

# Chairman's Review

Dear Shareholders,

I am pleased with the performance of Sanghar Sugar Mills Limited and it gives me the immense pleasure to present the financial and other information for the year ended September 30, 2023 and to appraise them on the overall performance of the Board and effectiveness of the role played by the Board in achieving the Company's Goals, Corporate Objectives and Strategy based on Strategic Planning which are in line with the Vision and Mission of the Company.

During the year 2022-23, the Company has faced multiple challenges in which the rising raw material prices, depreciating currency, rising cost of doing business, surging inflation, increasing interest rates and tax compliances were some of the challenges and intense competition amongst the mills for sugarcane procurement which resulted in high sugarcane procurement cost and other cost of production. The selling price of sugar, in local market has been improved during the financial year and export of sugar through export quota approved by the Government has benefited the Company to some extent which resulted in alleviate the losses of the Company and enhanced cash-flows to the Company and gives benefits to the industry and economy of the Country, as a whole.

Your Company's performance is relatively sound. The Company has displayed a strong financial performance in a challenging business environment by attaining a profit before tax of Rs. 132,451 thousand as compared to profit before tax of Rs. 70,466 thousand for the previous year, which represents the increase of 87.96 % as compared to the previous year.

The Board is knowledgeable about the Company's current business activities including strengths and weaknesses and has an effective process for tracking activity with performance. The Board has completed its self evaluation and also assessed the performance of the Chief Executive Officer for the year 2022-23 and I would like to inform you that the overall evaluation and performance measured on the basis of approved criteria for the year was satisfactory.

The Board has performed its duties and responsibilities diligently and contributed effectively in guiding the Company in strategic and governance matters. All Board members, including directors, fully participated in and contributed to the decision making process of the Board. The Board has established policies that covers all major areas of Board's responsibilities and operations of the Company.

The Board has a fiduciary responsibility for the proper direction and control of the activities of the Company. In addition, the Board members also undertook the key activities i.e. attended Board meetings to actively participate in its proceedings, ensured that the Company complies with all the regulatory requirements and best practices, ensured appropriate measures were in place for safeguarding of the Company's assets, ensured that the identification and control of the Company's business risks, the integrity of management information systems and transparent reporting to shareholders.

I have strong confidence that the Company will continue to grow and Board will play its strategic role in assuring sustainable growth of the business and to maximize return for its shareholders. As an Organization, we firmly believe in upholding our core values, adapting to change and evolving for the better and operating with integrity and responsibility.

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.

Karachi: December 18, 2023

**Ghulam Dastagir Rajar**  
Chairman