

# Chairman's Review

Dear Shareholders,

I would like to present this report to the shareholders of Sanghar Sugar Mills Limited (the Company) and it gives me the immense pleasure to present the financial and other information for the year ended September 30, 2021 and to share with you the overall performance and effectiveness of the role played by the Board.

Higher inflation and rupee depreciation continued to exert significant pressure on the overall economy in general and manufacturing industry in particular. The financial year 2020-21 was very difficult and challenging year for the sugar industry and there were intense competition amongst the mills for sugarcane procurement. This resulted in a high sugarcane cost. The selling price of sugar improved during the last quarter of the financial year, which contribute in alleviate the losses of the Company and enhanced cash-flows. During the year, the Company has successfully completed the project of waste water treatment plant. The Company is keen to modernize its manufacturing facilities to ensure reliability and safety as well as enhanced integration with current technologies.

The Board has completed its self evaluation for the year 2020-21 and would like to inform you that the overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. The Board assesses the performance of the Chief Executive Officer in a fair and systematic manner and ensured that CEO's pay is properly aligned with the Company's interest and success.

The Board is knowledgeable about the Company's current business activities including strengths and weaknesses of each major activities and has an effective process for tracking activity with performance. The Board has established policies that covers all major areas of Board responsibilities and operations of the Company.

The Audit Committee and the Human Resource & Remuneration Committee were chaired by the independent director, indicating our commitment to the highest levels of governance and transparency. The Audit Committee has continued to supervise the financial reporting processes and ensuring timely and accurate communication of information to all stakeholders.

The Board has a fiduciary responsibility for the proper direction and control of the activities of the Company. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and transparent reporting to shareholders.

Looking ahead, the Board is well aware of the challenges being faced by the Company and would do its best to take all necessary measures to increase the productivity and overall profitability of the Company through enhance its competitive position by expending manufacturing capabilities, strengthening research and development by leveraging its expertise. The Board and management are focused on creating enduring value for all stakeholders through improved operational efficiencies, cost controls, portfolio diversification and leveraging string customer relationships.

I would like to place on record, my sincere appreciation for devotion of duty, loyalty and hard work of the executives, officers, staff members and workers for smooth running of the Company's affairs and hope that they will continue for enhancement of productivity with great zeal and spirit under the blessings of Almighty Allah. And thanks to all the Government functionaries, banking and non-banking financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.

**Ghulam Dastagir Rajar**  
Chairman

Karachi: January 01, 2022