probable losses and in view of hardening crop reinsurance market, the Board since the year 2012 decided to bear the full insurance risks.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

27. CASH AND CASH EQUIVALENT (Cash Flow)

	June 2018 MUR	June 2017 MUR
Cash & cash equivalent is represented by:		
Bank and cash balances	4,543,681	3,156,263
Short term deposits	668,953,518	1,110,168,405
As reported in Statement of Financial Position	<u>673,497,199</u>	<u>1,113,324,668</u>

The above cash and cash equivalent balances held by the Fund at year end are available for use without any restriction. The Fund has no undrawn borrowing facilities at year end.

28. BUDGET COMPARED TO ACTUAL

(i) General Insurance Premium

The General Insurance Premium for crop 2017 was budgeted based among others on:

- a sugar price of MUR 15,004 per metric tonne and
- a total insurable sugar (TIS) of 437,279 metric tonnes.

The final weighted average sugar price for insurance purposes was determined at MUR14,043 per metric tonne and a TIS 414,983 of metric tonnes.

(ii) Interest Receivable

Interest receivable was much higher than budgeted mainly due to the fact that foreign currency deposits yielding negligible interest were diverted towards more remunerative bonds and notes.

(iii) Dividend Income

Actual dividend receivable decreased due to the disposal of part of the Fund's holding on the local stock market during the financial year to crystallise gains and for other obligations.

(iv) Profit on sale of AFS Securities

The Fund made a net disposal of 42.6% of its holdings in local quoted shares during the financial year; thus realising its gains.

(v) Share of surplus in Associate

The Fund's Budget for the financial year was not consolidated to include the expected performance of its Associate (SICOM Ltd).

(vi) Fair Value and other gains / losses

- Exchange loss is a result of fair value loss on "available-for-sale" securities at year end.
- The revaluation of Investment properties at year end by a professional valuer resulted in revaluation gains amounting to some MUR17.9 Million coupled with fair value gains on "held-to-maturity" deposits and translation of forex at year end.

(vii) General Insurance Compensation

At time of budgeting, Crop 2017 was expected to be a non-event year for general insurance. EFAs Alteo, Omnicane and Medine have been declared event year after conclusion of the Fact Finding Committee.

(viii) Assistance to Insureds

Decision to pay a cash compensation to all sugarcane planters was taken by Cabinet in September 2018.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

28. BUDGET COMPARED TO ACTUAL (CONT'D)

(ix) *Administrative Expenses*

Administrative Expenses include:

- a) Retirement benefit obligation charged (MUR 10.5M) and determined by SICOM Ltd, the Pension Fund Manager after an actuarial evaluation of the Staff Pension Fund at end of reporting date.
- b) Provision for employees benefits (MUR 6.5M) based on accumulated leaves at year end.

(x) *Fire Insurance Compensation*

Lower fire compensation for Crop 2017 is a result of lesser fire outbreaks over both the crop cycle and harvest season.

29. RELATED PARTY TRANSACTIONS

The Fund is making the following related party transaction disclosures in accordance with IPSAS 20, Related Party Disclosures:

	June 2018 MUR	June 2017 MUR
(a) <i>Outstanding balances</i>		
Loans to key management personnel under conditions of service	239,703	106,667
(b) <i>Transactions with entity under common directorship</i>		
(i) Short Term Loans	34,117,614	168,163,843
(ii) Long Term Loans	200,000,000	–
	234,117,614	168,163,843

Transactions with entity under common directorship represent loans granted to the Mauritius Sugar Syndicate both on Short Term and Long Term basis.

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

	June 2018 MUR	June 2017 MUR
(c) <i>Compensation of key management personnel:</i>		
- Short term benefits	4,120,561	5,839,176
- Post-employment benefits contribution	648,875	838,660
- Other benefits	1,025,542	1,576,770
	5,794,978	8,254,606

(d) *Disclosure of control:*

The Fund in its ordinary course of business transacts with its Associate (SICOM Ltd) as follows:

- (i) Provider of Insurance on Property, Plant and Equipment (PPE)
Insurance on PPE was contracted with the Associate following a tendering exercise conducted by the Fund's Insurance Broker.

- (ii) Staff Pension Fund Manager

As per Statutory requirements, SICOM Ltd is the Board's Staff Pension Fund Manager.

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

for the year ended 30 June 2018

30. FINANCIAL INSTRUMENTS

30.1 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 revenue and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.17 to the financial statements.

30.2 Categories of financial instruments

Financial assets

	June 2018 MUR	June 2017 MUR
- Held to maturity investments	1,390,586,365	1,044,130,064
- Loans and Receivables (including cash & Cash Equivalents and excluding prepayments)	938,684,393	1,305,142,201
- Available for sale financial assets	1,337,817,498	1,551,751,723
	3,667,088,256	3,901,023,988

Financial liabilities

Liabilities	1,101,812,259	752,750,067
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30.3 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.

(i) Price Management

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.

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

Currency profile

Currency	Financial Assets June 2018 MUR	Financial Liabilities June 2018 MUR	Financial Assets June 2017 MUR	Financial Liabilities June 2017 MUR
Mauritian Rupees	1,877,397,580	1,101,812,259	2,124,379,834	752,750,067
United States Dollars	1,123,185,817	—	876,463,514	—
Euro	637,939,408	—	872,175,142	—
British Pounds	28,565,451	—	28,005,498	—
	3,667,088,256	1,101,812,259	3,901,023,988	752,750,067

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Financial risk management (cont'd)

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

	June 2018 MUR	June 2017 MUR
Profit or loss in statement of financial position	5,260,189	4,859,439
Revaluation Reserve in statement of financial position	5,971,669	3,905,196

(b) EURO Impact

	June 2018	June 2017
Profit or loss in statement of financial position	4,744,456	7,136,388
Revaluation Reserve in statement of financial position	1,634,938	1,585,363

The above is mainly attributable to:

- (i) available-for-sale securities
- (ii) short term deposits
- (iii) held to maturity securities

(iv) Interest rate risk management

The Fund has limited exposure to interest rate risk as none of its financial liabilities is interest bearing, all of the Fund's loans receivable and most of its fixed deposits are fixed-interest bearing, while only part of its quoted notes and bonds are at floating interest rates. A 25 basis point change in interest rate has an effect of some MUR 0.5 Million on the Fund's interest receivable.

The interest rate profile of the financial assets of the Fund was:-

Financial assets	Currency	Fixed Interest rate (%)		Floating Interest rate (%)	
		2018	2017	2018	2017
Bank Deposits	MUR	–	–	0.00 - 1.80	0.00 - 2.80
Loan to MSS – Short Term	MUR	2.50 - 2.75	2.60 - 3.00	–	–
Loan to MSS – Long Term	MUR	4.50	–	–	–
Fixed deposits	MUR	3.90 - 6.00	4.00 - 6.00	–	4.75
Short term deposits	GBP	0.60 - 0.90	0.90 - 1.50	–	–
Short term deposits	USD	1.65 - 2.30	0.80 - 1.75	–	–
Short term deposits	EUR	1.10 - 1.25	1.10 - 2.25	–	–
Debentures/Notes	MUR	5.25 - 6.30	5.25 - 6.30	4.70 - 5.35	5.20 - 6.25
Debentures/Notes	USD	2.00 - 6.00	1.00 - 6.00	–	–
Debentures/Notes	EUR	3.50	3.50	6m Euribor + 4.00	–
Treasury Bills	MUR	3.56	–	–	–

NOTES TO THE FINANCIAL STATEMENTS**for the year ended 30 June 2018****30. FINANCIAL INSTRUMENTS (CONT'D)****30.3 Financial risk management (cont'd)**

- Market Management 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.

	June 2018	June 2017
	MUR	MUR
Available-for-sale securities	13,378,175	15,517,517

(ii) 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.

(iii) Liquidity risk management

The Fund is exposed to calls on its available cash resources mainly from substantial claims arising from insurance contracts.

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 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 (incl. interest)	6,191,700	148,646,314	301,434,034	934,314,317	–
Available-for-sale	–	–	39,825,326	169,398,759	1,128,593,413
Loans & Receivables (excl prepayments)	4,258	51,216,440	4,800,061	209,128,252	38,184
Cash & cash equivalents	595,616,559	–	77,880,640	–	–
	601,812,517	199,862,754	423,940,061	1,312,841,328	1,128,631,597

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Financial risk management (cont'd)

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.

	<i>Within 1 month</i> <i>MUR</i>	<i>1 to 3 months</i> <i>MUR</i>	<i>3 months to 1 year</i> <i>MUR</i>	<i>More than 1 year</i> <i>MUR</i>
Liabilities	2,288,992	463,007	783,023,809	803,816

31. MANAGEMENT OF INSURANCE RISKS

Insurance risk

The risk under any one insurance contract is the possibility of occurrence of any risk covered 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 the occurrence of cyclones, droughts and excessive rainfall.

(ii) Concentration of insurance risks

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.

(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.

32. FINANCIAL COMMITMENTS

(i) Loan to MSS

At end of reporting period, the Fund had commitments to advance an additional amount of MUR 100 Million to the Mauritius Sugar Syndicate at an interest rate of 4.50% p.a. and repayable over a period of 5 years with a 2 year moratorium period. The disbursement is expected to be made in early September 2018.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

32. FINANCIAL COMMITMENTS (CONT'D)

(ii) Additional Financial Assistance to small sugarcane producers

In December 2018, Government agreed to provide an additional financial support of MUR 257 per ton of sugarcane for crop 2018 to sugarcane planters producing up to a maximum of 60 tonnes of sugar in view of continuous financial difficulties being faced by small planters due to decline in sugar price on world market. Government further agreed that one third of the financial support amounting to MUR 55 Million be borne by the Fund.

33. TAXATION

The Fund is exempt from income tax.

34. SENSITIVITY ANALYSIS

The risks associated with the insurance contracts are complex and subject to a number of variables. The Fund uses internal and external data to measure its claims. Internal data is derived mostly from the Fund's records.

For Crop 2017, the following variables are relevant:

- (i) Climatic conditions
Climatic conditions relates to the effects of cyclonic winds, excessive rainfall and drought.
- (ii) Islandwide tonnage of canes of 3,710,995 tonnes.
Islandwide tonnage of canes is the total tonnage of canes harvested and received at mills.
- (iii) Islandwide extraction rate of 9.63%
Islandwide extraction rate is the sugar to be extracted from canes milled for sugar production based on the average % polarisation of cane (richesse).
- (iv) Islandwide sugar production of 357,481 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) Harvestable Extent of 48,818 Hectares
Harvestable extent is the total land under cane cultivation meant for sugar production.
- (vi) Islandwide Total Insurable Sugar 414,983 tonnes
Islandwide total insurable sugar is based on the individual sugar potential of each insured and the estimated harvestable extent of cane growers.
- (vii) Islandwide average ranking 13.2
The islandwide average ranking is the average ranking of all insureds weighted by their TIS (potential).
The main variable which has the most material effect on insurance liabilities is islandwide Sugar Production expressed as a percentage of islandwide Total Insurable Sugar.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

35. CONTINGENT LIABILITY

In line with IPSAS 19, the following contingent liability is being disclosed.

Deep River Beau Champ Ltd v/s Sugar Insurance Fund Board

No event year was declared for Crop 2010. Deep River Beau Champ (DRBC) Ltd appealed to the Supreme Court to alter the Board's decision. Further to the decision of the Supreme Court, an arbitrator has been nominated. The hearing for the case ended on 29 August 2018. Given the complexity of the case, written submissions will have to be filed by both parties by 31 January 2019. The arbitrator is yet to give his award for the case. The Board maintains its view that the probability of the outcome of the case being in favour of DRBC Ltd is very low. In the event the outcome is in favour of DRBC Ltd, the estimated liability to the Board is estimated at some MUR 24 Million for that crop year.

36. CLAIMS HISTORY AND DEVELOPMENT

The claims history and development is summarised below:

General and Fire insurance

Crop Year	General Compensation MUR	Fire Compensation MUR	General and Fire Premium (gross) MUR	See Note below	Loss Ratio
2017	466,630,737	3,070,713	191,905,180	1	239.32%
2016		12,612,851	237,455,450	1	5.32%
2015	406,827,520	7,226,480	207,962,000	1 & 2	199.10%
2014		7,250,000	192,344,374	1 & 2	3.70%
2013		7,469,662	271,200,000	1	2.80%
2012		7,731,929	293,800,000	1	2.60%
2011	191,027,292	8,717,308	574,000,000	2	34.80%
2010		19,158,000	512,194,395	2	3.70%

Note

- 1 Based on new insurance terms.
- 2 Before deduction of discounts given to Insureds. (MUR 200.55 Million in 2015, MUR 185.23 Million in 2014, MUR 397.6 Million in 2011 and MUR 354.2 Million in 2010)

No reinsurance proceeds were receivable for crop years 2007 onwards.

37. CONTROLLING PARTY

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

Financial and Statistical Tables

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Table 1 : Statement of Funds

Financial Year/period	Income				Expenditure				Operating Surplus/ (Deficit)	Accumulated Funds	Surplus/ (Deficit) on revaluation	Revaluation Reserves	Total Equity
	Gross Premium	Other contributions	Investments & Other Income	Total Income	Net compensation	Net Reinsurance Premium	Operating & other Expenses	Total Expenditure					
	Note 2	Note 3	Note 4		Note 5	Note 6	Note 7				Note 8		
Up tp 2008	15,120,022,098	2,109,608,146	3,922,518,744	21,152,148,988	13,456,114,616	2,447,534,332	1,735,739,098	17,639,388,046	3,512,760,942	3,512,760,942	707,771,046	707,771,046	4,220,531,988
2009	651,131,000	6,119,201	252,833,741	910,083,942	196,582,562	53,810,602	210,954,003	461,347,167	448,736,775	3,961,497,717	210,842,707	918,613,753	4,880,111,470
2010	512,194,395	-	231,699,399	743,893,794	19,158,000	39,077,537	530,339,521	588,575,058	155,318,736	4,116,816,453	234,971,747	1,153,585,500	5,270,401,953
2011	574,000,000	-	197,394,861	771,394,861	199,917,308	38,197,390	591,209,638	829,324,336	(57,929,475)	4,058,886,978	32,504,741	1,186,090,241	5,244,977,219
2012 (Restated)	293,800,000	-	1,000,101,144	1,293,901,144	7,731,929	-	140,573,741	148,305,670	1,145,595,474	5,204,482,452	(561,796,941)	624,293,300	5,828,775,752
2013 (Restated)	271,520,300	-	296,510,208	568,030,508	7,469,662	-	535,157,275	542,626,937	25,403,571	5,229,886,023	148,461,755	772,755,055	6,002,641,078
2014	192,155,641	7,072,238	341,441,261	540,669,140	7,250,000	-	1,257,056,844	1,264,306,844	(723,637,704)	4,506,248,319	(35,635,428)	737,119,627	5,243,367,946
2015	207,934,630	-	327,139,143	535,073,773	414,130,480	-	811,270,641	1,225,401,121	(690,327,348)	3,815,920,971	(33,581,276)	703,538,351	4,519,459,322
2017 (18 months)	237,455,450	-	343,224,912	580,680,362	12,612,851	-	729,063,695	741,676,546	(160,996,184)	3,654,924,787	144,003,391	847,541,742	4,502,466,529
2018	191,905,180	-	492,579,581	684,484,761	469,701,450	-	460,508,272	930,209,722	(245,724,961)	3,409,199,826	(199,548,087)	647,993,655	4,057,193,481
TOTAL	18,252,118,694	2,122,799,585	7,405,442,994	27,780,361,273	14,790,668,858	2,578,619,861	7,001,872,728	24,371,161,447	3,409,199,826		647,993,655		

Notes

- Figures for Financial years 2003/2004, 2004/2005 and 2007 have been restated on application of new IFRS
- Gross Premium includes Total General and Fire Premium receivable from all Insureds.
- 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 & Other expenses include all other items not classified under Note 5 and 6
- Also includes transfer of revaluation surplus on disposal and movement in reserves on recognition of Associates in 2012.

Table II: Fire Statistics (Inter-Crop 2017)

SECTOR	Cases Compensated (Number)	Effective Area Burnt (Hectares) (1)	Total Area Harvested (Hectares) (2)	Area Burnt as % of Total Area Harvested (1)/(2)
North	18	4.799	10,674	0.045%
East	13	28.600	15,123	0.189%
South	17	18.927	14,456	0.131%
West	5	4.111	4,437	0.093%
Centre	8	2.144	4,165	0.051%
ISLAND	61	58.581	48,855	0.120%

Table III: Sugar Price for Insurance

Crop	Planters	Millers	Weighted
Year	(Rupees)		
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
2010	13,409	12,700	13,253
2011	16,013	15,300	15,856
2012	17,133	16,500	16,994
2013	17,091	16,500	16,961
2014	13,184	12,500	13,034
2015	13,735	13,000	13,573
2016	15,946	15,300	15,804
2017	14,196	13,500	14,043

Table IV: Events (1957 - 2017)

Events	1957 to 1959	1960 to 1969	1970 to 1979	1980 to 1989	1990 to 1999	2000 to 2009	2010 to 2017	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	1	19
D & E	--	--	2	2	2	4	--	10
E	--	--	1	1	--	1	1	4

ENLARGED FACTORY AREA	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
TERRA (NORTH)											
Belle Vue	C&D&E	D&E	D&E	---	D	---	---	---	---	---	---
Beau Plan	C&D&E	D&E	D&E	---	D	---	---	---	---	---	---
Mon Loisir	C&D&E	D&E	D&E	---	D	---	---	---	---	---	---
ALTEO (CENTRE/ EAST)											
Beau Champ	C&D&E	E	D&E	---	D	---	---	---	E	---	
Constance	C&D&E	E	D&E	---	D	---	---	---	E	---	
FUEL	C&D&E	E	D&E	---	D	---	---	---	E	---	
Mon Desert Alma	C&D&E	E	D&E	---	D	---	---	---	E	---	
Highlands	C&D&E	E	D&E	---	D	---	---	---	E	---	
OMNICANE (SOUTH)											
Britannia	C&D&E	E	E	---	D	---	---	---	E	---	
Mon Trésor	C&D&E	E	E	---	D	---	---	---	E	---	
Riche-en-Eau	C&D&E	E	E	---	D	---	---	---	E	---	
Rose-Belle	C&D&E	E	E	---	D	---	---	---	E	---	
Savannah	C&D&E	E	E	---	D	---	---	---	E	---	
St Félix	C&D&E	E	E	---	D	---	---	---	E	---	
Union St. Aubin	C&D&E	E	E	---	D	---	---	---	E	---	
MEDINE (CENTRE/ WEST)											
Médine	C&D&E	D&E	D&E	---	D	---	---	---	---	---	
Reunion	C&D&E	E	D&E	---	D	---	---	---	---	---	

C: Cyclone
D: Drought
E: Excessive Rainfall

Table VI: Credit Co-operative Societies, Crop 2017

ENLARGED FACTORY AREA	Planters	Area Harvested	Sugar Accrued	Insurable Sugar	General Premium	Fire Premium	General Compensation	Financial Assistance
	(Count)	(Hectares)	(Tonnes)		(Rupees)			
TERRA	1,470	1,577	9,402	10,555	6,072,250	181,839	---	11,723,542
ALTEO	3,652	3,814	18,089	23,523	12,447,582	394,234	40,723,409	22,603,233
OMNICANE	1,998	2,137	10,106	13,457	6,764,293	225,406	26,623,465	12,633,156
MEDINE	122	190	945	1,296	744,232	21,717	2,148,565	1,180,700
ISLAND	7,242	7,719	38,542	49,132	24,106,160	823,196	69,495,439	48,140,631

Table VII: Millers, Crop 2017

ENLARGED FACTORY AREA	Sugar Accrued	Insurable Sugar	General Premium	Fire Premium	General Compensation	Financial Assistance
	(Tonnes)		(Rupees)			
TERRA	19,457	20,497	9,629,690	343,332	---	24,304,681
ALTEO	28,933	34,778	14,460,629	582,529	44,319,631	36,135,596
OMNICANE	22,055	27,850	10,339,389	466,491	50,558,774	27,554,141
MEDINE	7,895	9,764	3,901,712	163,548	15,239,134	9,868,900
ISLAND	78,339	92,890	38,331,420	1,555,900	110,117,539	97,863,319

Table VIII: Analysis by Ranking, Crop 2017

Ranking	Insureds	Area Harvested	Canes Milled	Insurable Sugar	Sugar Accrued	General Premium	Fire Premium	General Compensation	Financial Assistance
	(Number)	(Hectares)	(Tonnes)			(Rupees)			
5.0- 5.4	12	24	1,444	118	105	33,480	898	46,542	58,785
5.5- 5.9	151	102	6,203	516	438	318,040	8,638	297,401	547,187
6.0- 6.4	679	542	33,358	3,026	2,388	1,844,349	50,675	2,708,634	2,985,177
6.5- 6.9	2,291	2,122	128,629	12,434	9,404	7,477,749	208,279	14,263,464	11,749,904
7.0- 7.4	642	788	52,709	4,683	3,978	2,779,492	78,498	3,074,128	4,968,648
7.5- 7.9	695	830	49,338	4,771	3,648	2,796,585	79,900	5,708,086	4,559,664
8.0- 8.4	765	961	62,953	6,027	4,653	3,487,028	100,968	5,496,025	5,816,285
8.5- 8.9	883	1,136	71,297	6,945	5,220	3,976,770	116,329	9,786,691	6,524,998
9.0- 9.4	867	1,248	81,279	7,949	6,096	4,449,803	131,819	9,989,396	7,523,884
9.5- 9.9	856	1,611	100,284	10,333	7,350	5,715,316	173,072	19,136,792	9,149,014
10.0-10.4	680	1,410	94,733	8,988	7,219	4,871,626	150,553	10,809,928	9,022,904
10.5-10.9	700	3,501	264,456	23,544	20,657	12,589,691	394,391	14,431,009	25,821,211
11.0-11.4	451	479	33,485	3,083	2,421	1,583,632	51,032	4,697,183	2,997,845
11.5-11.9	404	516	34,634	3,365	2,561	1,698,482	56,369	6,194,025	3,200,818
12.0-12.4	401	3,960	329,166	46,876	43,199	22,438,363	784,615	12,658,372	53,957,201
12.5-12.9	298	336	22,585	2,152	1,610	1,027,045	36,040	4,440,045	2,012,424
13.0-13.4	332	305	22,364	2,103	1,616	970,315	35,220	4,001,493	2,019,493
13.5-13.9	276	3,475	272,655	57,862	50,607	24,822,344	969,192	56,001,856	63,229,211
14.0-14.4	195	5,101	437,957	44,983	42,138	18,853,149	753,467	18,204,284	52,664,002
14.5-15.0	1,052	20,409	1,613,804	173,009	142,395	67,027,597	2,897,890	266,514,235	177,978,616
ISLAND	12,630	48,856	3,713,331	422,765	357,702	188,760,856	7,077,845	468,459,589	446,787,271

Table IX: Area Harvested & Cane Weight, Crop 2017

ENLARGED FACTORY AREA		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
TERRA	Area Harvested (Hectares)	391	436	543	621	233	303	8,147	10,674
	Cane Weight (Tonnes)	29,849	32,376	40,721	46,459	17,636	24,164	680,427	871,630
ALTEO	Area Harvested (Hectares)	699	1,252	1,248	1,571	886	329	13,304	19,289
	Cane Weight (Tonnes)	48,718	81,836	80,758	103,747	57,623	21,406	1,024,310	1,418,398
OMNICANE	Area Harvested (Hectares)	509	646	624	794	419	655	10,809	14,457
	Cane Weight (Tonnes)	34,615	40,633	41,762	51,091	24,710	36,527	830,605	1,059,943
MEDINE	Area Harvested (Hectares)	29	44	55	97	139	333	3,740	4,437
	Cane Weight (Tonnes)	1,754	2,710	3,132	6,032	10,008	21,038	318,686	363,360
ISLAND	Area Harvested (Hectares)	1,628	2,378	2,470	3,084	1,677	1,620	36,000	48,857
	Cane Weight (Tonnes)	114,936	157,555	166,372	207,329	109,977	103,134	2,854,028	3,713,331

Table X: Number of Insureds, Sugar Produced & Insurable Sugar, Crop 2017

ENLARGED FACTORY AREA		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	Miller	TOTAL
TERRA	Number of Insureds	1,517	616	386	211	35	12	8	1	2,786
	Sugar Accrued (Tonnes)	2,302	2,497	3,132	3,564	1,397	1,910	54,247	19,457	88,506
	Insurable Sugar (Tonnes)	2,771	3,006	3,818	4,388	1,616	2,113	55,038	20,497	93,247
ALTEO	Number of Insureds	2,691	1,696	888	535	126	25	5	1	5,967
	Sugar Accrued (Tonnes)	3,416	5,624	5,625	7,361	4,124	1,570	74,853	28,933	131,507
	Insurable Sugar (Tonnes)	4,341	7,172	7,428	9,730	5,571	1,966	87,110	34,778	158,096
OMNICANE	Number of Insureds	1,886	903	450	264	63	19	14	1	3,600
	Sugar Accrued (Tonnes)	2,523	2,944	3,025	3,729	1,799	2,754	62,460	22,055	101,289
	Insurable Sugar (Tonnes)	3,272	3,935	3,960	5,079	2,599	3,997	75,898	27,850	126,589
MEDINE	Number of Insureds	109	62	41	30	20	11	3	1	277
	Sugar Accrued (Tonnes)	136	211	240	474	773	1,667	25,003	7,895	36,400
	Insurable Sugar (Tonnes)	178	269	322	624	1,037	2,395	30,258	9,764	44,847
ISLAND	Number of Insureds	6,203	3,277	1,765	1,040	244	67	30	4	12,630
	Sugar Accrued (Tonnes)	8,377	11,277	12,023	15,128	8,094	7,902	216,563	78,339	357,702
	Insurable Sugar (Tonnes)	10,563	14,382	15,528	19,821	10,822	10,471	248,303	92,890	422,779

Table XI: General Premium & Compensation, Crop 2017

ENLARGED FACTORY AREA		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	Miller	TOTAL
TERRA	General Premium (Rs)	1,556,820	1,694,145	2,140,620	2,439,527	864,537	1,136,974	24,690,314	9,629,690	44,152,627
	General Compensation (Rs)	---	---	---	---	---	---	---	---	---
ALTEO	General Premium (Rs)	2,316,618	3,913,869	3,989,400	5,160,542	2,960,664	981,137	38,675,281	14,460,629	72,458,140
	General Compensation (Rs)	7,056,895	11,366,698	12,873,418	17,356,924	10,592,256	3,292,728	87,085,653	44,319,631	193,944,203
OMNICANE	General Premium (Rs)	1,727,322	2,102,115	2,087,254	2,662,734	1,357,616	1,639,488	31,426,883	10,339,389	53,342,801
	General Compensation (Rs)	5,687,281	7,177,634	6,703,140	9,516,228	5,408,214	11,923,846	109,869,971	50,558,774	206,845,088
MEDINE	General Premium (Rs)	101,359	149,554	182,630	353,224	601,671	1,306,073	12,217,006	3,901,712	18,813,229
	General Compensation (Rs)	280,929	431,146	522,667	958,870	1,458,421	4,963,218	43,815,913	15,239,134	67,670,298
ISLAND	General Premium (Rs)	5,702,119	7,859,683	8,399,904	10,616,027	5,784,488	5,063,672	107,009,484	38,331,420	188,766,797
	General Compensation (Rs)	13,025,105	18,975,478	20,099,225	27,832,022	17,458,891	20,179,792	240,771,537	110,117,539	468,459,589

Crop Year	Insureds	Area Harvested	Canes Milled	Sugar Accrued	Insurable Sugar	General Premium	General Compensation	Crop Reduction	Events
	(Number)	(Hectares)	(Tonnes)			(Rupees Thousands)		%	
2004	27,617	68,745	5,281,455	574,140	644,356	849,606	349,302	11%	E
2005	26,898	67,404	4,984,315	521,541	628,854	889,665	566,857	17%	D & E
2006	25,693	65,243	4,695,173	506,576	608,730	843,454	581,800	17%	D; E; C: Diwa
2007	24,342	63,188	4,236,793	438,068	567,003	830,595	848,782	23%	D; E; C: Gamede
2008	22,747	60,381	4,533,384	455,374	540,382	711,852	406,633	16%	D & E
2009	21,498	59,108	4,666,949	470,895	523,354	644,223	178,644	10%	D & E
2010	20,311	57,670	4,365,794	457,131	493,306	505,976	-	7%	---
2011	18,816	55,777	4,230,173	439,406	481,003	567,738	191,283	9%	D
2012	17,546	53,428	3,947,285	412,876	462,114	288,595	-	11%	---
2013	16,533	52,312	3,815,782	408,536	447,550	265,733	-	9%	---
2014	14,925	49,791	4,044,421	404,146	424,715	185,232	-	4.8%	---
2015	14,575	51,694	4,009,232	369,531	442,394	200,572	406,905	16.5%	E
2016	13,733	50,990	3,798,657	389,238	437,279	230,133	-	11.0%	---
2017	12,630	48,857	3,713,331	357,702	422,779	188,766,797	468,460	15.4%	--



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