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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, 2022



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 which comprise the statement of financial position as at 30 June 2022, 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 effect described in the basis for qualified opinion paragraph the accompanying statements and financial statements of the company give a true and fair view of the statement of financial position of the company as at 30 June 2022, and of its statement of profit or loss and other comprehensive income and its statement of cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, and other applicable laws and regulations.

Basis for Qualified Opinion

1. The Company has been incurring loss year after year. Its accumulated loss was Tk. - 5,586,768,576 for the year ended 30 June, 2022 and, as of that date the Company's Total liabilities exceeded its Total assets by Tk. 5,434,227,879. These conditions or events indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue its operation in foreseeable future and it also seems that the company is unable to run its operation without government support.
2. 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. 35,248,125 we were unable to obtain sufficient appropriate evidence.

Emphasis of Matter

1. In note 7.00 of the financial statements and Annexure-G regarding cane growers loan amounting to Tk. 24,642,860 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. As a result, assets overstated and income understated.

2. In note 8.00 of the financial statements regarding Advance Income Tax, amounting to Tk. 5,311,981. This amount has been cumulating from the financial years 1991-1992 to 1994-1995 and lying unadjusted for all this time. However, after the year ended 30 June 2022, the Tax authority had started the adjustment procedure against the tax liability.
3. In note 25.00 of the financial statements, the company had disclosed sales amounting to Tk. 311,450,924 which is net of tax amounting to Tk. 3,344,768.
4. Tax deducted on source from sales to the Ministry of defense amounting to Tk. 1,039,540, we were not provided with sufficient appropriate evidence.
5. As disclosed in the note 23.00 of the financial statements regarding provision for doubtful advances amounting of Tk. 783,879 was carried forward for a long period of time and the corporation did not take any action to recover the said amount. As a result, assets overstated and income understated.
6. During the audit, we could not confirm the share capital amount in the financial statements from Schedule-X, as the company has yet to update its annual return to the Registrar of Joint Stock Companies & Firms (RJSC).

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 did not determine any additional matters described below to be key audit matters to be communicated in our report.

1. Revenue Recognition	
See note 16.00 to the financial statements	
Risk	Our Response to the Risks
The company reported total sales of Tk. 311,450,924 as 30 June 2022. Sales decreased by Tk. 19,494,007 which shows 6% higher revenue compared to last year. Moreover, the disclosed sales are net of source tax, therefore the calculation of tax is important during the audit. We focus on the risk of material	We have tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none"> • 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

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.

Revenue is derived from sales of Sugar and Molasses as disclosed in note 25 to the financial statements.

• 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.

2. Valuation of Inventories

See note 5.00 to the financial statements

Risk

The company had inventories of Tk. 183,421,443 at 30 June 2022, held in factory premises and warehouse.

Inventory value is measured at the lower of cost and net realizable value. 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.

Our Response to the Risks

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

3. Trade and Other Receivables

See note 5.00 to the financial statements

Risk

The company has Tk. 121,737 of trade and other receivables as at 30 June 2022, which has decreased by 99% from 30 June 2021.

Our Response to the Risks

For trade and other receivables recovered during the period our key audit procedures included the following:



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The company has a large number of dealers, therefore the size of the trade receivable balance and the high level of management judgment used in determining the impairment provision is a significant issue.

- We performed trade receivables balance confirmations from the dealers on a sample basis;
- We analyzed the aging of trade receivables; and
- We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.

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 within the Group to express an opinion on the financial statements. We

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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 International Financial Reporting Standards (IFRS), the Companies Act, 1994 and other applicable laws and regulations, 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;
- (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;

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Place: Dhaka
Date: 20 October 2022

Md. Abdus Satter Sarkar, FCA
ICAB Enrollment No. 1522
For and on behalf of,
Mahfel Huq & Co., Chartered Accountants
Firm registration no. P-46323
DVC: 2210311522AS114764

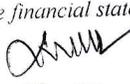
ZEAL BANGLA SUGAR MILLS LIMITED
Statement of Financial Position
As at 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
ASSETS:			
Non-Current Assets		✓ 124,107,733	121,275,351
Property, Plant & Equipment	4.00	124,107,733	121,275,351
Current Assets		270,779,573	358,015,884
Inventories	5.00	✓ 183,421,443	256,083,786
Trade & Other Receivables	6.00	✓ 121,737	16,269,726
Loans & Advances	7.00	✓ 45,873,198	34,873,479
Advance Income Tax	8.00	✓ 5,311,981	5,311,981
Deposits	9.00	✓ 856,311	644,059
Current Account with BSFIC Enterprises	10.00	✓ 3,471,675	5,360,090
Cash & Cash Equivalents	11.00	✓ 31,723,228	39,472,763
Total Assets		394,887,306	479,291,235
EQUITY & LIABILITIES:			
Shareholder's Equity :		(5,434,227,879)	(4,904,595,710)
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
Grants (Phase - I & II)	15.00	5	5
Retained Earnings	16.00	(5,586,768,576)	(5,057,136,407)
Non-current Liabilities		2,966,755,304	2,671,716,137
Bank loan (Agriculture)	17.00	✓ 2,167,042,356	2,000,630,451
Long Term Loan (Secured)	18.00	✓ 786,019,690	658,156,248
Deferred Tax Liability	Annex-H	✓ 13,693,258	12,929,438
Current Liabilities		2,862,359,882	2,712,170,808
Creditors	19.00	✓ 204,240,453	217,937,354
Current Account with BSFIC	20.00	✓ 2,426,807,868	2,345,609,630
Current Account with BSFIC Enterprises (Payable)	21.00	✓ 21,889,318	11,443,715
Provision for Leave Pay & Gratuity	22.00	✓ 149,084,268	76,882,133
Provision for Doubtful Advances	23.00	✓ 783,879	783,879
Short Term Loan	24.00	✓ 59,554,097	59,514,097
Total Liabilities		5,829,115,186	5,383,886,945
Total Shareholder's Equity & Liabilities:		394,887,306	479,291,235
Net Asset Value (NAV) Per Share	33.00	(905.70)	(817.43)


Company Secretary

The annexed notes form an integral part of these financial statements


Managing Director


Director


Director

Signed in terms of our separate report of even date annexed



Md. Abdus Satter Sarkar, FCA
ICAB Enrollment No. 1522
For and on behalf of,
Mahfel Huq & Co. Chartered Accountants
Firm Registration No. P-46323
DVC: 2210311522A5114764

Place: Dhaka
Date: 20 October 2022

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ZEAL BANGLA SUGAR MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
Sales	25.00	✓ 311,450,924	330,944,931
Less: Cost of Goods Sold	26.00	✓ (481,683,597)	(494,443,990)
Gross Profit / Loss		(170,232,673)	(163,499,059)
Less: Operating Expenses			
Salaries and Allowances	Annex-B	✓ 67,702,439	62,446,598
Administrative Expenses	27.00	✓ 8,501,703	6,775,246
Head Office Overhead	28.00	✓ 4,324,613	13,093,977
Selling and Distribution Expenses	29.00	✓ 1,271,971	1,495,819
Additional provision for lump Grant & Gratuity(BSFIC)		✓ 38,488,014	20,597,214
Audit Fees		100,000	100,000
Interest on Loan	30.00	✓ 238,619,990	426,478,784
Depreciation	Annex-C	✓ 467,198	451,485
		359,475,928	531,439,123
Operating Profit / Loss		(529,708,601)	(694,938,182)
Add : Income from Experimental Farm		✓ 264,482	1,485,229
Add : Miscellaneous Income	31.00	✓ 3,230,947	6,625,211
Less : Worker's Profit Participation Fund		-	-
Profit Before Tax		(526,213,172)	(686,827,742)
Less : Current Tax	32.00	2,655,177	9,217,877
Less : Deffered Tax Expense		763,820	(197,625)
Profit / Loss		(529,632,169)	(695,847,994)
Other comprehensive income		-	-
Total comprehensive income		(529,632,169)	(695,847,994)
Earnings Per Share (EPS)	34.00	(88.27)	(115.97)

The annexed notes form an integral part of these financial statements



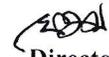
Company Secretary



Managing Director

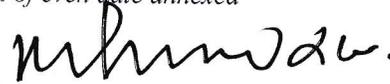


Director



Director

Signed in terms of our separate report of even date annexed



Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and on behalf of,

Mahfel Huq & Co. Chartered Accountants

Firm Registration No. P-46323

DVC: 2210311522AS114764

Place: Dhaka

Date: 20 October 2022




ZEAL BANGLA SUGAR MILLS LTD
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Amount in BDT					
	Paid up Capital	Capital Reserve	Equity Fund	Grants	Retained Earnings	Total
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)

Particulars	Amount in BDT					
	Paid up Capital	Capital Reserve	Equity Fund	Grants	Retained Earnings	Total
Balance as on 1st July 2020	60,000,000	1,815,056	90,725,636	5	(4,361,288,413)	(4,208,747,716)
Net profit/loss for the year	-	-	-	-	(695,847,993)	(695,847,993)
Balance as on 30 June 2021	60,000,000	1,815,056	90,725,636	5	(5,057,136,406)	(4,904,595,709)


Company Secretary

These financial statements should be read in conjunction with the annexed notes


Managing Director


Director

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


Director

Md. Abdus Satter Sarkar, FCA
ICAB Enrollment No. 1522
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Firm Registration No. P-46323
DVC: 2210311522AS114764



Place: Dhaka
Date: 20 October 2022

ZEAL BANGLA SUGAR MILLS LIMITED

Statement of Cash Flows

As at and for the year ended 30 June 2022

PARTICULARS	Amount in BDT	
	30 June 2022	30 June 2021
A. Cash Flows From Operating Activities:		
Cash received from customers and others	331,094,342	363,906,713
Cash paid to suppliers and other exp.	(691,839,717)	(602,920,742)
Cash paid for Bank Interest	-	(426,478,784)
Income tax paid	-	-
Net Cash (Used In)/Generated By Operating Activities	(360,745,375)	(665,492,813)
B. Cash Flows From Investing Activities		
Loan to cane growers, net	(10,999,719)	38,640,945
Acquisition of Fixed Assets	(11,518,025)	(13,421,966)
Net Cash (Used In)/Generated By Investing Activities	(22,517,744)	25,218,979
C. Cash Flows From Financing Activities		
Long Term Loan Net	294,275,347	402,409,904
Short Term Loan	40,000	5,832,700
Current Account with BSFIC, net	81,198,238	263,393,433
Net Cash (Used In)/Generated By Financing Activities	375,513,584	671,636,037
D. Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(7,749,535)	31,362,203
Opening Cash and Cash Equivalents	39,472,763	8,110,560
Exchange Gain or Loss	-	-
Closing Cash & Cash Equivalents	31,723,228	39,472,763
E. Net Operating Cash Flow Per Share (NOCFPS)	(60.12)	(110.92)

The annexed notes form an integral part of these financial statements

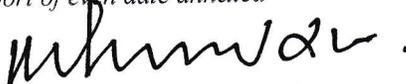

Company Secretary


Managing Director


Director


Director

Signed in terms of our separate report of even date annexed


Md. Abdus Satter Sarkar, FCA

ICAB Enrollment No. 1522

For and on behalf of,

Mahfel Huq & Co. Chartered Accountants

Firm Registration No. P-46323

DVC: 2210311522AS114764

Place: Dhaka

Date: 20 October 2022



ZEAL BANGLA SUGAR MILLS LTD

Notes to the financial statements

As at and for the year ended June 30, 2022

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 C1913 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 under:

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 The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017. 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	Not applicable



ZEAL BANGLA SUGAR MILLS LTD

Notes to the financial statements

As at and for the year ended June 30, 2022

Name of The Standards	Compliance Status
IAS 27: Separate Financial Statements	Not applicable
IAS 28: Investment in Associates and Joint Ventures	Not applicable
IAS 29: Financial Reporting in Hyperinflationary Economics	Not applicable
IAS 32: Financial Instruments: Disclosure and Presentation	Not applicable
IAS 33: Earnings Per Share	Complied
IAS 34: Interim Financial Reporting	Not applicable
IAS 36: Impairment of Assets	Not applicable
IAS 37: Provisions, Contingent Liabilities and Contingent assets	Not applicable
IAS 38: Intangible Assets	Complied
IAS 39: Financial Instruments: Recognition and Measurement	Not applicable
IAS 40: Investment Property	Not applicable
IAS 41: Agriculture	Not applicable
IFRS 1: First time Adoption of International Financial Reporting Standards	Not applicable
IFRS 2: Share based Payment	Not applicable
IFRS 3: Business Combinations	Not applicable
IFRS 4: Insurance Contracts	Not applicable
IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	Not applicable
IFRS 6: Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS 7: Financial Instruments: Disclosures	Not applicable
IFRS 8: Operating Segments	Not applicable
IFRS 9: Financial Instruments	Not applicable
IFRS 10: Consolidated Financial Statements	Not applicable
IFRS 11: Joint Arrangements	Not applicable
IFRS 12: Disclosure of Interests in Other Entities	Not applicable
IFRS 13: Fair Value Measurement	Not applicable
IFRS 14: Regulatory Deferral Accounts	Not applicable
IFRS 15: Revenue from Contracts with Customers	Complied
IFRS 16: Leases	Not applicable

Compliance with other regulatory requirements

The Company complied with the requirements of following laws and regulations from various government bodies:

- i) The Companies Act, 1994;
- ii) The Income Tax Ordinance, 1984 and amendment thereon;
- iii) The Income Tax Rules, 1984;
- iv) The Value Added Tax and Supplementary Duty Act 2012;
- v) The Value Added Tax and Supplementary Duty Rule 2016;
- vi) The Stamp Act, 1899;
- vii) The Bangladesh Labor Act, 2006 and amended in 2015;
- viii) The Bangladesh Securities and Exchange Ordinance, 1969;
- ix) The Bangladesh Securities and Exchange Rules, 1987;
- x) Listing Regulations of Dhaka and Chittagong Stock Exchanges;
- xi) Any other applicable laws and regulations of the land.



ZEAL BANGLA SUGAR MILLS LTD

Notes to the financial statements

As at and for the year ended June 30, 2022

4.00 SPECIFIC ACCOUNTING POLICIES-DISCLOSURE UNDER IAS-1 "

4.01 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.

4.02 Recognition of property, Plant and equipment and Depreciation-IAS-16

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.

4.03 Cash and cash equivalents

Cash and cash equivalents 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.

4.04 Depreciation:

No depreciation is charged on Land and Land development. Fixed assets have been depreciated under reducing Balance Method at the rates varying from 2.5% to 10% depending on the nature and usefulness of the assets.

4.05 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 average 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 at net realizable value.

4.06 Trade Debtors:

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

4.07 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.

4.08 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



ZEAL BANGLA SUGAR MILLS LTD

Notes to the financial statements

As at and for the year ended June 30, 2022

(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.

4.09 Borrowing Cost:

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

4.1 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)

4.11 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.

4.12 VAT

The company's trading income is subject to VAT and these VAT liabilities are accounted for as per VAT Act, 1991 maintaining a VAT Current Account.

4.13 Accounting of Sugar Cane Wastage:

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

5.00 ADDITIONAL INFORMATION OF FINANCIAL STATEMENTS:

5.01 Responsibilities for preparation and presentation of Financial Statements:

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).

5.02 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, 2022.
- ii) Statements of Profit and Loss and other comprehensive Income for the period
- iii) Statements of Changes in Equity for the period ended June 30, 2022.
- iv) Statement of Cash Flows for the period ended June 30, 2022.
- v) Accounting policies and Explanatory notes as at and for the year ended 30

5.03 Reporting Period:

Financial Statements of the company covers one Financial year from 01 July 2021 to 30 June 2022.



ZEAL BANGLA SUGAR MILLS LTD

Notes to the financial statements

As at and for the year ended June 30, 2022

5.04 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.

5.05 Comparative Information:

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

5.06 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.

5.07 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 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
4.00 Property, Plant & Equipment			
A. Cost/revaluation			
Opening balance		328,700,527	315,278,561
Addition during the year		11,518,025	13,421,966
Disposal/adjustment during the year		-	-
Total		340,218,552	328,700,527
B. Accumulated Depreciation			
Opening balance		207,425,176	199,024,463
Depreciation for the year		8,685,643	8,400,713
Disposal/adjustment during the year		-	-
Total		216,110,819	207,425,176
Net book value (A-B)		124,107,733	121,275,351
5.00 Inventories			
Stock of Spares		54,193,607	56,188,680
Stores in Transit		5,831,885	1,193,646
Fertilizer and Insecticides		5,558,131	6,019,282
Finished Goods	5.01	117,540,668	192,169,742
Work in Process		297,152	512,436
Total		183,421,443	256,083,786
5.01 Finised Goods			
Sugar 658.00M.Ton @ tk74,000 & 29.68M.Ton75,000 & .610 M Ton @150000		51,009,500	140,783,790
Molasses 2057.05M.Ton@TK 32,343		66,531,168	51,385,952
Total		117,540,668	192,169,742
6.00 Trade and Other Receivables			
Trade Receivables	6.01	-	16,147,989
Sundry Debtors, Douthful of recovery	6.02	121,737	121,737
Mr. Mainul Hossain, Advocate		-	-
Total		121,737	16,269,726
6.01 Trade Debtors			
Sugar:			
Ministry of defense		-	15,622,109
BSFIC		-	525,880
Total		-	16,147,989
6.02 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



ZEAL BANGLA SUGAR MILLS LIMITED

Notes to the financial statements
As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
7.00 Loans & Advance			
Advance against Motor-cycle & Bi-cycle		631,665	613,641
Advance against Salary		1,861,051	1,406,029
Advance against Expenses		313,936	429,523
Cane Grower's Loan	Annex-G	42,990,376	32,075,313
Advance against TA/DA		76,170	114,719
Advance to cane A/C		-	105,070
Advance to cane Department		-	600
Contractor current A/C.		-	128,584
Total		45,873,198	34,873,479
8.00 Advance Income Tax			
Financial Year :			
1991-1992		440,882	440,882
1992-1993		2,151,900	2,151,900
1993-1994		1,944,224	1,944,224
1994-1995		774,975	774,975
Total		5,311,981	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			
Value Added Tax (VAT) on Molasses			
Balance as on 1st July 2021 - (Advance/Payable)		-	491,217
Add: Charged during the year		-	7,170,740
		-	7,661,957
Less : Adjustment made during the year		-	7,874,209
Balance as on 30th June 2022 - (Advance/Payable)		-	(212,252)
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	644,059
10.00 Current account with BSFIC Ent.(Receivable)			
Name of Enterprise			
Renwick Jajneswar & Co. Limited		3,417,139	4,261,968
Shipping Office ,Ctg Limited		54,536	54,536
Carew & Company Limited		-	7,345
Kushtia Sugar Mills Limited		-	115,589
Shympur Sugar Mills Limited		-	920,652
Total		3,471,675	5,360,090



ZEAL BANGLA SUGAR MILLS LIMITED

Notes to the financial statements

As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021

11.00 Cash & Cash Equivalents

Cash in Hand		274	588
Cash at Banks	11.01	31,722,954	39,472,175
Total		<u>31,723,228</u>	<u>39,472,763</u>

11.01 Cash at Banks

STD A/C # 1, Sonali Bank , D.S. Mills Branch		3,738,974	950,964
Sales Collection A/C # P-2/5 with Sonali Bank, D.S. Mills Branch		8,095,772	7,093,588
Janata Bank, Dilkusha, Dhaka A/C # 513		619,802	606,628
Sonali Bank, Shilpa Bhaban Branch, Dhaka A/C # 662		1,475	1,475
Sonali Bank, Shilpa Bhaban Branch, Dhaka A/C # 338		736,986	26,922,276
Rupali bank, Melandah Branch, Jamalpur		18,529,945	3,897,244
Total		<u>31,722,954</u>	<u>39,472,175</u>

12.00 Share Capital

60,000,000 60,000,000

12.01 Authorized Capital:

50,000,000 Ordinary Share of TK 10 each 500,000,000 500,000,000

12.02 Issued, Subscribed & Paid Up Capital:

Name of Subscriber	No of Share	%		
BSFIC	3,060,000	51%	30,600,000	30,600,000
General Public	2,940,000	49%	29,400,000	29,400,000
	<u>6,000,000</u>	<u>100%</u>	<u>60,000,000</u>	<u>60,000,000</u>

Classification of shares by number of shares held

Level of Share Holding	Number of Shareholders	Number of Shares	Total holding (%)
Less than 500 shares	4,740	546,684	9%
501 to 5,000 shares	408	658,989	11%
5,001 to 10,000 shares	29	207,724	3%
10,001 to 20,000 shares	20	281,486	5%
20,001 to 30,000 shares	8	210,758	4%
30,001 to 40,000 shares	3	100,770	2%
40,001 to 50,000 shares	1	45,243	1%
50,001 to 100,000 shares	1	59,000	1%
100,001 to 1,000,000 shares	3	829,346	14%
Over 1,000,000 shares	1	3,060,000	51%
Total	<u>5,214</u>	<u>6,000,000</u>	<u>100%</u>



ZEAL BANGLA SUGAR MILLS LIMITED

Notes to the financial statements

As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
13.00 Capital Reserve			
Balance as on 1st July 2021		1,815,056	1,815,056
Add : Addition during the Year		-	-
		1,815,056	1,815,056
Less : Adjustment made during the Year		-	-
Balance as on 30 June 2022		<u>1,815,056</u>	<u>1,815,056</u>
14.00 Equity Fund			
Received from Government for SM & RFS		2,070,996	2,070,996
Quasi Equity	14.01	88,207,140	88,207,140
Integrated Cane Development Program		447,500	447,500
Total		<u>90,725,636</u>	<u>90,725,636</u>
14.01 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
Total Assets		171,716,682	290,864,262
Less : Total Liabilities		144,672,950	142,657,522
Net Worth		<u>27,043,732</u>	<u>148,206,740</u>
The above net worth constituted as follows :			
Share Capital		60,000,000	-
Quasi- Equity Loan (Revaluation Surplus)		88,207,140	-
		<u>148,207,140</u>	<u>-</u>
It is noted that the net valuation gain has been account under the head of Quasi - Equity Loan (Interest Free)			
15.00 Grants			
The above amount was received from Governmen Cane Development Scheme:			
Particulars			
Balance as on 1st July 2021		-	-
Phase - I		-	-
Phase - II		5	5
		5	5
Less : Amortized through depreciation on ICDS :			
Phase - II		-	-
Balance as on 30th June 2022		<u>5</u>	<u>5</u>



ZEAL BANGLA SUGAR MILLS LIMITED

Notes to the financial statements

As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
16.00 Retained Earnings			
Opening Balance		(5,057,136,407)	(4,361,288,413)
Total comprehensive income		(529,632,169)	(695,847,994)
Total		<u>(5,586,768,576)</u>	<u>(5,057,136,407)</u>
17.00 Bank Loan (Agriculture)			
Sonali Bank, D.S.Mills Branch, Agri. Loan A/C# 673000010		317,516,964	293,124,264
Sonali Bank, D.S.Mills Branch, Agri. Loan A/C# 673000011		412,978,421	381,263,166
Sonali Bank, D.S. Mills Branch , Agri. Loan A/C # 673000012		435,953,621	402,476,009
Sonali Bank, D.S. Mills Branch , Agri. Loan A/C # 462000006		498,527,882	460,250,392
Sonali Bank, D.S. Mills Branch , Agri. Loan A/C # 462000007		502,065,468	463,516,620
Total		<u>✓2,167,042,356</u>	<u>2,000,630,451</u>
18.00 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	150,454,185
ADP loan for BMRE	18.02	✓6,533,731	6,222,601
Golden Handshake Loan	18.03	✓28,147,924	26,807,547
Operating Loan (Received From Govt)	18.04	✓600,277,380	474,105,445
Total		<u>786,019,690</u>	<u>658,156,248</u>
18.01 Sonali Bank Cash Credit A/c No-213			
Balance as on 1st July 2021		150,454,185	135,766,567
Add. Loan received from Bank		-	-
Add: Interest Charged during the year		40,000	14,687,618
		150,494,185	150,454,185
Less : Repayment made during the year		-	-
Balance as on 30 June 2022		<u>150,494,185</u>	<u>150,454,185</u>
18.02 ADP loan for BMRE (Balancing , Modernization, Replacement) and Extension of Mills			
Balance as on 1st July 2021		6,222,601	5,926,287
Add: Interest Charged during the year		311,130	296,314
		6,533,731	6,222,601
Less : Repayment made during the year		-	-
Balance as on 30 June 2022		<u>6,533,731</u>	<u>6,222,601</u>
18.03 Golden Handshake loan received from Bangladesh Govt.			
Balance as on 1st July 2021		26,807,547	25,530,997
Add: Interest Charged during the year		1,340,377	1,276,550
		28,147,924	26,807,547
Less : Repayment made during the year		-	-



ZEAL BANGLA SUGAR MILLS LIMITED

Notes to the financial statements

As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
Balance as on 30 June 2022		<u>28,147,924</u>	<u>26,807,547</u>
18.04 Operating Loan (Received From Govt)			
Balance as on 1st July 2021		474,105,445	253,001,731
Add : Addition during the year		100,000,000	208,453,627
Add : Interest Charged during the year		26,171,935	12,650,087
		600,277,380	474,105,445
Less : Repayment made during the year		-	-
Balance as on 30 June 2022		<u>600,277,380</u>	<u>474,105,445</u>
19.00 Creditors			
Creditors for Good Supplied	19.01	35,582,826	49,010,635
Creditors for Expenses	19.02	16,859,478	14,204,301
Creditors for other finance	19.03	151,798,149	154,722,418
Total		<u>204,240,453</u>	<u>217,937,354</u>
19.01 Creditors for Goods Supplied			
Suppliers Current A/C		34,570,884	36,444,644
Advance received against sugar sales		300,396	11,785,058
Advance received against molasses sales		711,546	780,933
Total		<u>35,582,826</u>	<u>49,010,635</u>
19.02 Creditors for Expenses			
Provision for Tax	19.02.01	16,759,478	14,104,301
Audit fees		100,000	100,000
Total		<u>16,859,478</u>	<u>14,204,301</u>
19.02.01 Provision for Tax			
Opening balance		14,104,301	14,104,301
Add : During the year		2,655,177	-
Less : Adjustment		-	-
Total		<u>16,759,478</u>	<u>14,104,301</u>
19.03 Creditors for other Finance			
Sundry Creditors		3,073,544	2,160,233
Unpaid cane price		811,517	955,973
Welfare fund		512,795	(1,007,784)
VAT		333,130	41,565
Staff Security		23,033	23,033
Security deposit (contractors Suppliers Dealer)		4,765,094	4,271,612
Provident Fund (Permanent)		51,591,524	56,468,072
Provident Fund (Seasonal)		11,535,695	13,894,125
Provident Fund (Head Office)		2,797,346	3,166,027
Provident Fund (Other Mills)		693,561	222,098



ZEAL BANGLA SUGAR MILLS LIMITED

Notes to the financial statements

As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
Education Cess		1,052,999	1,609,657
Suppliers Income Tax		130,549	38,505
Sugar Sales Income Tax		-	781,122
Salary Income Tax		267,968	154,662
Revenue Stamp		169,452	199,592
Interest Payable		58,518,047	58,518,047
Salary Payable		10,702,943	8,798,292
Provision for Doubtful Debts		121,737	121,737
Source VAT(Molasses)		117,000	150,156
Source Tax(Molasses)		167,592	643,194
STP Subsidy A/C		4,177,500	3,512,500
VAT(Molasses)		235,123	-
Total		151,798,149	154,722,418

20.00 Current Account With BSFIC

Balance as on 1st July 2021

Add. Addition during the year

Less: Adjustment during the year

Balance as on 30 June 2022

2,345,609,630	2,082,216,197
325,588,384	583,089,774
2,671,198,014	2,665,305,971
244,390,146	319,696,341
2,426,807,868	2,345,609,630

21.00 Current account with BSFIC Enterprise (Payable)

Name of Enterprises:

Joypurhat Sugar Mills Ltd

Setabgonj Sugar Mills Ltd

Panchagar Sugar Mills Ltd

Rangpur Sugar Mills Ltd

Pabna Sugar Mills Ltd

Thakurgaon Sugar Mills Ltd

Natore Sugar Mills Ltd

North Bengal Sugar Mills Ltd.

Faridpur Sugar Mills Ltd.,

Shampur Sugar Mills Ltd

Carew & Company Ltd

Rajshahi Sugar Mills Ltd

Kushtia Sugar Mills Ltd

Total

6,664,633	6,598,067
1,146,327	164,138
656,564	471,860
6,891,655	473,781
1,192,083	1,075,021
152,968	233,721
165,756	160,696
1,854,860	1,834,254
-	432,177
1,032,208	-
191,436	-
1,556,280	-
384,548	-
21,889,318	11,443,715

22.00 Provision of Leave Pay of Gratuity:

Balance as on 1st July 2021

Add. Provision for the year @ 30% of Basic Pay

Less: Payment/Adjustment made during the year

Balance as on 30 June 2022

76,882,133	74,539,108
93,557,055	69,031,085
170,439,188	143,570,193
21,354,920	66,688,060
149,084,268	76,882,133



ZEAL BANGLA SUGAR MILLS LIMITED

Notes to the financial statements

As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
23.00 Provision for Doubtful Advances		783,879	783,879
24.00 Short Term Loan			
Cash Credit-246 ✓		59,554,097	59,514,097
		<u>59,554,097</u>	<u>59,514,097</u>
Balance as on 1st July		59,514,097	53,681,397
Add: Loan Received from Bank		-	-
Add: Interest and Charges during the year		40,000	5,832,700
		59,554,097	59,514,097
Less: Repayment made during the year		-	-
Balance as on 30 June		<u>59,554,097</u>	<u>59,514,097</u>
25.00 Sales			
Quantity in Metric Ton			
1. Sugar 4047.04	25.02	288,398,636	278,450,220
2. Molasses 964.23	25.02	23,052,288	52,494,711
Total		<u>311,450,924</u>	<u>330,944,931</u>
25.01 Sugar			
Gross sales		289,438,176	278,450,220
Less: TDS		1,039,540	-
		<u>288,398,636</u>	<u>278,450,220</u>
25.02 Molasses			
Gross Sales		30,544,281	66,930,754
Less : VAT @ 15% & VDS @ 7.5%		5,186,765	11,811,310
Less : IT @ 10%		2,305,228	2,624,733
		7,491,993	14,436,043
Total		<u>23,052,288</u>	<u>52,494,711</u>
26.00 Cost of Goods Sold			
Stock as on 1st July 2021			
Sugar 2205.65M.Ton @ tk 63,000 & 26.88M.Ton@68,000		140,783,790	171,913,600
Molasses 1673.21 M.ton @ tk 30,711		51,385,952	46,924,920
		192,169,742	218,838,520
Add : Cost of Production	26.01	407,054,523	467,775,212
		599,224,265	686,613,732
Less : Stock as on 30 June'2022			
Sugar 658.00 M.Ton @ tk74,000 & 29.68M.Ton75,000 & .610M.To		51,009,500	140,783,790
Molasses 2057.05@TK 32,343		66,531,168	51,385,952
		117,540,668	192,169,742
Total		<u>481,683,597</u>	<u>494,443,990</u>



ZEAL BANGLA SUGAR MILLS LIMITED

Notes to the financial statements

As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
26.01 Cost of Production			
Opening Work in Process		512,436	268,929
Add : Purchase of Sugarcane		✓ 125,449,572	208,359,584
Other Direct Expenses:			
Procurement Expenses	26.01.01	✓ 3,661,671	6,178,922
Production store and Packing Materials	26.01.02	✓ 5,182,103	7,341,796
Factory Salaries and Wages (Annexure-B)	26.01.03	✓ 230,944,909	197,101,180
Factory Repairs and Maintenance	26.01.04	✓ 19,813,282	24,526,685
Insurance		✓ 469,128	469,128
Fuel and Power	26.01.05	✓ 10,923,868	14,236,943
Depreciation (Annexure-C)	26.01.06	✓ 8,063,154	7,799,038
Other Factory Overhead	26.01.07	✓ 2,331,552	2,005,443
		281,389,667	259,659,135
Less: Closing work in process	Annex-D	297,152	512,436
Total		407,054,523	467,775,212
26.01.01 Procurement Expenses			
Loading and Unloading		3,157,783	5,257,048
Other Indirect Materials		238,970	403,339
Bonus for Cane Hauling		264,918	518,535
Total		3,661,671	6,178,922
26.01.02 Production store and Packing Materials			
Packing Materials		2,592,634	3,574,035
Lime		939,168	1,051,254
Sulfer		807,430	1,137,389
Other Chemicals		842,871	1,579,118
Total		5,182,103	7,341,796
26.01.03 Factory Salaries and Wages (Annexure-B)			
Cane Procurement		29,344,770	26,201,936
Transport		25,111,160	24,241,488
Mechanical		44,694,004	36,890,055
Chemical		23,159,600	22,177,412
Steam Genration		12,091,767	9,752,366
Power		8,607,184	6,988,426
Electrical Maintaince		11,639,140	9,879,612
Civil		6,663,865	4,820,838
Cane Development		69,633,419	56,149,047
Total		230,944,909	197,101,180



ZEAL BANGLA SUGAR MILLS LIMITED

Notes to the financial statements

As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
26.01.04 Factory Repairs and Maintenance			
Cane Procurement		390,208	620,433
Transport		3,962,641	5,975,048
Mechanical		11,174,394	11,333,113
Chemical		468,476	298,330
Steam Generation		1,233,085	2,290,889
Power		154,760	473,694
Electrical Maintenance		1,351,341	1,695,770
Civil		1,044,434	1,790,022
Cane Development		33,943	49,386
Total		19,813,282	24,526,685
26.01.05 Fuel and Power			
Transport		4,616,196	6,489,978
Mechanical		1,513,130	2,609,202
Chemical		839	2,130
Steam Generation		682,990	199,144
Power		1,113,726	640,324
Electrical Maintenance		2,880,291	4,165,962
Cane Development		116,696	130,203
Total		10,923,868	14,236,943
26.01.06 Depreciation: (Annexure-C)			
Cane Procurement		482,578	467,135
Transport		563,824	545,328
Mechanical		2,995,640	2,897,370
Chemical		1,377,473	1,332,285
Steam Generation		769,502	744,259
Power		793,999	767,953
Electrical Maintenance		837,947	810,462
Cane Development		242,191	234,246
Total		8,063,154	7,799,038
26.01.07 Other Factory Overhead			
Other Indirect Materials		162,502	151,425
Rent, Rate and Taxes		521,775	532,967
Cane Development Expenses		1,199,004	930,914
Traveling Expenses		307,583	336,892
Inaugural , Ceremonial and Entertainment		140,688	53,245
Total		2,331,552	2,005,443



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
27.00 Administrative Expenses			
Staff and Labor Welfare		850,398	874,501
Training Expenses		97,484	39,162
Repairs and Maintenance ✓		✓272,726	232,193
Other Indirect Materials		362,993	261,121
Rent, Rate and Taxes		✓1,287,959	1,440,512
Travelling and Conveyance		188,011	187,743
Postage and Telegram		101,957	130,874
Inaugural, Ceremonial and Entertainment		428,893	239,935
Advertising and Publicity		1,021,475	500,397
Bank Charges		143,929	284,813
Insurance		2,933,996	1,865,117
Legal Expenses		194,539	96,217
AGM, Borad Meeting Expenses		384,415	400,188
Miscellaneous Expenses		113,826	81,542
Guest House Exp.		119,102	140,931
Total		8,501,703	6,775,246
28.00 Head Office Overhead			
Add:		13,093,977	13,093,977
Less: Expense		-	-
Total		8,769,364	-
		4,324,613	13,093,977
The above amount represent expenses of the company incurred by BSFIC.			
29.00 Selling and Distribution Expenses			
Stocking and Loading		1,105,935	1,331,376
Depreciation		155,286	150,190
Advertising and Publicity		10,750	14,253
Total		1,271,971	1,495,819
30.00 Interest on Loan			
Sonali Bank, Shilpo Bhaban Branch , Motijheel, Dhaka		80,000	20,520,318
Cash Credit A/C # 50		311,130	296,314
Interest on ADP Loan		1,340,377	1,276,550
Golden Handshake Laon		24,392,700	24,191,644
Agril Credit A/C- 673000010		31,715,255	31,454,740
Agril Credit A/C- 673000011		33,477,612	33,202,787
Agril Credit A/C-673000012		38,277,490	37,963,692
Agril Credit A/C-462000006		38,548,848	38,232,845
Agril Credit A/C-462000005		44,304,643	226,689,807
Interest on BSFIC Loan		26,171,935	12,650,087
Interest on Operating loan			
Total		238,619,990	426,478,784



ZEAL BANGLA SUGAR MILLS LIMITED
Notes to the financial statements
As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
31.00 Miscellaneous Income			
House Rent Deduction from Salary		30,561	1,869,083
Rent from Market		305,160	348,498
Sale of Bagasses and Press Mud		945,226	1,047,230
Forfeiture of Security Money		17,625	5,879
Transport hire charge		9,293	-
Sundries Income		156,283	148,514
Electricity charge		30,185	1,148,722
Discount received		18,219	52,479
Interest Income from Cane Growers Loan		1,718,395	673,881
Sales of Scrap		-	1,330,925
Total		3,230,947	6,625,211
32.00 Provision for Tax			
Sugar Sales		288,398,636	278,450,220
Molasses Sales (Net Value)		23,052,288	52,494,711
		311,450,924	330,944,931
		0.006	0.006
Tax on Gross Receipts		1,868,706	1,985,670
Tax on other Income*		786,472	1,824,849
		2,655,177	3,810,519
Add: Tax on prior year (2017-18)		-	5,407,358
Total		2,655,177	9,217,877
33.00 Calculation of Net Asset Value Per Share (NAV)			
Net Asset		(5,434,227,879)	(4,904,595,710)
Weighted average number of share outstanding		6,000,000	6,000,000
NAV		(905.70)	(817.43)
34.00 Earnings per share (EPS)			
Basic earnings per share			
Profit attributable to ordinary shareholder		(529,632,169)	(695,847,994)
Weighted average number of share outstanding		6,000,000	6,000,000
EPS		(88.27)	(115.97)
35.00 Reconciliation of Net Operating Cash Flow Under Indirect Method:			
Cash Flow From Operating Activities			
Operating Profit / Loss		(526,213,172)	(695,847,994)
Adjustment to Reconcile net income to net cash provided by operating activities			
Increase/Decrease in Trade and Other Receivables		16,147,989	24,851,342
Increase/Decrease in Inventories		72,662,343	22,998,299
Increase/Decrease in Loans & Advances		-	65,502
Increase/Decrease in Advance Income Tax		-	4,469,905
Increase/Decrease in Deposits		(212,252)	703,469
Increase/Decrease in Current Accounts with BSFIC Enterprises		1,888,415	2,873,430
Increase/Decrease in Creditors		(16,352,078)	(36,152,880)
Increase/Decrease in Provision for Leave Pay and Gratuity		72,202,135	2,343,025
Current Account with BSFIC Enterprises (Payable)		10,445,603	-



ZEAL BANGLA SUGAR MILLS LIMITED

Notes to the financial statements
As at and for the year ended 30 June 2022

PARTICULARS	Notes	Amount in BDT	
		30 June 2022	30 June 2021
Non Cash Adjustment in Deffered Tax		-	(197,625)
Depreciation Expenses		8,685,643	8,400,713
		165,467,798	30,355,180
Net Cash Provided by Operating Activities		(360,745,375)	(665,492,813)
36.00 Net Operating Cash Flow Per Share (NOCFPS)			
Net cash provided by operating activities		(360,745,375)	(665,492,813)
No. of shares outstanding		6,000,000	6,000,000
NOCFPS		(60.12)	(110.92)

Significant Deviation:

1. Earning Per Share (EPS) has been decreased due to:
 - a. Net loss i.e. cost of production decrease than previous year
2. Net Operating Cash Flow Per Share (NOCFPS) has been decrease due to decrease of cashflows in operating activities than previous year.
3. Net Assets Value Per Share (NAVPS) ha been increase due to total liability increase than previous year.



ZEAL BANGLA SUGAR MILLS LTD

Schedule of Related Party Disclosure

For the year ended June 30, 2022

Name related party	Nature of Relationship	Opening balance		Transaction during the year		Balance	
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Joypurhat Sugar Mills Ltd	Inter Transaction	-	6,598,067	-	66,566	-	6,664,633
Setabgonj Sugar Mills Ltd	Inter Transaction	-	164,138	-	982,189	-	1,146,327
Carew&Co BD Ltd	Inter Transaction	7,345	-	-	198,781	-	191,436
Panchagar Sugar Mills Ltd	Inter Transaction	-	471,860	5,306	190,010	-	656,566
Faridpur Sugar Mills Ltd.	Inter Transaction	-	432,177	432,177	-	-	-
Rangpur Sugar Mills Ltd	Inter Transaction	-	473,781	305,632	6,723,306	-	6,891,655
Rajshahi Sugar Mills Ltd	Inter Transaction	-	1,075,021	-	1,556,280	-	1,556,280
Pabna Sugar Mills Ltd	Inter Transaction	-	233,721	105,500	24,747	-	1,192,081
Thakurgoan Sugar Mills Ltd	Inter Transaction	-	3,763,546	4,524,590	-	-	152,968
Renwick Jagswar & Co.	Inter Transaction	4,261,968	-	-	-	3,500,924	-
Kustia Sugar Mills Ltd.	Inter Transaction	115,589	-	500,137	-	-	384,548
Natore Sugar Mills Ltd	Inter Transaction	-	160,696	-	5,060	-	165,756
North Bengal Sugar Mills Ltd.	Inter Transaction	-	1,834,254	-	20,606	-	1,854,860
Shipping Office ,Ctg	Inter Transaction	54,536	-	-	-	54,536	-
Mokabarakganj Sugar Mills Ltd	Inter Transaction	920,652	-	-	-	-	-
Shyampur Sugar Mills Limited.	Inter Transaction	-	-	2,750	1,955,610	-	1,032,208
Bangladesh Sugar & food Industries corporation	Inter Transaction	-	2,345,609,630	244,390,146	325,588,384	-	2,426,807,868
Total		5,360,090	2,360,816,891	249,766,101	337,928,938	3,555,460	2,448,979,728

Key Management Personnel Compensation

SL No.	Name	Designation	Basic Salary (Annual)	House Rent (Annual)	Education Allowance (Annual)	Medical Allowance (Annual)	Grows Salary Amount (Annual)
1	Md. Anisul Azam (1-7-2021 To 9-2-2022)	Managing Director	463,300	-	3,661	10,982	477,943
2	Md. Rabbik Hasan (10-2-2022 To 30-6-2022)	Managing Director	296,060	-	-	7,018	303,078
3	Sharif Mohammad Ziaul Haque	Chief Financial Officer	702,720	-	-	18,000	720,720
	Total		1,462,080	-	3,661	36,000	1,501,741



ZEAL BANGLA SUGAR MILLS LIMITED
Schedule of Property, plant and equipment
As at and for the year ended 30 June 2022

Annex

Category of assets	Cost or revaluation			Rate (%)	Depreciation			Net Book Value as at 30 June 2022
	Balance as at 01 July 2021	Addition	Disposal/ Adjustment		Balance as at 30 June 2022	Charged during the year	Adjustment during the year	
Cost								
Tangible Assets								
Freehold Land	14,107,800	-	-	14,107,800				14,10
Building on Freehold Land	40,434,718	1,614,825	-	42,049,543	2.5%-5%	240,532	-	42,049,543
I No. Steel Tank (BMRE)	3,420,000	-	-	3,420,000	3%	45,844	1,632,088	1,78
Plant & Machinery	154,736,849	2,940,700	-	157,677,549	10%	5,157,280	110,002,156	47,67
Office Equipment and Electrical Installation	18,445,427	398,500	-	18,843,927	10%	822,393	11,359,368	7,48
Vehicles & Transport	82,343,878	6,564,000	-	88,907,878	5%	1,982,933	46,010,661	42,89
Furniture, Fixture & Office Equipment	3,301,890	-	-	3,301,890	10%	28,847	3,042,269	25
Sundry Assets	5,589,672	-	-	5,589,672	10%	296,161	2,924,224	2,66
As at 30 June 2022	322,380,234	11,518,025		333,898,259		8,573,990	211,911,941	121,98
As at 30 June 2021	308,958,268	13,421,966		322,380,234		8,283,184	203,337,951	119,04
Other Tangible Assets								
Seed Multiplication & Research Farm Scheme	2,483,814	-	-	2,483,814	5%	95,270	673,686	1,81
Integrated Cane Development Program (ICDP)	132,000	-	-	132,000	5%	5,063	35,803	9
ICDS- Phase-I (Buildings)	646,875	-	-	646,875	5%	11,158	434,869	21
ICDS- Phase-II (Buildings)	3,053,380	-	-	3,053,380	5%	-	3,053,375	-
As at 30 June 2022	6,316,069			6,316,069		111,491	4,197,733	2,11
As at 30 June 2021	6,316,069			6,316,069		117,359	4,086,242	2,22
Cattle Grand Plant	4,224			4,224	5%	162	1,145	
As at 30 June 2022	4,224			4,224		162	1,145	
As at 30 June 2021	4,224			4,224		170	983	
Grand Total As at 30 June 2022	328,700,527	11,518,025		340,218,552		8,685,643	216,110,819	124,10
Grand Total As at 30 June 2021	315,278,561	13,421,966		328,700,527		8,400,713	207,425,176	121,27

