



# Annual **REPORT**

for the Financial Year ended  
**30 June 2024**



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# Overview



## STC at a Glance

The State Trading Corporation (STC) is a parastatal body wholly owned by the Government of Mauritius and reports to the Ministry of Commerce and Consumer Protection. Established and regulated by the STC Act of 1982, its principal place of business is 55, Business Zone, Cybercity, Ebene, Mauritius. STC is engaged in the importation of essential commodities such as Petroleum Products, Liquefied Petroleum Gas, Rice and Flour and any such commodity as the Government may decide.

## Corporate Vision

To be a socially responsible, value-adding organisation doing business based on best practices.

## Mission Statement

To consistently deliver quality strategic products at affordable prices to our customers in a socially responsible manner while maintaining high ethical standards in the conduct of our business.

## Objectives of STC

1. Importing and supplying strategic products
2. Enhancing the logistics to secure continuity of supply of strategic products
3. Ensuring end-to-end Consumer Excellence whilst safeguarding the environment
4. Driving the development of Petroleum Hub
5. Optimizing the use of technology to improve processes and quality of service.

## Sustainable Development Goals and the STC

The UN Global Compact of 2015 asks companies to first do business responsibly and then pursue opportunities to solve societal challenges through business innovation and collaboration. The Board and Management have, in line with best practices, taken measures to include the Sustainable Development Goals (SDGs) and report on them in its Annual Reports.

A survey by KPMG in 2022 has shown that almost 96% of top companies report on sustainability and over 69% have identified the SDGs that are most relevant to their business. This is confirmed by the Global Reporting Initiative 2022.

SDGs are also becoming increasingly important to commercial partners, as they represent a material ESG (environmental, social and governance) perspectives that they may take into account as part of their fiduciary duty. There is a strong business case for dealing principally with companies aligned with the SDGs. SDGs are also part of the commitments taken by Government to improve Society and the Quality of Life of the inhabitants. Therefore, there is a need for the STC, as a flagship corporation, to include the SDGs in its activities.

**SDG 1.** No poverty. STC has as main activity the provision of quality basic foods such as rice, flour, pulses and cooking oil for the population, some of which are highly subsidised and below cost price, at affordable prices fixed by Government. The same prices are printed on certain packs and uniform pricing practiced also in Rodrigues and outlying islands.

**SDG 2.** Zero hunger. STC goods, being affordable and omni present, are used on a daily basis in all households of the Republic and in many enterprises. In case of serious natural calamities, STC may donate food supplies to groups in need both locally and regionally.

**SDG 3.** Good Health and Well Being. STC products are selected for their nutritional quality and health benefits. For example, a new selection of fortified wheat flour has been introduced to the market to help bolster health initiatives and reduce illnesses such as anemia and malnutrition. In addition, FCMP imported by the STC is of a Premium quality.

**SDG 4.** Education. STC organises or participates in regular social and commercial activities where nutritional and health information is given to the public. An example would be the participation in the Civil Service Kermesse.

**SDG 5.** Gender Equality. STC is an Equal Opportunities Employer. Equal pay for equal work, irrespective of gender. Staff have the same rights and same opportunities, with pay based on performance. We strive to have a gender balanced workforce and Board. We are committed to gender equality at all levels starting from recruitment and removal of bias at all levels. Disabled persons are also integrated into our workforce, wherever possible.

**SDG 6.** Clean water and sanitation. STC has in its development plans to increase the use of rain water and grey water for some activities. Male, female and facilities for the disabled are available.

**SDG 7.** Affordable and Clean Energy. STC commercialises lead free fuels for vehicles and low sulphur fuels for bunkers. The specifications are upgraded from time to time according to accepted international standards. STC has been at the forefront of a change from wood fuel to LPG use for fuel. Forests and trees have thus been preserved.

**SDG 8.** Decent Work and Economic Growth. The Schemes of Service, Pay grades and salaries of employees are determined and revised on a regular basis. Employees have the opportunity to acquire new skills, undergo professional and leadership development and upgrade their position. STC, as the biggest Government trading entity, contributes significantly to economic growth of Mauritius and its outlying regions. Flexible work schedules are considered and implemented whenever required.

**SDG 9.** Industry, Innovation, Infrastructure. STC provides a safe work place and is against all forms of violence or workplace abuse. STC supports local industries for the logistics, packing and distribution of its products. New packaging has been designed for the foodstuffs along with a 'SMATCH' label. STC has upgraded its storage infrastructure for fuels to international standards and commissioned a refurbished shed named after Kader Bhayat for foodstuffs. Plans are in place for a modern centralised foodstuff storage and distribution centre.

**SDG10.** Reduce Inequalities. STC prones gender equality and does not allow discrimination or abuse of any sort in the workplace. Management will henceforth report on this issue to Board on a regular basis. The shipping costs incurred by the STC for the population in Rodrigues are subsidised to keep prices the same.

**SDG 11.** Sustainable Cities and Communities. Cleaner fuels mean cleaner air in the cities and less pollution in the community.

**SDG 12.** Responsible consumption and Production. STC deals with commercial entities with a clean track record and not under sanction.

**SDG 13.** Climate Change. STC is aware that its main imports are sources of Global Warming. STC is working on possible replacement scenarios and plans to move towards greener fuels, notable LNG.

**SDG 14.** Life below water. STC selects only those tankers which meet stringent safety and security requirements so as to minimise risks of fuel spills.

**SDG 15.** Life on Land. Our products are less polluting than in the past. Products are assessed by independent laboratories when the need arises.

**SDG 16.** Peace, Justice and Strong Institutions. STC is building an effective, accountable and inclusive Corporation subject to public scrutiny, with regular Annual Audits and Reporting on Corporate Governance.

**SDG 17.** Partnership for the Goals. STC partners with the various Ministries, MCCI, MIOD, NCCG and other agencies or partners to meet the SDGs.

## **Our External Business Environment**

STC operates in an international environment and inherently, factors such as world commodity prices, product availability, climate changes, evolution of foreign exchange rates as well as condition of the freight market, affect its operations. These factors are outside the control of the Corporation.

In order to ensure uninterrupted supply of commodities, the Corporation continuously monitors these external factors and proactively plans its operations.

## Salient indicators for the Financial Year

- **Financial performance**

The Corporation ended its Financial Year with a surplus of MUR 1.8 billion.

- **Subsidy on Rice, Flour and LPG**

In line with Government policy, the selling price of Long Grain White Rice, Flour and LPG are fixed at a level lower than cost. Thus, the total subsidy for the Financial Year ended 30 June 2024 on these three products amounted to MUR 4.1 billion.

- **Contribution to subsidy on LPG, Flour and Rice**

An amount of MUR 3.9 billion was collected from the price structures of Mogas and Gas Oil to subsidise LPG, Flour and Rice.

- **Price Stabilisation Account**

The Price Stabilisation Account (PSA) was created under the Consumer Protection (Control of Price of Petroleum Products) Regulations 2011

(a) *into which any surplus in respect of every consignment of a petroleum product and any windfall gain arising out of an increase in the retail price shall be credited; and*

(b) *out of which any deficit in respect of every consignment of a petroleum product and any windfall loss arising out of a decrease in the retail price shall be debited.*

An amendment has been brought to the Consumer Protection (Control of Price of Petroleum Products) Regulations 2011 on 2 June 2023 to add a new paragraph as follows:

(c) *into which the Corporation shall credit such sum as the Minister may approve.*

## Three Years Strategic Plan

### (i) Construction of Warehouse for Rice and Flour

STC does not have a storage facility of its own though it has been dealing with the storage and distribution of rice, flour and other food commodities for the last forty years. As such, the Board has approved for the construction of a modern centralised warehousing facility at Riche Terre for the storage of essential strategic food commodities, namely, wheat flour, long grain white, edible oil, milk powder, basmati rice and other food commodities, such as pulses as per the instructions of the Government.

### (ii) Investment in LPG Tank Facility

The population of Mauritius depends heavily of Liquefied Petroleum Gas (LPG) for both domestic and industrial purposes and the annual consumption has increased from about 50,000 metric tons in 2003 to about 100,000 metric tons presently. As until now, the Corporation has been renting storage facilities for LPG, the Board has approved that it should invest in a storage facility of about 15,000 metric tons so as to ensure security of supply for the country.

### **(iii) Construction of storage tank for Jet A1**

As the trading arm of Government, STC is the sole importer of Jet-A1 in the country. At present, upon discharging Jet-A1 from tankers in Port Louis, the full consignment of the product is immediately transferred to the local oil companies. The latter presently own and operate all the logistics for Jet-A1. The STC has no facility of its own for the storage of Jet-A1. The Corporation presently relies fully on the local oil companies for the storage and handling of the product. It is proposed that STC/Government should be having at least a minimum storage facility to avoid over-reliance on the local oil companies. It would be in the best interest of the country that Government has control over national stocks level of this strategic product.

Through the project to construct additional storage tanks for Jet-A1, STC will have the possibility of importing larger parcels of Jet-A1 on each tanker which would result in better premium when importing. Moreover, the additional storage capacity would enable the country to hold a comfortable stock prior to receipt of the next shipment of the product.

# Our **ACTIVITIES**



## Our Operating Activities

The Corporation has been entrusted with the responsibility of importing strategic commodities such as Long Grain White Rice, Wheat Flour, Petroleum Products and Liquefied Petroleum Gas (LPG). In line with the STC Act, which allows the Corporation to enter into any such activity as advised by the Minister, the Corporation also commercialises Basmati rice, Edible Oil, Milk Powder and Pulses.

In line with Government policy, to provide basic necessities at affordable prices to the whole population, STC provides subsidy on Long Grain White Rice, Flour and LPG.

As a result of significant increase in purchase price of products, the amount of subsidy in respect of Long Grain White Rice, Flour and LPG for the Financial Year ending 30 June 2024 is MUR 4.1 billion.

The volume of commodities sold by the Corporation during the period July 2023 to June 2024 were as follows:

Commodities	MT
Petroleum Products	1,114,236
LPG	92,644
Flour	100,361
Long Grain White Rice	19,916
Basmati Rice	542
Edible Oil	1,553
Milk Powder	291
Pulses	84
Sugar (Rodrigues only)	293

## Shed A

The Shed A warehouse has an area of 7,500 m<sup>2</sup> situated in the port area, at Cargo Peninsula, Quay D, Mer Rouge for the storage of ration rice.

### A. Kader Bhayat STC Warehouse

The A. Kader Bhayat STC Warehouse has an area of 7,800 m<sup>2</sup> at Freeport Zone 1, Mer Rouge for the storage of flour and other essential commodities like edible Oil.

## Our Division in Rodrigues

The Corporation is responsible for the shipment of Rice, Flour and Sugar to Rodrigues. Thereafter, it ensures the storage and sales of these commodities to wholesalers and retailers. The Corporation is ensuring the smooth, adequate and continuous supply of these commodities with no disruption of stock, which is altogether about 400 MT of all the three products kept at any point in time. During the Financial Year ended 30 June 2024, 36 consignments were shipped to Rodrigues as follows:

Product	MT
Long Grain White Rice	4,570
Basmati Rice	205
Flour	2,309
Edible Oil	413
Milk Powder	87
Pulses	8
Sugar	280

The Corporation has a department in Rodrigues which is manned by 16 employees both from Mauritius as well as personnel recruited from Rodrigues. Additionally, a team of 38 casual unloaders is contracted for unstuffing and stacking of goods.

As is the case for Mauritius, the retail prices of Rice and Flour are subsidised and the shortfall is funded by STC. Furthermore, in order to keep the retail prices of these two essential commodities at par with those in Mauritius, the Prime Minister’s Office refunds STC for all expenses incurred for the shipment of Rice and Flour to Rodrigues through the Rodrigues Subsidy Fund.

The warehouse located in the port area is leased from the Mauritius Ports Authority. STC has its own building at Camp du Roi which is used as office as well as residence for Mauritian officers posted at Rodrigues.

## Procurement of Goods and Services

STC is fully committed to exercising sound procurement policies and practices based on open and fair procedures. The principles of fair competition are fully adhered to while inciting market forces to play in the favour of the ultimate customers’ expectations of value for money.

The procurement of goods and services are subject to the Public Procurement Act. The bidding terms and conditions are subject to the prevailing market conditions, such as availability of supplies, degree of price stability, quantity required, and level of urgency. STC also launches tenders through e-procurement.

The STC is exempt from the provisions of the Public Procurement Act, by Government Notice No. 68 of 29 June 2009, in respect of procurement of goods destined for resale. The exemption applies equally to services incidental to the purchase or the distribution of such goods. However, the Corporation stands guided by the general principles of procurement for our operations.

## Methods of procurement

For the procurement of goods and services, the Corporation has recourse to the following methods of procurement:

- Open Advertised Bidding
- Request for Sealed Quotations
- Direct Procurement
- Restricted Bidding
- Request for proposals
- Emergency procurement

## Procurement Strategies

STC has adopted several competitive strategies to ensure that the Corporation leverages market forces to benefit from competitive prices for the procurement of its products.

- **Rice and Flour**

STC has embarked on a project to make rice and flour available throughout the whole island and to enable consumers to enjoy fully the subsidised retail prices of these products. The fixed subsidised prices are printed on the bags and polybags of Rice and Flour put on sale by STC. Packers and distributors have been appointed for the distribution of same.

- **Petroleum Products**

The contracts for the supply of Petroleum Products have been awarded as follows:

**(i) White Oils (Mogas, Gas Oil and Jet Fuel):**

- to OQ Trading Limited, from January 2022 to December 2022 and extended for a further period up to July 2023.
- to Mercantile and Maritime Investment Pte Ltd from August 2023 to July 2024.

**(ii) Fuel Oils**

- to Coral Energy DMCC Limited for the period February 2023 to January 2024 and extended till March 2024.
- A new contract was awarded to Coral Energy DMCC Limited for a period of one year from April 2024 to March 2025.

## Our Products

### Rice

- **Long Grain White Rice**

The sales of Long Grain White Rice are 19,916 MT (including 4,130 MT for Rodrigues) for the Financial Year ended 30 June 2024. As the selling price of Long Grain White Rice is controlled by Government and fixed at a level lower than its cost, the resulting shortfalls are met from contribution for subsidy in the price structures of Mogas and Gas Oil.

- **Basmati Rice**

The domestic market being fully dependent on rice importation, the persisting volatility in international prices of Basmati Rice tend to impact on our local rice market. Reported facts on the local Basmati market in the last few years revealed that prices of Basmati Rice have been steadily rising and no consistency was noted in the quality of the rice under specific brands.

The presence of STC in Basmati market has to a certain extent avoided an increase in the retail price of that commodity.

During the Financial Year ended 30 June 2024, 542 MT of Basmati Rice (including 202 MT for Rodrigues) has been sold.

- **Flour**

The sales of Flour are 100,361 MT (including 2,338 MT for Rodrigues) for the Financial Year ended 30 June 2024. The sole supplier of Flour for the period is LMLC.

In order to combat high anaemia rates in women and reduce neural tube defects in newborns, Government has decided to promote the supply of wheat flour fortified with iron and folic acid.

Consequently, STC worked in collaboration of the Ministry of Health and Wellness for the introduction of Fortified wheat flour as from October 2023 in Mauritius and Rodrigues. All types of wheat flour produced supplied by STC are fortified with Iron, Zinc, Vitamin B9 and Vitamin B12.

As the selling price of Flour is controlled by Government and fixed at a level lower than its cost, the resulting shortfalls are met from contribution for subsidy in the price structures of Mogas and Gas Oil.

- **Liquefied Petroleum Gas (LPG)**

The sales of LPG are 92,644 MT for the Financial Year ended 30 June 2024. Since February 2006, a dual pricing policy is being implemented for LPG. About 85% of the annual imports is sold in cylinders of up to 12 kg. The retail prices of cylinders of 5, 6 and 12 kg are fixed by Government. Any shortfall on sales of LPG is expected to be met from contribution for subsidy in the price structures of Mogas and Gas Oil.

The prices of LPG sold for Autogas and in cylinders above 12 kg for commercial purpose are currently

reviewed on a monthly basis by STC on a cost-plus basis.

- **Petroleum Products**

The sales of Petroleum Products are 1,114,236 MT for the Financial Year ended 30 June 2024, including Fuel Oils for Central Electricity Board (CEB). STC imports the country's total requirements and sells to Oil companies, namely Vivo Energy Mauritius Ltd, Total (Mauritius) Ltd, Engen Petroleum (Mauritius) Ltd and IndianOil (Mauritius) Ltd for storage and distribution.

- **Other Products**

Since August 2022 the Corporation started commercialising essential products such as pulses, milk powder and edible oil under the brand 'SMATCH'.

During the period July 2023 to June 2024, the quantities of Smatch Products sold are as follows:

Commodity	Quantity (MT)
Milk Powder	291
Basmati Rice	542
Edible Oil	1,553
Lima Beans	46
White Kidney Beans	25
Red Kidney Beans	13
<b>Total</b>	<b>2,470</b>

## Petroleum Pricing Committee (PPC)

Since January 2011, the retail prices of Mogas and Gas Oil are determined by the Petroleum Pricing Committee (PPC) according to the Regulations under the section 35 of the Consumer Protection (Price and Supplies Control) Act.

Under this pricing mechanism, prices are changed only when rendered absolutely necessary as a result of significant changes in price trends on the world market. One of the key objectives of this mechanism is to mitigate the effects of world price fluctuations on retail prices. STC operates a Price Stabilisation Account (PSA) for each product in order to shield the market from price fluctuations.

## IMPROVEMENT IN QUALITY OF PETROLEUM PRODUCTS OVER THE LAST 40 YEARS

### Lower Sulphur Fuels: The Key to Cleaner Vehicles and Air

Air pollution is a major environmental risk to health. According to the World Health Organization, almost all of the global population are exposed to air pollution levels that put them at increased risk for diseases. Vehicle emissions are one of a number of contributing factors to poor urban air quality.

Vehicles emit many pollutants including fine particulate matter, carbon monoxide, nitrogen oxides, Sulphur oxides, and volatile organic compounds that can affect people’s health and cause air quality problems. And as the number of vehicles increases, urban air pollution problems could become even worse if no action is taken.

Recent studies have shown that cleaner fuels and vehicles are an effective way to reverse the trend. Therefore, in order to reduce air pollution from the transportation sector, it is essential to reduce Sulphur in fuels.

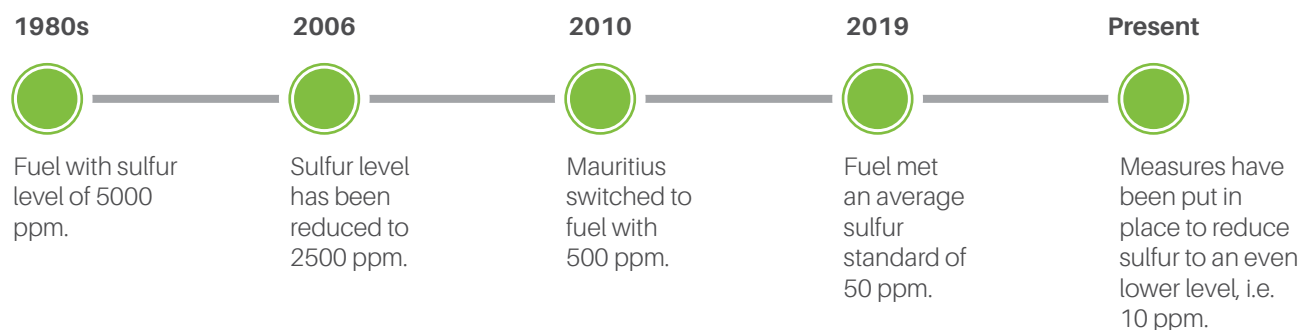
## Transition to Low-Sulphur Fuels

Sulphur is a natural component in crude oil that is present in gasoline and diesel. When those fuels are burned, Sulphur is emitted as Sulphur dioxide or sulfate particulate matter. Sulphur is a pollutant that reduces the effectiveness of emission control systems.

Low-Sulphur fuels are key to reducing emissions and enabling advanced control technologies and fuel-efficient designs – low-Sulphur fuels have been subjected to desulphurization processes. Numerous countries around the world, including Mauritius, have been taking steps to lower the Sulphur levels in diesel and petrol fuels, thereby reducing the impact of vehicle emissions.

For the past 40 years, Mauritius has switched from fuel with 5000 parts per million (ppm) to 10 ppm.

### Timeline



Low Sulphur fuel (50 ppm) is needed to avoid damage to emission control systems. Ultralow Sulphur fuel (10 ppm) on the other hand enables more fuel-efficient engine designs. Particulate filters will achieve maximum efficiency with ultralow Sulphur fuels. Cleaner fuels and vehicles will have a significant positive impact on health and the environment.

## Risk management

Quality control of fuel oil is an essential risk management activity for producers, traders and distributors. As the market in fuel oil becomes ever more diverse and sophisticated, there is a need for consistent, detailed in-depth analysis.

All petroleum products imported in Mauritius are tested using ISO/IEC 17025 accredited laboratories – ISO/IEC 17025 accreditation is the benchmark standard for technical competency, demonstrating rigorous testing standards and a meticulous laboratory management system.

### Contributions collected on behalf of third parties

During the Financial Year ended 30 June 2024, an amount of MUR 11.3 billion has been collected as follows:



#### Rodrigues Subsidy

The item “Contribution to Rodrigues transportation and storage” of 41 cents per litre of Mogas and Gas Oil is meant to subsidise the cost of freight and other related costs to maintain the price of Petroleum Products, LPG, Long Grain White Rice and Flour at par with those prevailing in Mauritius.

#### Road Development Authority

“Contribution to Road Development Authority” is a charge in the price structures of Mogas and Gas Oil to be remitted to Road Development Authority (RDA) whose objective is to provide a cost-efficient mobility in comfort and safety for the Mauritian population and its economic operators to all parts of the island.

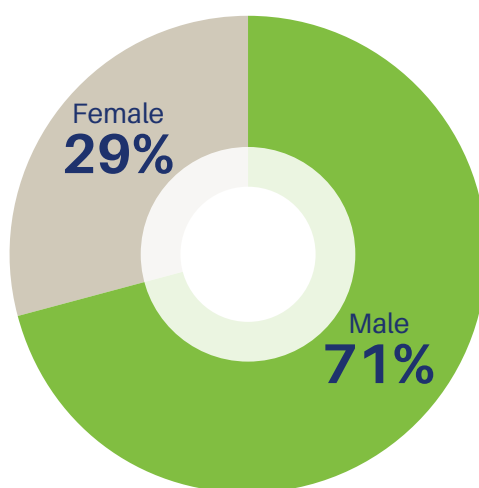
## MID Levy

Following the Finance (Miscellaneous Provisions) Act 2018, the levy of 30 cents per litre has been removed for both Mogas and Gas Oil. However, the levy of 30 cents is maintained on each litre of Dual-Purpose Kerosene, Fuel Oil and each kilogram of Liquefied Petroleum Gas. The purpose of this levy is to support the efforts to protect the environment through recycling, to encourage more efficient use of energy and to increase reliance on renewable energy.

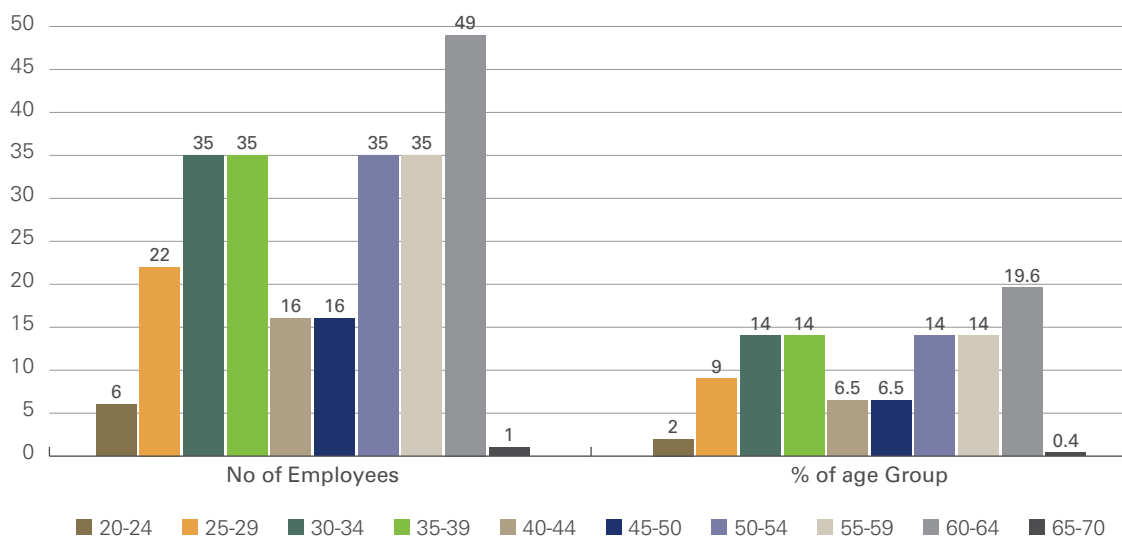
## Our Employees

As at 30 June 2024, 250 persons were employed at STC, as illustrated below.

**STC Employees - Gender**



**STC Employees-Age categories**



## EMBRACING SUSTAINABILITY AT STC

At STC, we are conscious of the social, environmental and economic problems which are building up around the world. We are concerned by the issues which are rising in the Mauritian society and we are mindful of our impact. Aware of our responsibility towards Mauritius, we believe that a holistic approach, based on the United Nations 2030 Agenda for Sustainable Development which consists of 17 Sustainable Development Goals (SDGs), and an inclusive approach is required.

Since its foundation in 1982, STC has been a key economic contributor in Mauritius and has continuously strive to improve the quality of its products. Now more than ever, addressing societal and environmental needs and concerns cannot be haphazardly approached.

In terms of environmental impact, STC aligns with the Mauritian Government commitment to transition to a cleaner, greener, sustainable, low emission and climate resilient country. STC is continuously looking for opportunities to reduce the level of pollution and to enhance its environment. For instance, the Sulphur level in Gasoil has been brought down from 5,000 parts per million (ppm) to 10 ppm, in order to reduce air pollution. The packaging of commodities and the processes involved are being modified to minimise their environmental impact. For instance, STC is planning to use biodegradable plastic for the packing of rice and flour. Another project under consideration, in accordance with Government's commitment for cleaner fuel is the use of Liquefied Natural Gas, being a cleaner source of energy. STC has also invested in photovoltaic system and has adopted rainwater harvesting in its endeavour to use renewable sources of energy.

STC considers affreightment of ships that meet the latest emission standards of the International Maritime Organization and Oil majors. STC is also responsible for the bunkering initiatives and will keep the highest reasonable standards in this endeavour. STC also partners with the Mauritius Ports Authority to reduce and avoid sea pollution due to its activities. All safety and health and technical precautions are considered to minimise possible impact of spills and leaks.

Wastewater from STC premises is sent to a centralised Wastewater Management Facility and water saving taps are used on its sites where possible. The warehouses have also been fitted with special anti bird netting and cleaning contractors are appointed for regular cleaning. The cleaning solutions and fumigation used are mostly ecological, and according to our specifications. Adequate washing facilities are also provided on all our sites.

In terms of societal and economic impact, at the time of creation of the STC in 1982, poverty was rife in Mauritius and touched almost 80% of the population, with unemployment reaching 25%. One of the tenets on which the STC was founded was access of the population to basic necessities and commodities, such as rice and flour. Furthermore, since 2003, STC started subsidizing domestic LPG so as to assist in improving the standard of living of Mauritian households.

STC, as the trading arm of the Government assists in implementing relevant parts of the Government poverty alleviation measures. For instance, the current subsidies help distressed families and lower paid workers to subsist adequately. STC also contributed with respect to the Government recovery measures, such as food packs to households, during the COVID-19 pandemic.

The specifications of Whole wheat bran are determined for optimal health benefits. This product is sold at heavily subsidised prices to encourage consumption as the higher fibre content and lower calories help combat weight gain and associated conditions, Diabetes Mellitus, the national scourge and other illnesses. STC also works with the Bakers Unions to help standardise the bread quality and standards of production.

In terms of human capital, in a time where pandemic, war and scarcity of resources are redefining our life and economy, STC has shown resilience all throughout the way. Our teams have demonstrated and continue to demonstrate their agility while overcoming the obstacles to innovate and to seize new development opportunities. In order to promote good health and wellbeing of its employees, STC provides access to a free gymnasium at its headquarter and several annual dedicated programs are offered to them.

STC ensures equal access of all employees to promotions and job enrichment opportunities within the organisation. Employees are encouraged to follow additional courses for better understanding of the processes. They are also allowed whenever feasible, to move temporarily or on a permanent basis to other Departments or to the private sector so as to acquire new skills. Lesser skilled employees are encouraged to study and meet the academic requirements for higher responsibilities.

Furthermore, STC is an equal opportunity employer. Around 26% of employees are female and it is our aim to increase the number in time at all levels of the organisation structure. Infrastructure facilities also take into account the specific needs of female employees and visitors.

STC employs a certain number of disabled persons according to their abilities. Workplace conditions are reviewed periodically and additional comforts and aids are provided. Existing amenities have been upgraded to meet their requirements and this is a continuing process. STC currently has plans for a fully refurbished warehouse to be fitted with new offices and amenities for the employees. STC continues to look, with Government guidance, for further avenues to improve its operation and to provide more jobs for the smaller subcontractors, Small and Medium Enterprises by looking to resourcing supplies locally and thus help the economy while preserving jobs.

The initiatives and actions we take at STC aim, as much as possible, to be aligned with the SDGs. We strongly believe that the continuous adoption of these practices will trigger improvements in our business operations, procurement, sales, marketing and stakeholder engagement as well as promoting sector wide change.

Board and Management have been working together at identifying the impact of STC's operations on the environment, society and economy and accordingly, control and mitigating measures are developed in order to uphold the sustainability goals.

## **STC's SWOT Analysis**

### **Strengths**

- As a major purchaser of commodities, STC is in a strong position to negotiate better terms and conditions.
- As a government entity, the Corporation has the trust of the business community worldwide.

- The Corporation always aims to attain the highest levels of transparency, accountability and ethics, in all facets of its operations.
- STC's investment in Mer Rouge Oil Storage Terminal Co. Ltd has contributed in mitigating the risk of outage of Mogas and Gas Oil in the country.

### **Weaknesses**

- The Corporation does not own storage facility for Jet A1, Fuel Oil, LPG and new products.

### **Opportunities**

- STC can use its expertise in the procurement and distribution of petroleum products to support Government's initiative to develop Mauritius as a regional petroleum/bunkering hub.
- STC to explore the possibilities for regional trading.

### **Threats**

- Most of the commodities are purchased from foreign countries, thus exposing the Corporation to factors like fluctuations in foreign exchange rates, world prices and climate change.
- Limited storage facilities available in the country may severely disturb the supply-chain resulting in stock-out of essential commodities.

## Message from the Chairman



It is with great pleasure that I am presenting the Annual Report for the Financial Year ended 30 June 2024.

**Dr Takesh Luckho, FHEA**

## Message from the Officer-In-Charge



I am pleased to submit the Annual Report for the Financial Year ended 30 June 2024

**C. Dabeea**

## Corporate Governance

The purpose of setting up the State Trading Corporation (STC), as a parastatal body, was to create a body corporate with the commercial freedom required while trading, in an aggressive global business environment fraught with numerous challenges and pitfalls and the energy market which had become more volatile and complex.

STC operates under the aegis of the Ministry of Commerce and Consumer Protection. The purpose of Corporate Governance for STC is to nurture the spirit of enterprise in its Board and Management whilst maintaining a high level of accountability, transparency and integrity. These core values are now embedded in the business policies, procedures and practices. There is a clear demarcation between the Board duties and activities from that of the Management of the Corporation. All sitting Board Members have a primary duty to STC.

Transparency and accountability are the two basic principles of Corporate Governance, which creates and enhances long-term sustainable value for the stakeholders through ethically driven business processes. The philosophy of the Corporation, on Corporate Governance, is to aim for the attainment of the highest levels of transparency, accountability and ethics, in all facets of its operations, with the primary objective of enhancing shareholder value.

The approach to Governance adopted balances economic and social goals as well as individual and community goals. The governance framework is to promote efficient use of resources but equally to provide greater accountability for the stewardship of those resources.

We believe in the emerging consensus of high standards of Governance that is required to achieve our objectives but not to the detriment of the interest of other stakeholders of the Corporation, inter-alia customers, creditors, suppliers, employees and the Government.

## Code of ethics

The Corporation has adopted a code of ethics which has been approved by the Board in December 2018 and is planned for review by the end of the year 2024. The code of ethics has been set up to strengthen the culture and environment that promotes ethical behavior and to facilitate discussion on corporate ethical dilemmas. The code of ethics sets out the reporting line for ethical issues and also establishes the sanctions applicable for breach of ethics. Sanctions as defined by the Code of ethics can be in the forms of written warnings or disciplinary actions. Any breach of ethics is communicated to the Board. The Corporation's code of ethics has been communicated to all employees and published on STC's intranet. Furthermore, the code of ethics has been published on STC's website for all its stakeholders. The HR Manager of STC acts as the Ethics Officer for the Corporation. The code of ethics is circulated to all employees on an annual basis in order to ensure compliance with the provisions of the code. During the financial year 2023-2024, there was no case of breach of ethics.

## Equal Opportunity

STC is an equal opportunity employer and employment is based solely upon merits. As stipulated in its code of ethics, STC is committed to maintain a supportive work environment where all employees can reach their full potential. Furthermore, it is ensured that all employees work in a safe environment, free of threats, intimidation and physical harm. The Corporation is committed towards its fundamental values for respect of human rights and does not discriminate against any persons on the basis of their race, gender, disability, religious beliefs, age and sexual orientation.

## **Anti-Corruption Policy**

The Corporation also has an Anti-Corruption Policy, that provides for Protection of whistleblowers, which have been approved by the Board. As such it is ensured that “there will be no reprisal by management against “the public official” who in good faith reports an act of corruption or malpractice or suspected illegal and dishonest activity or any activity that he/she has witnessed”. In case of corruption, the Anti-Corruption Policy provides to report the matters to FCC.

## **Conflict of Interest and Related Party Transactions**

According to the code of ethics, Directors and employees must avoid instances that may give rise to conflicts of interest or which may be perceived by others as conflicting situations. They are required to declare any conflict of interest that arose during the exercise of their functions. At Board level, Directors are required to declare any conflict or potential conflict of interest to the Board at each meeting and same is recorded accordingly. The onus is on the directors to advise the Board on any change in their situation.

When the Board is considering matters in which any Director may be conflicted, the concerned director shall not participate in the discussions and/or decision-making process on the transaction in relation to which conflict arises and recuse himself from the meeting.

A register is maintained whereby all disclosures of interests of the Directors are recorded.

## **Related Party Transactions**

In line with Government decision, the State Trading Corporation, wholly owned by the Government of Mauritius sells Petroleum Products (Fuel Oil) to the Central Electricity Board (CEB) which is equally owned by the Government of Mauritius. Sales of goods to CEB are made at market related prices.

Disclosures with respect to sales to CEB are provided in the Notes to the Financial Statement.

Additionally, information regarding Board members’ fees and compensation to key Management Personnel has also been provided in the Notes to the Financial Statement.

## **IT Policies and Procedures**

The Board has approved an IT policy that sets out the controls and measures that are in place to protect the confidentiality, security and integrity of information while ensuring business continuity. The main controls included in the IT policy has been published on STC’s website.

STC being a parastatal body retains all its official documents.

It is an established practice to retain our financial and other documents for a minimum of 10 years. Procurement and Personnel files are retained permanently.

## Corporate Social Responsibility

In line with Government policy and as part of our mission STC provides basic necessities, namely Long Grain White Rice, Flour and LPG, at subsidised prices to the whole population. In line with the sustainable development goals, the Corporation is mandated to collect a levy of 30 cents on each litre of Dual-Purpose Kerosene (inland only), fuel oil (inland only) and each kilo of LPG to support the efforts to protect the environment, to encourage more efficient use of energy and to increase reliance on renewable energy.

## Training and Development

The Corporation lays significant emphasis on the training and development of its employees as part of its overall strategy to improve their performance in order to enhance the effectiveness and efficiency of operations.

During the year 2023-2024, the trainings provided to STC employees were mainly in respect of, New Accounting Standards, Procurement and Supply Chain, Health and Safety, Information Technology and Human Resources.

## Reporting Structure

### The Board

In line with the Code of Corporate Governance, the direction, control and accountability of the business of STC are vested in the Board. These responsibilities are facilitated by a well-developed governance structure comprising of various Board sub-committees. Management is accountable and subject to the control of the Board and operates within the policy framework laid down by the latter. Business is conducted in accordance with the STC Act, other relevant statutory provisions, and the principles of good corporate governance. All functions are exercised honestly, in good faith, with due care and diligence and in the best interests of the Corporation and its stakeholders.

According to the STC Act, the Corporation has a Unitary Board, headed by a Chairperson with eight members, as follows:

- Representative of Ministry of Finance, Economic Planning and Development
- Representative of Ministry of Commerce and Consumer Protection
- Representative of Ministry of Agro-Industry and Food Security
- Representative of Ministry of Energy and Public Utilities
- Representative of Mauritius Ports Authority
- Representative of consumer interests appointed by the Minister
- not more than 2 other members appointed by the Minister

The number of directors commensurates with the activities of the Corporation and is sufficient to avoid any groupthink.

The Board is composed of directors with wide experience in different sectors such as economy, finance, energy, agriculture and food security among others. The directors have maintained their professional independence in carrying out their functions towards the Board of STC.

Upon appointment of a new Director, an induction and orientation session is organised by the Chairperson so that the new Director is aware of his legal duties. During the session, an induction pack, consisting of the STC Act, the latest audited Annual Report of the Corporation and Charters of the Board and its sub-committees Charters, are provided to the new Director. Directors at STC are paid a monthly fixed allowance, as approved by the Parent Ministry and a travelling fee per sitting as per PRB. Alternate directors are paid as per the provision of the PRB.

On resignation or retirement of a director, another senior officer from the respective Ministry/Department is nominated by the Minister to replace him. Independent directors are appointed by the Minister.

The directors of STC ensure that they are not faced with an over boarding situation and can effectively perform their duties. The level of participation and contribution of each director is assessed during the annual appraisal exercise.

### **The Role of the Board**

The code of Corporate Governance requires the Corporation to be *“headed by an effective Board, which is collectively responsible for the success of the organisation”*. Board members are expected to take decisions in the interest of the Corporation, as well as contribute constructively to Board decision with their enlightened views.

The main role of the Board is to define the values to which the Corporation adheres and the general procedures that would be required so as to perform the duties entrusted to it with integrity, fairness, transparency and in the interest of:

- the shareholder/Government;
- the Corporation;
- its stakeholders and clients; and
- the population in line with the vision and policies of the Government.

The detailed responsibilities of the Board have been set out in the approved Board Charter which is posted on STC’s website. The Board reassesses its Charter and the Charters of its sub-committees as and when required.

During the Financial Year ended 30 June 2024, the Board has met 13 times. The Board was chaired by Dr. Ramchandra Bheenick. The following major decisions were taken with regards to: -

- a) Procurement of strategic products of national importance namely, Petroleum Products, Rice, Flour and Liquefied Petroleum Gas (LPG);
- b) Project monitoring for infrastructural works at the new warehouse;
- c) Financing of Working Capital;

- d) Improvement in Corporate Governance initiatives and programs within STC; and
- e) Enhancing the positive impact of STC on the quality life of the population

The Chairperson of the Board is primarily responsible for the activities of the Board. He acts as the spokesman of the Board and has the responsibility to ensure that the duties stipulated in the Board Charter of STC has been effectively undertaken.

Directors are encouraged to keep themselves up to date with latest business and professional practices. The directors being senior officers in the private and public sector regularly attend presentations and workshops in order to keep abreast with respect to macro-economic, social, legal and technological developments.

STC is a Patron of the Mauritius Institute of Directors (MIoD) and training on corporate governance is provided to its directors.

### **Board Evaluation**

The Board evaluates its performance on a yearly basis. During this financial year, a Board appraisal was carried out through a questionnaire, by all Directors. The evaluation includes an assessment of the Board composition and independence, performance and effectiveness of the Board's responsibilities, maintenance and implementation of the Board's governance, relationship with management as well as an evaluation of its committees. The findings of the aforesaid appraisal have been considered at the level of the Board

Moreover, in accordance with the Board Charter, "at least once a year, the Board shall evaluate its own activities and those of its individual members, the effectiveness of such activities, and the composition and competence of the Board and its Committees". Accordingly, the Board evaluation for each Director and the Chairperson for the year 2023 was completed in April 2024.

The Secretary (Board) assisted the Board in its proper functioning and ensured that the Board followed correct procedures and complies with its obligations under law. She also acted as adviser to the Chairperson, directors and officers of the Corporation. The Secretary (Board) assisted the Chairperson of the Board in organizing the Board's activities. She also maintained a conflict-of-interest register which is available upon written request. The Board Secretary also ensured that Board papers, notices and agendas were circulated to directors in a timely manner and as per STC's Board Charter, that is, at least five calendar days before a meeting, except for urgent matters. As such, all directors including the independent directors have the opportunity to meet and consult one another prior to board meetings.

The Board of the STC for the Financial Year ended 30 June 2024, was comprised as follows:

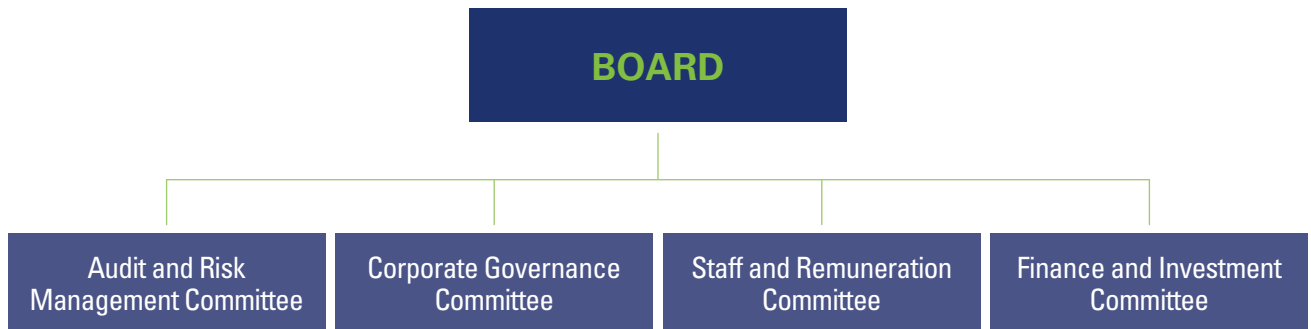
**CHAIRPERSON**

**Dr. Ramchandra BHEENICK**

<b>Non-Executive Directors</b>	<b>Representative of</b>
<b>Mr. Ishwarlall BONOMAULLY</b>	Ministry of Finance, Economic Planning and Development
<b>Mrs Devrani Manorama MATHUR DABIDIN</b>	Ministry of Commerce and Consumer Protection
<b>Mrs Soondaree Devi SOBORUN</b>	Ministry of Agro-Industry and Food Security
<b>Mr. Toolsy GARBURRUN</b>	Ministry of Energy and Public Utilities
<b>Mr. Sandesh Kumar SEELOCHUN</b>	Mauritius Ports Authority
<b>Mrs Marie Joannie Jessica LEMÉME-BOSQUET</b>	Independent Member
<b>Mr. Chetnarain POONEETH</b>	Independent Member
<b>Mr. Marc Reynolds GUITON</b>	Independent Member

**Sub-committees of the Board**

The Board established its sub-committees for the Financial Year ended 30 June 2024 as follows:



The Board may also establish other committees from among its members to perform specific tasks. The Board shall appoint the members of any Committee.

The Board remains collectively responsible for the decisions and actions taken by any Committee. A Committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a committee.

Each Committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware. Each designated Board member has unrestricted access to all Committee meetings and records except in areas of conflict of interest.

The memberships in the above sub-committees have been made on the basis of experience, skills and competencies of members. All sub-committees are composed of directors who have wide experience in the public and private sector at both strategic and operational levels in their respective organisations. Accordingly, the directors have the right competences and skills in order to undertake and effectively contribute towards the Charters of the sub-committees and to discharge their responsibilities as Chairperson or members of the sub-committees.

The roles and responsibilities of the sub-committees of the Board have been set out in their respective charters as approved by the Board.

The Chairperson for each sub-committee is responsible to ensure the fulfillment of the mandates of each committee.

The Chairperson of each Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and how it has discharged its responsibilities.

## 1. Audit and Risk Management Committee

- 1.1 The role of the Audit and Risk Management Committee is to assist the Board in fulfilling its oversight responsibilities for the Financial Reporting process, the systems of Internal control and Risk Management, the audit process and STC’s process for monitoring compliance with Laws and Regulations.
- 1.2 The Committee Chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and how it has discharged its responsibilities.
- 1.3 The Audit and Risk Management Committee for the Financial Year ended 30 June 2024, comprised of the following members:

Audit and Risk Management Committee			
Mr. I. Bonomaully <b>Chairperson</b>	Mr. M. R. Guiton	Mr. T. Garburrun	Mrs. M. J. J. Lemême-Bosquet

- 1.4 The Committee met 4 (four) times during the Financial Year ended 30 June 2024 to review the internal and external audit reports as well as reviewing the Financial Statements. Recommendations made, have as far as practicable been implemented forthwith by Management.

## 2. Corporate Governance Committee

- 2.1 The role of the Corporate Governance Committee is to operate as a standing committee of STC Board of Directors. The Committee shall oversee all matters concerning Corporate Governance activities of the Corporation aimed at the promotion and achievement of objectives and such related matters as may be referred to the Committee by the Board of directors within the limits of their powers and duties.

2.2 The Corporate Governance Committee for the Financial Year ended 30 June 2024, comprised of the following members:

<b>Corporate Governance Committee</b>			
Mr. C. Pooneeth <b>Chairperson</b>	Mrs. D. M. Mathur Dabidin	Mr. S. Seelochun	Mr. M. R. Guiton

2.3 The Corporate Governance Committee met once during the Financial Year ended 30 June 2024.

### **3. Staff and Remuneration Committee**

3.1 The role of the Staff and Remuneration Committee is to support and maintain a culture within the organisation where the delivery of the highest possible standard of staff management is understood to be the responsibility of everyone working within the system and is built upon partnership and collaboration. Its role is also to ensure that robust arrangements are in place for the implementation of the Staff and Remuneration Governance Standard.

3.2 The Staff and Remuneration Committee for the Financial Year ended 30 June 2024, comprised of the following members:

<b>Staff and Remuneration Committee</b>			
Mrs. D. M. Mathur Dabidin <b>Chairperson</b>	Mrs. S. Soborun	Mr. T. Garburrun	Mr. C. Pooneeth

3.3 During the Financial Year 30 June 2024, the Staff and Remuneration Committee met 10 (ten) times.

### **4. Finance and Investment Committee**

4.1 The role of the Finance and Investment Committee is to undertake and be responsible for the oversight of budgeting, financial performance, financial strategy, planning & policy and financial reporting.

4.2 The Finance and Investment Committee as at 30 June 2024, was comprised of the following members:

<b>Finance and Investment Committee</b>			
Mrs S. D. Soborun <b>Chairperson</b>	Mrs. D. M. Mathur Dabidin	Mr. S. Seelochun	Mrs. M. J. J. Lemême-Bosquet

4.3 During the Financial Year ended 30 June 2024, the Finance and Investment Committee met once.

## Board and Sub-Committees Members

The members of the Board and sub-committees during the Financial Year ended 30 June 2024 were as follows: -

Name	Board	Audit and Risk Management Committee	Corporate Governance Committee	Staff and Remuneration Committee	Finance and Investment Committee
Dr. R. Bheenick	✓				
Mr. I. Bonomaully	✓	✓	✓		
Mrs D. M. Mathur Dabidin	✓	✓	✓	✓	✓
Mrs S. D. Soborun	✓		✓	✓	✓
Mr. T. Garburrun	✓	✓		✓	
Mr. S. Seelochun	✓		✓		✓
Mr. C. Pooneeth	✓		✓	✓	✓
Mrs. M. J. J. Lemême-Bosquet (From 29 May 2024)	✓	✓		✓	✓
Mr. M. R. Guiton (From 29 May 2024)	✓	✓	✓		

## Attendance on Board and Sub-Committees and Remuneration of Members

Attendance of Board members and sub-committees for the Financial Year ended 30 June 2024 was as follows:

Name	Board	Corporate Governance Committee	Audit and Risk Management Committee	Staff and Remuneration Committee	Finance and Investment Committee	Fees paid to Members (MUR)
<b>Total Number of Meetings</b>	<b>13</b>	<b>1</b>	<b>4</b>	<b>10</b>	<b>1</b>	
<b>Dr. R. Bheenick</b>	13	-	-	-	-	<b>447,534</b>
<b>Mr. I. Bonomaully</b>	7	-	4	-	-	<b>107,878</b>
<b>Mrs P. Rojoa (Alternate)</b>	4	-	-	-	-	<b>3,944</b>
<b>Mrs D. M. Mathur Dabidin</b>	12	-	-	10	-	<b>117,532</b>
<b>Mr. V. Seedoyal (Alternate)</b>	1	-	4	-	1	<b>6,357</b>
<b>Mrs S. D. Soborun</b>	9	-	-	7	1	<b>116,845</b>
<b>Mrs K. Jugroo (Alternate)</b>	1	-	-	2	-	<b>1,909</b>
<b>Mr. T. Garburrun</b>	5	-	4	2	-	<b>110,067</b>
<b>Mr. D. Jahajeeah (Alternate)</b>	1	-	-	-	-	<b>986</b>

Name	Board	Corporate Governance Committee	Audit and Risk Management Committee	Staff and Remuneration Committee	Finance and Investment Committee	Fees paid to Members (MUR)
Mr. S. Seelochun	9	1	-	-	1	104,763
Mr. S. Ganga (Alternate)	1	-	-	-	-	1,972
Mrs. M. J. J. Lemême-Bosquet	2	-	-	-	-	8,730
Mr. C. Pooneeth	10	1	-	10	1	132,618
Mr. M. R. Guiton	2	1	-	-	-	8,730

\*Note:

Mrs. M. J. J. Lemême – Bosquet and Mr. M. R. Guiton was appointed on 29 May 2024  
Directors' remunerations are determined by the Minister.

## Director's Profile

### 1. Dr. Ramchandra Bheenick, M.D. Doctor in Medicine Chairperson

Dr. Ramchandra Bheenick was appointed on the Board of STC on 22 June 2015. He assumed his functions on 1 July 2015.

Dr. R. Bheenick is a senior Medical Practitioner, holds a Diploma in Occupational Safety & Health and a Certificate in Health Services Management. He was the first Mauritian Member of the British Association of Medical Managers.

Dr. R. Bheenick started his career since 1982. He is involved in activities within the medical sector, both public and private sector. Management support and consultancy role to Mauritian enterprises, Health Institutions and to Government Departments since 1987 till now.

He has also been a Member of the Medical Council of Mauritius and President of the Private Medical Practitioners Association in the past.

Presently, he is a MQA Registered Trainer, Tutor and Part-time Lecturer for various instances.

He is also active in various social and socio-cultural organisations.

## **2. Mr. Ishwarlall Bonomaully, FCCA, MSc Finance (UOM) Director Economic and Finance, Ministry of Finance, Economic Planning and Development**

Mr. Ishwarlall Bonomaully was appointed on the Board of STC in March 2010 as representative of the Ministry of Finance, Economic Planning and Development (MoFEPD). He is also the Chairperson of the Audit and Risk Management Committee and a member of the Corporate Governance Committee, sub-committees of the Board.

He started his career as Inspector of Taxes (then Income Tax Dept.); joined the Management Audit Bureau as Accountant in 1992 and was appointed as Lead Analyst in MoFEPD in 2007. He occupies the post of Director, Economic and Finance as from August 2016.

He is also a member on the following Boards:

- i. Development Bank of Mauritius Ltd (2012)
- ii. Sicom Financial Services Ltd
- iii. Investment Support Programme (ISP) Ltd (2019)

## **3. Mrs. Devrani Manorama Mathur Dabidin, Harvard Public Leadership Credential Permanent Secretary, Ministry of Commerce and Consumer Protection**

Mrs M.D. Mathur Dabidin was appointed on the Board of STC in October 2022 as representative of the Ministry of Commerce and Consumer Protection. She is also the Chairperson of the Staff and Remuneration Committee and Member of the Audit & Risk Management Committee - sub-committees of the Board.

Having joined the administrative cadre in 1990s, she has extensive experience in public policy and administration in various sectors, some of which are: Agriculture, Sugar and Tea sectors, Commerce, Industrial Property, International Trade Policy, Social Security, Reforms Institutions (rehabilitation of youth), Senior Citizens Welfare, National Pensions,

Special Education Need, Infrastructure for National Schools, Gender Mainstreaming, e-Government, Financial Services and Good Governance, Special Education Needs and Education.

Mrs M. D. Mathur Dabidin has served on the following Boards:

Irrigation Authority, Mauritius Meat Authority, Human Resource Development Council, National Solidarity Fund Board, National Savings Fund Committee, National Pension Fund Board, Trust Fund for Specialised Medical Care - Cardiac Centre, National Computer Board, National Council for the Rehabilitation of Disabled, Special Education Needs Authority and the National Agency for the Treatment & Rehabilitation of Substance Abuse.

She holds the following qualifications:

- Public Leadership Credential at Harvard Kennedy School of Government, Harvard University.
- Maitrise en Affaires Publiques, Analyses et Evaluation, Laval University, Canada
- Post Graduate Degree in Business Administration University of Leicester, UK (Specialisation in IT).

- MSc in Electronic Business (major in e-Government – UoM).
- BSc (Hons) Management with specialisation in Public Administration & Management (UoM).
- Diploma in Public Administration & Management (UoM).
- Certificate in Intellectual Property, WIPO, Geneva Introduction to UN System, UNITAR, US.

#### **4. Mrs. Soondaree Devi SOBORUN, Master’s Degree in Public Sector Management Deputy Permanent Secretary, Ministry of Agro-Industry & Food Security**

Mrs. Soondaree Devi Soborun was appointed on the Board of STC in July 2021 as representative of the Ministry of Agro Industry and Food Security. She is the Chairperson of the Finance and Investment Committee and also a member of the Corporate Governance Committee, sub-committees of the Board.

Mrs. Soondaree Devi Soborun holds a Master’s degree in Public Sector Management, a Bachelor’s Degree in Economics and a Post Graduate Certificate in Quality Management and Performance Excellence. She has wide experience in the public sector in various fields such as shipping, broadcasting and general administration.

In the last 20 years, she has served at the Prime Minister’s Office, the Ministry of Civil Service and Administrative Reforms, Ministry of Environment and Sustainable Development and the Ministry of Public Infrastructure and Land Transport.

Mrs. Soborun is presently Deputy Permanent Secretary at the Ministry of Agro Industry and Food Security. She is an ex-officio member of the following boards: -

- Agricultural Marketing Board;
- Food and Agricultural and Research Extension Institute; and

#### **5. Mr. Toolsy Garburrin (from 14 November 2022) Deputy Permanent Secretary, Ministry of Energy and Public Utilities**

Mr. Toolsy Garburrin holds a BSc (Hons) in Business Studies, an LLB (Hons), and a Graduate Diploma in Corporate Law, all from the University of Mauritius (UOM). With over years of experience in public administration and management, he has served in various capacities across numerous ministries, including the Prime Minister’s Office and the National Human Rights Commission, where he has significantly and successfully contributed to several projects, including, initiation, planning, execution, monitoring, and completion.

Currently, he is posted at the Ministry of Energy and Public Utilities, where he brings his extensive expertise to the role of Deputy Permanent Secretary. He also acted as Officer in charge of the Mauritius Renewable Energy Agency (MARENA) from December 2022 to April 2023.

Mr. Garburrin is also an active member of several boards and committees, contributing to his well-rounded and impactful career in public service.

**6. Mr. Sandesh Kumar Seelochun, MSc degree in Industrial & Civil Engineering, MBA  
Director Port Development, Mauritius Ports Authority**

Mr. Sandesh Kumar Seelochun was appointed on the Board of STC on 8 April 2022 as representative of the Mauritius Ports Authority. He is also a member of the Finance and Investment Committee, sub-committee of the Board.

Mr. Seelochun is a Registered Professional Engineer with the Council of Registered Professional Engineers of Mauritius; a Fellow Member of the Chartered Institute of Logistics & Transport (UK), a Corporate Member of the Institution of Engineers of Mauritius as well as an Associate Member of the Chartered Institute of Arbitrators (UK).

**7. Mr. Chetnarain Poneeth  
Board Member**

Mr. C. Poneeth was appointed on the Board of STC as an Independent Member on 22 June 2015.

He is the Chairperson of the Corporate Governance Committee and also member of the Finance and Investment Committee and Staff & Remuneration Committee, sub-committees of the Board.

**8. Mrs Marie Joeannie Jessica LEMÊME-BOSQUET  
Board Member**

Mrs M. J. J. Lemême-Bosquet was appointed on the Board of STC as Independent Member on 29 May 2024.

She is also member of the Finance and Investment Committee and the Audit and Risk Management Committee, sub-committees of the Board.

**9. Mr. Marc Reynolds GUITON**

Mr. M. R. Guiton was appointed on the Board of STC as Independent Member on 29 May 2024.

He is also member of the Corporate Governance Committee and the Audit and Risk Management Committee, sub-committees of the Board.

## Management Profile

### 1. **Mr. Rajendra Tagore Servansingh** **General Manager**

Mr. R. T. Servansingh was appointed General Manager of the State Trading Corporation on 1 June 2021.

Mr. Servansingh was elected Member of Parliament in Mauritius from 1976 to 1982. He gave up active politics and was engaged in business and consultancy/advisory services. He has a long experience in the Public and Private sectors in Mauritius and was also involved in Casino Industry, Real Estate, Investment Promotion between India and Mauritius and Eastern and Southern African countries.

Below are some of the key positions he held in Mauritius.

- Deputy Secretary General at the Mauritius Chamber of Commerce and Industry
- Regional Director of the Board of Investment of Mauritius based in Mumbai, India
- Chairman of Airports Terminal Operations Ltd (ATOL)
- Acting Chairman of the Competition Commission of Mauritius
- Chairman of the Board of Mind Africa Group
- Chairman of Mauritius Africa Fund

Mr. Servansingh has also been Director on several Boards of private and other governmental organisations over the past years.

Mr. Servansingh is also a director of Mer Rouge Oil Storage Terminal Co. Ltd (MOST).

### 2. **Mr. P. Soobarah, FCCA, MBA** **Financial Manager**

Mr. P. Soobarah joined the Department of Supplies in February 1980 as Assistant Supplies Officer. He was appointed as Accounts Clerk in October 1985 and promoted Accounts Officer in November 1987 at the STC. He was then appointed as Accounting Technician in November 2004 and as Accountant/Senior Accountant as from February 2006. The post of Accountant/Senior Accountant was restyled as Assistant Financial Manager, in the PRB Report 2008.

Mr. P. Soobarah is also a director of Mer Rouge Oil Storage Terminal Co. Ltd (MOST).

He was assigned the duties of Financial Manager on a long-term basis as from 1 October 2020 to 2 August 2021 until his appointment as Financial Manager on 3 August 2021.

### **3. Mr. Chandradeo Dabeea, FCCA, MBA Commercial Manager**

Mr. C. Dabeea first joined the STC on 3 January 2003 and served the Corporation as Senior Internal Auditor until 1 September 2004 when he left to join the Development Works Corporation as Financial Manager.

Mr. C. Dabeea joined again STC on 27 April 2006 as Commercial Manager on a contract basis for three (3) years. He was thereafter appointed on the permanent and pensionable establishment of STC as Commercial Manager effective 8 April 2009. On 16 June 2009, Mr. C. Dabeea resigned from his post to take up employment as Finance Manager at the Airports of Mauritius Co. Ltd.

Mr. C. Dabeea joined anew the STC on 20 August 2020 as Commercial Manager on contractual basis.

### **4. Mr. K. Ramdenee, FCCA, MBA Risk and Treasury Manager**

Mr. K. Ramdenee joined STC in January 1987 as Assistant Supplies Officer. He was appointed as Accounting Technician in March 2006 and as Assistant Financial Manager in April 2009 until being nominated as Assistant Risk and Treasury Manager in March 2018.

He was assigned the duties of Risk and Treasury Manager in the absence of the incumbent with effect from 12 March 2020 and was promoted to the post of Risk and Treasury Manager on 8 July 2021. He has also held the responsibilities of Secretary of the Board from 10 November 2020 to 31 October 2022.

### **5. Mr. Vikash Sooreea Business Development Manager**

Mr. V. Sooreea joined the STC in May 2013 as Commercial Analyst. He was appointed as Business Development Manager as from 28 December 2022.

Before joining the Corporation, Mr. Sooreea worked over 15 years for state-owned and private entities.

### **6. Mrs. K. D. Jugoo, BSc (Hons) Accounting and Finance, FCCA, MBA Audit Manager**

Mrs. K. D. Jugoo joined STC as Senior Internal Auditor in June 2007. Before joining STC, she was Examiner of Accounts at the National Audit Office. From 2006-2007, she worked as Accountant at the Mauritius Society of Authors. The post of Senior Internal Auditor was restyled as Audit Manager, following publication of PRB Report 2008.

**7. Mr. Antesh Krishnah ERRIAH, BSc (Hons) HR Administration, ACCA Affiliate, MBA  
Human Resource Manager**

Mr. A. K. Erriah joined the STC on 1 July 2020 as Human Resource Manager. He last worked as HR Manager in a construction company and has, in the past, occupied several posts, including Senior Positions, in the field of Human Resources in different companies. He also worked at the Ministry of Labour and Industrial Relations as Labour Inspector.

**8. Mr. Poolush Atish Bissessur, BSc (Hons) in Software Engineering, MSc in Computer Security and Forensics, MBA  
IT Manager**

Mr. P. A. Bissessur joined the STC on 23 May 2022 as IT Manager. He last worked as Systems Analyst at the Central Information Systems Division (CISD) at the Ministry of Technology, Communication and Innovation (MTCI) since August 2018.

Mr P. A. Bissessur resigned in October 2023.

**9. Ms. Mokshada Cheemontoo, BA (Hons) in Law and Management  
Secretary**

Ms. M. Cheemontoo joined STC on 1 November 2022 as Secretary (Board). She last worked as Corporate Administrator in a private sector. She has, in the past, occupied the post of Trust Administrator.

**10. Mr. Janmajay Rhamdhun, Professional Diploma in Procurement and Supply  
Chief Supplies and Sales Officer**

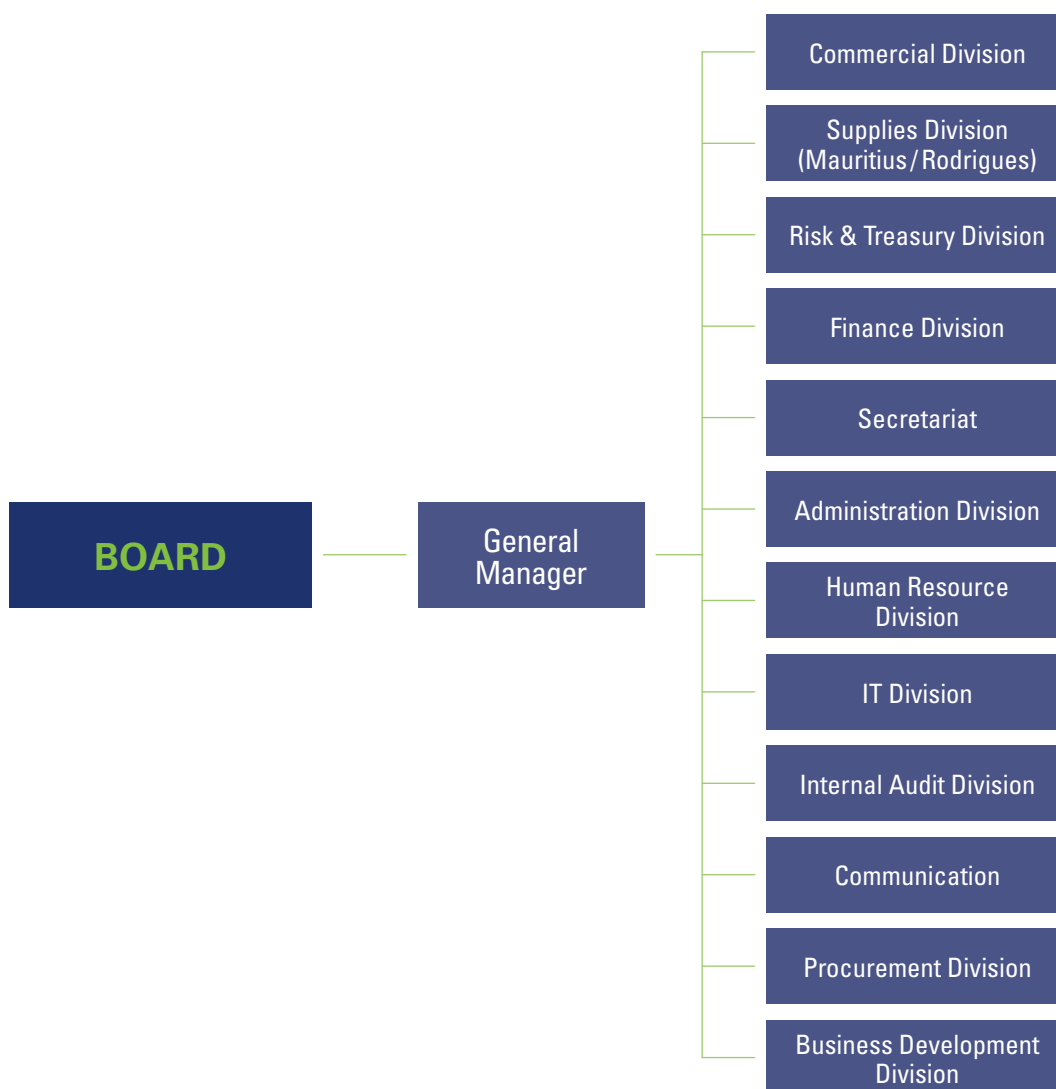
Mr. J. Rhamdhun first joined the Department of Supplies on 23 January 1987 as Assistant Supplies Officer and was appointed as Supplies and Sales Officer on 6 November 2005. He was, thereafter, promoted as Higher Supplies and Sales Officer & Senior Supplies and Sales Officer on 1 May 2014 and 8 July 2021 respectively. He has been assigned the duties of Chief Supplies and Sales Officer on a long-term basis as from 20 June 2023.

**11. Mr. Dean Gino Micheal Yannis Tonta, BSc (Hons) in Management with Law, MBA  
Administrative Assistant**

Mr. Y. Tonta joined STC on 18 October 2021 as Administrative Assistant. He last worked as Agency Executive Coordinator in the private sector since 2016.

## Organisational Chart

The Organigram of the Corporation is as follows:



The General Manager is responsible for the execution of the policy of the Board and for the control and management of the day-to-day business of the corporation.

The Senior Management team is responsible to ensure effective and efficient management of the Corporation so as to achieve the Organisational objectives. Management is also accountable to the Board for the design, implementation and detailed monitoring of the risk management processes.

The remunerations and conditions of service of Senior Executives of the Corporation are as per PRB.

In order to ensure business continuity, whenever a Divisional Manager has resigned or retired, the second senior-most officer replaces him or her, until the Managerial post is filled following procedures applicable in the public sector.

All appointments at STC, including those at Senior management positions are made in accordance with procedures established in the respective approved scheme of duties and are validated by the Staff and Remuneration Committee, Board and the Parent Minister.

## **Directors' Responsibilities**

It is the Directors' responsibility to prepare financial statements that represent a true and fair view of affairs of the Corporation as at the end of each financial year and the Statement of Financial Performance and Statement of Cash Flow for that period.

Adequate accounting records and an effective system of internal controls and risk management have been maintained. Moreover, an adequate security system has been put in place to ensure protection of data and information of the Corporation.

The STC Act requires an estimate of the revenue and expenditure of the Corporation for the forthcoming financial year to be submitted to the Minister of Commerce and Consumer Protection at least four months before the beginning of the financial year for his approval.

The Corporation is required to prepare and submit to the Auditor, the National Audit Office, an annual statement of financial performance and a statement of financial position made up to the end of the financial year showing the assets and liabilities of the Corporation not later than four months after the end of every financial year according to the Statutory Bodies (Accounts and Audit) Act.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Corporation has to submit a copy of its audited financial statements to the Financial Reporting Council, in accordance with the Financial Report Act 2004.

In preparing the financial statements, it has been ensured that:

- suitable accounting policies are selected and applied on a consistent basis using reasonable and prudent judgement.
- appropriate accounting standards and International Public Sector and Accounting Standards (IPSAS) have been adhered to in conformity with the changes in presentation.

The Financial Statements have been prepared on a going concern basis and there is no reason to believe that the STC will not continue as a going concern in the year ahead.

### Risk Governance, Internal Control, Audit

The Board has the overall responsibility for the Systems of Internal Control and Risk Management as well as the governance practices. In order to discharge these duties, the Board has set up an Audit and Risk Management Committee.

### Audit and Risk Management Committee

The Audit and Risk Management Committee assist the Board in fulfilling its oversight responsibilities. It is also the responsibility of the Committee to review the integrity of the financial statements as well as the effectiveness and independence of Internal and External Auditors.

The Committee is chaired by Mr. I. Bonomaully, a non-executive Director of STC and who being a Professional Accountant has maintained an independent state of mind in undertaking the functions of the Chairperson of the Audit and Risk Management Committee.

The Committee comprised of 1 (one) Non-Executive Director, namely Mr. T. Garburrun and 2 (two) Independent Directors, Mrs M. J. J. Lemême-Bosquet and Mr. M. R. Guiton. The members having long standing experience in various areas such as Management, Finance, Audit, Risk Management, Import/Export and Energy sector, have the right skills and competencies to undertake the responsibilities at Board and Committee level.

The main activities covered by the Audit and Risk Management Committee are as follows:

- Review the risk management process, risk areas and the risk mitigating measures as documented in STC's risk Register. The Risk Register is annually reviewed and approved by Board;
- Review the Financial Statements and ensure compliance with applicable standards prior to recommending same for Board approval;
- Review and approve the Internal Audit Plan prepared by the Internal Audit Division;
- Review the Internal control system;
- Examination of reports submitted by the Internal Audit Division and the National Audit Office, STC's External Auditor; and

Follow up on the implementation of recommendations of National Audit Office and the Internal Audit Division in order to improve existing processes.

Meetings of the Audit and Risk Management Committee and attendance of its members have been disclosed in the section of Corporate Governance. The Committee met 4 times during the financial year.

### **Risk Management System**

Risk Management is an integral part of STC's day to day operations. The Divisional Managers are accountable for managing the risks affecting their operations. The Risk and Treasury Division drives, supports and coordinates the risk management activities of the Corporation.

Annually, a corporate risk assessment is carried out by the Senior Management Team whereby risks are identified based on past experiences and future expectations on evolutions in the internal and external environment. The strategic, financial, operational and compliance risks of the Corporation are considered. Risk mitigation measures/controls are discussed and defined in STC's Risk Register. The existing Risks Register together with the respective risk profile and control measures are also reviewed.

The amended Risk Register is examined by the Audit and Risk Management Committee and is subsequently approved by the Board. The Risk and Treasury Manager reports to the Audit and Risk Management Committee on STC’s Risk Management System.

Internal Audit supports the Risk Management System through evaluation of the effectiveness of risk management strategies and make recommendations for further enhancement, wherever necessary.

**Risks and Uncertainties Affecting STC**

**1. Inherent Risks**

This section describes the risks and uncertainties that could have a material adverse effect on STC’s activities and financial results.

**(i) Risk of Non-availability of Strategic products**

Nature of Risk	Likelihood	Impact
Risks of non-availability of strategic products	Low	High

STC sources its strategic commodities from foreign suppliers and based on the evolutions on the international market, there is the risk that these products may not be available on the market.

Sanitary emergencies, climate change, disruption in the freight market and geopolitical tensions are among the main drivers of scarcity of global essential commodities. This could adversely affect our ability to supply the essential commodities to cater for the needs of the domestic market.

***Risk mitigation measure in place is as follows:***

Regular monitoring of the evolutions on the market and shipping industry as well as regular contact/ monitoring with suppliers to ensure timely supply of products.

Additional measure which may be considered is to carry out an emergency procurement. This may be done with the support of Government, where required.

## (ii) World price fluctuations

Risk Category	Nature of Risk	Likelihood	Impact	Control Measures
Strategic	There is a risk of stock-out of strategic commodities due to severe disruption in the supply-chain.	Low	High	<p>The following control measures in place at STC:</p> <ul style="list-style-type: none"> <li>(i) Warehouse for storage of commodities such as rice and flour;</li> <li>(ii) Rental facility for storage of LPG</li> <li>(iii) Storage Facility for petroleum products</li> <li>(iv) STC has a reorder level and reorder quantity already established for its strategic products.</li> </ul> <p>Moreover, additional storage facility will be built up in the future in order to further mitigate the risk of stock-out.</p>
Strategic	Risks of Supplier failing to perform or non-availability of vessel and containers	Low	High	STC requires a performance guarantee from its suppliers as a commitment for ensuring supply for all products.
Operational	Risk of Product contamination when Rice and Flour.	Medium	High	As a control measure for these risks, STC carries out fumigation of containers received from overseas suppliers and there is strict verification control procedures put in place on receipt of goods. Rice and Flour are stacked separately.
	Loss of Key Competencies which can lead to disruption in business continuity	High	High	STC structure provides for the post of an assistant manager in each key division who replaces the substantive Manager as and when required. Furthermore, training and development is provided to employees for capacity building.
Financial	STC runs the risk of funds being unavailable to effect payment to suppliers of strategic products on due dates	Low	Medium	STC prepares cash flow forecast on a rolling basis to identify any shortfall of funds. STC can have recourse to available standby line of credit whenever required. The Corporation also procures foreign currencies and transfer same one day before due dates to the Bank effecting the payment as a precautionary measure.
Compliance	Access to documents and files by unauthorised party	Medium	High	STC has a streamlined procedure for access to server & file. There is also the use of password which is changed at regular intervals.

Nature of Risk	Likelihood	Impact
Risk that world prices are not reflected in selling prices of commodities	Medium	Medium

STC’s traded commodities are subject to fluctuation in prices on the world market. The subsidised selling prices of the essential strategic commodities are fixed by Government and may not correlate to the world price changes. Increases in procurement prices that are not reciprocated on the selling prices affect the liquidity position of the Corporation.

*Risk mitigation measures in place are as follows:*

To prepare cash flow forecast and monitor evolution of world prices.  
Regularly inform Government of price evolution so that necessary adjustment to selling prices, can be made.

## 2. Principal Risks

The principal risks, as recorded in the Risk register are shown below together with their control measures. The Residual Risks which remain following implementation of the control measures are within the tolerable level of STC and do not affect business continuity. The Corporation has an effective internal control system that monitors the residual risks.

### Internal Audit

The Corporation comprises of an Internal Audit Division which provides independent assurance to the Board and Management on the adequacy and operational effectiveness of the Internal control and the risk management systems as well as the governance processes.

The risk management system and the control environment are assessed based on the COSO framework. Areas requiring improvements are highlighted and recommendations are made for enhancement of existing processes. The Internal Audit Division carries out their duties in compliance with the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The Internal Audit Division is headed by an Audit Manager who is a Professional Accountant and she is assisted by a team consisting of qualified and semi qualified accountants, with audit experience and exposure in a commercial environment. Internal Audit Division has a defined audit methodology and actively uses technology as a tool to perform audit testing.

In order to ensure the independence and objectivity of the Internal Audit function, the Audit Manager reports to the Audit and Risk Management Committee, a sub-committee of the Board which is chaired by a Non-Executive Director. The Audit Manager has ready and unrestricted access to the Chairperson of the Audit and Risk Management Committee and the Board.

The Audit Manager attended the Audit and Risk Management Committees held during the financial year. The Internal Audit Division carried out its functions in accordance with a risk-based audit plan which was approved by the Audit and Risk Management Committee. The areas covered were as follows:

### **Regular audit:**

- Procurements, Sales, Staff cost, Cash/Bank, Packing and Distributions, Stores Management.

### **Rotational audit:**

- Assets & Stock Management, Fleet Management, Internal Control system, Risk management system, corporate governance review, Receivables and Payables.

New projects whenever undertaken by the Corporation are also subject to audit.

The Officers of the Internal Audit Division and the External Auditors are authorized full, free and unrestricted access to all records, physical properties and personnel, pertinent to carrying out of audit.

The Audit and Risk Management Committee examined the findings of the internal Audit Division, along with the recommendation made. Follow ups on the implementation of the audit recommendations were made and progress were reported to the Committee to ensure that audit findings are addressed in a timely manner.

The Internal Audit Division continuously assesses emerging risks and vulnerabilities and provides its contribution to enhance controls and mitigate risks.

### **External Audit**

The National Audit Office is STC's External Auditor.

With regard to external audit, the Audit and Risk Management Committee performed the following duties:

- obtained the assurance on the adequacy of the accounting records;
- obtained the assurance that the officers of the National Audit Office were authorized full, free and unrestricted access to all records, physical properties and personnel pertinent to carrying out of the audit.
- discussed major findings which arose during the audit, key accounting and audit judgements, levels of errors identified during the audit; and
- reviewed the management letter and management's response to the auditor's findings and recommendations.
- Follow ups on the implementation of the audit recommendations to ensure that audit findings are addressed in a timely manner.

### ***Auditors' independence and effectiveness***

The Audit and Risk Management Committee met the Audit Manager and Officers of the National Audit Office to discuss audit findings, in the absence of the General Manager of STC. The National Audit Office did not perform any non-audit services for the Corporation.

The Committee assessed and reviewed the risk-based audit plan of the Internal Audit Division, its audit findings and recommendations. The reporting line and accessibility to information was also assessed to ensure that the Internal Audit Division performs its function in an effective and independent manner.

### **Reporting to Board and other considerations**

The Audit and Risk Management Committee reports important matters to the Board. Over the years, STC has developed sound systems of the Internal Control and Risk Management. Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business.

STC's key Stakeholders, that is, the Parent Ministry and the Government, have also been consulted regarding key matters relating to the Corporation. Communications are kept with major stakeholders of the Corporation, namely Oil Companies, Bakers Association, Banks, Suppliers of goods and services, legal persons and representatives of employees (Unions) among others through meetings, emails, telephone conferences and letters.

The Directors confirm that STC has adhered to the requirements of the Code of Corporate Governance and other applicable Regulatory requirements. It is also confirmed that the Financial Statements comply with the Statutory Bodies (Accounts and Audit) Act as amended in 2017.

The Financial Statements were approved by the Board on 30 July 2025.

"APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON ITS BEHALF"



**Dr T. Luckho**  
Chairman



**L. Ghoorah**  
Board Member

## **Statement of Compliance (Section 75 (3) of the Financial Reporting Act)**

Name of PIE: State Trading Corporation

Reporting Period: 1 July 2023 to 30 June 2024

We, the Directors of the State Trading Corporation (STC), confirm that to the best of our knowledge, the STC has complied with all of its obligations and requirements under the Code of Corporate Governance.

### **Compliance with the National Code of Corporate Governance for Mauritius (2016)**

We also confirm that STC has applied the eight principles of National Code of Corporate Governance:

- Governance Structure
- The Structure of the Board and its Committees
- Director Appointment Procedures
- Director Duties, Remuneration and Performance
- Risk Governance and Internal Control
- Reporting with integrity
- Audit
- Relations with shareholders and other Stakeholders

Signed by:



**Dr T. Luckho**  
Chairman



**L. Ghoorah**  
Board Member



## National Audit Office

### REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE STATE TRADING CORPORATION

#### Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of the State Trading Corporation, which comprise the statement of financial position as at 30 June 2024 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the State Trading Corporation as at 30 June 2024, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

#### 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 State Trading Corporation 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 following:

Note 17 of the financial statements highlights that during the financial year 2023-24, the Corporation incurred surplus on tankers amounting to Rs 300 million. In October 2023, the Government transferred an amount of Rs 250 million into STC's bank account which was injected in the Price Stabilisation Account for Mogas so as to make its balance positive to allow a decrease in the retail price in accordance with the Consumer Protection (Control of Price of Petroleum Products) (Amendment No 2) Regulations 2023.

As at 30 June 2024, the deficit of the Price Stabilisation Account of Mogas and Gas Oil was Rs 4,155,539,102.

My opinion is not modified in respect of these matters.

## **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 are no key audit matters to communicate in my report.

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report of the State Trading Corporation, 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 IPSASs, 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 State Trading Corporation'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 State Trading Corporation'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 State Trading Corporation'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 State Trading Corporation'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 State Trading Corporation 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

### Opinion

#### *Statutory Bodies (Accounts and Audit) Act*

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

In accordance with the requirements of the Statutory Bodies (Accounts and Audit) Act, I report as follows:

- (a) this Act, in so far as it relates to the accounts, has been complied with. No direction relating to the accounts has been issued by the responsible Minister to the State Trading Corporation;
- (b) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, expenditure incurred were not of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (c) in my opinion, the State Trading Corporation has been applying its resources and carrying out its operations economically, efficiently and effectively.

### ***Public Procurement Act***

In accordance with the requirement of the Public Procurement Act, the auditor of every public body shall state in his annual report whether the provisions of Part V of the Act have been complied with.

In my opinion, the provisions of Part V of the Public Procurement Act relating to the bidding process have been complied with as far as it could be ascertained from my examination of the relevant records in respect of the procurement of goods and services other than goods purchased for resale and services incidental to the purchase or distribution of such goods.

### ***Financial Reporting Act***

My responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From my assessment of the disclosures made on corporate governance in the annual report, the State Trading Corporation has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

### **Basis for Opinion**

I performed procedures, including the assessment of the risks of non-compliance with laws and regulations, to obtain audit evidence to discharge my responsibilities as described in the 'Auditor's Responsibilities' section of my report as referred to below. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### ***Management's Responsibilities for Compliance***

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the State Trading Corporation's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in the entity's financial statements.

### ***Auditor's Responsibilities***

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the State Trading Corporation has been applying its resources and carrying out its operations economically, efficiently and effectively;
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with in respect of procurement of goods and services other than goods purchased for resale, including services incidental to the purchase or distribution of such goods; and
- (f) the State Trading Corporation has complied with the National Code of Corporate Governance in accordance with the Financial Reporting Act.

**DR D.PALIGADU**  
Director of Audit

National Audit Office  
14<sup>th</sup> Floor,  
Air Mauritius Centre  
**PORT LOUIS**

5 September 2025

# Financial **STATEMENTS**



## Statement of Financial Position

as at 30 June 2024

	Notes	30 June 2024 MUR	30 June 2023 MUR
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalent	5	1,956,643,924	5,203,804,843
Term Deposits	5	736,531,738	-
Trade & Other Receivables	6	8,141,618,776	6,275,882,860
Work-In-Progress	6	6,276,740	-
Inventories	7	637,330,639	950,057,294
<b>Total Current Assets</b>		<b>11,478,401,817</b>	<b>12,429,744,997</b>
<b>Non-Current Assets</b>			
Investments	8	12,531,970	11,166,312
Investment in Associate	8	75,910,631	75,910,631
Property, Plant and Equipment	9	249,010,422	256,107,940
Intangible Assets	10	234,975	783,775
<b>Total Non-Current Assets</b>		<b>337,687,998</b>	<b>343,968,658</b>
<b>Total Assets</b>		<b>11,816,089,815</b>	<b>12,773,713,655</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	11	7,010,432,339	3,376,806,722
Short Term Borrowings	12	2,553,582,746	8,047,620,000
Overdraft	12	-	1,294,887,406
Employee Benefits	13	21,191,792	21,679,530
Lease Liability-Leasehold Land	14	349,658	349,658
<b>Total Current Liabilities</b>		<b>9,585,556,535</b>	<b>12,741,343,316</b>
<b>Non-Current Liabilities</b>			
Net Defined Benefit Liability	15	283,271,781	290,974,225
Employee Benefits	13	45,860,327	43,298,047
Lease Liability-Leasehold Land	14	8,951,696	9,301,355
<b>Total Non-Current Liabilities</b>		<b>338,083,804</b>	<b>343,573,627</b>
<b>Total Liabilities</b>		<b>9,923,640,339</b>	<b>13,084,916,943</b>
<b>Net Assets</b>		<b>1,892,449,476</b>	<b>(311,203,288)</b>
<b>NET ASSETS/EQUITY</b>			
Contributed Capital	16	400,000	400,000
Accumulated Surplus		4,856,637,209	3,297,227,513
Price Stabilisation Account	17	(4,155,539,102)	(4,562,947,057)
Infrastructure Development Fund	17	1,190,951,369	954,116,256
<b>Total Net Assets/Equity</b>		<b>1,892,449,476</b>	<b>(311,203,288)</b>

Notes 1 to 27 form an integral part of these Financial Statements. The Financial Statements were approved by the Board on 30 July 2025.



**Dr. T. Luckho**  
Chairman



**L. Ghoorah**  
Board Member

## Statement of Financial Performance for the Financial Year ended 30 June 2024

		30 June 2024	30 June 2023
	Notes	MUR	MUR
<b>Revenue</b>			
Revenue from Exchange Transactions	<b>18</b>	48,709,774,393	46,639,434,539
Revenue from Non Exchange Transactions:			
Gain/(Loss) on Foreign Exchange	<b>19</b>	341,512,333	(153,534,331)
Contribution for Subsidy on LPG, Rice and Flour	<b>19</b>	3,900,713,414	3,715,865,878
Subsidy received/receivable from Government	<b>21</b>	239,195,173	429,333,993
Interest Receivable	<b>20</b>	153,168,987	51,258,293
Other Revenue	<b>20</b>	8,657,488	9,721,330
<b>Total Revenue</b>		<b>53,353,021,788</b>	<b>50,692,079,702</b>
<b>Expenses</b>			
Cost of Sales	<b>21</b>	(50,971,395,334)	(50,556,654,300)
General Administrative Expenses	<b>22,23</b>	(275,676,763)	(354,902,195)
Finance Costs	<b>24</b>	(340,980,867)	(388,432,463)
Depreciation	<b>9,10</b>	(14,064,881)	(15,030,952)
<b>Total Expenses</b>		<b>(51,602,117,846)</b>	<b>(51,315,019,910)</b>
<b>Surplus/(Deficit) for the Year</b>		<b>1,750,903,943</b>	<b>(622,940,208)</b>

## Statement of Changes in Net Asset/Equity for the Financial Year ended 30 June 2024

	Contributed Capital		Accumulated Surplus		Reserve Funds			Total Equity
	MUR	MUR	MUR	MUR	Infrastructure Development Reserve Fund	Price Stabilisation Account	MUR	
<b>Restated Balance as at 30 June 2022</b>	<b>400,000</b>	<b>2,853,945,915</b>	<b>617,879,234</b>	<b>(3,757,708,028)</b>			<b>(285,482,879)</b>	
Amount collected during the year	-	-	336,237,022	-	-	-	336,237,022	
Transfer from Government to PSA	-	-	-	275,000,000	-	-	275,000,000	
Deficit for the 12-month ended 30 June 2023	-	(622,940,208)	-	-	-	-	(622,940,208)	
Movements in PSA	-	1,081,907,958	-	(1,081,907,958)	-	-	-	
Adjustment to opening balance of PSA	-	-	-	1,668,930	-	-	1,668,930	
Remeasurement of Pension as per Statement from SICOM Ltd	-	(15,686,151)	-	-	-	-	(15,686,151)	
<b>Balance as at 30 June 2023</b>	<b>400,000</b>	<b>3,297,227,513</b>	<b>954,116,256</b>	<b>(4,562,947,057)</b>			<b>(311,203,287)</b>	
Amount collected during the year	-	-	236,835,113	-	-	-	236,835,113	
Transfer from Government to PSA	-	-	-	250,000,000	-	-	250,000,000	
Surplus for the 12-month ended 30 June 2024	-	1,750,903,943	-	-	-	-	1,750,903,943	
Movements in PSA	-	(157,407,955)	-	157,407,955	-	-	-	
Remeasurement of Pension as per Statement from SICOM Ltd	-	(34,086,292)	-	-	-	-	(34,086,292)	
<b>Balance as at 30 June 2024</b>	<b>400,000</b>	<b>4,856,637,209</b>	<b>1,190,951,369</b>	<b>(4,155,539,102)</b>			<b>1,892,449,476</b>	

## Cashflow Statement

for the Financial Year ended 30 June 2024

	30 June 2024	30 June 2023
	MUR	MUR
<b>Cash flows from Operating Activities</b>		
Surplus/(Deficit) for the year	1,750,903,943	(622,940,208)
Retirement Benefit Obligations	(41,788,736)	7,861,706
Investment income recognised in Statement of Financial Performance	(4,630,847)	(8,688,654)
Gain on sale or disposal of property, plant and equipment	-	98,425
Gain on Investment	(1,365,658)	(188,438)
Depreciation of non-current assets	14,064,881	15,030,952
Effects of Exchange Rate changes on the balance of Cash /Lines of Credit held in foreign currencies	(325,149,146)	77,205,999
Term Deposit	(736,531,738)	-
Interest Receivable	(153,168,987)	(51,258,293)
Interest Payable	340,980,867	388,432,463
	<b>843,314,580</b>	<b>(194,446,047)</b>
<b>Movements in Working Capital</b>		
(Increase)/Decrease in trade and other receivables	(1,872,012,652)	788,931,187
(Increase)/Decrease in inventories	312,726,655	339,022,585
Increase/(Decrease) in trade and other payables	3,633,275,959	(1,675,919,015)
Increase/(Decrease) in Employee Benefits	2,074,542	431,166
<b>Net Cash generated from operating activities</b>	<b>2,919,379,084</b>	<b>(741,980,124)</b>
<b>Cash flow from investing activities</b>		
Interest received	153,168,987	51,258,293
Acquisition of Non-Current Assets	(6,418,563)	(5,668,015)
Investment revenue recognised in Statement of Financial Performance	4,630,847	8,688,654
Proceeds from disposal of Non-Current Assets	-	520,000
<b>Net cash (used in)/generated by investing activities</b>	<b>151,381,270</b>	<b>54,798,931</b>
<b>Cash flow from financing activities</b>		
Amount collected under Infrastructure Development Fund	236,835,113	336,237,022
Proceeds from borrowings	52,491,092,358	57,481,473,361
Repayment of borrowings	(57,827,882,599)	(56,602,997,672)
Interest paid	(340,980,867)	(388,432,463)
Funds received from Government	250,000,000	275,000,000
<b>Net cash generated from financing activities</b>	<b>(5,190,935,995)</b>	<b>1,101,280,248</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,120,175,641)</b>	<b>414,099,054</b>
Cash and cash equivalents at the beginning of the year	<b>3,908,917,437</b>	<b>3,437,573,488</b>
Effects of Exchange Rate changes on the balance of cash held in foreign currencies	167,902,128	57,244,895
<b>Total Cash and cash equivalents at the end of the year</b>	<b>1,956,643,924</b>	<b>3,908,917,437</b>

### Notes to Cash Flow Statement

Cash and Cash Equivalent consist of Cash in hand and Cash at bank. The Cash and Cash Equivalent included in the cash flow comprise the following statement of Financial Position amounts:

	MUR
Cash in hand	133,204
Bank Balances	1,956,510,720
<b>Total Cash &amp; Cash Equivalent</b>	<b>1,956,643,924</b>

## Statement of Comparison of Budget and Actual Amounts for the Financial Year ended 30 June 2024

PARTICULARS	Original Budget	Revised Budget	Actual	Difference	Remark
	1 July 2023-30 June 2024 (Note i)	1 July 2023-30 June 2024 (Note ii)	1 July 2023-30 June 2024	(Note iii)	
	MUR 000	MUR 000	MUR 000	MUR 000	
Revenue from Exchange Transactions	60,182,772	48,693,895	48,709,774	15,879	*see below
Price Stabilisation Account	-	250,000	-	(250,000)	
Subsidy from Government	117,232	-	239,195	239,195	
Refund of Transportation Cost		2,083	1,828	(255)	
Cost of Sales	(63,557,219)	(51,076,903)	(50,971,395)	105,508	*see below
<b>Gross Surplus/(Deficit)</b>	<b>(3,257,215)</b>	<b>(2,130,925)</b>	<b>(2,020,598)</b>	<b>110,327</b>	
Contribution to Subsidy on LPG, Rice and Flour	3,921,224	3,710,076	3,900,713	190,637	Based on quantity sold.
Other Revenue	660	-	159,999	159,999	
Revenue from Non Exchange Transactions	-	-	341,512	341,512	
Staff Costs- Salaries and Employee Benefits	(230,299)	(199,886)	(184,345)	15,541	
Supplies and Consumables	(27,654)	(33,998)	(22,507)	11,491	
Utilities	(6,712)	(7,168)	(8,321)	(1,153)	
Rent & Lease	(24,698)	(29,729)	(29,376)	353	
Repairs and Maintenance	(17,312)	(20,361)	(19,592)	769	
Other Adm. Expenses	(60,032)	(35,643)	(10,016)	25,627	
Marketing Costs	(2,000)	(5,000)	(1,520)	3,480	
Depreciation	(40,344)	(14,090)	(14,065)	25	
Interest Payable	(260,000)	(264,250)	(340,981)	(76,731)	
<b>Net Surplus/(Deficit) for the Year</b>	<b>(4,382)</b>	<b>969,026</b>	<b>1,750,903</b>	<b>781,877</b>	
Office Equipment & Furniture	2,000	900	1,199	299	
Plant and Machinery	5,000	-	500	500	
Information Technology	11,500	2,900	3,058	158	
Motor Vehicles	12,000	4,000	1,661	(2,339)	
Warehouse	1,000,000	Nil	-	-	Project not yet materialised
<b>TOTAL</b>	<b>1,030,500</b>	<b>7,800</b>	<b>6,418</b>	<b>(1,382)</b>	

### Note:

- (i) Represents the original budget of the Corporation for the Financial year ended 30 June 2024 approved in March 2023.
- (ii) represents the revised budget of the Corporation for the Financial Year ended 30 June 2024 approved in April 2024.
- (iii) represents the difference between revised budget for the Financial Year ended 30 June 2024 and actual revenue and expenses on a comparable basis.
- (iv) The Financial Statements as well as the Budget are prepared on an accrual basis.

\* The actual turnover and cost of sales figures differ from the budgeted figures mainly due to the movement of world prices of Petroleum Products and LPG which are the main components of STC's business as well as exchange rate fluctuations as all the products purchased by the Corporation are paid in US Dollar.

In accordance with STC Act 1982, the Corporation submits to the Minister, an estimate of its revenue and expenditure for a Financial Year, three months before the beginning of that Financial Year.

### **Budgetary and Classification Basis**

The estimates are based on certain assumptions such as available contract prices, estimated volume, exchange rates and world prices of Petroleum Products. The budgets are prepared on an accrual basis. In the approved budget, items are classified on the same basis as is adopted in the Financial Statements by economic nature.

### **Changes from Original to Final Budget**

The original Budget for the Financial Year ended June 2024 approved by the Board of STC in March 2023 as per statutory requirement, was based on information available at that time. Thereafter, in April 2024, the document was revised based on actual data available and updated figures and events such as exchange rate fluctuation, quantity, new contract purchase prices for Rice, Flour, LPG, Petroleum Products and also revision in selling prices.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 1. GENERAL INFORMATION

The State Trading Corporation (STC) is a parastatal body wholly owned by the Government of Mauritius and reporting to the Ministry of Commerce and Consumer Protection. Established and regulated by the STC Act of 1982, its principal place of business is 55, Business Zone, Ebene Cybercity 72201, Ebene, Reduit, Mauritius. STC is engaged in the importation of essential commodities such as Petroleum Products, Liquefied Petroleum Gas, Rice and Flour and any such commodity as the Government may decide.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### i) Statement of Compliance

These Financial Statements have been prepared on a going concern basis as Government has always implicitly supported STC. The accounting policies have been applied consistently throughout the period. The Financial Statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) on an accrual basis. The measurement base applied is historical cost adjusted for revaluations of assets.

#### ii) Basis of preparation

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of financial instruments. The principal accounting policies adopted are set out below.

These Financial Statements are presented in Mauritian Rupees because that is the currency of the primary economic environment in which the Corporation operates and all the figures have been rounded to the nearest rupee.

#### IPSAS NOT YET EFFECTIVE

The following IPSAS have been issued but not yet effective:

IPSAS	Title	Date Issued	Effective Date
IPSAS 43	Leases	Jan 2022	1 Jan 2025
IPSAS 44	Non- Current Assets Held for sale and Discontinued Operations	May 2022	1 Jan 2025
IPSAS 45	Property, Plant and Equipment	May 2023	1 Jan 2025
IPSAS 46	Measurement	May 2023	1 Jan 2025
IPSAS 47	Revenue	May 2023	1 Jan 2026
IPSAS 48	Transfer Expenses	May 2023	1 Jan 2026
IPSAS 49	Retirement Benefits Plan	Nov 2023	1 Jan 2026

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

Impact of not adopting the above IPSAS is still being assessed.

### iii) Accounting Period

The Financial Statements for the current financial year have been prepared for the twelve months ended 30 June 2024.

### iv) Cash and Cash Equivalent

Cash and Cash equivalent include cash in hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to cash and subject to insignificant risk of changes in value.

### v) Trade Receivables

Trade receivables do not carry any interest and are stated at their nominal value. The carrying amount of trade receivables is adjusted to reflect any impairment loss at reporting date and is reduced when a trade receivable is uncollectible.

### Subsidy on Rice, Flour and LPG

The retail prices of Long Grain White Rice, Flour and liquefied Petroleum Gas (LPG) in cylinders up to 12 kg are fixed by Government and STC is required to sell these three products at subsidised prices, that is, below their cost prices. These subsidies are finance through a contribution in the price structures of Mogas and Gas Oil and any gap in the subsidy account would be financed by the Ministry of Finance, Economic Planning and Development. The Corporation has been authorized by Government to apply a change in its accounting policy to reflect the deficit in the subsidy account of Rice, Flour and LPG as a receivable (debtor) in its books at end of the Financial Year.

### vi) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories has been assigned by using the first-in first-out basis (FIFO) except for Petroleum Products which are valued using the Average Cost method (AVCO).

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### vii) Investment

For the purpose of measurement, these investments have been categorised as financial assets at fair value through Statement of Financial Performance.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### viii) Investment in Associate

An associate is one over which the entity has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method,

investments in associates are carried in the Statement of Financial Position at cost as adjusted for post-acquisition changes in the Corporation's share of the net assets of the associate, less any impairment in the value of individual investment.

### Financial Instruments

Financial Assets and Liabilities are recognised in the Statement of Financial Position when the Corporation has become a party to the contractual provisions of the instrument. The categories of Financial Instruments as per IPSAS 41 are as follows:

- Cash and Cash Equivalent
- Trade and other receivables
- Trade and other payables
- Term Deposits

### Fair Value Measurement

The entity held investments in Landscape (Mauritius) Ltd and Africa Export-Import Bank (Afrexim Bank), categorised as financial assets at Fair value through statement of Financial Performance.

The Corporation enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognized in the Statement of Financial Performance immediately.

Financial Assets and Liabilities are initially recognised at their invoice amount which are approximate their fair value. These are subsequently measured at amortised cost.

### ix) Property, Plant and Equipment

Building (held for administrative purpose), Plant and Equipment are stated in the Statement of Financial Position at cost less accumulated depreciation.

The minimum value of an individual item to be treated as a Non-Current Asset has been set at MUR 40,000 with effect from Financial Year 2014.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, on a pro rata basis in the year of acquisition and disposal using the straight-line method, on the following bases:

	Rate (%)
<b>Motor Vehicles</b>	<b>7 - 20</b>
<b>Computer System</b>	<b>7 - 20</b>
<b>Office Equipment and Furniture</b>	<b>6 - 10</b>
<b>Plant and Machinery</b>	<b>6 - 10</b>
<b>Building</b>	<b>2</b>

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the net book value of the asset and is recognised in Statement of Financial Performance.

### x) Intangible assets

Computer software and ERP

Computer software is capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised over their estimated useful lives of 5 years. Costs associated with developing or maintaining computer software are recognised as an expense as incurred.

### xi) Trade and Other Payables

Trade and other payables are not interest bearing.

### xii) Employee Benefits

The Corporation as well as its employees contribute to two separate pension schemes managed by SICOM Ltd for:

1.1. Defined Benefit Pension Plan for permanent employees up to 31 December 2012.

1.2. Defined Contribution Pension Plan for new entrants as from 1 January 2013.

Contributions to defined contribution plans are recognized as an expense when employees have rendered service entitling them to the contributions.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### Defined Benefit Pension Plan

Contributions in respect of employees who were on Permanent and Pensionable Establishment at 31 December 2012, were paid in a Defined Benefit Pension Plan managed by SICOM Ltd.

IPSAS 39 specifies that all gains and losses should be recognized immediately. All actuarial gains and losses that arise when a company changes its estimate of the Defined Benefit Obligations (DBO) or plan assets should be recognized. Any cost arising from plan amendment needs also to be recognized immediately. There will be no more unrecognized past service cost. Re-measurements are now recognised in the net assets/equity in the period in which they occur and that a net defined benefit liability is recognised in case there is a surplus of assets over the liabilities.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

The contribution in the Defined Benefit Pension Plan managed by SICOM Ltd for the period July 2023 to June 2024 was MUR 14.5 million out of which MUR 11 million has been contributed by the Corporation and the remaining MUR 3.5 million by its employees.

### Defined Contribution Pension Scheme

The 2013 PRB report has recommended the implementation of a contributory Defined Contribution (DC) Pension Scheme for new entrants as from 1 January 2013. The pension plan is managed by SICOM Ltd. Under a DC Scheme, usually the pension benefit at retirement is not known in advance as it will depend on the level of contributions made which in turn depend on the salaries of each employee during his employment, the level of investment returns earned on these contributions and the cost of converting the sum built up into a pension at time of retirement.

Once a full time and permanent employee joins the DC Scheme set up for the Public Sector, an account in his respect will be opened. The account will be credited each month with cash contributions both from the employer and the employee. These cash contributions net of expenses will be invested in order to build up a sum which will buy the employee a pension on retirement.

The contribution in the Defined Contribution (DC) Pension Scheme managed by SICOM Ltd for the period July 2023 to June 2024 was MUR 5.5 million out of which MUR 3.5 million was contributed by the Corporation and the remaining MUR 2.0 million by its employees.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### Employee leave entitlement

Employee entitlements to bank sick leave, vacation leaves and Passage Benefits as defined in the PRB Report (the regulatory body for determining remuneration of STC employees) are recognised when they accrue to employees.

Employees are allowed to accumulate sick leaves not taken at the end of each calendar year up to a maximum of 110 days, in a sick leave bank. The balance of bank sick leaves is valued at the end of the financial year and is recognized as long term payables. Beyond this ceiling of 110 days, officers are refunded part of the annual entitlement of sick leaves not taken at the end of every calendar year and is expensed to the Statement of Financial Performance.

Vacation leave is paid break from duty of longer duration for recreational, cultural or religious purposes. The balance of vacation leaves is valued at the end of the financial year and is recognized as long term payables.

A provision is made for the estimated liability for passage benefits. The passage benefits for each staff are valued at year end and are included as long-term payables. The annual increase in passage benefits representing amount earned for each eligible officer during the financial year, is expensed to the Statement of Financial Performance.

### xiii) Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

- **Finance Lease**

STC had a finance lease of land for its Administrative block at Ebene with Landscape (Mauritius) Ltd. The lease term is for 28 years.

- **Operating Lease**

As at reporting date, the Corporation had the following lease agreements:

- One lease agreement for warehouse at Shed A.
- One lease agreement for warehouse at Mer Rouge.
- One lease agreement for warehouse at Port Mathurin, Rodrigues.
- One lease of land for its Office and Staff Residence Complex in Rodrigues.
- One lease agreement for Land for new warehouse at Riche-Terre

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### xiv) Revenue Recognition

#### Revenue from Exchange Transactions

Revenue is measured at the fair value of the consideration received or receivable. Sales of goods are recognised when goods are delivered and titles have been transferred to the buyer. Interest income is accrued on a time basis.

In accordance with Value Added Tax Act, all products sold by the Corporation for the Financial Year ended 30 June 2024 are Taxable supplies. As such revenue is accounted net of Value Added Tax (VAT). Revenue from sales of goods is recognised when all the following conditions are satisfied:

- The organisation has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the entity.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Revenue collected on behalf of third parties are not recognised in the Financial Statements.

#### Revenue from Non Exchange Transaction

Revenue from Non exchange transactions is those where the Corporation receives an inflow of resources but provides no or nominal direct consideration in return. It includes mainly Gain and Loss on foreign transactions.

### i) Foreign Currencies

The Organisation is exposed to certain foreign currency exchange, credit, interest rate and liquidity risks. Transactions in currencies other than Mauritian Rupees are recorded at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Gains and losses arising on retranslation are recognised in Statement of Financial Performance in the period in which they arise.

The Corporation procures goods for resale in Foreign Currency. During the Financial Year ended 30 June 2024 about USD 403.3 million was paid for purchase of commodities for resale. Any fluctuation in the exchange rate by MUR 1 will impact the cost of sales by MUR 403.3 million.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### ii) Loans

Loans comprise advances made to employees for the acquisition of motor cars and motor cycles at interest rate of 3%. The repayment of the loans is effected within a period of 5 or 7 years.

### iii) Impairment

At each reporting date, the Corporation 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.

Recoverable amount is the higher of the fair value less costs to sell, and value in use. 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 recognized as an expense immediately.

### iv) Provisions

Provisions are recognised when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation.

### v) Pricing

Prices of regulated commodities sold by the Corporation are fixed by Government in accordance with the Consumer Protection Regulations and by STC. In order to adhere to Government policy of selling products of basic necessity namely Rice, Flour and LPG for domestic consumption at affordable prices, the Corporation meets any shortfall on these products from Contributions for Subsidy in the price structures of Mogas and Gas Oil.

### vi) Tax

The Corporation is exempted from payment of tax (Duty, Rate, Charge, Fee) under section 22 of the State Trading Corporation Act 1982.

### vii) Cash Flow Statement

The Cash Flow Statement is prepared using the indirect method.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 3. RISK MANAGEMENT POLICIES

A description of the various risks to which the Corporation is exposed is shown below as well as the approach taken by management to control and mitigate those risks.

#### i) Credit risk and Expected Credit Loss

##### Credit Risk

Credit risk relates to the possibility of default by customers in settling their obligations to the Corporation.

##### Expected Credit Loss

The Corporation assesses expected credit loss (ECL) under IPSAS 41.

The Corporation transacts only with customers having a good track record and as there are well-established payment schedules, the possibility of material loss arising is considered to be mitigated. Our customers have never default payment to us and therefore the ECL is considered immaterial.

Term Deposits and Bank Balances are placed under reputable financial institutions. Accordingly, the ECL are assessed to be immaterial.

#### ii) Liquidity risk

This refers to the possibility of default by the Corporation to meet its obligations because of unavailability of funds to meet operational requirements. In order to ensure adequacy of its funding, cash flow forecasts are prepared regularly and actions taken appropriately.

Moreover, the Corporation has access to various types of funding facilities such as bank overdraft and Lines of Credit. These are short term arrangement for 3 months or less. No significant liquidity risks exist. Payables are settled at invoice amount within standard credit periods.

#### iii) Interest rate risk

The Corporation has short-term borrowings at average floating interest rates. As such, its income and cash flows are exposed to interest rate risks. These risks are to some extent mitigated as the Corporation maintains a cash surplus that is invested in short-term deposits. The Corporation is not subject to significant interest rate risk.

#### iv) Currency Risk

The Corporation operates internationally and is exposed to Foreign Exchange Risk. Foreign Exchange Risk arises from commercial transactions whereby commodities are purchased and sold at different dates whereas purchases are in US Dollars.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

Only part of the sales is in foreign currency. Currency risk is therefore not related to that portion of sales which are in Mauritian Rupees.

Currency exposure arising from commercial transactions is primarily managed through:

- (i) Maintaining of sufficient funds in foreign currency bank accounts, crediting proceeds in foreign currency and purchasing of foreign currency in advance.
- (ii) Entering to some Forward Foreign Exchange Contracts.

### 4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the process of applying the Corporation's accounting policies, which are described in Note 2 above, Management has made the following judgments that have most significant effect on the amounts recognized in the financial statements, apart from those involving estimations, which are described below:

#### i) Determination of functional currency of the Corporation

The determination of the functional currency of each entity is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. Management has considered all relevant factors and has determined that the functional currency of the Corporation is Mauritius Rupee.

#### ii) Determination of Price Stabilisation Account

The Consumer Protection (Prices and Supplies Control) Act has been amended in January 2011 to provide for a Petroleum Pricing Committee (PPC). With this pricing mechanism, prices are changed only when rendered absolutely necessary as a result of significant changes in price trends on the world market.

One of the key objectives of the new mechanism is to mitigate the effects of world price fluctuations on retail prices at retail outlets. STC operates a Price Stabilization Account for Mogas and Gas Oil in order to shield the market from price fluctuations.

The gains or losses have been recognized on the basis that the realisation of income or loss is virtually certain and are either credited or debited in the Price Stabilization Account.

#### iii) Post-Employment Benefits

The determination of employee's post-employment benefit costs and related provisions, as detailed in Note 15 to the Financial Statements, required the use of actuarial calculations or other assumptions that include significant estimates in respect of, inter alia, the discount rate, the expected return on the plan assets, future salary increases and future pension increases. These significant estimates are assessed annually by the directors with the actuaries where applicable. Differences between actual and estimated are recorded as actuarial gains or losses.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 5. CASH AND CASH EQUIVALENT

	30 June 2024	30 June 2023
	MUR	MUR
Cash in Hand	133,204	63,131
Bank Balances	1,956,510,720	5,203,741,712
<b>Gross Total</b>	<b>1,956,643,924</b>	<b>5,203,804,843</b>

Funds are placed under reputable licensed financial institutions. Accordingly, ECL are assessed to be immaterial.

### 5A. TERM DEPOSIT

The Short-Term deposit of MUR 736,531,738 relates to the Performance Security provided by supplier of petroleum products.

### 6. TRADE AND OTHER RECEIVABLES

Trade and other receivables are classified as Exchange and Non-Exchange transactions at reporting date as follows:

	30 June 2024	30 June 2023
	MUR	MUR
<b>Exchange Transaction</b>		
Oil Companies & CEB	6,696,675,073	5,047,168,964
Government of Mauritius	1,224,916,520	1,115,132,433
Prepayment	20,176,376	19,247,546
Other Receivables	181,471,047	72,725,815
	<b>8,123,239,016</b>	<b>6,254,274,758</b>
<b>Non-Exchange Transaction</b>		
Other Receivables	18,379,760	21,608,102
<b>TOTAL</b>	<b>8,141,618,776</b>	<b>6,275,882,860</b>

#### Notes:

- (i) Amount receivable is predominantly short term. These are measured at original invoice amount. The customers are good rating ones and therefore ECL is considered immaterial.
- (ii) Part of above amount represent car and motorcycle loan provided to STC Employees at the concessionary rate prescribed as per PRB Report. These receivables represent little risks to the Corporation as a monthly premium is deducted from salary of each borrower as insurance cover in case of default. Amount receivable is predominantly short term and measured at original invoice amount. The loan has been assessed to have immaterial impact under IPSAS 41.
- (iii) The amount due by the Government of Mauritius is considered as risk-free, therefore no Expected Credit Loss Allowance has been made.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 6A. Work-In-Progress

The Work-in-Progress amounting to MUR 6,276,740 relates to expenses incurred for the construction of a modern warehouse at Jin-Fei.

### 7. INVENTORIES

COMMODITIES	30 June 2024	30 June 2023
	MUR	MUR
Mogas	284,235,253	507,057,949
Gas Oil	151,822,084	271,691,510
DPK	4,983,629	-
Rice	66,085,909	30,722,918
Flour	36,975,980	51,185,583
Sugar	959,158	1,441,828
Milk Powder	31,243,533	33,367,680
Edible Oil	10,441,235	3,034,267
Pulses	7,009,570	1,481,559
LPG	43,433,888	48,447,450
Others	140,400	1,626,550
<b>TOTAL</b>	<b>637,330,639</b>	<b>950,057,294</b>

#### Stock of Mogas and Gas Oil in MOST

At reporting date STC held a stock of 6,492 MT of Mogas and 4,051 MT of Gas Oil in the terminal valued at MUR 436.1 million.

#### Stock in Transit

The Corporation had no stock in transit of White and Black Oils at 30 June 2024.

### 8. INVESTMENT

Name of Company	Country of incorporation	% Ownership	Consideration	30 June 2024	30 June 2023
				MUR	MUR
Landscape (Mauritius) Ltd	Mauritius	less than 1	Cash	639,900	616,832
Africa Export –Import Bank (Afreximbank)	Egypt	less than 1	Cash	11,892,070	10,549,480
<b>At Reporting date</b>				<b>12,531,970</b>	<b>11,166,312</b>

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 8A. INVESTMENT IN ASSOCIATED COMPANY

Details of the Corporation's associate is as follows:

Name of Company	Country of incorporation	% Ownership	Consideration	30 June 2024	30 June 2023
				<b>MUR</b>	<b>MUR</b>
Mer Rouge Oil Storage Terminal Co Ltd (MOST)	Mauritius	20	Cash	75,910,631	75,910,631
<b>At Reporting date</b>				<b>75,910,631</b>	<b>75,910,631</b>

Mer Rouge Oil Storage Terminal Co Ltd is an associate as STC has significant influence over the company.

For the purpose of applying the equity method of accounting, the audited financial statements of MOST for the year ended 31 December 2023 has been used.

Summarised financial information of MOST for the year 2023 is set out below:

	31 December 2023	Restated 31 December 2022
	<b>MUR</b>	<b>MUR</b>
Total Assets	709,372,122	717,732,580
Total Liabilities	(312,782,837)	(315,181,994)
Net Assets/Equity	396,589,285	402,550,586
Total revenue	80,666,570	77,359,740
Total expenses	(36,258,820)	(33,411,707)
Net Profit/(Loss)	44,407,750	43,948,033
STC's share of Net profit /(Loss) in Associate	8,881,550	8,789,607
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>MUR</b>	<b>MUR</b>
Investment MOST	75,910,631	75,910,631
Investment during the reporting period	-	-
Disposal of 3.5% Shareholding	-	-
Total investment as at 30 June	75,910,631	75,910,631
STC's share of net profit for the period	NIL	NIL
Investment in Associate at 30 June	75,910,631	75,910,631

#### Mer Rouge Oil Storage Terminal Co Ltd (MOST)

STC is a shareholder of the Mer Rouge Oil Storage Terminal Co. Ltd (MOST), a petroleum tank farm. Since the year 2017 to 30 June 2024, STC has invested an amount of MUR 75.9 million in the company which has a storage capacity of 15,000 MT of Mogas and 10,000 MT of Gas Oil.

With the implementation of this storage project, the country's buffer stock level (time interval between the arrival of two tankers) has improved from 2 to 33 days for Mogas and from 10 to 27 days for Gas Oil.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 9. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Office Equipment & Furniture	Plant & Machinery	Computer System-Hardware	Building	Leasehold Land	Total Property, Plant and Equipment
	MUR	MUR	MUR	MUR	MUR	MUR	MUR
<b>COST</b>							
At 1 July 2023	11,008,428	41,054,816	34,429,379	24,998,361	257,889,321	11,766,273	381,146,578
Additions	1,661,367	1,199,076	500,000	2,926,720	-	-	6,287,163
At 30 June 2024	12,669,795	42,253,892	34,929,379	27,925,081	257,889,321	11,766,273	387,433,741
<b>DEPRECIATION</b>							
At 1 July 2023	8,736,239	28,121,392	22,697,150	23,980,419	41,503,437	-	125,038,637
Charge for the year	1,146,735	3,987,512	2,290,410	802,237	5,157,786	-	13,384,680
At 30 June 2024	9,882,974	32,108,904	24,987,560	24,782,656	46,661,223	-	138,423,319
<b>CARRYING AMOUNT</b>							
At 30 June 2023	2,272,189	12,933,424	11,732,229	1,017,942	216,385,884	11,766,273	256,107,941
At 30 June 2024	2,786,821	10,144,988	9,941,819	3,142,425	211,228,098	11,766,273	249,010,421

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 10. INTANGIBLE ASSETS

	Logo	Computer System-Software	Total Intangible Assets
	MUR	MUR	MUR
<b>COST</b>			
<b>At 1 July 2023</b>	<b>190,000</b>	<b>26,288,793</b>	<b>26,478,793</b>
Additions	-	131,400	131,400
Disposals	-	-	-
<b>At 30 June 2024</b>	<b>190,000</b>	<b>26,420,193</b>	<b>26,610,193</b>
<b>AMORTISATION</b>			
<b>At 1 July 2023</b>	<b>190,000</b>	<b>25,505,017</b>	<b>25,695,017</b>
Charge for the year	-	680,200	680,200
Derecognised	-	-	-
<b>At 30 June 2024</b>	<b>190,000</b>	<b>26,185,217</b>	<b>26,375,217</b>
<b>NET BOOK VALUE</b>			
<b>At 1 July 2023</b>	<b>-</b>	<b>783,775</b>	<b>783,775</b>
<b>At 30 June 2024</b>	<b>-</b>	<b>234,976</b>	<b>234,976</b>

### 11. PAYABLES

Payables principally comprise of amounts outstanding for trade purchases and ongoing costs.

Management considers that the carrying amount of trade payables approximates to their fair value. The Payables have been split between Exchange and Non Exchange as follows:

CURRENT LIABILITIES	30 June 2024	30 June 2023
	MUR	MUR
<b>Exchange Transactions:</b>		
Supplier of Strategic Products	4,871,794,584	2,350,944,874
Mauritius Revenue Authority	1,126,832,315	753,222,478
Other Suppliers	122,804,944	6,140,191
	<b>6,121,431,843</b>	<b>3,110,307,543</b>
<b>Non-Exchange Transactions:</b>		
Other Payables	889,000,496	266,499,179
<b>TOTAL</b>	<b>7,010,432,339</b>	<b>3,376,806,722</b>

#### Note:

Payables are settled within 3 months and are predominantly short term in nature. These are measured at original invoice amount and the effect of discounting is immaterial.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 12. SHORT TERM BORROWINGS

	30 June 2024	30 June 2023
	MUR	MUR
Short term Lines of Credit	2,553,582,746	8,047,620,000
Overdraft	-	1,294,887,406
<b>TOTAL</b>	<b>2,553,582,746</b>	<b>9,342,507,406</b>

### 13. EMPLOYEE BENEFITS

Employee Benefits consist of Bank Sick Leave, Passage Benefits and Vacation Leave due to employees of the Corporation as shown below:

	30 June 2024	30 June 2023
	MUR	MUR
<b>Less than 1 year</b>		
Passage Benefits	2,059,732	2,737,947
Vacation Leave	9,872,774	8,761,516
Bank Sick Leave	9,259,286	10,180,067
<b>Total</b>	<b>21,191,792</b>	<b>21,679,530</b>
<b>More than 1 year</b>		
Passage Benefits	4,865,190	5,046,861
Vacation Leave	19,728,019	19,022,689
Bank Sick Leave	21,267,118	19,228,498
<b>Total</b>	<b>45,860,327</b>	<b>43,298,047</b>
<b>Grand Total</b>	<b>67,052,119</b>	<b>64,977,577</b>

### 14. LEASE LIABILITY

An amount of MUR 9.3 million has been recognized as Leasehold Land as per IPSAS 17. The finance lease obligations payable under the Leasehold Land are as follows:

	30 June 2024	30 June 2023
	MUR	MUR
<b>Less than 1 year</b>		
Leasehold Land	349,658	349,658
<b>Total</b>	<b>349,658</b>	<b>349,658</b>
<b>More than 1 year</b>		
Leasehold Land	8,951,696	9,301,354
<b>Total</b>	<b>8,951,696</b>	<b>9,301,354</b>
<b>Grand Total</b>	<b>9,301,354</b>	<b>9,651,012</b>

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 15. NET DEFINED BENEFIT LIABILITY

- (i) The total administrative expenses of MUR 309.8 million includes MUR 11.1 million contributed by STC in the Defined Benefit Pension Plan and MUR 3.5 million in the Defined Contribution Pension Scheme managed by SICOM Ltd for the year ended 30 June 2024.
- (ii) Following an actuarial review of the STC Pension Fund by SICOM, the results showed that the Pension Fund will be Rs 271 million deficit on an on-going basis and on a discontinuance basis the deficit will be Rs 265 million. In order to fund the shortfall, SICOM recommended to maintain the contribution rate to 25% and make cash injection in the Pension Fund. STC's Board has approved for payment of 5 annual instalments of Rs 52 million to SICOM, enabling adjustment of the STC Pension Fund. The first instalment of Rs 52 million was made in July 2023.

### Actuarial Report on the Defined Benefit Pension plan for STC employees

FIGURES FOR IPSAS 39 ADOPTION FOR: State Trading Corporation for year ending 30 June 2024

	Year ending 30 June 2024	Year ending 30 June 2023
	MUR	MUR
<b>Amounts recognised in balance sheet at end of year:</b>		
Defined benefit obligation	779,817,388	732,297,490
Fair value of plan assets	(496,545,607)	(441,323,265)
Liability recognised in balance sheet at end of year	283,271,781	290,974,225
<b>Amounts recognised in income statement:</b>		
Service cost:		
Current service cost	9,104,292	9,121,464
(Employee contributions)	(3,479,630)	(3,489,230)
Fund Expenses	629,791	772,615
Net Interest expense/ (income)	15,016,726	12,506,086
P&L Charge	21,271,179	18,910,935
<b>Remeasurement:</b>		
Liability (gain)/loss	50,485,273	11,866,615
Assets (gain)/loss	16,398,981	3,819,536
Net Assets/Equity (NAE)	34,086,292	15,686,151
<b>Total</b>	<b>55,357,471</b>	<b>34,597,086</b>
<b>Movements in liability recognised in balance sheet:</b>		
At start of year	290,974,225	267,426,367
Amount recognised in P&L	21,271,179	18,910,935
Past Service liability contribution (Contributions paid by employer)	(52,000,000)	0
Amount recognised in NAE	(11,059,915)	(11,049,229)
At end of year	<b>283,271,781</b>	<b>290,974,225</b>

The plan is a defined benefit arrangement for the employees and it is a funded plan. The assets of the funded plan are held independently and administered by the State Insurance Company of Mauritius Ltd.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### FIGURES FOR IPSAS 39 ADOPTION FOR: State Trading Corporation for year ending 30 June 2024

	Year ending 30 June 2024	Year ending 30 June 2023
	MUR	MUR
<b>Reconciliation of the present value of defined benefit obligation</b>		
Present value of obligation at start of period	732,297,490	716,651,198
Current service cost	9,104,292	9,121,464
Interest cost	41,073,255	33,467,827
(Benefits paid)	(53,142,922)	(38,809,615)
Liability (gain)/loss	50,485,273	11,866,615
Present value of obligation at end of period	<b>779,817,388</b>	<b>732,297,490</b>
<b>Reconciliation of fair value of plan assets</b>		
Fair value of plan assets at start of period	441,323,265	449,224,831
Expected return on plan assets	26,056,529	20,961,741
Employer contributions	11,059,915	11,049,229
Employee Contributions	3,479,630	3,489,230
Past Service liability contribution	52,000,000	0
(Benefits paid and other outgo)	(53,772,713)	(39,582,230)
Asset gain/ (loss)	16,398,981	(3,819,536)
Fair value of plan assets at end of period	<b>496,545,607</b>	<b>441,323,265</b>
<b>Distribution of plan assets at end of period</b>		
<i>Percentage of assets at end of year</i>		
Fixed Interest securities and deposits	49.9%	53.9%
Loans	3.1%	2.8%
Local equities	15.2%	14.0%
Overseas bonds and equities	31.3%	28.8%
Property	0.5%	0.5%
Total	<b>100%</b>	<b>100%</b>
<b>Additional disclosure on assets issued or used by the reporting entity</b>		
<i>Percentage of assets at end of year</i>		
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0
<b>Components of the amount recognised in NAE</b>		
Year	June 2024	June 2023
Currency	MUR	MUR
Asset experience gain/ (loss) during the period	16,398,981	(3,819,536)
Liability experience gain/ (loss) during the period	(25,286,295)	(11,866,615)
Liability gain/(loss) due to change in financial assumptions	(25,198,978)	N/A
	<b>(34,086,292)</b>	<b>(15,686,151)</b>

## Notes to Financial Statements

### for the Financial Year ended 30 June 2024

Year	<b>2024-2025</b>
Expected employer contributions	10,958,176
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

The plan is exposed to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The risk relating to death in service benefits is reinsured.

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 ending 30 June 2024	Year ending 30 June 2023
Discount rate	5.50%	5.82%
Future salary increases	4.50%	4.50%
Future pension increases	3.50%	3.50%
Mortality before retirement	NIL	
Mortality in retirement	PA (90) Tables rated down by 2 years	
Retirement age	65 years	

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

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and 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 (one percent) higher (lower), the defined benefit obligation would decrease by Rs 78.9 million (increase by Rs 95.2 million) if all other assumptions were held unchanged.
- If the expected salary growth would increase (decrease) by 1 %, the defined benefit obligation would increase by Rs 25.3 million (decrease by Rs 22.5 million) if all assumptions were held unchanged.
- If the life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 26.3 million (decrease by Rs 26.0 million) 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 depend to a certain extent on expected inflation rates. The analysis above abstracts from these interdependences between the assumptions.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 16. CONTRIBUTED CAPITAL

According to Section 15 of the STC Act, the Share Capital of the Corporation shall be 10,000,000 rupees made up of 1,000,000 shares of 10 rupees each to be allocated as follows:

- (a) 100,000 shares shall be fully subscribed by Government;
- (b) The remaining shares shall be subscribed, at such time and in such manner the Minister may determine.

In 1983, when STC was set up, Government contributed an amount of MUR 400,000 which was treated as Share Capital and the item has been renamed as Contributed Capital in line with IPSAS.

### 17. RESERVE FUND

	30 June 2024	30 June 2023
	MUR	MUR
Infrastructure Development Reserve Fund	1,190,951,369	954,116,257
Price Stabilisation Account	(4,155,539,102)	(4,562,947,057)
<b>Total</b>	<b>(2,964,587,733)</b>	<b>(3,608,830,800)</b>

Reserve Fund consist of the following:

- **Infrastructure Development Reserve Fund**

This fund includes an amount of MUR 1.0 billion for Storage Tank Development and MUR 163.7 million in respect of Bunker Fuel Development as detailed below:

- (i) **Storage Tank Development Fund**

During the Financial Year 30 June 2024, an amount of MUR 236,835,113 has been collected and credited to this account. The balance in this fund stands at MUR 1,027,202,550 at 30 June 2024 out of which MUR 743,880,027 and MUR 283,322,523 relates to petroleum products and LPG respectively.

- (ii) **Bunker Fuel Development Fund**

A Bunker Fuel Fund has been created to promote marine bunker fuel oil business in Mauritius and the balance is MUR 163,748,819 as at 30 June 2024.

- **Price Stabilisation Account**

As at 30 June 2023, the Price Stabilisation Account (PSA) of Mogas and Gas Oil was in deficit by MUR 4.6 billion. During the Financial Year 30 June 2024, surplus on Tankers amounted to MUR 0.3 billion resulting in a negative balance of MUR 4.16 billion.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

In October 2023, Government transferred an amount of MUR 250 million into STC's bank account to be injected in the PSA of Mogas so as to make its balance positive to allow for a decrease in the retail price in accordance with Consumer Protection (Control of Price of Petroleum Products) (Amendment No.2) Regulations 2023.

Thus, at the PPC Meeting of 6 October 2023, the retail price of Mogas was reduced from Rs 72.10 per litre to Rs 69.00 per litre. With regard to Gas Oil, the PPC recommended for an increase from Rs 60.00 per litre to Rs 63.95 per litre which was subsequently approved by the Ministry.

As at 30 June 2024, the PSA was in deficit by MUR 4.16 billion as follows:

	MUR billion
Mogas	0.12
Gas Oil	(4.28)
<b>TOTAL</b>	<b>(4.16)</b>

### 18. REVENUE FROM EXCHANGE TRANSACTIONS

An analysis of the Corporation's revenue is as follows:

	30 June 2024			30 June 2023		
	Metric Tons	MUR	% of revenue	Metric Tons	MUR	% of revenue
Petroleum Products	1,114,236	46,266,852,907	94.98%	1,111,057	43,862,572,534	94.05%
LPG	92,644	1,389,445,567	2.85%	91,824	1,427,831,644	3.06%
Rice	20,458	249,758,493	0.51%	25,526	289,955,874	0.62%
Flour	100,361	621,775,522	1.28%	98,780	609,457,399	1.31%
Sugar	293	13,177,580	0.03%	368	14,863,225	0.03%
Milk Powder	291	61,748,096	0.13%	330	74,182,594	0.16%
Edible Oil	1,553	101,116,063	0.21%	4,981	340,331,867	0.73%
Pulses	84	5,900,165	0.01%	311	20,239,401	0.04%
<b>TOTAL</b>	<b>1,329,920</b>	<b>48,709,774,393</b>	<b>100.00</b>	<b>1,333,177</b>	<b>46,639,434,538</b>	<b>100.00</b>

#### Note:

- (i) Revenue is net of VAT and net of amount collected on behalf of third parties as follows: -
  - (a) Contribution to the Road Development Authority – MUR 976.4 million.
  - (b) Contribution to Rodrigues Transportation and Storage and construction of storage facilities for petroleum products–MUR 245.5 million
- (ii) The selling prices of Rice, Flour, LPG and other essential products are fixed by Government. Shortfalls on these products are met from:
  - (a) amount collected under the item 'Contribution to Subsidy on LPG, Rice and Flour' in the price structure of Mogas and Gas Oil; and
  - (b) funding from Government

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 19. REVENUE FROM NON-EXCHANGE TRANSACTION

Revenue from non-exchange transactions for Financial Year ended 30 June 2024 is made up of net foreign exchange gains and losses and Contribution for Subsidy on LPG, Rice and Flour as follows:

Description	30 June 2024					30 June 2023
	Gain	Loss	Net Gain/ (Loss)	Contribution for Subsidy on LPG, Rice and Flour	Total	Total
	MUR	MUR	MUR	MUR	MUR	MUR
Accounts payable	82,225,383	161,201,211	(78,975,827)	-	(78,975,827)	(39,379,547)
Accounts receivable	208,452,118	113,113,099	95,339,018	-	95,339,018	3,435,897
Repayment of foreign currency borrowings	352,807,255	195,560,242	157,247,013	-	157,247,013	(174,835,575)
<b>Subtotal realised gain/ (loss)</b>	<b>643,484,756</b>	<b>469,874,552</b>	<b>173,610,204</b>	<b>-</b>	<b>173,610,204</b>	<b>(210,779,225)</b>
Bank accounts & Deposits -unrealised gain/(Loss)	136,303,947	8,986,000	127,317,947	-	127,317,947	97,629,577
Gain/(Loss) on Forward, Spot & Swap Contracts	40,584,181	-	40,584,181	-	40,584,181	(40,384,682)
<b>Net Foreign exchange gains and losses</b>	<b>820,372,884</b>	<b>478,860,552</b>	<b>341,512,332</b>	<b>-</b>	<b>341,512,332</b>	<b>(153,534,330)</b>
Contribution for Subsidy on LPG, Rice and Flour	-	-	-	3,900,713,414	3,900,713,414	3,715,865,878
<b>TOTAL</b>	<b>820,372,884</b>	<b>478,860,552</b>	<b>341,512,332</b>	<b>3,900,713,414</b>	<b>4,242,225,746</b>	<b>3,562,331,548</b>

### 20. OTHER NON-EXCHANGE REVENUE

Interest on bank balances and bank deposits, etc.  
Investment Income (Dividend Received)  
Other Income  
**TOTAL**

30 June 2024	30 June 2023
MUR	MUR
153,168,987	51,258,293
4,630,847	8,688,654
4,026,641	1,032,676
<b>161,826,475</b>	<b>60,979,623</b>

#### 20.1 Transportation Costs

In order to keep the retail prices of Edible Oil and Milk Powder at par with that of Mauritius, STC is refunded the transportation costs to Rodrigues by Government.

Edible Oil  
Milk Powder  
**TOTAL**

30 June 2024	30 June 2023
MUR	MUR
1,573,209	662,700
255,282	156,456
<b>1,828,491</b>	<b>819,156</b>

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 20.2 Special Subsidy to Bakers

Following Government decision to apply a dual pricing policy for sales of Flour, Bakers are allowed to purchase flour from STC at Rs 108.85 per bag of 25 kg instead of subsidised price of Rs 217.50 per bag of 25 kg. Special subsidy to bakers for 2023-2024 as follows:

	30 June 2024	30 June 2023
	MUR	MUR
Refund of special subsidy from Government	129,411,087	180,097,320

### 21. ANALYSIS BY PRODUCT

The Corporation has identified as separate segments each distinguishable activity or group of activities by product for which financial information is reported, for purposes of:

- evaluating the past performance of the entity in achieving its objectives, and
- making decisions about the allocation of resources by the entity.

The surplus of MUR 1.8 billion for the Financial Year ended 30 June 2024 is made up as shown below:

	RICE	FLOUR	PETROLEUM PRODUCTS	SUGAR	LPG	BASMATI RICE	Other Products	OTHERS	TOTAL
MUR Million									
Revenue from Exchange Transactions	212.2	621.8	46,266.9	13.2	1,389.5	37.5	168.8	-	48,709.9
Revenue from Non Exchange Transactions	(0.2)	6.7	357.5	-	(22.3)	(0.1)	(0.1)	-	341.6
Contribution for Subsidy	-	-	-	-	-	-	-	3,900.7	3,900.7
Interest Receivable	-	-	152.8	-	-	-	-	-	152.8
Other Revenue	-	-	4.6	-	-	-	2.3	2.1	9.0
Subsidy from Government	-	-	-	-	-	-	-	239.1	239.1
Cost of sales	(678.6)	(2,471.0)	(44,644.3)	(12.9)	(2,971.7)	(31.6)	(161.2)	-	(50,971.4)
Administrative Expenses	(36.6)	(150.8)	(98.2)	(0.27)	(1.3)	(0.5)	(2.1)	-	(289.7)
Interest Cost	(3.5)	(15.7)	(303.5)	-	(18.4)	-	-	-	(341.1)
<b>Surplus/ (Deficit) for the year</b>	<b>(506.7)</b>	<b>(2,009.0)</b>	<b>1,735.8</b>	<b>0.03</b>	<b>(1,624.2)</b>	<b>5.3</b>	<b>7.7</b>	<b>4,141.9</b>	<b>1,750.9</b>

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 21.1 SUBSIDY REQUIREMENT

The subsidy requirement for the Financial Year ended 30 June 2024 has been financed as follows:

	June 2024	June 2023
	MUR	MUR
Subsidy on Long Grain White Rice	506,754,955	352,305,455
Subsidy on Flour	2,008,997,198	2,200,905,835
Subsidy on LPG	1,624,156,435	1,495,868,101
<b>Total subsidy</b>	<b>4,139,908,588</b>	<b>4,049,079,392</b>
Less Contributions from Price Structures of Mogas and Gas Oil	(3,900,713,414)	(3,715,865,878)
Special subsidy for bakers received from Government	(129,411,087)	(90,048,660)
<b>Subsidy Receivable from Government</b>	<b>109,784,087</b>	<b>243,164,854</b>

### 22. GENERAL ADMINISTRATIVE EXPENSES

	June 2024	June 2023
	MUR	MUR
Wages, salaries & Employee Benefits	184,345,120	163,628,473
Supplies and Consumables used	22,507,385	27,159,605
Utilities	8,320,907	7,427,986
Rent	29,375,829	26,901,816
Repairs and Maintenance	19,591,669	15,923,071
Other Administrative Expenses	11,535,853	113,861,244
<b>Total</b>	<b>275,676,763</b>	<b>354,902,195</b>

### 23. OPERATING LEASE

Rentals payable amounting to MUR 29.4 million are charged to income on an accrual basis.

The future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods are as follows:

- (i) One year: MUR 26.7 million
- (ii) Later than one year and not later than five years: MUR 35.4 million
- (iii) More than five years: MUR 32.4 million

Total rents recognized in the Statement of Financial Performance during the Financial Year ended 30 June 2024- MUR 29,375,829.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

### 24. FINANCE COSTS

	30 June 2024	30 June 2023
	<b>MUR</b>	<b>MUR</b>
Interest on Lines of Credit	306,475,317	277,876,115
Interest on Overdraft	34,505,550	110,177,475
Interest on Term Loan	-	378,873
<b>Total</b>	<b>340,980,867</b>	<b>388,432,463</b>

#### 24.1 FINANCING FACILITY

During the Financial Year 2023-2024, the Corporation had recourse to credit facilities, and Bank Overdraft for working capital needs as follows:

- (a) Credit Facilities with no collateral for a total of USD 175 million from three banks as detailed below and the balance due to the banks as at 30 June 2024 stood at USD 53.7 million representing around MUR 2.6 billion.
- (b) The opening balance as at 01 July 2023 was MUR 8.0 billion and the total borrowings during this financial year from the above banks amounted to MUR 52.5 billion. After adjusting the gain of MUR 0.15 billion realized during the year on exchange and repayment of MUR 57.8 billion the total amount due to banks as at 30 June 2024 stood at MUR 2.6 billion.
- (c) The Bank Overdraft facility with SBM Bank (Mauritius) Ltd has been increased to a total limit of MUR 5 billion as compared to MUR 3 billion last year. The balance due to the bank as at 30 June 2024 was Nil.

	Credit Facility	Bank Overdraft Facility
	<b>USD million</b>	<b>MUR million</b>
AfrAsia Bank Limited	90	-
SBM Bank (Mauritius) Ltd	50	5,000
SBI (Mauritius) Ltd	35	-
<b>Total</b>	<b>175</b>	<b>5,000</b>

### 25. RELATED PARTY TRANSACTIONS

The State Trading Corporation is wholly owned by the Government of Mauritius. During the Financial Year ended 30 June 2024, the Corporation sold Petroleum Products (Fuel Oil) to the Central Electricity Board (CEB) which is equally owned by the Government of Mauritius.

## Notes to Financial Statements

for the Financial Year ended 30 June 2024

Sales of goods to CEB:

30 June 2024	30 June 2023
MUR	MUR
7,035,052,342	7,107,929,331

- Sales of goods to CEB were made at market related prices.
- Outstanding balance as at 30 June 2024 was MUR 117,946,482 (Jun 2023: MUR 322,936,604)

### 25.1 COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of Chairman, Board Members and other members of key management during the Financial Year ended 30 June 2024 were as follows:

	June 2024	June 2023
	MUR	MUR
Short-term benefits	17,147,790	17,779,103
Post-employment benefits	17,418,675	24,233,321
Fees to Board Members	1,212,365	1,419,078

The remunerations of Board Members are determined by the parent Ministry and those of key management are determined by the Pay Research Bureau and Government.

At 30 June 2024, out of seven (7) key management personnel, three (3) were on contract and four (4) on substantive capacity.

### 26. CONTINGENCIES

At the reporting date, there were twenty-one (21) pending cases at court awaiting hearing, including three (3) cases relating to staff matters. These cases do not have significant impact on our accounts.

### 27. COMMITMENTS

The contracts for the supply of products for resale have been awarded as follows:

#### 27.1. White Oils (Mogas, Gas Oil and Jet Fuel):

- to OQ Trading Limited, from January 2022 to December 2022 and for a further period from February to July 2023.
- to Mercantile and Maritime Investment Pte Ltd from August 2023 to July 2024.

## **Notes to Financial Statements**

for the Financial Year ended 30 June 2024

### **27.2. Fuel Oils**

to Coral Energy DMCC Limited for the period February 2023 to January 2024 and April 2024 to March 2025.

### **27.3. Liquefied Petroleum products**

to OQ Trading Limited for the period November 2022 to October 2023 and November 2023 to October 2024.

### **27.4. Wheat Flour**

to Les Moulins de La Concorde Ltée for the period January to September 2023 and October 2023 to September 2024.

# Our **STAKEHOLDERS**



## **1. OQ Trading Limited – White Oils**

OQ Trading Limited was incorporated as a Company limited by shares under Dubai International Financial Centre (DIFC) Companies Law No. 3 of 2006 and is 100% owned by the Investment Authority of the Government of the Sultanate of Oman. OQ Trading Limited operates in 17 countries around the world and covers the entire value chain from exploration and production to marketing and distribution of end-user products.

## **2. Coral Energy DMCC (CEDMCC) – Fuel Oils**

Coral Energy DMCC (CEDMCC) was established in year 2014 as a Private Limited Company based in Dubai, United Arab Emirates. It is also registered with the Dubai Multi Commodities Centre (DMCC), in Dubai, United Arab Emirates. The Company trades mainly in the Integrated Oil & Gas sector. Its licensed activities are petrochemicals trading, industrial and liquefied / natural gas trading, trading in refined oil products, lubricants and grease trading and crude oil trading.

## **3. Mercantile and Maritime Investment Pte Ltd**

The Mercantile and Maritime Investment Pte Ltd form part of the Mercantile and Maritime Group. It is an independent energy and commodities trading company with a presence across the Middle East, Europe and Asia.

## **4. Les Moulins de La Concorde Ltée – Wheat Flour**

Launched in 1989, Les Moulins de la Concorde Ltée is the only local miller and has 16 silos representing a total wheat-stocking capacity of 40,000 MT, overlooking the harbour. It has been supplying flour to STC since its creation.

## **5. Petredec Limited- LPG**

Petredec Limited was formed as an LPG trading company in 1980 to develop a shipping and trading operation.

## **6. Four major Local Oil Companies that STC deals with:**

- Vivo Energy Mauritius Ltd
- TotalEnergies Mauritius Limited
- Engen Petroleum (Mauritius) Ltd
- IndianOil (Mauritius) Ltd

## **7. Wholesalers Association**

Wholesalers procure flour from STC and distribute to the whole population directly or through their retail distribution channels.

## **8. Bakers Association**

## 9. Insurance Companies

- SICOM Ltd
- National Insurance Company Ltd
- Eagle Insurance Ltd
- New India Assurance Co. Ltd
- Jubilee Insurance (Mauritius) Ltd

## 10. Mauritius Standards Bureau

## 11. Surveyors

- Quantilab Ltd
- Geo Chem Middle East LLC

## 12. Packers/Distributors

- Vengrasamy & Amravadee Ponnen Sons Co Ltd
- Yanni Rice Specialist Ltd
- Rajkrishan Foods Co Ltd
- Pam Impex Ltd
- La Chartreuse Tea Manufacturing Co Ltd
- Agiliss Ltd

## 13. Refined Oil Suppliers

- Mauritius Oil Refineries Ltd
- Agiliss Ltd
- Best Food Distributors Company Ltd
- Noble Food Ltd
- Ramdenee Edible Oil Products Ltd
- 

## 14. Rice Suppliers

- National Co-Operative Exports Ltd (India)
- Jatlee Commodities DMCC
- K K Rice Mills (Pvt.) Limited
- Meskay & Femtee (Pvt) Ltd
- MAC IMPEX
- Marvel Agro Commodities
- KLA INDIA PUBLIC LIMITED
- National Agricultural Cooperative Marketing Federation of India Ltd (NAFED)

## 15. Milk Powder Suppliers

- Hoogwegt International B.V.
- Majan Food Industries LLC

## 16. Pulses Supplier- Soafiary Sarl

## 17. Basmati Supplier

- Chaman Lal Setia Exports Ltd
- Garibsons (Pvt) Ltd

## 18. Banking Services

### **ABSA Bank (Mauritius) Ltd**

ABSA House  
68, Wall Street, Cybercity  
Ebene

### **SBM Bank (Mauritius) Ltd**

Level 6, SBM Tower 1,  
Queen Elizabeth II Avenue,  
Port Louis

### **AfrAsia Bank Ltd**

5<sup>th</sup> Floor,  
NeXTeracom Tower III,  
Ebene

### **MauBank Ltd**

25, Bank Street,  
Cybercity  
Ebene, 72201

### **Standard Bank (Mauritius) Ltd**

Level 9, Tower A,  
1 Cybercity,  
Ebene

### **Standard Chartered Bank (Mauritius) Ltd**

6<sup>th</sup> Floor, Standard Chartered Tower,  
19, Bank Street,  
Cybercity, Ebene, 72201

### **SBI (Mauritius) Ltd**

7<sup>th</sup> Floor, SBI Tower, Mindspace  
45, Ebene Cybercity

### **Bank of Mauritius**

Sir William Newton Street  
Port Louis

### **Mauritius Commercial Bank Ltd**

11<sup>th</sup> Floor,  
9-15, Sir William Newton Street,  
Port Louis

### **BCP Bank (Mauritius)**

Maëva Tower,  
Level 9, Cnr Silicon Avenue & Bank Street,  
Cybercity,  
Ebène, 72201

### **Bank of Baroda**

Bank of Baroda Building  
Sir William Newton Street  
Port Louis

## Communication with our Stakeholders

- STC communicates regularly with its Suppliers during shipment planning regarding quantity and quality of the products being supplied and the shipment period.
- STC also communicates with its customers on a regular basis in respect of the selling prices, availability and sales conditions of its products.
- The specification of its products quality is also published on STC's website and improvement in the quality of products are also communicated through its website and newspaper for its Stakeholders.

# STATISTICS



## Trade & Other Statistics

The STC was set up by an Act of Parliament of October 1982 (amended in 1988), to be the trading arm of the Government of Mauritius. It operates under the aegis of the Ministry of Commerce and Consumer Protection.

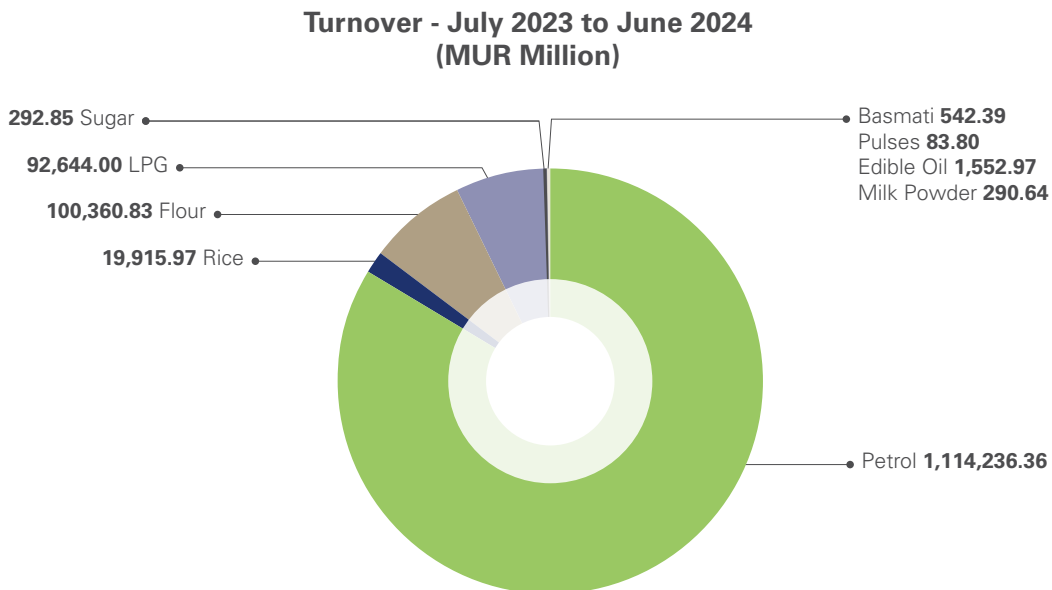
STC has been entrusted with the responsibility of importing certain essential commodities including almost all Petroleum Products and Liquefied Petroleum Gas (LPG) traded in Mauritius. STC also supplies the domestic market with all its requirements in Wheat Flour and Long Grain White Rice (LGWR).

## Sales volume and Turnover

The Turnover of STC which was about MUR 600 million in 1983-1984 when it was created and has reached MUR 53.4 billion for the financial year 2023-2024. During its first years of operation, STC took over the activities of the Department of Supplies and dealt only in importation of rice and flour. In 1985, STC started importing Petroleum Products and subsequently cement and in 1983 took over the country's importation of LPG.

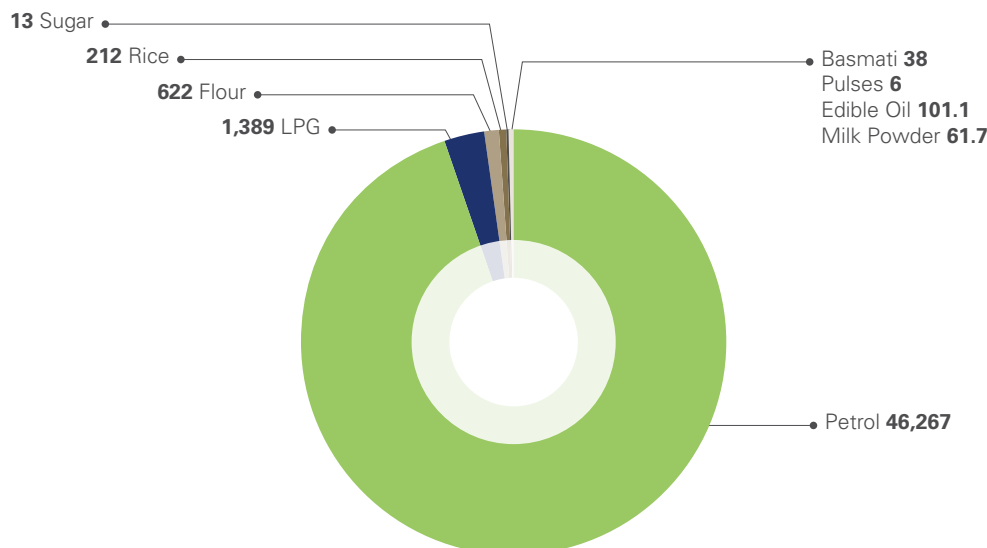
In July 2011 following the liberalization of the imports of Cement, STC stopped its importation. However, as the trading arm of Government, the Corporation may be called to intervene to stabilise the market if the need arises.

The sales volume of 1,329,920 MT for the Financial year ended 30 June 2024 consists mainly of Petroleum Products as shown below:



The Corporation's Turnover for the period July 2023- June 2024 reached MUR 48,710 million.

### Turnover - July 2023 to June 2024 (MUR Million)



### Petroleum Products

STC is responsible for the importation of almost all the country's requirements of Petroleum Products. These include the demands for the running of public transport, industrial and commercial activities, motor vehicles for personal and commercial use, the needs of the Central Electricity Board in fuel oils for its power plants, the needs for aircraft refueling at the SSR International Airport and the needs of bunker fuels for international shipping.

Upon arrival of the tanker at the New Oil Jetty of Port Louis Harbour, those products are pumped out and delivered through pipelines into fuel tanks owned and operated individually or jointly in the Port Area by local oil companies. They also operate a Jet Fuel tank near SSR Airport.

The local oil companies are represented by:

1. Vivo Energy (Mauritius) Ltd
2. Total Mauritius Ltd
3. Engen (Mauritius) Ltd
4. IndianOil (Mauritius) Ltd

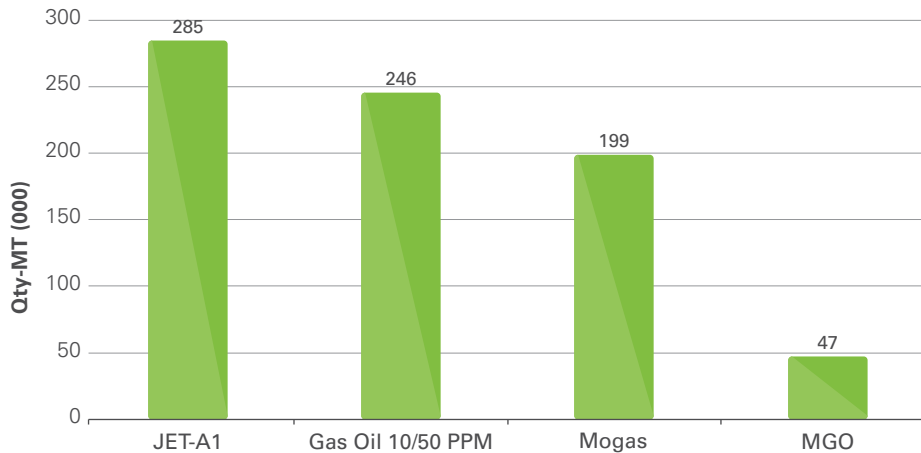
The Oil Companies market, distribute and retail the products through their respective networks of retail outlets across the country. Some also operate barges to carry out their bunker supply operations at sea. During the year 2014, the bunkering trade was partly liberalised allowing the Oil Companies to import part of their bunkering requirement on their own. This decision was taken in view of making Mauritius a petroleum hub in the region.

For the Financial Year ended 30 June 2024, STC imported some 1,123,820 MT of 8 grades of Petroleum Products, namely:

**White Oils:** Super Unleaded Gasoline (Mogas), Automotive Diesel (10 ppm sulphur), Marine Diesel and Jet A-1 and

**Fuel Oils:** HSFO 180 CST CC, HSFO 180 CST SR, HSFO 380 CST SR and Very Low Sulphur Fuel Oil.

**Petroleum Products  
White Oils  
2023 - 2024**



**Mogas**

The import of 198,605 MT of Mogas for the Financial Year ended 30 June 2024 is sold entirely on the local market and the retail price is determined by the Petroleum Pricing Committee (PPC).

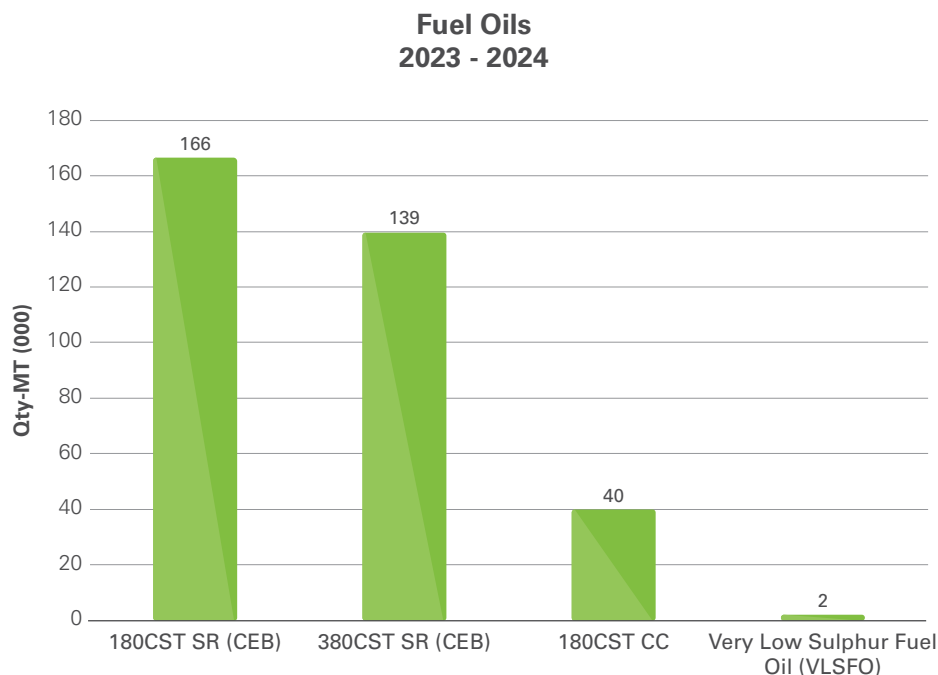
**Gas Oil**

The total importation of Gas Oil for the Financial Year ended 30 June 2024 was 245,538 MT. STC imports three grades of Gas Oil, namely Marine Gas Oil (MGO), which is sold as Marine Diesel for bunkering of vessels and Gas Oil 10 ppm Sulphur, which are sold for road transport. The price of Gas Oil sold for road transport is determined by the Petroleum Pricing Committee (PPC). Any deficit or surplus on Mogas and Gas Oil on the local market is accounted in the Price Stabilisation Account (PSA).

**Jet A-1**

The import of 284,643 MT of Jet A-1 for the Financial Year ended 30 June 2024, is mostly sold as aviation fuel and the price is fixed by STC for each consignment on a cost plus basis. A small volume is also sold on the local market as Kerosene.

## Petroleum Products - Fuel Oils



STC imported 39,763 MT of Fuel Oil 180 CST Catalytic Cracked (CC) for sale to oil companies and 305,930 MT of Fuel Oil 180 CST SR and 380 CST SR for direct sales to CEB.

Furthermore, STC imported 2,000 MT of Very Low Sulphur Fuel Oil for sale to Oil Companies.

About 55% of Catalytic Cracked Fuel Oil 180 CST CC is sold on the local market for industrial purposes and the remaining 45% is sold for bunkering of vessels. The selling price of Fuel Oil for both inland and international trade is fixed by STC for each consignment on a cost-plus basis.

Mauritius is strategically positioned in the middle of the Indian Ocean with increasing Atlantic traffic plying at one end towards Africa, Madagascar and the West, while on the other hand, there is also a steep rise in traffic moving towards India, China, Japan, Malaysia and Thailand – essentially Asia and the Far East – and in both cases, round the Cape of Good Hope.

Today's new vessels with high speeds and perishable cargo cannot afford, and indeed do not need to wait and stand in queue to refuel at the Suez Canal bottleneck. Moreover, they cannot afford to bypass a refueling hub altogether as this would imply stocking higher quantities of fuel at the expense of more valuable cargo in their hold. Mauritius is a viable port of call for refueling vessels, resting their crew, allowing them to go onshore and to stock up on fresh water and fresh food. This, in turn, would also have a multiplier effect on consumption in the island economy.

STC plays a critical role in this development, as we are the importer and supplier of Petroleum Products in Mauritius. At the same time, we strongly support the Government's initiative to liberalise the Bunkering market – expert players that are engaged in the supply of oil to ships are best placed to tap into the opportunities arising from the development of Port Louis as a major refueling hub for maritime traffic.

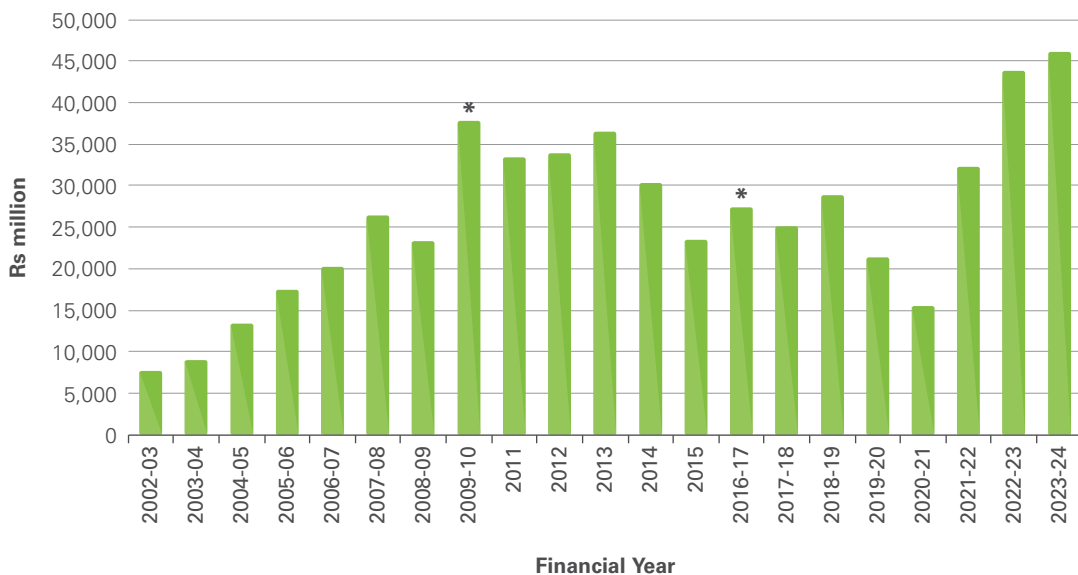
The graphs below show quantity imported and Turnover per product for period 2002 to 2024:

### Imports 2002-2024 Petroleum products



\* 18 months

### Turnover 2002-2024 Petroleum Products (Rs million)



\* 18 months

## Long Grain White Rice (LGWR)

STC imports basic long-grain white rice of about 24,000 MT per annum to meet popular demand representing about 20% of the market which is otherwise liberalized and occupied mainly by various luxury or premium varieties.

Rice is procured on the world market after periodic Requests for Quotations (RFQ) attracting a large number of offers. Since prices of Rice on the world market are volatile, it was to the disadvantage of STC to lock on prices for long term contract. In order to benefit from the fluctuation of prices on the world market, STC started purchasing rice, as from January 2010, in small lots through Request for Quotation (RFQ).

This process allows STC to benefit from full market play and obtain better quality at lower prices than it previously obtained by annual tenders.

Furthermore, being a socially responsible organisation, STC aims at ensuring that STC' Long Grain White Rice (LGWR) is widely available throughout the Republic of Mauritius at regulated prices. Constant improvements have been made in the quality of LGWR imported by STC during the last two decades, whereby the percentage broken which was 25% in the year 2000, has been brought down to less than 5%.

Rice is sold to wholesalers for retail at a heavily subsidised price that has remained unchanged since July 2006 as provided in the Consumer Protection (Price and Supplies Control) Act. However, as consumers were not benefitting from the improved quality at subsidised prices, STC embarked on a project ensuring that LGWR is widely available throughout the Republic of Mauritius at regulated prices. To this end, Private packers / distributors with proven experience in the field with strong distribution network, have been hired for this project. The implementation of this project has resulted in:

- Increased visibility of the STC' LGWR on the market at regulated retail prices;
- More proximity to consumers;
- Better quality control; and
- More trust of consumers on STC's products and service.

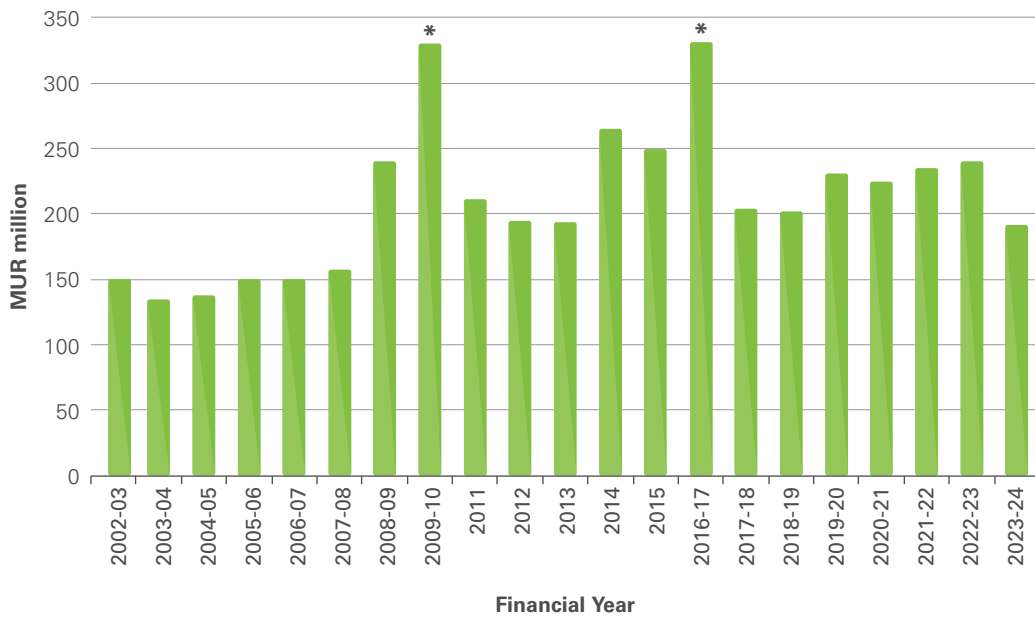
The sale of Long Grain White Rice was 19,916 MT (including 4,130 MT for Rodrigues) for the Financial Year ended 30 June 2024. As the selling price of Long Grain White Rice imported by STC is fixed by Government at a lower price than the cost price, STC has incurred a shortfall of MUR 506.8 million for this period. The retail price of Long Grain White Rice was fixed in July 2006 at MUR 5.40 per half kg.

### Imports/Purchases 2002-2024 Rice



\*18 months

### Turnover 2002-2024 Rice (MUR million)



\*18 months

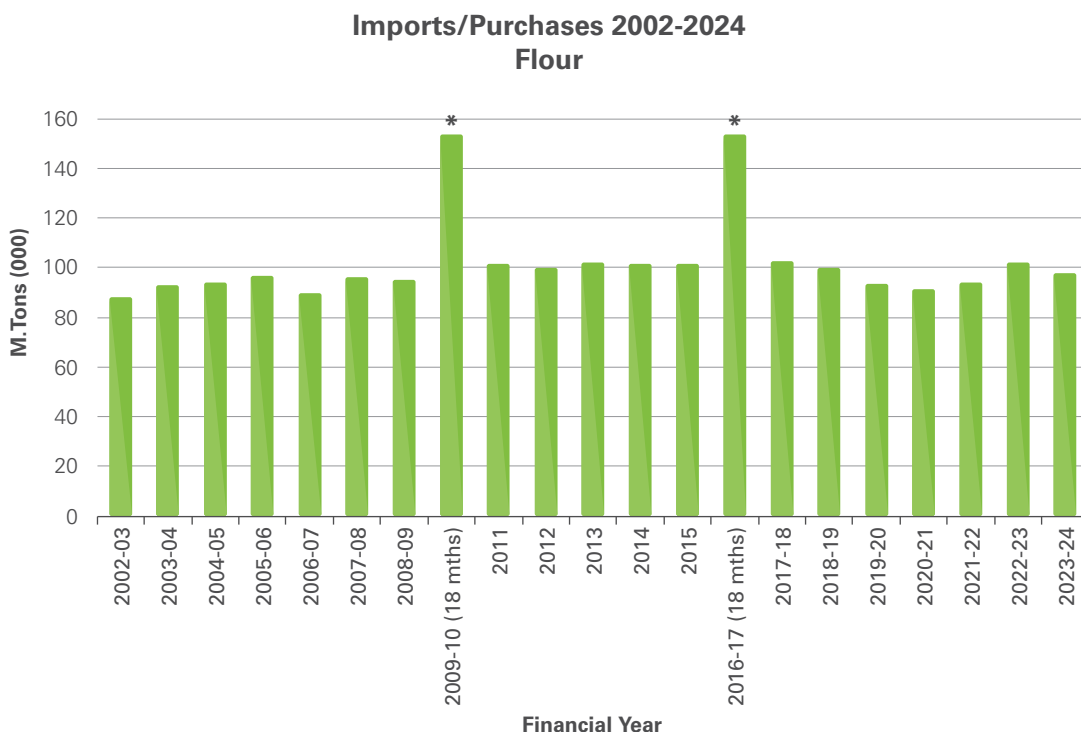
## Flour

Wheat Flour is purchased annually through International Tenders. STC is required to launch tenders for only 50% of the country’s demand as per Government’s decision. The other 50% are allocated to LMLC on the condition that the latter matches the lowest price obtained from the annual tender exercise.

STC supplies the market with around 100,000 MT of Wheat Flour yearly. Wheat Flour remains the main staple food other than rice. Efforts are currently underway to sensitize the market to the benefits of shifting eating habits from refined white Flour to the more nutritious Brown Bread Flour which is now also offered at similarly subsidised prices despite the initially low demand volumes.

In order to ensure good quality of Flour is delivered to consumers, STC regularly tests the Flour at Mauritius Standard Bureau (MSB). Baking tests are also carried out in bakeries wherever required.

The sale of Flour amounted to 100,361 MT (including 2,338 MT for Rodrigues) for the Financial Year ended 30 June 2024. The contract for the procurement of Flour for the year was allocated to LMLC. The retail price of Flour is also controlled by Government and has been fixed at MUR 4.85 per half kg on 9 June 2017, following Government budgetary measure. During the financial year 2023-2024, the shortfall of MUR 2,009.0 million on Flour has been financed by contribution for subsidy in the price structures of Mogas and Gas Oil.



\*18 months

### Turnover 2002-2024 Flour (MUR million)



\*18 months

Though Wheat Flour and Rice comprise only 2% of our annual turnover, these commodities are critical from an economic perspective as we provide for nearly 100% of the Wheat Flour and as much as 20% of the Rice being traded in Mauritius.

STC thus executes Government policy aimed at keeping the market fully supplied in those two basic staple foods namely Rice & Flour within reach of the whole population at low prices.

### Liquefied Petroleum Gas (LPG)

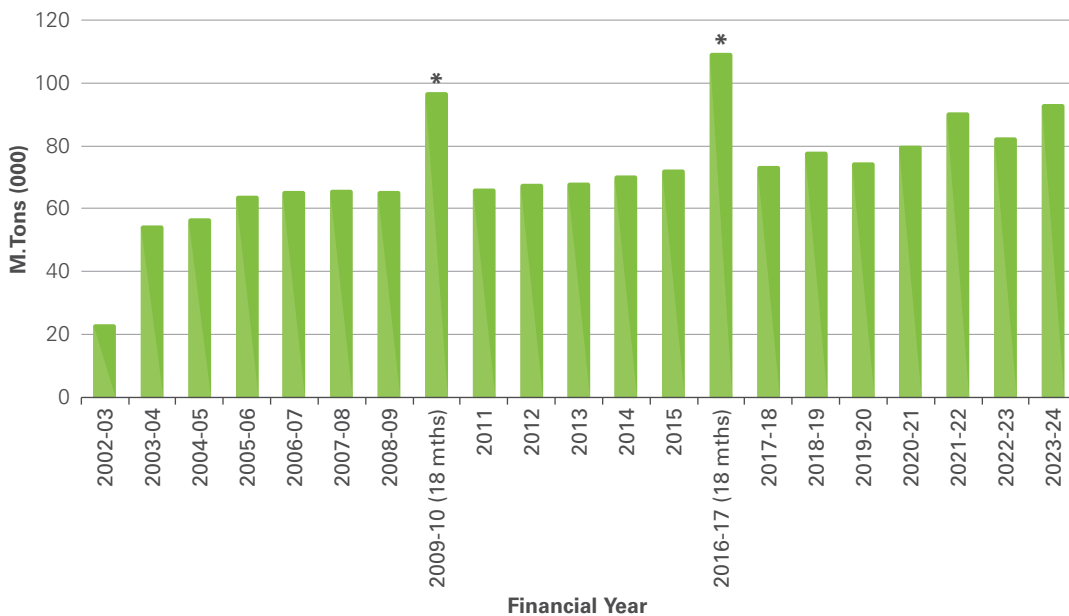
In 2002, the Government decided that there should be public intervention in the LPG market. The Corporation was instructed by the Government to take over the country’s total requirements of 47,000 MT from the existing importers as from 2003.

During the Financial Year 2023-2024, STC has procured and supplied about 93,000 MT of LPG to meet the domestic and industrial demand of Mauritius. LPG represents the main source of cooking and water-heating for 98% households and the retail price is heavily subsidised for 5, 6 and 12-kg bottles destined for domestic use.

As from February 2006, a dual pricing policy is being implemented for LPG. About 75% of the annual import is sold in cylinders. The retail price of cylinders of 5 kg, 6 kg and 12 kg destined for domestic market is fixed by Government. During the Financial year ended 30 June 2024 about 92,644 MT of LPG were sold on which a shortfall of MUR 1,624.2 million financed from contribution for subsidy in the price structures of Mogas and Gas Oil.

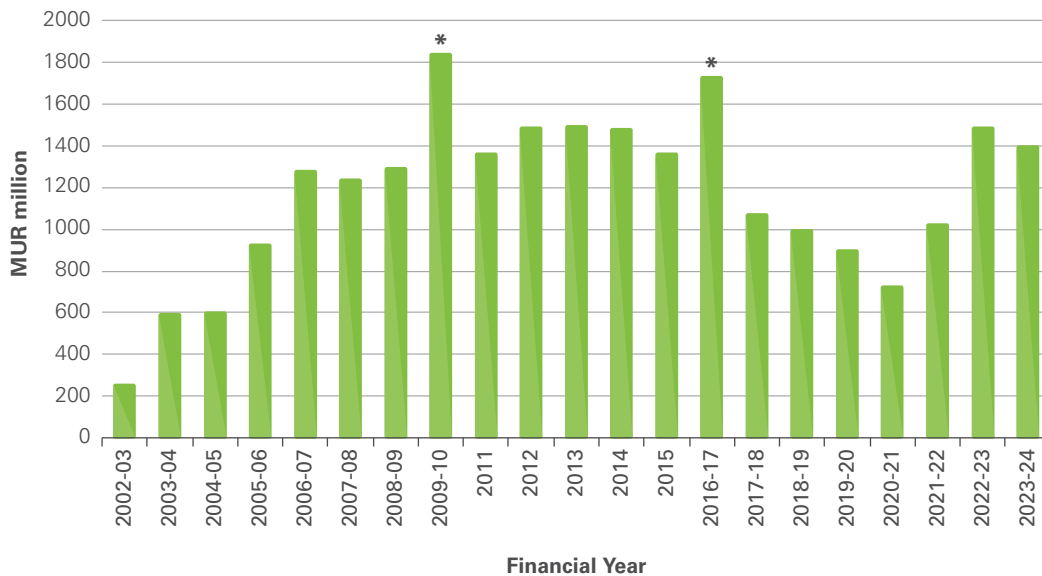
The price of LPG sold for auto gas and in cylinders above 12 kg for non-domestic purpose is reviewed on a monthly basis by STC on a cost-plus margin basis.

### Imports 2002-2024 LPG



\*18 months

### Turnover 2002-2024 LPG (Rs million)



\*18 months

## Importation of Basmati Rice

In January 2014, the Corporation started importing Basmati Rice. The objective of the Corporation is not to make profit, or to take over the market from traders, but to protect the consumers by avoiding an increase in retail price and at the same time, assuring quality Basmati Rice to meet acceptable standard. For the Financial Year ended 30 June 2024, STC has sold around 542 MT of Basmati Rice.

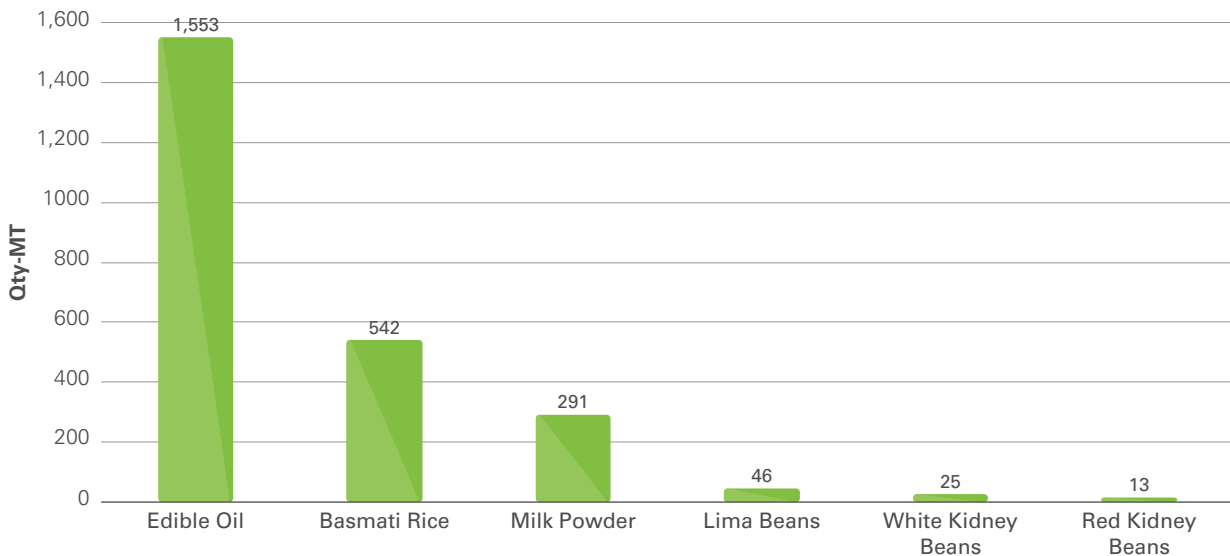
## Other Products

Since August 2022 the Corporation started commercialising essential products such as pulses, milk powder and edible oil under the brand 'SMATCH'.

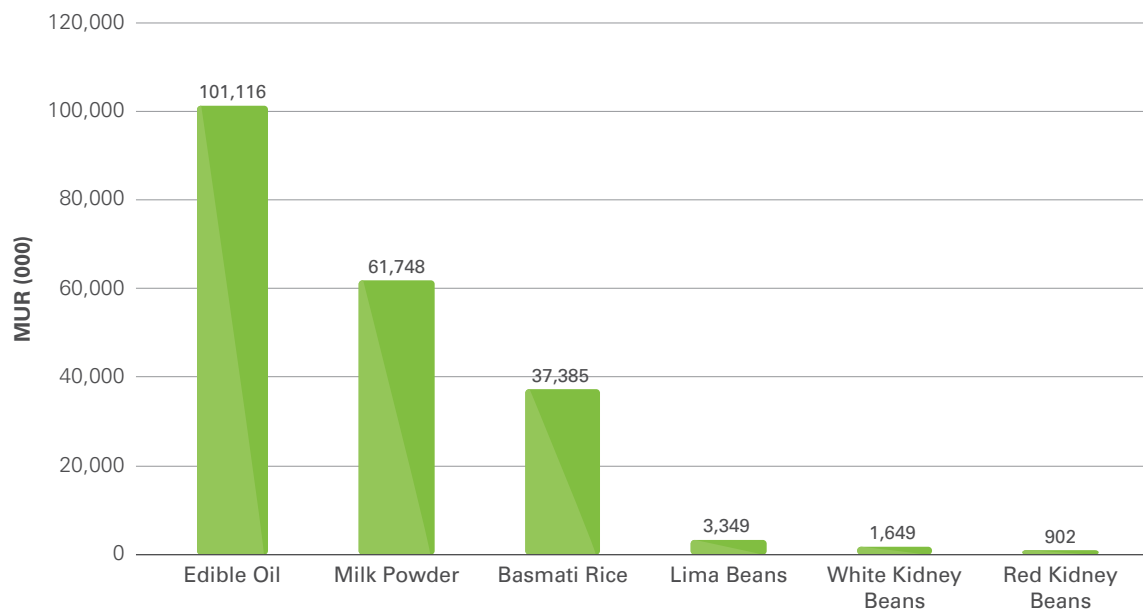
During the financial year 2023-2024, the importation of Smatch products were as follows:

Commodity	Quantity (MT)
Edible Oil	1,684.6
Basmati Rice	639.3
Milk Powder	307.7
Lima Beans	112.5
White Kidney Beans	67.5
<b>Total</b>	<b>2,811.6</b>

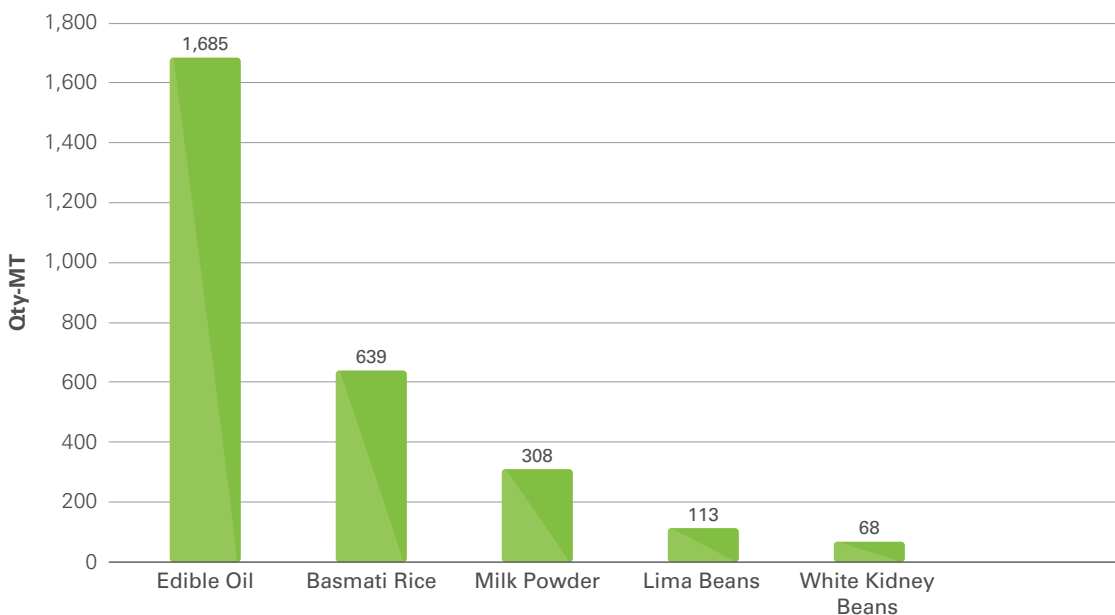
**Sales of Smatch Products  
2023 - 2024**



### Turnover of Smatch Products 2023 - 2024



### Importation of Smatch Products 2023 - 2024



## Glossary of Terms

- BCRA – Bus Companies Recovery Account
- CEB – Central Electricity Board
- CPB – Central Procurement Board
- FCC – Financial Crimes Commission
- GN – Government Notice
- LMLC – Les Moulins de La Concorde Ltee
- LPG – Liquefied Petroleum Gas
- MCCP – Ministry of Commerce and Consumer Protection
- MID – Maurice Ile Durable
- MOFEPD – Ministry of Finance, Economic Planning and Development
- MOST – Mer Rouge Oil Storage Terminal Co. Ltd
- MPA – Mauritius Ports Authority
- MRA – Mauritius Revenue Authority
- PPA – Public Procurement Act
- PPC – Petroleum Pricing Committee
- PPO – Procurement Policy Office
- PRB – Pay Research Bureau
- PSA – Price Stabilisation Account
- RDA – Road Development Authority
- SICOM – State Insurance Company of Mauritius Ltd
- STC – State Trading Corporation
- VAT – Value Added Tax
- VLSFO – Very Low Sulphur Fuel Oil









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