



**ATIK KHALED CHOWDHURY**  
Chartered Accountants

**Auditors' Report & Financial Statements**  
of  
**Panchagarh Sugar Mills Limited**  
For the year ended 30 June 2024



**Independent Auditor's Report to the Shareholder's  
of  
Panchagarh Sugar Mills Limited**

**Qualified Opinion**

We have audited the financial statements of **Panchagarh Sugar Mills Limited** which comprise the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements referred to above give a true and fair view of the financial position as at 30 June 2024, and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the applicable laws and regulations.

**Basis for Qualified Opinion**

- Refer to Schedule A8; Stock of Stores & Spears reported in the financial statement of Tk. 19,454,595. Since it was a postdated audit, we were unable to match the stock by roll-forward calculation.
- Refer to Schedule A11; Sundry Debtors reported in the Statement of Financial Position of Tk. 1,559,953 as we failed to match by third party confirmation.
- Refer to Note # A12; Loans, Advance, Deposits & Pre-payments reported in Financial Statement Tk. 23,718,506 in which Loan to Cane Grower of Tk. 22,621,433 we could not confirm the balance.
- Refer to Schedule L3; Liabilities for Other Finance reported in the Statement of Financial Position of Tk. 109,278,047, we could not confirm by third party confirmation or General Ledger to perform alternative procedure.
- Management could not distribute Workers Profit Participation Fund and this is non compliance as per The Bangladesh Labor Act, 2006.
- Refer to Note no. 17.00; we could not verify the balance regarding Provision for Leave Pay & Gratuity of Tk. 122,129,571 and management did not provide as on what basis this amount has been calculated. We were unable to check whether this has been transferred to Pension fund or not.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter:**

- We draw attention on Stock of Stores & Spears reported in the financial statement of Tk. 19,454,595, for roll-forward calculation.
- We could not perform standard audit procedure against Cost of Goods Sold reported in the Statement of Profit or Loss and Other Comprehensive Income of Tk. 10,606,625.

**Key Audit Matters**

As per decision of the Government of People's Republic of Bangladesh, The production of the Panchagarh sugar mills limited has banned and closed of production due to continuous loss of production as well as loss in management accounts and as on 30 June 2023 the Company's current liabilities exceed current assets by BDT 2,828,871,609. These events and conditions, along with other matters indicate that the company could not continue as a going concern. Our opinion is not modified in respect of this matter.

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**HEAD OFFICE**

Hasan Court (1st & 5th Floor), 23/1 Motijheel C/A

**BRANCH OFFICE**

R H Home Center, Suit No - 337, (3rd Floor)



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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs 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 entity'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 either intends to liquidate or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 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 Business's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Business 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.





We 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 we identify during our audit.

### Report on Other Legal and Regulatory Requirements

We also report the following:

- a) we have obtained all the information and explanation, except described in basis for qualification section, which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Business so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Signed on behalf of  
**Atik Khaled Chowdhury**  
Chartered Accountants  
FRC Reg No: CAF-001-148

**N I Chowdhury FCA**  
Senior Partner  
ICAB Enrolment No: 0766

Dhaka, **12 DEC 2024**

DVC No. **2412120766AS852627**



**Panchagarh Sugar Mills Limited**  
**Panchagarh**  
**Statement of Financial Position as at 30th June, 2024**

Particulars	Notes/ Sch	Mills	Farm	Amount (Tk.)	
				30.06.2024	30.06.2023
<b>Property &amp; Assets :</b>					
<b>A. Non-Current Assets :</b>		<b>20,571,242,879</b>	<b>6</b>	<b>20,571,242,885</b>	<b>20,594,580,107</b>
Property, Plant & Equipment	4.00	20,571,242,879	6	20,571,242,885	20,594,580,107
<b>B. Current Assets :</b>		<b>203,353,278</b>	<b>-</b>	<b>203,353,278</b>	<b>239,772,279</b>
Work in Process	A6	-	-	-	-
Stock of Finished Goods	A7	3,428,987	-	3,428,987	15,150,061
Stock of Stores & Spare	A8	19,454,595	-	19,454,595	20,339,806
Stock of Fertilizer, Insecticides	A8	-	-	-	-
Store In -Transit	A9	-	-	-	400,574
PSM Experimental Farm Current A/c		-	-	-	171,655,755
Inter Project Current Account (Assets)	A10	150,546,046	-	150,546,046	1,591,790
Sundry Debtors	A11	1,559,953	-	1,559,953	24,110,651
Loans, Advance, Deposits & Pre-payments	A12	23,718,506	-	23,718,506	6,523,641.35
Cash & Cash Equivalents	5.00	4,645,191	-	4,645,191	
<b>Total Assets (A+B)</b>		<b>20,774,596,158</b>	<b>6</b>	<b>20,774,596,164</b>	<b>20,834,352,386</b>
<b>Equity &amp; Liabilities :</b>					
<b>C. Shareholders' Equity :</b>		<b>14,500,561,563</b>	<b>2,071,982</b>	<b>14,502,633,545.21</b>	<b>14,785,922,672</b>
Issued, Subscribed & Paid Up Capital	7.00	38,000,000	-	38,000,000	38,000,000
40% Equity Share of SMRFS	7.00	3,347,785	-	3,347,785	3,347,785
Reserve & Surplus	8.00	20,578,922,605	-	20,578,922,605	20,578,922,605
Retained Earnings		(6,119,708,827)	2,071,982	(6,117,636,845)	(5,834,347,718)
<b>D. Non-Current Liabilities :</b>		<b>3,263,889,454</b>	<b>(2,071,976)</b>	<b>3,261,817,478</b>	<b>3,018,991,829</b>
Govt. Fund & Loans	9.00	417,418,381	-	417,418,381	375,948,204
Agri: & Cash Credit Loans (Blocked)	10.00	213,351,848	-	213,351,848	213,351,848
Grants	11.00	160,504	-	160,504	160,504
PSM Experimental Farm		-	(2,071,976)	(2,071,976)	400,574
Un- Secured Loans	12.00	2,632,958,721	-	2,632,958,721	2,429,130,699
<b>E. Current Liabilities :</b>		<b>3,010,145,141</b>	<b>-</b>	<b>3,010,145,141</b>	<b>3,029,437,884</b>
H.O Current Account		2,736,908,263	-	2,736,908,263	2,705,955,001
Inter Project Current Account (Liabilities)	L1	27,221,773	-	27,221,773	22,403,590
Liabilities for Provisional Expenses	L2	14,571,692	-	14,571,692	13,437,217
Liabilities for Other Finance	L3	108,889,378	-	108,889,378	136,927,648
Provision for Bad & Doubtful Debts		424,463	-	424,463	424,463
Workers Profit Participation Fund		-	-	-	313,206
Provision for Leave pay & Gratuity	17.00	122,129,571	-	122,129,571	149,976,758
<b>Total Equity &amp; Liabilities (C+D+E)</b>		<b>20,774,596,158</b>	<b>6</b>	<b>20,774,596,164</b>	<b>20,834,352,386</b>

The accompanying notes 1 to 18 and Schedule A1 to A13 & L1 to L5 form an integral part of these financial statements.

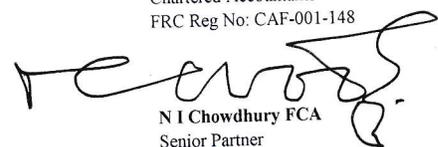
  
G.M (Finance)

  
Managing Director

  
Director

Signed in terms of our separate report of even date annexed.

Signed on behalf of  
**Atik Khaled Chowdhury**  
Chartered Accountants  
FRC Reg No: CAF-001-148

  
**N I Chowdhury FCA**  
Senior Partner  
ICAB Enrolment No: 0766

Dhaka,

DVC:

12 DEC 2024

2412120766AS852627



**Panchagarh Sugar Mills Limited**  
Panchagarh  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 30th June, 2024

Particulars	Notes	Mills	Farm	Amount (Tk.)	
				2023-24	2022-23
Sales	13.00	4,337,805	-	4,337,805	5,730,194
Less : Cost of Goods Sold	14.00	11,721,074	-	11,721,074	7,319,035
<b>Gross Profit</b>		<b>(7,383,269)</b>	-	<b>(7,383,269)</b>	<b>(1,588,841)</b>
Less : Administrative & Selling Expenses	15.00	58,458,155	-	58,458,155	43,805,186
Net Operating Income		<b>(65,841,423)</b>	-	<b>(65,841,423)</b>	<b>(45,394,027)</b>
Add : Non operating Income	Anx-A*	10,502,754	2,472,550	12,975,304	7,102,923.27
		<b>(55,338,669)</b>	<b>2,472,550</b>	<b>(52,866,119)</b>	<b>(38,291,103)</b>
Less : Financial Expenses	16.00	228,835,216	-	228,835,216	214,237,236
Net Profit/(Loss) Before Tax		<b>(284,173,885)</b>	<b>2,472,550</b>	<b>(281,701,335)</b>	<b>(252,528,339)</b>
Less : Molasses Tax Expenses	18.00	394,346	-	394,346	34,381
Net Profit / (Loss) after Tax		<b>(284,568,231)</b>	<b>2,472,550</b>	<b>(282,095,681)</b>	<b>(252,562,720)</b>

Net Operating Profit/Loss	(15.18)	(7.92)
Earning Per Share (EPS) Disclosure under IAS 33 "Earning Per Share"	(74.24)	(66.46)

The accompanying notes 1 to 18 and Schedule A1 to A13 & L1 to L5 form an integral part of these financial statements.

  
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Managing Director

  
Director

Signed in terms of our separate report of even date annexed.

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N I Chowdhury FCA  
Senior Partner  
ICAB Enrolment No: 0766





# Panchagarh Sugar Mills Limited

Panchagarh

Statement of Cash Flows for the year ended 30th June, 2024

Particulars	Amount (Tk.)	
	2023-24	2022-23
<b>A. Cash Flows from Operating Activities :</b>	<b>(259,951,905)</b>	<b>(150,337,028)</b>
Net profit/(loss) for the year	(282,095,681)	(252,562,720)
Prior Year Adjustment	(1,193,446)	95,097,092
Depreciation	23,337,222	7,128,600
<b><u>Increase/Decrease in Current Assets &amp; Liabilities :</u></b>	<b>15,247,806</b>	<b>(110,535,057)</b>
Work in Process	-	-
Stock of Finished Goods	11,721,074	7,319,035
Stock of Stores & Spares	885,210	2,705,752
Stock of Fertilizer, Insecticides	-	-
Store- In -Transit	-	-
PSM Experimental Farm Current A/c	400,574	1,746,435
Inter Project Current Account	21,109,709	(2,348,172)
Sundry Debtors	31,837	(63,122)
Loans, Advance, Deposit, & Pre-payments	392,145	1,920,479
H.O Current Account	30,953,262	(58,562,493)
Inter Project Current Account	4,818,183	1,368,725
Liabilities for Expenses	1,134,474	(4,913,699)
Liabilities for Other Finance	(28,038,270)	(25,869,137)
Provision for Bad & Doubtful Debts	-	-
Workers Profit Participation Fund	(313,206)	-
Provision for Leave pay & Gratuity	(27,847,187)	(33,838,860)
<b>Net Cash Generated from Operating Activities</b>	<b>(244,704,099)</b>	<b>(260,872,085)</b>
<b>B. Cash Flows from Investing Activities :</b>		
Disposal to Property, Plant and Equipment	-	1,569,472
Addition to Property, Plant and Equipment	-	-
<b>Net Cash used in Investing Activities</b>	<b>-</b>	<b>1,569,472</b>
<b>C. Cash Flows from Financing Activities :</b>		
Increase/Decrease in Govt. Fund & Loans	41,470,177	80,930,636
Increase/Decrease in Agri. & Cash Credit Loans (Blocked)	-	-
Increase/Decrease in Grants	-	1
Increase/Decrease in PSM Experimental Farm	(2,472,550)	(1,746,435)
Increase/Decrease in Un- Secured Loans	203,828,022	182,478,459
<b>Net Cash Generated from Financing Activities</b>	<b>242,825,649</b>	<b>261,662,661</b>
<b>D. Net increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,878,450)</b>	<b>2,360,048</b>
<b>E. Cash and Cash Equivalents at beginning of period</b>	<b>6,523,641</b>	<b>4,163,592</b>
<b>F. Cash and Cash Equivalents at end of period (D+E)</b>	<b>4,645,191</b>	<b>6,523,641</b>

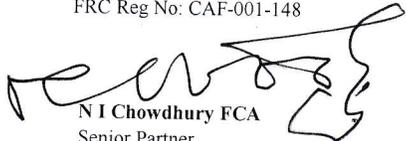
  
G.M (Finance)

  
Managing Director

  
Director

Signed in terms of our separate report of even date annexed.

Signed on behalf of  
**Atik Khaled Chowdhury**  
Chartered Accountants  
FRC Reg No: CAF-001-148

  
**N I Chowdhury FCA**  
Senior Partner  
ICAB Enrolment No: 0766

Dhaka,

12 DEC 2024

DVC.:

2412120766AS852627



**Panchagarh Sugar Mills Limited**  
Notes to the Financial Statements  
as at and for the year ended 30 June 2024

**1.00 Reporting Entity**

Panchagarh Sugar Mills Limited is situated in Panchagarh near the district head Quarter. The construction of this mill started on 1965 and completed on 1969 at a cost of Tk. 55.55 million trial production during 1969-1970. Plant and Machinery of the mill supplied by M/S Stork Werks Poor, Hanzala, Holand. Total Land Area under this mills is 223.20 acres. Annual Production capacity is 10,160.00 MT. Since independence of Bangladesh, the Sugar mill has produced 8536 MT of Sugar per annum on average at an average Sugar recovery rate of 8.10% from Sugar Cane. Highest Sugar Production was 16,612.00 MT in 1994-1995. The Mill comprises one training complex, One High School, One Club, One Medical Centre and 125 Family Quarter & 135 Single Residential Facility. The mill has been incorporated in Bangladesh as a Public Limited Company, under the companies Act.1913 (Now Companies Act. 1994).

**1.01 Registered Office**

The registered office of the company is located at Panchgarh Sadur

**1.02 Nature of the Business**

The principal activities of the Company are Manufacturing and Sales of Sugar & Molasses from Sugar Cane Locally purchased and produced in Mills. Both Sugar and Molasses are sold in the local Market.

**2.00 Basis of Preparation**

**2.01 Statement of Compliance**

The financial statements comprise of:-

1. Statement of Financial Position as at 30 June 2024
2. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024
3. Statement of Changes in Equity for the year ended 30 June 2024
4. Statement of Cash Flows for the year ended 30 June 2024
5. Notes to the Financial Statements for the period from 01 July 2023 to 30 June 2024

**2.02 Other Regulatory Compliance**

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

The Income Tax Act 2023;  
The Value Added Tax and Supplementary Duty Act 2012;  
The Value Added Tax and Supplementary Duty Rule 2016;  
The Stamp Act, 1899;  
The Bangladesh Labor Act, 2006;

**2.03 Basis of Measurement**

The financial statements have been prepared on the historical cost basis of accounting.



## **2.04 Responsibility of Preparation and Presentation of Financial Statements**

The Company's management is responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994 and as per the provision of "The framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Committee (IASC) as adopted by the Financial Reporting Council (FRC) Bangladesh.

## **2.05 Going Concern Assumption**

As of 30 June 2024 the entities current liabilities exceeded current assets by BDT 2,806,402,949 (on 30 June 2023 BDT 2828871609). This situation has mainly arisen due to completely stop of production as per Government decision resulting lower business activities. However the Board of the entity are regularly monitoring business activities but could not confirm to continue the company's operation for foreseeable future. Therefore it appears significant doubt upon the Company's ability to continue as a going concern.

## **2.06 Functional and Presentational Currency and Level of Precision**

These financial statements are presented in Bangladesh Taka (BDT/Taka/Tk) currency, which is the Company's functional currency. All financial information presented in Taka have been rounded off to the nearest Taka.

## **2.07 Reporting Period**

The financial period of the Company encompasses one year from 1 July to 30 June (next year) and is followed consistently. This financial statements cover the year from 1 July 2023 to 30 June 2024.

## **3.00 Significant Accounting Policies**

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

### **3.01 Current Versus Non-current Classification**

The company presents assets and liabilities in statement of financial position based on current non- current classification.

#### **An asset is current when it is :**

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realized within twelve months after reporting period or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

### **3.02 Property, Plant and Equipment's**

#### **3.2.1 Recognition and Measurement**

Items of property, plant and equipment are measured at cost or revaluation less accumulated depreciation less impairment loss, if any as per IAS 16: Property, Plant and Equipment's.



### 3.2.2 Depreciation

All items of property, plant and equipment (except land) have been depreciated on reducing balance method. Depreciation on additions is charged at 100% of normal rates in the year of acquisition and no depreciation is charged in the year of disposal. Depreciation is charged at the rates varying from 2.5% to 25 % depending on the estimated useful lives of assets. No depreciation is charged for land and capital work in progress.

**The rate of depreciation for the current and comparative periods are as follows:**

Particulars	Rate
Land & Land Dev: Expenses	5%
Building & other Construction	10%
Plant & Machinery	4%-15%
Equipment & Loose Tools	10%-15%
F/Fixture & Office Equipment	6%-15%
Transport & Vehicles	25%
Sundry Assets	20%
ICDS PH-1	20%
Integrated Cane Dev: Program	6%-10%
ICDS PH-2	2.50%-15%
Seed Mul: & Research Scheme	2.50%-20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date. No estimates in respect of items of property, plant and equipment were revised during the year.

### 3.03 Advances, Deposits and Pre-payments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

### 3.04 Inventories

The represent stock of Stores & Spares at the end of the year. Inventories are stated at the lower of cost or net realizable value in accordance with IAS- 2 "Inventories" after making due allowance for any obsolete or slow moving items.

### 3.05 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash at banks which are held and available for use by the Company without any restriction. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of cash flow statement.

### 3.06 Cash Flow Statement

Statement of cash flows is prepared in accordance with "IAS 7: Cash Flow Statement". "Encourages to Report Cash Flow from Operating Activities using the Indirect Method" and cash flow from operating activities under "Indirect method" also disclosed in the note to the financial statement.



### **3.07 Financial Instruments**

Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instruments.

#### **3.7.1 Trade and Other Receivables**

Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less allowances for doubtful debts, if any and impairment losses if any, due to uncollectibility of any amount so recognized.

#### **3.7.2 Trade and Other Payables**

Trade and other payables are stated at their nominal values.

### **3.08 Revenue Recognition**

Revenue is recognized in compliance with the requirement of "IFRS 15: Revenue from contracts with Customers". The standard requires an entity to identify the performance obligations in a contract to satisfy over time or at a point in time.

### **3.09 Taxation**

Income tax expense comprise current tax and prior year tax.

#### **3.9.1 Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and as per the provisions of the Finance Act (FA) 2024 & Income Tax Act 2023. Current tax also includes any tax arising from interest of FDR.

### **3.10 Provisions**

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

### **3.11 Financial Income and Finance Costs**

The finance income and finance costs include :

Bank Interest

Bank Charges



### 3.12 Estimates in Preparation of Financial Statement

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and the associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the result of which form the Basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

### 3.13 Event After Reporting Period

As per IAS-10 "Even after the Reporting Period" are those event favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statement are authorized for issue. Two types of event can be identified.

Those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after reporting date); and

Those that are indicative of conditions that arose after the reporting year (Not-adjusting events after balance sheet date).

No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period.

### 3.14 Use of Estimates and Judgments

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and the associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions or judgments are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The most significant areas where estimates and judgments have been made in this report are on consumptions of production and closing inventory.

In particular, information about significant areas of estimates and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in these financial statements are stated in the following notes:

#### Areas where use estimates & judgments

Particulars	Notes No.
Property, Plant and Equipment	4.00
Cash and Cash Equivalents	5.00
Inventories	A8
Trade and Other Receivables	A11
Advances, Deposits & Pre-Payments	A12
Revenue	13.00
Cost of Goods Sold	14.00



### 3.15 Comparability of Information

Para 43 of IAS-1 Presentation of Financial Statements states that “Enhancing the inter-period comparability of information assists users in making economic decisions, especially by allowing the assessment of trends in financial information for predictive purposes” Thus in order to enhance inter-period comparability of information detailed information, where felt necessary, is now being presented in this year.

### 3.16 Status of Compliance of International Accounting Standards and International Financial Reporting Standards.

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statements of Cash Flows	7	Applied
Accounting Policies, Charges in Accounting Estimates	8	Applied
Events after the Balance Sheet Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in foreign Exchange Rates	21	N/A
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	N/A
Investment in Associates and Joint Ventures	28	N/A
Financial Instruments : Presentation	32	Applied
Earning Per Share	33	Applied
Interim Financial Reporting	34	N/A
Impairment of Assets	36	N/A
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial Instruments : Recognition and Measurement	39	Applied
Investment Property	40	N/A
Name of the IFRS	IFRS No.	Status
Adoption of International Financial Reporting Standard	1	Applied
Insurance Contracts	4	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments : Disclosures	7	Applied
Operating Segments	8	N/A
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	N/A
Revenue from contracts with customers	15	Applied
Lease	16	N/A



### 3.17 Financial Risk Management objectives and policies

The company has exposure to the following risks:

#### I. Credit risk

#### II. Liquidity risk

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. This note presents information about the Company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

**I. Credit risk :** Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

#### Exposure to Credit Risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	Amount in Taka	Amount in Taka
	30-Jun-24	30-Jun-23
PSM Experimental Farm Current A/c	-	400,574
Inter Project Current Account (Assets)	150,546,046	171,655,755
Trade and Other Receivables	1,559,953	1,591,790
Loans, Advance, Deposits & Pre-payments	23,718,506	24,110,650
Cash and Cash Equivalents	4,645,191	6,523,641
	<b>180,469,695</b>	<b>204,282,411</b>



**II. Liquidity Risk:** Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates.

The table below analyses the company's financial liabilities that will be settled on a net basis in to relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant:

<b>Year ended 30 June 2024</b>	<b>On Demand</b>	<b>3-12 months</b>	<b>Total</b>
Loan- Sonali Bank, Panchagarh branch	-	2,846,310,569	2,846,310,569
Govt. Fund & Loans	-	417,418,381	417,418,381
Liabilities for Other Finance	-	108,889,378	108,889,378
Workers Profit Participation Fund	-	-	0
Provision for Leave pay & Gratuity	-	122,129,571	122,129,571

### 3.18 Employee Benefits

#### (i) Defined Contribution Plan

The company, for its permanent employees, operates a scheme of contributory provident fund. The provident fund is administered by a Board of Trustees and is funded by equal contributions from both the employees and the company at predetermined rates. The contributions are invested separately from the company's assets.



**(ii) Defined Benefit Plan**

This company also has a gratuity fund scheme. Provision is made at 30% on the basic pay for the year of audit as per practice of BSFIC.

**3.19 Bad and Doubtful Debts**

Since all sales/exports of the company are based on letter of credit with a fixed maturity date, no provision for bad and doubtful debts (except sample receivable) have been considered in the accounts.

**3.20 Earnings Per Share (EPS)**

Earnings per share (EPS) has been calculated in accordance with IAS 33 : Earnings Per Share, which is shown in the statement of profit or loss and other comprehensive income.

**3.21 General**

a. Previous Year's Figures have been regrouped/reclassified wherever considered necessary to conform to current year's presentation.

b. Figures in the financial statements have been rounded off to the nearest taka.



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b. Figures in the financial statements have been rounded off to the nearest taka.



# Panchagarh Sugar Mills Limited

Panchagarh.

Notes to the Financial Statements for the year ended 30th June, 2024

Notes No.	Particulars	Mills	Farm	Amount (Tk.)	
				30.06.2024	30.06.2023
<b>4.00</b>	<b>Property Plant &amp; Equipment :Tk 20,571,242,885</b>				
<b>4.01</b>	<b>Fixed Assets : Tk. 20,569,836,765</b>				
	At Cost	20,593,169,857	345,066	20,593,514,923	240,713,677
	Add : Revalued during the year	-	-	-	20,562,430,259
	Less : Accumulated Depreciation	23,333,098	345,060	23,678,158	209,974,073
	Written Down Value	<u>20,569,836,759</u>	<u>6</u>	<u>20,569,836,765</u>	<u>20,593,169,863</u>
<b>4.02</b>	<b>ICDS Ph-1 Assets : Tk. 59,098</b>				
	At Cost	59,098	-	59,098	692,525
	Less : Accumulated Depreciation	-	-	-	633,427
	Written Down Value	<u>59,098</u>	<u>-</u>	<u>59,098</u>	<u>59,098</u>
<b>4.03</b>	<b>ICDS Ph-2 Assets : Tk. 855,913</b>				
	At Cost	855,913	-	855,913	3,856,664
	Less: Accumulated Depreciation	-	-	-	3,000,752
	Written Down Value	<u>855,913</u>	<u>-</u>	<u>855,913</u>	<u>855,913</u>
<b>4.04</b>	<b>Seed Mult. &amp; Res. Farm Scheme Assets : Tk. 314,441</b>				
	At Cost	318,565	-	318,565	1,804,373
	Less: Accumulated Depreciation	4,124	-	4,124	1,485,808
	Written Down Value	<u>314,441</u>	<u>-</u>	<u>314,441</u>	<u>318,565</u>
<b>4.05</b>	<b>Integrated Cane Dev. Programme : Tk. 176,668</b>				
	At Cost	176,668	-	176,668	638,670
	Less: Accumulated Depreciation	-	-	-	462,002
	Written Down Value	<u>176,668</u>	<u>-</u>	<u>176,668</u>	<u>176,668</u>
	<b>Total Property, Plant &amp; Equipment</b>	<u>20,571,242,879</u>	<u>6.00</u>	<u>20,571,242,885</u>	<u>20,594,580,106</u>
<b>5.00</b>	<b>Cash &amp; Cash Equivalent : Tk. 4,645,191</b>				
	Cash in Hand	52,447	-	52,447	178,282
	Cash at Bank	4,592,744	-	4,592,744	6,345,359
	<b>Total</b>	<u>4,645,191</u>	<u>-</u>	<u>4,645,191</u>	<u>6,523,641</u>
<b>6.00</b>	<b>Authorised Share Capital : Tk. 50,000,000</b>				
	Authorised Capital 5,000,000 of ordinary shares of Tk. 10 each	<u>50,000,000</u>	<u>-</u>	<u>50,000,000</u>	<u>50,000,000</u>
<b>7.00</b>	<b>Issued, Subscribed &amp; Paid- up Capital : Tk. 41,347,785</b>				
	3,800,000 of ordinary shares of Tk. 10 each	38,000,000	-	38,000,000	38,000,000
	40% Equity Share of Seed Multiplication & Research Farm Scheme (SMRFS)	3,347,785	-	3,347,785	3,347,785
	<b>Total</b>	<u>41,347,785</u>	<u>-</u>	<u>41,347,785</u>	<u>41,347,785</u>
<b>8.00</b>	<b>Reserve &amp; Surplus : Tk. 20,578,922,605</b>				
	Relief & Rehabilitation Grant	1,951,555.28	-	1,951,555	1,951,555
	Capital Reserves	500,422.95	-	500,423	500,423
	Other Reserve	14,040,368.00	-	14,040,368	14,040,368
	Revaluation Reserve	20,562,430,259	-	20,562,430,259	20,562,430,259
	<b>Total</b>	<u>20,578,922,605</u>	<u>-</u>	<u>20,578,922,605</u>	<u>20,578,922,605</u>



Notes No.	Particulars	Mills	Farm	Amount (Tk.)	
				30.06.2024	30.06.2023

**9.00 Govt. Fund & Loans : Tk. 417,418,381**

Govt. Fund (BIDC)	591,527	-	591,527	680,256
Govt. Long Term Loan	302,310,982	-	302,310,982	263,365,980
Dutch Credit	294,437	-	294,437	347,436
N.I. Bank, Netherlands	610,252	-	610,252	720,098
Interest on ADB & Foreign	64,784,847	-	64,784,847	54,684,149
Optee Fund	48,826,336	-	48,826,336	56,150,286
<b>Total</b>	<b>417,418,381</b>	<b>-</b>	<b>417,418,381</b>	<b>375,948,205</b>

**10.00 Agri. & Cash Credit Loans (Blocked) : Tk. 213,351,848**

Sonali Bank, Dhaka (161737000147)	183,117,206	-	183,117,206	183,117,206
Sonali Bank, Dhaka (161737000221)	30,234,642	-	30,234,642	30,234,642
<b>Total</b>	<b>213,351,848</b>	<b>-</b>	<b>213,351,848</b>	<b>213,351,848</b>

**11.00 Grants : Tk. 160,504**

ICDS Ph-1	59,099	-	59,099	59,098
ICDS Ph-2	101,405	-	101,405	101,405
<b>Total</b>	<b>160,504</b>	<b>-</b>	<b>160,504</b>	<b>160,504</b>

**12.00 Un-secured Loans : Tk. 2,632,958,721**

Sonali Bank, Panchagarh Br.(132000032)	608,595,034	-	608,595,034	561,488,406
Sonali Bank, Panchagarh Br.(562000030)	612,132,511	-	612,132,511	564,752,343
Sonali Bank, Panchagarh Br.(132000146)	400,421,274	-	400,421,274	369,411,984
Sonali Bank, Panchagarh Br.(132000157)	455,640,027	-	455,640,027	420,360,867
Sonali Bank, Panchagarh Br.(562000007)	556,169,875	-	556,169,875	513,117,099
<b>Total</b>	<b>2,632,958,721</b>	<b>-</b>	<b>2,632,958,721</b>	<b>2,429,130,699</b>

**13.00 Sale of Finished Goods : Tk. 4,337,805**

Sugar/Sugarcane	-	-	-	-
Molasses	4,337,805	-	4,337,805	5,730,194
<b>Transfer to Mill:</b>				
Sales of Sugarcane (Farm)	-	-	-	-
Sale Proceeds of Farm	-	-	-	-
<b>Total</b>	<b>4,337,805</b>	<b>-</b>	<b>4,337,805</b>	<b>5,730,194</b>

**14.00 Cost of Goods Sold : Tk. 11,721,074**

**A. Direct Materials :**

Cost of Sugarcane	-	-	-	-
Cost of Incidentals	-	-	-	-
Other Production Materials	-	-	-	-
Packing Materials	-	-	-	-
<b>Sub Total (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**B. Factory Overhead :**

Salaries & Wages ( Factory)	-	-	-	-
Repair & Maintenance Materials	-	-	-	-
Fuel,Oil and Lubricants	-	-	-	-
Electricity Charges	-	-	-	-
Depreciation	-	-	-	-
Insurance Premium	-	-	-	-
Other Factory Overhead Expenses	-	-	-	-
Harvesting Cost	-	-	-	-
<b>Sub Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Notes No.	Particulars	Mills	Farm	Amount (Tk.)	
				30.06.2024	30.06.2023
	<b>C. (Sub Total A+B)</b>	-	-	-	-
	Add: Opening Work in Process	-	-	-	-
	Less: Closing Work in Process	-	-	-	-
	<b>Cost of Production</b>	-	-	-	-
	<b>Add : Opening Stock of Finished Goods :</b>				
	Sugar	-	-	-	-
	Molasses	15,150,061	-	15,150,061	22,469,097
		<b>15,150,061</b>	-	<b>15,150,061</b>	<b>22,469,097</b>
	<b>Less: Closing Stock of Finished Goods:</b>				
	Sugar	-	-	-	-
	Molasses	3,428,987	-	3,428,987	15,150,061
	<b>Cost of Goods Sold</b>	<b>11,721,074</b>	-	<b>11,721,074</b>	<b>7,319,036</b>

**15.00 Administrative & Selling Expenses : Tk.58,458,155**

Salaries & Wages (Admin)	31,009,481	-	31,009,481	32,549,349
Repair & Maintenance	467,806	-	467,806	457,727
Insurance Premium	180,720	-	180,720	276,542
Labour Cost (Permanent)	-	-	-	-
Fuel & Power	1,175,717	-	1,175,717	1,112,904
Miscellaneous Expenses	-	-	-	-
Depreciation	23,337,222	-	23,337,222	7,128,600
Head Office Overhead	-	-	-	-
Selling & Distribution	-	-	-	-
Other Admin & Overhead Expenses	2,287,209	-	2,287,209	2,280,064
<b>Total</b>	<b>58,458,155</b>	-	<b>58,458,155</b>	<b>43,805,186</b>

**16.00 Financial Expenses : Tk. 228,835,216**

Bank Interest , Charges & Others	228,835,216	-	228,835,216	214,237,236
<b>Total</b>	<b>228,835,216</b>	-	<b>228,835,216</b>	<b>214,237,236</b>

**17.00 Provision for Leave Pay & Gratuity : Tk. 122,129,571**

Opening Balance	149,976,758	-	149,976,758	183,815,618
Add : Addition during the year	11,023,438	-	11,023,438	7,049,852
Add : Prior Year Adjustment	-	-	-	-
	<b>161,000,196</b>	-	<b>161,000,196</b>	<b>190,865,470</b>
Less : Payment during the year	38,870,625	-	38,870,625	40,888,712
<b>Closing Balance</b>	<b>122,129,571</b>	-	<b>122,129,571</b>	<b>149,976,758</b>

**18.00 Provision for Tax Cumulative : Tk. 6,780,729**

BSTI Marking Fee	1,096,880	-	1,096,880	1,096,880
Turnover Tax (0.6% of Sales)	-	-	-	34,381
Other Taxes	5,683,849	-	5,683,849	5,722,087
<b>Total</b>	<b>6,780,729</b>	-	<b>6,780,729</b>	<b>6,853,348</b>



## Panchagarh Sugar Mills Limited

Panchagarh

Schedule of Fixed Assets as on 30th June, 2024.

Sl. #	Head of Accounts	Accounts Code No	Opening balance as on 01.07.23	Addition during the year	Disposal during the year	Total Cost as on 30.06.2024	Accumulated Dep. as on 30.06.2023	Dep. during the year	Accumulated Dep. as on 30.06.2024	Written down Value 30.06.2024
A	Land & Land Dev: Expenses	23,000	20,280,007,100	-	-	20,280,007,100		-	-	20,280,007,100
B	Building & other Construction	24,000	78,429,157	-	-	78,429,157		7,842,916	7,842,916	70,586,241
C	Plant & Machinery	25,000	189,807,000	-	-	189,807,000		10,995,280	10,995,280	178,811,720
D	Equipment & Loose Tools	26,000	34,306,431	-	-	34,306,431		3,818,437	3,818,437	30,487,994
E	F/Fixture & Office Equipment	27,000	1,607,016	-	-	1,607,016		151,465	151,465	1,455,551
F	Transport & Vehicles	28,000	2,400,000	-	-	2,400,000		525,000	525,000	1,875,000
G	Sundry Assets	29,000	6,613,153	-	-	6,613,153		-	-	6,613,153
	<b>Total=</b>		<b>20,593,169,857</b>	-	-	<b>20,593,169,858</b>		<b>23,333,098</b>	<b>23,333,098</b>	<b>20,569,836,760</b>
A	ICDS PH-1	17,000	59,098	-	-	59,098.00		-	-	59,098
B	Integrated Cane Dev: Program	42,802	176,668	-	-	176,668		-	-	176,668
C	ICDS PH-2	42,800	855,913	-	-	855,913		-	-	855,913
D	Seed Muli: & Research Scheme	42,900	318,565	-	-	318,565		4,124	4,124	314,441
	<b>Total=</b>		<b>1,410,244</b>	-	-	<b>1,410,244</b>		<b>4,124</b>	<b>4,124</b>	<b>1,406,120</b>
	<b>Grand Total=</b>		<b>20,594,580,101</b>	-	-	<b>20,594,580,102</b>		<b>23,337,222</b>	<b>23,337,222</b>	<b>20,571,242,880</b>



# Panchagarh Sugar Mills Limited.

Panchagarh

Valuation of Work-In-Process and Closing Stock of Sugar & Molasses as on 30th June, 2024.

**1.00 Work-in-Process :**

Sch- A6

Process of Sugar				
S.N	Particulars	M.T	Rate Per M.T	Amount (Tk.)
1	Cost of Sugarcane	X		-
2	” ” Incidental	X		-
3	” ” Lime	X		-
4	” ” Sulpher	X		-
5	” ” Other Chemical	X		-
6	” ” Others	X		-
Total =				-

**2 Stock of Finished Goods :**

Sch- A7

A. <u>Valuation of Sugar :</u>				
Opening Stock (01.07.2023)	-	M.T		
(+) Production during the year	-	”		
Sugar Available for sale	-	M.T		
(-) Sale during the year	-	”		
(+) Return from H.O	-	”		
<b>Closing Stock (30.06.2024)</b>	-			-
<b>Total Finished Sugar Stock</b>				-
B. <u>Valuation of Molasses :</u>				
Opening Stock (01.07.2023)	516.820	M.T		
(+) Production during the year	-	”		
Molasses Available for sale	516.820	M.T		
(-) Sale during the year	277.450	”		
(+) Excess	1.890	”		
<b>Closing Stock (30.06.2024)</b>	<b>241.260</b>	<b>M.T</b>		
<b>Closing Stock 241.260 M.T @ Tk. 14213.00 Per M.T</b>				<b>3,428,987</b>
<b>Total</b>				<b>3,428,987</b>

