



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh

PRIVATE & CONFIDENTIAL

ZEAL BANGLA SUGAR MILLS LIMITED

**INDEPENDENT AUDITOR'S REPORT
AND**

FINANCIAL STATEMENTS

As at and for the year ended June 30, 2023





Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh

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Independent Auditor's Report To the Shareholders of Zeal Bangla Sugar Mills Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Zeal Bangla Sugar Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2023, and along with the statement of profit or loss and other comprehensive income and 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 and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

1. In note 18.00 of the financial statements regarding Long Term Loan (Secured) in respect of SM & RFS Seed Multiplication & Research Farm Scheme, ADP Loan for BMRE, Golden Handshake loan, amounting to Tk. 37,263,687 we were unable to obtain sufficient appropriate evidence.

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

Emphasis of Matter

1. In note 7.00 of the financial statements and Annexure-G regarding cane growers loan amounting to Tk. 24,571,442 were carried forward for a long period of time and the corporation did not take any action to recover the said amount from the cane growers. There is a significant doubt that this amount will be recovered.

2. As disclosed in note 8.00 of the financial statements, Advance Income Tax, amounting to Tk. 3,160,081 has been accumulated from the financial year 1991-1992 to 1994-1995 which has been unadjusted till 30 June 2023.
3. In note 23.00 of the financial statements, it is disclosed that a provision for doubtful advances amounting to Tk. 783,879 has been carried forward for a long period of time. According to IFRS 09, there is a requirement to measure and recognize lifetime Expected Credit Loss (ECL) for financial assets exhibiting significantly increased credit loss.
4. In reference to note 22.00, the company has disclosed provision for gratuity amounting to Tk. 130,423,749. However, as per the company's retirement policy, the company is required to make provision for gratuity amounting Tk. 283,147,212. As a result, provision for gratuity has been understated by Tk. 152,723,463.
5. In reference to note 25.00, the company's sales revenue from Molasses sales has been including net of TAX amounting Tk. 59,709,543 instead of inclusive of TAX resulting in on understatement of revenue.

Material uncertainty related to going concern

The Company has been incurring loss for a long time. Its accumulated loss was Tk. - 6,121,187,599 for the year ended 30 June, 2023 and, as of that date the Company's total liabilities exceeded its total assets by Tk. -5,952,446,902 also the bank loan (agriculture) and short-term loan in the amounts of Tk. 2,342,582,004 and 59,554,097 were carried forward for a considerable amount of time, as indicated in notes 17 and 24 of the financial statements. It has come to our attention that the business reported missing loan payments for the fiscal years 2017, 2018, 2019, and 2020. This big loan default raises serious questions about the company's financial stability and liquidity. These circumstances or occurrences suggest that there is considerable uncertainty that could seriously impair the company's capacity to continue operating in the foreseeable future and it also seems that the company is unable to run its operation without government support.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition

The company reported total sales of Tk. 345,665,043 for the year ended 30 June 2023. Sales increased by Tk. 34,214,119 which shows 11% higher revenue compared to last year. Moreover, the disclosed Molasses sales are net of source tax, therefore the calculation of tax is important during the audit. We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the company's profitability, which has a consequent impact on its share price performance.

We have tested the design and operating effectiveness of key controls focusing on the following:

- Calculation of Gross Sugar and Molasses sales, as well as source tax on these items to derive the Net Sales amount;
- Segregation of duties in invoice creation and modification; and
- Timing of revenue recognition.

Our substantive procedures in relation to the revenue recognition comprises the following:

- Obtaining supporting documentation for sales transactions recorded at the yearend date to determine whether revenue was recognized in the current period;
- Critically assessing manual journals posted to revenue to identify unusual or irregular items; and

Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Valuation of Inventories

The company had inventories of Tk. 135,209,608 at 30 June 2023, held in factory premises and Warehouse. Stock of Spares, Stores in Transit, Fertilizer and Insecticides, Molasses Inventory value are measured at the lower of cost and net realizable value. Sugar Inventory value is measured by company own policy which instruction by the Ministry of Industries (ref. No-36.00.0000.064.07.015.08-117). As a result, the Directors apply judgment in determining the appropriate values for value in use and working progress. The provision of Work in Progress is calculated within the company's accounting systems using an automated process. Where local systems require manual interfaces and inputs, there is a risk that inappropriate management override and/or error may occur.

We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:

- Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of warehouses.
- Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; and

- Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory to assess whether provisions for slow-moving/obsolete stock are valid and complete, if any

Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report the date of our auditor's report. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company 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. The Company Act, 1994 and the Bangladesh Bank guidelines require the managements to ensure effective internal audit, internal control and risk management functions of the Company. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the Financial Statement, management is responsible for assessing the Company'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 the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's 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 the company'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 Company'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 Company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion

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

In accordance with the Securities & Exchange Rules 2020, the Companies Act, 1994, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;



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- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the company's statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- (iv) the expenditures incurred were for the purpose of the company's business for the year;

Howlader Mahfel Huq, FCA

Partner

ICAB Enrollment No. 105

Mahfel Huq & Co.

Chartered Accountants

Firm Registration No.: P-46323

DVC: 2311080105AS231361

Dhaka, 29 October 2023

Estd. 1974


ZEAL BANGLA SUGAR MILLS LIMITED

Statement of Financial Position

As at 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
ASSETS:			
Non-Current Assets		140,818,910	124,107,733
Property, Plant & Equipment	4.00	140,818,910	124,107,733
Current Assets		313,454,775	270,779,573
Inventories	5.00	135,209,608	183,421,443
Trade & Other Receivables	6.00	998,075	121,737
Loans & Advances	7.00	62,031,984	45,873,198
Advance Income Tax	8.00	3,160,081	5,311,981
Deposits	9.00	856,311	856,311
Current Account with BSFIC Enterprises	10.00	25,224,303	3,471,675
Cash & Cash Equivalents	11.00	85,974,413	31,723,228
Total Assets		454,273,685	394,887,306
EQUITY & LIABILITIES:			
Shareholder's Equity :		(5,952,446,902)	(5,434,227,879)
Share Capital	12.00	60,000,000	60,000,000
Capital Reserve	13.00	1,815,056	1,815,056
Equity Fund	14.00	90,725,636	90,725,636
Government Grants	15.00	16,200,005	5
Retained Earnings	16.00	(6,121,187,599)	(5,586,768,576)
Non-current Liabilities		3,398,711,661	2,966,755,304
Bank loan (Agriculture)	17.00	2,342,582,004	2,167,042,356
Long Term Loan (Secured)	18.00	1,042,071,025	786,019,690
Deferred Tax Liability	Annexure - I	14,058,632	13,693,258
Current Liabilities		3,008,008,926	2,862,359,882
Creditors	19.00	190,835,811	204,240,453
Current Account with BSFIC	20.00	2,502,875,525	2,426,807,868
Current Account with BSFIC Enterprises (Payable)	21.00	18,475,211	21,889,318
Provision for Leave Pay & Gratuity	22.00	235,484,404	149,084,268
Provision for Doubtful Advances	23.00	783,879	783,879
Short Term Loan	24.00	59,554,097	59,554,097
Total Liabilities		6,406,720,587	5,829,115,186
Total Shareholder's Equity & Liabilities:		454,273,685	394,887,306
Net Asset Value (NAV) Per Share	33.00	(992.07)	(905.70)

The annexed notes form an integral part of these financial statements


Company Secretary


Managing Director


Director


Director

Signed as per our report of same date


Howlader Mahfel Huq, FCA

Partner

ICAB Enrollment No. 105

Mahfel Huq & Co.

Chartered Accountants

DVC: 2311080105AS231361

Dhaka: 29 October, 2023

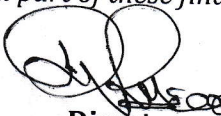
ZEAL BANGLA SUGAR MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Sales	25.00	345,665,043	311,450,924
Less: Cost of Goods Sold	26.00	(540,767,343)	(481,683,597)
Gross Profit / Loss for the Year		(195,102,300)	(170,232,673)
Less: Operating Expenses			
Salaries and Allowances (Adm) Annexure-B		70,967,131	67,702,439
Administrative Expenses	27.00	10,308,389	8,501,703
Head Office Overhead	28.00	-	4,324,613
Selling and Distribution Expenses	29.00	1,451,641	1,271,971
Additional provision for lump Grant & Gratuity(BSFIC)		-	38,488,014
Audit Fees		100,000	100,000
Interest on Loan	30.00	256,338,640	238,619,990
Depreciation Annexure-C		468,303	467,198
		339,634,104	359,475,928
Operating Profit / Loss for the Year		(534,736,404)	(529,708,601)
Add : Income from Experimental Farm		(402,463)	264,482
Add : Miscellaneous Income	31.00	4,076,397	3,230,947
Less : Worker's Profit Participation Fund		-	-
Profit Before Tax		(531,062,470)	(526,213,172)
Less: Current Tax	32.00	2,991,180	2,655,177
Less: Deffered Tax Expense		365,374	763,820
Net profit/Loss for the Year		(534,419,024)	(529,632,169)
Other comprehensive income		-	-
Total comprehensive income for the year		(534,419,024)	(529,632,169)
Earnings Per Share (EPS)	34.00	(89.07)	(88.27)

The annexed notes form an integral part of these financial statements


Company Secretary


Managing Director


Director


Director

Signed as per our report of same date



Howlader Mahfel Huq, FCA

Partner

ICAB Enrollment No. 105

Mahfel Huq & Co.

Chartered Accountants

DVC: 2311080105AS231361

Dhaka: 29 October, 2023

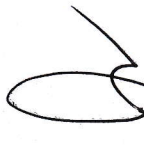
ZEAL BANGLA SUGAR MILLS LIMITED
Statement of Changes in Equity
For the year ended 30 June 2023

Particulars	Paid up Capital Taka	Capital Reserve Taka	Equity Fund Taka	Grants Taka	Accumulated Losses Taka	Total Taka
Balance as on 1st July 2022	60,000,000	1,815,056	90,725,636	5	(5,586,768,576)	(5,434,227,879)
Addition/Net profit/loss for the year	-	-	-	-	(534,419,024)	(534,419,024)
Government Grants received during the year	-	-	-	16,200,000	-	-
Balance as on 30 June 2023	60,000,000	1,815,056	90,725,636	16,200,005	(6,121,187,599)	(5,952,446,902)

As on 30 June 2022

Particulars	Paid up Capital Taka	Capital Reserve Taka	Equity Fund Taka	Grants Taka	Accumulated Losses Taka	Total Taka
Balance as on 1st July 2021	60,000,000	1,815,056	90,725,636	5	(5,057,136,406)	(4,904,595,709)
Net profit/loss for the year	-	-	-	-	(529,632,169)	(529,632,169)
Balance as on 30 June 2022	60,000,000	1,815,056	90,725,636	5	(5,586,768,576)	(5,434,227,879)

The annexed notes form an integral part of these financial statements


Company Secretary


Managing Director


Director

Dhaka: 29 October, 2023




ZEAL BANGLA SUGAR MILLS LIMITED


Statement of Cash Flows

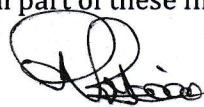
For the year ended 30 June 2023

PARTICULARS	Amount in Taka	
	30 June 2023	30 June 2022
A. Cash Flows From Operating Activities:		
Cash received from customers and others	348,865,102	331,094,342
Cash paid to suppliers and other exp.	(775,900,105)	(691,839,717)
Cash paid for Bank Interest	-	-
Income tax paid	-	-
Net Cash (Used In)/Generated By Operating Activities	(427,035,003)	(360,745,375)
B. Cash Flows From Investing Activities		
Loan to cane growers, net	(17,155,090)	(10,999,719)
Acquisition of Fixed Assets	(25,417,363)	(11,518,025)
Net Cash (Used In)/Generated By Investing Activities	(42,572,453)	(22,517,744)
C. Cash Flows From Financing Activities		
Long Term Loan Net	431,590,983	294,275,347
Short Term Loan	-	40,000
Grant received	16,200,000	-
Current Account with BSFIC, net	76,067,657	81,198,238
Net Cash (Used In)/Generated By Financing Activities	523,858,640	375,513,584
D. Increase/(Decrease) In-Cash And Cash Equivalents (A+B+C)	54,251,184	(7,749,535)
Opening Cash and Cash Equivalents	31,723,229	39,472,763
Exchange Gain or Loss	-	-
Closing Cash & Cash Equivalents	85,974,413	31,723,228
E. Net Operating Cash Flow Per Share (NOCFPS)	(71.17)	(60.12)

The annexed notes form an integral part of these financial statements


Company Secretary


Managing Director


Director


Director

Dated: 29 October, 2023



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended June 30, 2023

1.00 LEGAL STATUS AND ACTIVITIES OF THE COMPANY

2.00 Domicile, Legal Form and Country of incorporation:

Zeal Bangla Sugar Mills Ltd. was incorporated on May 16, with RJSC Reg. Number C- 1913 in the year 1963 as a public limited company Act 1913. The Company is Listed with the Dhaka Stock Exchange (DSE),

3.00 Nature of the Business Activities:

The main activities of the company during the year under audit were to produce sugar from sugarcane and molasses as by-product. Both sugar and molasses were sold out in the local market to growers, employees, Ministry of defense and others.

i) Address of Registered Office and Mills:

The registered office of the Company and the mill is located at Dewanganj, Jamalpur.

ii) Number of Employees:

The total number of employees at the end of the year is 858. Details are as un

Particulars	Number of Employees
Permanent	309
Seasonal	317
Master role	232
Total	858

3.01 Statement of compliance

The financial statements of the company have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by Financial Reporting Council. The compliance status of these IAS's & IFRS's are as follows:

Name of The Standards	Compliance
IAS 1: Presentation of Financial Statements	Complied
IAS 2: Inventories	Complied
IAS 7: Statement of Cash Flows	Complied
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 10: Events after the Reporting Period	Complied
IAS 12: Income Taxes	Complied
IAS 16: Property, Plant and Equipment	Complied
IAS 19: Employee Benefits	Complied
IAS 20: Accounting for Government Grants and Disclosure of Government Assistance	Complied
IAS 21: The Effects of Changes in Foreign Exchange Rates	Not applicable
IAS 23: Borrowing Costs	Complied
IAS 24: Related Party Disclosures	Complied
IAS 26: Accounting and Reporting by Retirement Benefit Plans	Complied



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended June 30, 2023

3.02 SPECIFIC ACCOUNTING POLICIES-DISCLOSURE UNDER IAS-1 "

3.03 Basis of Measurement used in preparing the financial Ptinciple:

The element of financial statements have been measured on "Historical Cost" convention and on accrual basis in accordance the company Act. 1994, the securities And exchange rules 1987, listing regulation of DSE and International Accounting Standards (IAS) and International Financial Reporting Standard (IFRS) and BSEC guidelines.

3.04 Recognition of property, Plant and equipment and Depreciation-IAS-

Property, Plant and Equipment are stated at their cost less accumulated depreciation in accordance with IAS-16 "Property, Plant and Equipment ". Cost of acquisition or construction and capitalization as per requirements of companies Act. 1994. Expenditure for repaires and maintenance are recognized as expenses; major , replacements, renewals and betterments are capitalized.

3.05 Cash and cash equivalentents

Cash and cash equivalentents include cash in hand, balance and deposits with financial institutions that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.06 Depreciation:

No depreciation is charged on Land and Land development. Depreciation is commenced when the asset is in the location and condition necessary for it to be capable of operating in the manner intended. Property plant and equipment of the company are depreciated using reducing balance method. Depreciation is expressed in terms of percentage of cost of the related assets. The depreciation rates per annum applicable to different categories of property, plant and equipment are as follows:

<u>Asset category</u>	<u>Rate of depreciation</u>
01. Building on Freehold Land	5%
02. 1 No. Steel Tank (BMRE)	3%
03. Plant & Machinery	10%
04. Office Equipment and Electrical Installation	10%
05. Vehicles & Transport	5%
06. Furniture , Fixture & Office Equipment	10%
07. Sundry Assets	10%

3.07 Inventories -IAS-2:

Inventories comprise raw materials, work in process, finished goods, packing materials, stores and spares, Molasses and goods in transit, The valuation of stores & spares has been made at Weighted avarage cost price. Store in transit has been valued at actual price. The value of work in process has been calculated at 100% of raw material. The valuation of finished suger has been made at net realizable value and molasses has been made by the Ministry of Industries.



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended June 30, 2023

3.08 Trade Debtors:

These are carried at original invoice amount. This is considered good and collectible.

3.09 Creditors and Accrued Expenses:

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

3.10 Taxation:

Income Tax

Tax provision has been made during the period on the basis of Turnover as per Section 82C Para 4 of Income Tax Ordinance, 1984 since the company sustained loss.

Deferred Tax

The company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS 12: Income Taxes. The company's policy of recognition of deferred tax assets/liabilities is based on temporary differences (taxable or deductible) between the carrying amount (Book value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.11 Borrowing Cost:

Borrowing costs as charged as expenses under the head interest on loan (IAS-23)

3.12 Revenue Recognition:

Sales are recognized when products are delivered. Sales comprise sales of sugar and molasses and sales are shown in the financial statements of the company after excluding VAT and other duty (IFRS-15)

3.13 Cash Flow Statement:

Statement of cash flows is prepared under direct method in accordance with IAS-7 "Statement of Cash Flows" as required by the Bangladesh Securities and Exchange Rules 1987.

3.14 Accounting of Sugar Cane Wastage:

Sales proceeds of Bagasse's and Mud are included in the miscellaneous income.



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended June 30, 2023

3.15 ADDITIONAL INFORMATION OF FINANCIAL STATEMENTS:

3.16 Responsibilities for preparation and presentation of Financial

The Management is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994 and as per the provisions of "The Framework for the preparation of Financial Statements" issued by the International Accounting Standards(IAS).

3.17 Components of Financial Statements:

According to the International Accounting Standard (IAS 1) " Presentation of Financial Statements" the complete set of Financial Statements included the following components:

- i) Statements of Financial Position as at June 30, 2023.
- ii) Statements of Profit and Loss and other comprehensive Income for the period ended June 30, 2023.
- iii) Statements of Changes in Equity for the period ended June 30, 2023.
- iv) Statement of Cash Flows for the period ended June 30, 2023.
- v) Accounting policies and Explanatory notes as at and for the year ended 30 June 2023

3.18 Reporting Period:

Financial Statements of the company covers one Financial year from 01 July 2022 to 30 June 2023.

3.19 Reporting Currency and Level of precision:

The figure in the financial Statements represent Bangladesh Taka (BDT.) which have been rounded off the nearest taka except where indicates otherwise.

3.20 Comparative Information:

Previous year's figure has been rearranged in line with current year's figures for fair presentation of Financial Statements.

3.21 Contingent Liabilities:

All known liabilities as of balance sheet date have been provided for and included in the financial statements. There are no contingent liabilities of Zeal Bangla Sugar Mills Ltd.

3.22 Post Balance Sheet

Events:

There were no material events occurring after the balance sheet date.

Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. 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. Material non-adjusting events are disclosed in the financial statements.



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Property, Plant & Equipment			
A. Cost/revaluation			
Opening balance		340,218,552	328,700,527
Addition during the year		25,417,363	11,518,025
Disposal/adjustment during the year		-	-
Total		365,635,915	340,218,552
B. Accumulated Depreciation			
Opening balance		216,110,819	207,425,176
Depreciation for the year		8,706,186	8,685,643
Disposal/adjustment during the year		-	-
Total		224,817,005	216,110,819
Net book value (A-B)		140,818,910	124,107,733
Inventories			
Stock of Spares		65,036,229	54,193,607
Stores in Transit		6,330,387	5,831,885
Fertilizer and Insecticides		25,491,747	5,558,131
Finished Goods:		96,858,363	65,583,623
Sugar 32.13M.Ton @ tk100,000 & .144M.Ton @200,000		3,241,800	51,009,500
Molasses 985.69M Ton@TK 35,007		34,506,050	66,531,168
Total		37,747,850	117,540,668
Work in Process		603,395	297,152
Total		135,209,608	183,421,443
Trade and Other Receivables			
Trade Debtors	6.01	876,338	-
Sundry Debtors, Douthful of recovery	6.02	121,737	121,737
Mr. Mainul Hossain, Advocate		-	-
Total		998,075	121,737
Trade Debtors			
Sugar:		801,338	-
Tea:		75,000	-
Ration shop		876,338	-
Sundry Debtors Doubtful of Recovery			
1. Mr. Shah Alam, Ex-CDA		61,231	61,231
2. Mr. Jamat Ali, Ex-CDA		60,506	60,506
Total		121,737	121,737
Loans & Advance			
Advance against Motor-cycle & Bi-cycle		438,444	631,665
Advance against Salary		1,103,679	1,861,051
Advance against Expenses		323,378	313,936
Cane Grower's Loan (Annexure-G)		60,145,466	42,990,376
Advance against TA/DA		21,017	76,170
Advance to cane Department		-	-
Total		62,031,984	45,873,198
Advance Income Tax			
Financial Year :			
1991-1992		440,882	440,882
1992-1993		-	-



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
1993-1994		1,944,224	1,944,224
1994-1995		774,975	774,975
Total		3,160,081	5,311,981
Tax Deducted at source from the sales of sugar supplied to Ministry of Defense of GOB 5% on total sales bill.			
9.00 Deposits			
Opening Balance	9.01	856,311	856,311
Add: Addition during the Year		-	-
Less: Adjustment made during the year		856,311	856,311
		-	-
Closing Balance		856,311	856,311
9.01 Others			
National Board of Revenue		677,811	677,811
Bangladesh Power Development Board		140,500	140,500
Bangladesh Oxygen Limited		37,000	37,000
Central Excise Land Custom		1,000	1,000
Total		856,311	856,311
Grand Total		856,311	856,311
9.02 Current account with BSFIC Ent.(Receivable)			
<u>Name of Enterprise</u>			
Benwick Jagswar & Co.		4,764,368	3,417,139
Shipping Office ,Ctg			54,536
Moharagongj Sugar Mills Ltd		20,004	
Masitua Sugar Mills Ltd		948,430	
Carow & Company Ltd		13,265,138	
Satabgongj Sugar Mills Limited,		6,226,363	
Total		25,224,303	3,471,675
9.03 Cash & Cash Equivalents			
Cash in Hand		7,785	274
Cash at Banks	11.01	85,966,628	31,722,954
Total		85,974,413	31,723,228
9.04 Cash at Banks			
STD A/C # 1, Sonali Bank , D.S. Mills Branch		6,741,975	3,738,974
Sales Collection A/C # P-2/5 with Sonali Bank, D.S. Mills Branch		35,771,357	8,095,772
Janata Bank, Dilkusha, Dhaka A/C # 513		630,388	619,802
Sonali Bank, Shilpa Bhaban Branch , Dhaka A/C # 662		1,475	1,475
Sonali Bank, Shilpa Bhaban Branch , Dhaka A/C # 338		840,073	736,986
Rupali bank ,Melandah Branch,Jamalpur		41,586,210	18,529,945
Sonali Bank,A/C# 719 D.S. Mills Branch		395,150	
Total		85,966,628	31,722,954
9.05 Share Capital			
		60,000,000	60,000,000
9.06 Authorized Capital:			
50,000,000 Ordinary Share of TK 10 each		500,000,000	500,000,000



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Share Issued, Subscribed & Paid Up Capital:		60,000,000	60,000,000
Name of Subscriber	No of Share	%	
BSFIC	3,060,000	51%	30,600,000
General Public	2,940,000	49%	29,400,000
	6,000,000	100%	60,000,000

Classification of shares by number of shares held

Level of Share Holding	Number of Shareholders	Number of Shares	Total holding (%)
Less than 500 shares	4,664	416,953	7%
500 to 5,000 shares	527	819,948	14%
5,000 to 10,000 shares	39	268,415	4%
10,000 to 20,000 shares	14	212,522	4%
20,000 to 30,000 shares	8	206,056	3%
30,000 to 40,000 shares	3	103,364	2%
40,000 to 50,000 shares	1	45,243	1%
50,000 to 100,000 shares	1	59,000	1%
100,000 to 1,000,000 shares	3	808,499	13%
Over 1,000,000 shares	1	3,060,000	51%
Total	5,261	6,000,000	100%

Capital Reserve

Opening Balance	1,815,056	1,815,056
Add : Addition during the Year	-	-
	1,815,056	1,815,056
Less : Adjustment made during the Year	-	-
Closing Balance	1,815,056	1,815,056

Equity Fund

Received from Government for SM & RFS	2,070,996	2,070,996
Quasi Equity	88,207,140	88,207,140
Integrated Cane Development Program	447,500	447,500
	90,725,636	90,725,636

Quasi-Equity Loan (Interest Free)

The above amount represents the net valuation gain made by the company through calculating net worth by a professional firm M/S Basu Banarjee & Co Chartered Accountants on 24th March 1988

Summary of calculation is given below :

Calculation of revalued net worth :

	Original Cost	Revalued Value
<u>Total Assets</u>	171,716,682	290,864,262
<u>Less : Total Liabilities</u>	144,672,950	142,657,522
<u>Net Worth</u>	27,043,732	148,206,740

The above net worth constituted as follows :

Share Capital	60,000,000
Quasi- Equity Loan (Revaluation Surplus)	88,207,140
	148,207,140

It is noted that the net valuation gain has been account under the head of Quasi - Equity Loan (Interest Free)



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Opening Balance		5	5
Add: Addition during the Year		16,200,000	-
Less: Adjustment made during the Year		16,200,005	5
Closing Balance		<u>16,200,005</u>	<u>5</u>
Retained Earnings			
Opening Balance		(5,586,768,576)	(5,057,136,407)
Total comprehensive income for the year		(534,419,024)	(529,632,169)
Total		<u>(6,121,187,599)</u>	<u>(5,586,768,576)</u>
Bank Loan (Agriculture)			
Sonali Bank, D.S.Mills Branch, Agricultural Loan A/C# 673000010		343,250,558	317,516,964
Sonali Bank, D.S.Mills Branch, Agricultural Loan A/C# 673000011		446,433,787	412,978,421
Sonali Bank, D.S. Mills Branch, Agricultural Loan A/C # 673000012		471,267,425	435,953,621
Sonali Bank, D.S. Mills Branch, Agricultural Loan A/C # 462000006		538,903,248	498,527,882
Sonali Bank, D.S. Mills Branch, Agricultural Loan A/C # 462000007		542,726,986	502,065,468
Total		<u>2,342,582,004</u>	<u>2,167,042,356</u>
Long Term Loan (Secured)			
SM & RFS (Seed Multiplication & Research Farm Scheme)		566,470	566,470
Sonali Bank Cash Credit A/C . 213 (Block)	18.01	150,494,185	150,494,185
ADP loan for BMRE (Balancing, Modernization, Replacement and Extension of Mills)	18.02	6,860,418	6,533,731
Golden Handshake loan received from Bangladesh Govt.	18.03	29,836,799	28,147,924
Operating loan (Received From Govt)	18.04 <i>Govt. loan</i>	854,313,153	600,277,380
Total		<u>1,042,071,025</u>	<u>786,019,690</u>
Sonali Bank Cash Credit A/c No-213			
Balance as on 1st July 2022		150,494,185	150,454,185
Add: Loan received from Bank		-	-
Add: Interest Charged during the year		-	40,000
Less: Repayment made during the year		150,494,185	150,494,185
Balance as on 30 June 2023		<u>150,494,185</u>	<u>150,494,185</u>
ADP loan for BMRE (Balancing, Modernization, Replacement) and Extension of Mills			
Balance as on 1st July 2022		6,533,731	6,222,601
Add: Interest Charged during the year		326,687	311,130
Less: Repayment made during the year		6,860,418	6,533,731
Balance as on 30 June 2023		<u>6,860,418</u>	<u>6,533,731</u>
Golden Handshake loan received from Bangladesh Govt.			
Balance as on 1st July 2022		28,147,924	26,807,547
Add: Interest Charged during the year		1,688,875	1,340,377
Less: Repayment made during the year		29,836,799	28,147,924



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Operating Loan (Received From Govt)			
Balance as on 1st July 2022		600,277,380	474,105,445
Add: Addition during the year		224,021,904	100,000,000
Add: Interest Charged during the year		30,013,869	26,171,935
Less: Repayment made during the year		854,313,153	600,277,380
Balance as on 30 June 2023		854,313,153	600,277,380
Creditors			
Creditors for Good Supplied	19.01	33,589,929	35,582,826
Creditors for Expenses	19.02	17,698,756	16,859,478
Creditors for other finance	19.03	139,547,127	151,798,149
Total		190,835,811	204,240,453
Creditors for Goods Supplied			
Suppliers Current A/C		33,589,929	34,570,884
Advance received against sugar sales			300,396
Advance received against molasses sales			711,546
Total		33,589,929	35,582,826
Creditors for Expenses			
Provision for Tax	19.02.01	17,598,756	16,759,478
Audit fees		100,000	100,000
Provision for Tax		17,698,756	16,859,478
Opening balance		16,759,476	14,104,301
Add: during the year		2,991,180	2,655,177
Less: adjustment		2,151,900	-
Total		17,598,756	16,759,478
Creditors for other finance: Tk.			
Sundry Creditors		3,581,058	3,073,544
Unpaid cane price		872,205	811,517
Welfare fund		-70,075	512,795
Supplier Vat		374,079	333,130
Staff Security		23,033	23,033
Security deposit (contractors Suppliers Dealer)		4,970,833	4,765,094
Provident Fund (Permanent)		21,400,925	51,591,524
Provident Fund (Seasonal)		11,600,847	11,535,695
Provident Fund (Head Office)		1,593,953	2,797,346
Provident Fund (Other Mills)		793,520	693,561
Education Cess		1,050,527	1,052,999
Suppliers Income Tax		230,322	130,549
Salary Income Tax		192,606	267,968
Revenue Stamp		81,142	169,452
Interest Payable		87,769,824	58,518,047
Salary Payable		4,842,794	10,702,943
Provision for Doubtful Debts		121,737	121,737
Source VAT(Molasses)		5,244	117,000
Source Tax(Molasses)		100,938	167,592
STP Subsidy A/C		-	4,177,500
VAT(Molasses)		11615	235,123
Total		139,547,127	151,798,149
Current Account With BSFIC			



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Balance as on 1st July 2022		2,426,807,868	2,345,609,630
Add: Addition during the year		369,384,374	325,588,384
Less: Adjustment during the year		2,796,192,242	2,671,198,014
Balance as on 30 June 2023		293,316,717	244,390,146
		<u>2,502,875,525</u>	<u>2,426,807,868</u>

Current account with BSFIC Enterprise (Payable)

Name of Enterprises:

Jagpurhat Sugar Mills Ltd	6,240,259	6,664,633
Sitabganj Sugar Mills Ltd	-	1,146,327
Ranchagar Sugar Mills Ltd	789,649	656,564
Rangpur Sugar Mills Ltd	5,757,613	6,891,655
Prime Sugar Mills Ltd	450,052	1,192,083
Thakurgoan Sugar Mills Ltd	183,051	152,968
Nature Sugar Mills Ltd	840,907	165,756
North Bengal Sugar Mills Ltd.	1,762,899	1,854,860
Randipur Sugar Mills Ltd.,	-	
Shampur Sugar Mills Ltd	894,501	1,032,208
Grew & Company Ltd		191,436
Rajshahi Sugar Mills Ltd	1,556,280	1,556,280
Rustia Sugar Mills Ltd		384,548
Total	<u>18,475,211</u>	<u>21,889,318</u>

Provision of Leave Pay of Gratuity: Tk.

Balance as on 1st July 2022	149,084,268	76,882,133
Add: Provision for the year @ 30% of Basic Pay	118,706,331	93,557,055
Less: Payment/Adjustment made during the year	267,790,599	170,439,188
Balance as on 30 June 2023	32,306,195	21,354,920
	<u>235,484,404</u>	<u>149,084,268</u>

Among the outstanding amount, Provision for Gratuity is Tk. 105,060,655 and Provision for leave pay is Tk. 123,749.



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Provision for Doubtful Advances		783,879	783,879
Short Term Loan			
Cash Credit-246		59,554,097	59,554,097
		<u>59,554,097</u>	<u>59,554,097</u>
Balance as on 1st July 2022		59,554,097	59,514,097
Add: Loan Received from Bank		-	-
Add: Interest and Charges during the year		-	40,000
Less: Repayment made during the year		59,554,097	59,554,097
Balance as on 30 June 2023		<u>59,554,097</u>	<u>59,554,097</u>
Sales			
Quantity in Metric Ton			
I. Sugar 2978.016		285,955,500	288,398,636
II. Molasses 2406.392	25.01	59,709,543	23,052,288
Total		<u>345,665,043</u>	<u>311,450,924</u>
Molasses			
Gross Sales		79,115,148	30,544,281
Less: Vat @ 15% & VDS @ 7.5%		13,434,649	5,186,765
Less: IT @ 10%		5,970,956	2,305,228
Total		<u>19,405,605</u>	<u>7,491,993</u>
		<u>59,709,543</u>	<u>23,052,288</u>
Cost of Goods Sold			
Stock as on 1st July 2022			
Sugar 658.00M.Ton @ tk 74,000 & 29.68M.Ton@75,000 & .610M.Ton@150000		51,009,500	140,783,790
Molasses 2057.06M.ton @ tk 32,343		66,531,168	51,385,952
Add: Cost of Production	26.01	117,540,668	192,169,742
		460,974,525	407,054,523
Less: Stock as on 30 June'2023		<u>578,515,193</u>	<u>599,224,265</u>
Sugar 32.13M.Ton @ tk100,000 & .144M.Ton @200,000		3,241,800	51,009,500
Molasses 985.69M Ton@TK 35,007		34,506,050	66,531,168
		37,747,850	117,540,668
		<u>540,767,343</u>	<u>481,683,597</u>
Cost of Production			
Opening Work in Process		297,152	512,436
Add: Purchase of Sugarcane		157,213,403	125,449,572
Other Direct Expenses:			
Procurement Expenses	26.01.01	3,763,942	3,661,671
Production store and Packing Materials	26.01.02	6,650,246	5,182,103
Factory Salaries and Wages (Annexure-B)	26.01.03	248,609,311	230,944,909
Factory Repairs and Maintenance	26.01.04	20,262,838	19,813,282
Insurance		393,815	469,128
Fuel and Power	26.01.05	13,529,193	10,923,868
Depreciation (Annexure-c)	26.01.06	8,082,229	8,063,154
Other Factory Overhead	26.01.07	2,775,791	2,331,552
Less: Closing work in process (Annexure -D)		304,067,365	281,389,667
Total		<u>603,395</u>	<u>297,152</u>
		<u>460,974,525</u>	<u>407,054,523</u>
Procurement Expenses			



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Loading and Unloading		3,158,908	3,157,783
Other Indirect Materials		344,076	238,970
Bonus for Cane Hauling		260,958	264,918
Total		3,763,942	3,661,671
Production store and Packing Materials			
Packing Materials		2,683,382	2,592,634
Lime		1,016,569	939,168
Sulphur		1,767,225	807,430
Other Chemicals		1,183,070	842,871
Total		6,650,246	5,182,103
Factory Salaries and Wages (Annexure-B)			
Cane Procurement		31,238,563	29,344,770
Transport		27,709,166	25,111,160
Mechanical		47,338,669	44,694,004
Chemical		25,639,949	23,159,600
Steam Generation		14,125,170	12,091,767
Power		9,761,405	8,607,184
Electrical Maintenance		14,209,091	11,639,140
Civil		7,347,742	6,663,865
Cane Development		71,239,556	69,633,419
Total		248,609,311	230,944,909
Factory Repairs and Maintenance			
Cane Procurement		628,751	390,208
Transport		3,315,996	3,962,641
Mechanical		11,202,831	11,174,394
Chemical		502,259	468,476
Steam Generation		1,044,058	1,233,085
Power		343,510	154,760
Electrical Maintenance		1,771,619	1,351,341
Civil		1,438,689	1,044,434
Cane Development		15,125	33,943
Total		20,262,838	19,813,282
Fuel and Power			
Transport		6,236,588	4,616,196
Mechanical		2,133,811	1,513,130
Chemical		1,690	839
Steam Generation		629,683	682,990
Power		2,077,745	1,113,726
Electrical Maintenance		2,357,889	2,880,291
Cane Development		91,787	116,696
Total		13,529,193	10,923,868



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Depreciation: (Annexure-C)			
Cane Procurement		483,719	482,578
Transport		565,158	563,824
Mechanical		3,002,727	2,995,640
Chemical		1,380,732	1,377,473
Steam Generation		771,322	769,502
Power		795,878	793,999
Electrical Maintenance		839,930	837,947
Cane Development		242,763	242,191
Total		8,082,229	8,063,154
Other Factory Overhead			
Other Indirect Materials		153,054	162,502
Rent, Rate and Taxes		697,357	521,775
Cane Development Expenses		996,895	1,199,004
Traveling Expenses		730,654	307,583
Inaugural, Ceremonial and Entertainment		197,831	140,688
Total		2,775,791	2,331,552
Administrative Expenses			
Staff and Labor Welfare		1,310,525	850,398
Training Expenses		264,152	97,484
Repairs and Maintenance		353,040	272,726
Other Indirect Materials		243,324	362,993
Rent, Rate and Taxes		1,415,162	1,287,959
Travelling and Conveyance		451,330	188,011
Postage and Telegram		141,056	101,957
Inaugural, Ceremonial and Entertainment		327,308	428,893
Advertising and Publicity		1,701,919	1,021,475
Bank Charges		105,158	143,929
Insurance		3,230,689	2,933,996
Legal Expenses		74,601	194,539
AGM, Borad Meeting Expenses		443,842	384,415
Miscellaneous Expenses		104,571	113,826
Guest House Exp.		141,712	119,102
Total		10,308,389	8,501,703
Head Office Overhead			4,324,613
			4,324,613
<p>The above amount represent expenses of the company incurred by BSFIC.</p>			
Selling and Distribution Expenses			
Stocking and Loading		1,283,532	1,105,935
Depreciation		155,654	155,286
Advertising and Publicity		12,455	10,750
Total		1,451,641	1,271,971



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Interest on Loan			
Sonali Bank, Shilpo Bhaban Branch , Motijheel, Dhaka			
Cash Credit A/C 213,246		-	80,000
Interest on ADP Loan		326,687	311,130
Golden Handshake Laon		1,688,875	1,340,377
Agril Credit A/C- 673000010		26,751,176	24,392,700
Agril Credit A/C- 673000011		36,431,771	31,715,255
Agril Credit A/C-673000012		38,959,783	33,477,612
Agril Credit A/C-462000006		54,285,601	38,277,490
Agril Credit A/C-462000007		48,363,094	38,548,848
Interest on BSFIC Loan		19,517,784	44,304,643
Interest on Operating loan		30,013,869	26,171,935
Total		256,338,640	238,619,990
Miscellaneous Income			
House Rent Deduction from Salary		24,160	30,561
Rent from Market		393,700	305,160
Sale of Bagasses and Press Mud		167,020	945,226
Forfeiture of Security Money		3,170	17,625
Transport hire charge		6,600	9,293
Sundries Income ✓		238,542	156,283
Electricity charge		-	30,185
Discount received		2,203	18,219
Interest Income from Cane Growers Loan ✗		3,234,002	1,718,395
Sales of Scrap		7,000	-
Total		4,076,397	3,230,947
Provision for Tax			
As per the Minimum Tax applicable Income Tax Act, 2023 section 163. Minimum tax should be charged for making provisions of current tax, which is as follows:			
Sugar Sales		285,955,500	288,398,636
Molasses Sales (Net Value)		59,709,543	23,052,288
		345,665,043	311,450,924
		0.60%	0.60%
Tax on Gross Receipts		2,073,990	1,868,706
Tax on other Income (4,076,397*22.5%)		917,189	786,471
Total		2,991,180	2,655,177
Calculation of Net Asset Value Per Share (NAV)			
Net Asset		(5,952,446,902)	(5,434,227,879)
Weighted average number of share outstanding		6,000,000	6,000,000
		(992)	(906)
Earnings per share			
		(89.07)	(88.27)
Basic earnings per share			
Profit attributable to ordinary shareholder		(534,419,024)	(529,632,169)
Weighted average number of share outstanding		6,000,000	6,000,000
EPS		(89.07)	(88.27)
Reconciliation of Net Operating Cash Flow Under Indirect Method:			
Cash Flow From Operating Activities			
Operating Profit / Loss		(531,062,470)	(526,213,172)
Adjustment to Reconcile net income to net cash provided by operating activities			
Increase/Decrease in Trade and Other Receivables		(876,338)	16,147,989
Increase/Decrease in Inventories		48,211,835	72,662,343



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2023

PARTICULARS	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Increase/Decrease in Loans & Advances		996,304	-
Increase/Decrease in Deposits		-	(212,252)
Increase/Decrease in Current Accounts with BSFIC Enterprises		(21,752,628)	1,888,415
Increase/Decrease in Creditors		(14,243,921)	(16,352,078)
Increase/Decrease in Provision for Leave Pay and Gratuity		86,400,136	72,202,135
Current Account with BSFIC Enterprises (Payable)		(3,414,107)	10,445,603
Depreciation Expenses		8,706,186	8,685,643
		104,027,467	165,467,798
Net Cash Provided by Operating Activities		(427,035,003)	(360,745,375)

36.00 Net Operating Cash Flow Per Share (NOCFPS)

Net cash provided by operating activities

No. of shares outstanding

NOCFPS

(427,035,003)	(360,745,375)
6,000,000	6,000,000
(71.17)	(60.12)

Significant Deviation:

- Earning Per Share (EPS) has been negatively increased due to:
 - Net loss i.e. cost of production increased than previous year
- Net Operating Cash Flow Per Share (NOCFPS) has been negatively increased due to increased of cash paid to supplier and other expenses than previous year.
- Net Assets Value Per Share (NAVPS) ha been negatively increase due to total liability increase than previous year.

Attendance at Board Meeting during the year 2022-2023

Name of Directors	Designation	No of Board Meeting held during the year	No of Board Meeting Attendance
Mr. Md. Arifur Rahman Apu	Chairman(Grade-I)	5	5
Mr. Khandaker Azim Ahmed, NDC	Director(Finance)	5	4
Mr. Md.Anuarul Alam	Director(P&D)	5	1
Mr Jashim Uddin Akanda, FCMA	Independent Director	5	5
Mr. Md. Ashraf Ali	Director(CDR)	5	3
Mr. Pulok Kanti Barua	Director(CDR)	5	1
Md. Monirul Islam, FCMA	Independent Director	5	3
Mr. Md. Ataur Rahman Khan	Director(P&E)	5	2
Md. Rabbik Hasan,FCMA	Managing Director	5	5



ZEAL BANGLA SUGAR MILLS LTD
Schedule of Related Party Disclosure
For the year ended June 30, 2023

Name related party	Nature of Relationship	Nature of Transaction	Opening balance		Transaction during the year		Balance	
			Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Joypurhat Sugar Mills Ltd	Inter Transaction	Sales of baggage & transfer of employees	-	6,664,633	512,503	88,129	-	6,240,259
Setabgonj Sugar Mills Ltd	Inter Transaction	Transfer of employees	-	1,146,327	9,257,469	1,884,779	6,226,363	-
Carew&Co BD Ltd	Inter Transaction	Sales of molasses	-	191,436	13,477,012	20,438	13,265,138	-
Panchagar Sugar Mills Ltd	Inter Transaction	Transfer of employees	-	656,564	31,915	165,000	-	789,649
Faridpur Sugar Mills Ltd.,	Inter Transaction	-	-	-	-	-	-	-
Rangpur Sugar Mills Ltd	Inter Transaction	Transfer of employees	-	6,891,655	1,412,654	278,612	-	5,757,613
Rajshahi Sugar Mills Ltd	Inter Transaction	Transfer of employees	-	1,556,280	-	-	-	1,556,280
Pabna Sugar Mills Ltd	Inter Transaction	Transfer of employees	-	1,192,083	742,031	-	-	450,052
Thakurgoan Sugar Mills Ltd	Inter Transaction	Transfer of employees	-	152,968	-	30,083	-	183,051
Renwick Jagswer & Co.	Inter Transaction	Purchase & maintenance of goods	3,417,139	-	4,945,051	3,597,822	4,764,368	-
Kustia Sugar Mills Ltd.	Inter Transaction	Transfer of employees	-	384,548	1,332,978	-	948,430	-
Natore Sugar Mills Ltd	Inter Transaction	Sales of baggage	-	165,756	22,480	697,631	-	840,907
North Bengal Sugar Mills Ltd.	Inter Transaction	Sales of baggage	-	1,854,860	138,290	46,329	-	1,762,899
Shipping Office ,Ctg	Inter Transaction	-	54,536	-	-	54,536	-	-
Mokabarakganj Sugar Mills Ltd	Inter Transaction	Transfer of employees	-	-	122,252	102,248	20,004	-
Shympur Sugar Mills Limited,	Inter Transaction	Transfer of employees	-	1,032,208	202,187	64,480	-	894,501
Bangladesh Sugar & food Industries corporation	Inter Transaction	Paid gratuity, purchase of goods on behalf of zbsm&lend fund	-	2,426,807,868	293,316,717	369,384,374	-	2,502,875,525
Total			3,471,675	2,448,697,186	325,513,539	376,414,461	25,224,303	2,521,350,736

Key Management Personnel Compensation

SL No.	Name	Designation	Basic Salary (Annual)	House Rent (Annual)	Education Allowance (Annual)	Medical Allowance (Annual)	Grows Salary Amount (Annual)
2	Md .Rabbik Hasan	Managing Director	791,156	-	6,000	18,000	815,156
3	Sharif Mohammad Ziaul Haque	Chief Financial Officer	734,400	-	6,000	18,000	758,400
Total			1,525,556	-	12,000	36,000	1,573,556



ZEAL BANGLA SUGAR MILLS LIMITED
Schedule of Property, plant and equipment
As at and for the year ended 30 June 2023

Annexure
Amount in T

Category of assets	Cost or revaluation			Rate (%)	Depreciation			Net Book Value as at June 2023
	Balance as at 1 July 2022	Addition	Disposal/ Adjustment		Balance as at 30 June 2023	Charged during the year	Adjustment during the year	
Cost								
Tangible Assets								
Freehold Land	14,107,800	-	-	0%	14,107,800	-	-	14,107,800
Building on Freehold Land	42,049,543	4,825,932	-	5%	46,875,475	255,418	-	9,678
1 No. Steel Tank (BMRE)	3,420,000	-	-	3%	3,420,000	44,698	-	1,743
Plant & Machinery	157,677,549	15,536,049	-	10%	173,213,598	4,954,188	-	58,257
Office Equipment and Electrical Installation	18,843,927	2,517,132	-	10%	21,361,059	854,905	-	9,146
Vehicles & Transport	88,907,878	-	-	5%	88,907,878	2,144,861	-	40,752
Furniture, Fixture & Office Equipment	3,301,890	-	-	10%	3,301,890	25,962	-	233
Sundry Assets	5,589,672	2,538,250	-	10%	8,127,922	320,084	-	4,883
As at 30 June 2023	333,898,259	25,417,363			359,315,622	8,600,116		138,803
As at 30 June 2022	333,898,259				211,911,941	211,911,941		121,986
Other Tangible Assets								
Seed Multiplication & Research Farm Scheme	2,483,814	-	-	5%	2,483,814	90,506	-	1,810
Integrated Cane Development Program (ICDP)	132,000	-	-	5%	132,000	4,810	-	90
ICDS- Phase-I (Buildings)	646,875	-	-	5%	646,875	10,600	-	21
ICDS- Phase-II (Buildings)	3,053,380	-	-	5%	3,053,380	3,053,375	-	2,012
As at 30 June 2023	6,316,069				4,197,733	105,916		2,118
As at 30 June 2022	6,316,069				4,197,733			2,118
Cattle Grand Plant								
Cattle Grand Plant	4,224	-	-	5%	4,224	154	-	1,299
As at 30 June 2023	4,224				1,145	154		2
As at 30 June 2022	4,224				983	162		3
Grand Total As at 30 June 2023	340,218,552	25,417,363			216,110,819	8,706,186		140,819
Grand Total As at 30 June 2022	340,218,552				216,110,657	162		124,10



ZEAL BANGLA SUGAR MILLS LTD**Schedule of Salary & Wages**

For the year ended 30 June 2023

Annexure-B

Allocation	Note	30 June 2023	30 June 2022
Manufacturing (Cost of Goods Sold)	25.01.03	248,609,311	230,944,909
Administrative	P/L A/C	70,967,131	67,702,439
Total		319,576,442	298,647,348

Schedule Of Depreciation

For the year ended 30 June 2023

Annexure-C

Allocation	Note	30 June 2023	30 June 2022
Manufacturing (Cost of Goods Sold)	✓ 25.01.06	8,082,229	8,063,154
Administrative	P/L A/C	468,303	467,198
Selling and Distribution	29.00	155,654	155,286
Total		8,706,186	8,685,638

Working In Process

For the year ended 30 June 2023

Annexure-D

Particulars	Quantity/ Value
1. Cane Crushed (M.T)	35,172
2. Sugar Production (M.T)	2,322
3. Working In Process (M.T)	9
4. Recovery (%)	7
6. Cane under process (M.T)	131
7. Cost of Cane under the process (Tk.)	591,075
8. Cost of chemical under process (TK)	12,320
8. Total work In Process Valueation (Tk.)	603,395

Schedule of Sugar Sales

For the year ended 30 June 2023

Annexure-E

Particulars	Quantity/ M.T	Value
1. Police	1,783	177,275,050
2. Ration	36	3,303,500
3. Free Sale	710	59,720,750
4. H O	253	26,195,200
5. Defence		
6. Growers	196	19,461,000
Total :	2,978	285,955,500



ZEAL BANGLA SUGAR MILLS LTD

Schedule of Molasses Sales

For the year ended 30 June 2023

Annexure-F

Steel Tank	2406.392 (M.T)
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Net Value	79,115,148
VAT 22.5%	13,434,649
I.T 10%	5,970,956
Total Taka	59,709,543

Cane Growers Loan

For the Year ended 30 June 2023

Annexure-G

Particulars	Parincipal	Interest	Total Loan	Recovery during the year 2022-2023	Balance as on 30 June 2023
Upto 2020-21	24,642,860	-	24,642,860	71,418	24,571,442
2021-22	16,679,560	1,667,956	18,347,516	18,347,516	-
2022-23	32,340,022	3,234,002	35,574,024	-	35,574,024
					60,145,466

Schedule of Stock of Spares

For the Year ended 30 June 2023

Annexure-H

Code No.	Particulars	June 30 2023	June 30 2022
1	Construction materials	83,551	150,982
2	Iron, steel and Non-Ferous	3,232,538	2,368,347
3	Pipe, tubes and fitting	2,443,827	2,044,945
4	Refractories	4,529,610	3,281,643
5	Fuel, Oil and Lubricant	4,123,602	2,517,111
6	Production Materials	6,421,483	2,095,326
7	Paints and Vernishes	111,230	79,089
8	General Hardware	870,721	517,586
9	Loose tools	259,960	252,055
10	Domestic Equipment	22,411	22,465
11	Furniture & fixture	-	-
12	Cord Rops and Chains	68,755	77,812
13	Packing Materials	955,691	765,482
14	Chemical and Lab Equipment	106,446	208,178
15	Medical Supplies	7,832	7,721
16	Printing and stationary	634,596	380,946
17	Mechanical Spares	32,926,471	32,272,134
18	Electrical Spares	4,020,462	2,720,493
19	Office Equipment	-	-
20	miscellaneous store mat	1,627,916	1,604,201
21	Transport/Garage Spares	2,589,127	2,827,091
	Sub total	65,036,229	54,193,607
22	Fertilizer & Pesticides	25,491,747	5,558,131
	Total	90,527,976	59,751,738



ZEAL BANGLA SUGAR MILLS LTD
Deferred Tax Calculations
For the year ended June 30, 2023

Annexure-I

Deferred Tax Liability:

Opening balance	
Closing Balance	13,693,258
Deferred Tax expenses / (Income)	<u>14,058,632</u>
	<u>365,374</u>

Deferred Tax Calculation

	<u>Accounts Base</u>	<u>Tax Base</u>	<u>Difference</u>
WDV of Fixed Assets	140,818,910	78,336,102	62,482,808
Total	<u>140,818,910</u>	<u>78,336,102</u>	<u>62,482,808</u>
Deferred Tax Liability @22.5%			14,058,632

Deferred tax is related to taxable temporary timing differences on account of depreciation on property, plant and equipment.



ZEAL BANGLA SUGAR MILLS LTD
Schedule of Fixed Assets (Tax Base)
 For the year ended June 30, 2023

(Annexure-I)

SL.N o.	Particulars	C O S T			Disposal during the Period	Total	Rate	Charged for the year	Written down Value as on 30.06.2023
		Opening Balance as on 01.07.2022	Addition during the Period						
	Tangible Assets	8,303,630	-	-	8,303,630	-	311,413	8,303,630	
	Freehold Land (Building and Other)	3,114,132	4,825,932	-	7,940,064	10%	311,413	7,628,651	
	Building on Freehold Land (Factory Building 50%)	504,764		-	504,764	10%	50,476	454,287	
	Office and Dometory	25,554,164	15,536,049	-	41,090,213	20%	5,484,125	35,606,088	
	Plant & Machinery	5,437,033	2,517,132	-	7,954,165	10%	650,152	7,304,013	
	Equipment	279,962		-	279,962	10%	27,996	251,966	
	Furniture	17,468,561		-	17,468,561	20%	3,493,712	13,974,849	
	Vehicle	2,586,565		-	2,586,565	20%	312,196	4,812,619	
	Sundry Assets	63,248,810	25,417,363	-	88,666,173	10%	10,330,071	78,336,102	
	Total								

