



Welcome

TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC

Lovello Ice-cream – Elegant Entry to Tasteful Platform

Keeping abreast of the fast growing industries, Lovello Ice-cream has introduced the pioneering approach in its related field in Bangladesh. Believing in quality rather than quantity is a pledge of the company and since commencement of commercial operation in 2016 Lovello Ice cream has proved its worth.

Taufika Foods and Agro Industries Ltd. (presently, Taufika Foods and Lovello Ice-Cream PLC) under the Companies Act, 1994 on 7th August, 2011 has been incorporated as a Private Limited

Company. The company envisaged to set up an Ice-cream manufacturing plant at an initial production capacity of 50,000 liter per day with an option to expand further and a magic

word 'LOVELLO' turned to be its brand name.

Standard quality, competitiveness in price and smooth supply chain have made Taufika Foods and Lovello Ice-Cream PLC as one of the glorious business corporations in Bangladesh.

Lovello Ice-cream is operating a very well-planned eco-friendly Ice-cream factory having green ETP plant, which has been set

up in a huge aesthetic landscape at Valuka, Mymensingh, an important industrial zone of the country. The factory was launched after observing all standard and mandatory procedures before entering into the market. Lovello Ice-cream was commercially, launched on the Valentine's Day of 2016 and since then it has been producing healthy, halal and delicious ice cream made of imported high quality raw materials using state-of-the-art technology.

Considering the demand of the consumers, Lovello has brought the unprecedented yummy ice-creams that made a unique difference in taste and size. With creative innovation, continual varieties and splendid flavors in products, the company keeps providing a rich experience to the ice-cream lovers.

Making distinction in industries, Lovello believes to be a temptation for increasing people's heartbeats and crowning the empire of hearts so that it can spread love and connect people of all groups of the country with its continuous innovation in production, operation and thus become the beats of Bangladesh.



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ABOUT US



LETTER OF TRANSMITTAL

To

All Shareholders
Bangladesh Bank
Registrar of Joint Stock Companies & Firms
Bangladesh Securities & Exchange Commission
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subject: Annual Report for the year ended 30 June 2021

Dear Sirs,

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Balance Sheet as at June 30, 2021, Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year ended on that date along with notes thereon for your kind information and record.

Thank you.

Sincerely yours,

A.K.M. Zakaria Hossain FCMA
Company Secretary

CORPORATE DIRECTORY

Registered Office

Bashile, Kathali
6 No. Valuka Union Parishad
Valuka, Mymensingh.
E-mail: factory@lovello.club

Business Address

Plot #80, Road #2,
Banani (Chairman Bari),
Dhaka, Bangladesh.
Contact: +88 02-9841286- 8
FAX: +88 02- 9841289
Email: info@lovello.club

Company website address

www.lovello.club

Auditors

Islam Quazi Shafique & Co.
Chartered Accountants
Al-Haj Shamsuddin Mansion (4th Floor) 17,
New Eskaton Road, Maghbazar, Dhaka-1000.

Compliance Auditors

Khalil & Associates
Cost and Management Accountant
73 Kakrail, Eastern Commercial Complex
Room # 1/1 (1st Floor), Dhaka-1000
Cell: +8801974-004231, +8801884-600008
E-mail: Khalilpfi@yahoo.com

Legal Adviser

Md. Iftabul Kamal Ayan
Advocate, Bangladesh Supreme Court
Md. Humayun Kabir
Advocate, Bangladesh Supreme Court


Bankers

Pubali Bank Ltd.
Trust Bank Ltd.
Premier Bank Ltd.
Prime Bank Ltd.
Brac Bank Ltd.
Mercantile Bank Ltd.
Union Bank Ltd.
United Commercial Bank Limited
Shimanto Bank Limited
City Bank Ltd.
NRB Bank Ltd.
Islami Bank Ltd.
AB Bank Ltd.
Dutch Bangla Bank Ltd.

Insurer

Karnaphuli Insurance Company Limited
Eastern Insurance Company Limited
Met Life Insurance

COMPANY AT A GLANCE

Company Name	Taufika Foods and Lovello Ice-Cream PLC
Logo	
Incorporation	August 07, 2011
Legal Status	Public Limited Company
Converted into Public Limited Company	July 08, 2019
Incorporation and Reg. No	C-94700/11
Commencement of Commercial Production	January 02, 2016
Authorized Capital	Tk. 1,000,000,000 divided by 100,000,000 ordinary shares of Tk. 10.00 each
Paid up Capital	Tk. 850,000,000 divided by 85,000,000 ordinary shares of Tk. 10.00 each
Registered Office	Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh.
Registered Office Telephone & FAX	Telephone: 02-9841286-8, Fax: 02-9841289
Corporate Office	House-80, Road-2, Banani (Chairman Bari), Dhaka-1213
Corporate Office Telephone & FAX	Telephone: 02-9841286-8, Fax: 02-9841289
Project	Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh.
Factory/Project Telephone & FAX	Telephone: 01841102530, Fax: 02-9841289
Website	www.lovello.club
Email	info@lovello.club
Board of Directors	05 (Five) Persons
Auditor	Islam Quazi Shafique & Co. Chartered Accountants
Tax Consultant	Md. Kafil Uddin Mahmud
Legal Advisor	Md. Iftabul Kamal Ayan Advocate, Bangladesh Supreme Court
	Md. Humayun Kabir Advocate, Bangladesh Supreme Court
Banker for IPO	Trust Bank Limited
Banker of the Company	Pubali Bank Ltd.
	Trust Bank Ltd.
	Prime Bank Ltd.
	Premier Bank Ltd.
	Brac Bank Ltd.
	Mercantile Bank Ltd.
	Union Bank Ltd.
	United Commercial Bank Limited
	Shimanto Bank Limited
	City Bank Ltd.
	NRB Bank Ltd.
	Islami Bank Ltd.
	AB Bank Ltd.
	Dutch Bangla Bank Ltd.
Compliance Officer	A.K.M Zakaria Hossain FCMA

PRODUCTS

- **STICK REGULAR** • **STICK PREMIUM** • **CONE MAXI** • **CONE MINI**
- **CUP REGULAR** • **CUP PREMIUM** • **CONTAINER REGULAR**
- **CONTAINER PREMIUM** • **SWIRLY SUNDAE** • **ICE CREAM CAKE**



PRODUCTS

• **STICK REGULAR**

1. Chocbar Regular
2. Hidden Heart Single
3. Lemon Lolly
4. Orange Lolly
5. 69 - Sixty Nine Lolly
6. Shell & Core
7. Kulfi
8. Shahi Kulfi
9. Malai

• **STICK PREMIUM**

1. Chocoblast
2. Choco beats
3. Crunchy Bar – Mega
4. Crunchy Bar – Mini
5. Hazel Beats
6. Hazel Beats – Mini

• **CONE MAXI**

1. Choconilla Maxi
2. Vanilla Maxi
3. Strawnilla

• **CONE MINI**

1. Chocolate Mini
2. Vanilla Mini
3. Toffy

• **CUP REGULAR**

1. Vanilla
2. Strawberry
3. Chocolate
4. Mango

• **CUP PREMIUM**

1. Black Forest
2. Shahi Sandesh
3. Sahi Khajur Malai

• **CONTAINER REGULAR**

- | | |
|----------------------|-----------------------|
| 1. Vanilla 1 lt | 7. Chocolate 500 ml |
| 2. Strawberry 1 lt | 8. Mango 500 ml |
| 3. Chocolate 1 lt | 9. Vanilla 250 ml |
| 4. Mango 1 lt | 10. Strawberry 250 ml |
| 5. Vanilla 500 ml | 11. Chocolate 250 ml |
| 6. Strawberry 500 ml | 12. Mango 250 ml |

• **CONTAINER PREMIUM**

1. Amborsia
2. Black Forest.
3. Sahi Khajur Malai
4. Shahi Sandesh
5. Doi 1 lt
6. Kheer 1 lt
7. Doi 500 ml
8. Kheer 500 ml

• **SWIRLY SUNDAE**

1. Vanilla Caramel 1 lt
2. Vanilla Mango 1 lt
3. Vanilla Strawberry 1 lt
4. Vanilla Caramel 500 ml
5. Vanilla Mango 500 ml
6. Vanilla Strawberry 500 ml.
7. Strawberry Single Swirly Sundae
8. Chocolate Single Swirly Sundae

• **ICE CREAM CAKE**

1. Heart Shaped Cake 1 lt
2. Round Shaped Cake 1.5 lt

AWARD & ACCOLADES

PHOTO GALLERY WITH DESCRIPTION OF EACH



NOTICE OF THE 10th ANNUAL GENERAL MEETING

Notice is hereby given for the 10th Annual General Meeting of the Shareholders of TAUFKA FOODS AND LOVELLO ICE-CREAM PLC which will be held on Tuesday the 28th December, 2021 at 10:00 a.m. by using “Digital Platform” (in pursuant to the Bangladesh Securities and Exchange Commission’s Order No. SEC/SRMIC/94-231/25 dated 08 July 2020) to transact the following business:

- Agenda-1: To receive, consider and adopt the Audited Financial Statement for the year ended 30 June, 2021 together with the reports of the Directors’ and the Auditors’ thereon.
- Agenda-2: To declare the dividend for the financial year ended 30th June 2021.
- Agenda-3: To elect/re-elect Directors in terms of the relevant provision of Articles of Association.
- Agenda-4: To appoint Statutory Auditors for the year 2021-2022 and to fix their remuneration.
- Agenda-5: To rectify the IPO Use of Proceeds regarding Acquisition of Plant & Machinery.
- Agenda-6: To appoint Compliance Auditors for the year 2021-2022 and to fix their remuneration.
- Agenda-7: To transact any other related business with the permission of the Chair.

By order of the Board

Sd/-

A.K.M Zakaria Hossain, FCMA
Company Secretary

04 December, 2021.

Notes: The proxy form must be affixed with requisite revenue stamp and be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

1. Members whose names appeared on the Depository Register as on the “Record Date” i.e. November 17, 2021, are eligible to attend the Annual General Meeting (AGM) and receive the dividend.
2. A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead. A copy of the “Proxy Form”, duly filled and stamped requires to email at info@lovello.club not later than 48 hours before the AGM.
3. According to the Bangladesh Securities & Exchange Commission’s Notification No. BSEC/CMRRCD/2016-158/208/Admin/81 dated June 20, 2018, the Company will send the Annual Report 2020-21 in soft-copy format to the e-mail of the shareholders available in their Beneficial Owners (BO) accounts maintained with the CDBL.
4. In case of non-receipt of Annual Report 2020-21 of the Company that will be sent through email, Members may download the same from the ‘Investors’ section of the Company’s website: www.lovello.club. Login process along with the joining link of the 10th AGM will be available at the ‘Investors’ section of the Company’s website, members are requested to check the login details. Members may also send an email at info@lovello.club for queries or assistance to join the AGM.

CHAIRMAN'S MESSAGE



THE GOVERNMENT OF
BANGLADESH HAVE ALSO
TAKEN SERIES OF
MEASURES TO OVERCOME
THE POSSIBLE COVID-19
IMPACT ON THE
COUNTRY'S ECONOMY.







CHAIRMAN'S MESSAGE

Dear Shareholders,
Assalamu Alaikum

It is my immense pleasure to present the Annual Report 2021 of Taufika Foods and Agro Industries (renamed as Taufika Foods and Lovello Ice Cream PLC) as well as to demonstrate our growth and success to our partners, without whom our journey would not have been possible.


Though we are going through a colossal reign of COVID 19 pandemic, we are active to run business operation even after many losses. A global financial crisis is inevitable and the only point of remedy is to adapt to the situation because capital markets have experienced insurmountable damage.

Bangladesh's Ice-cream industry is on the rise from the very beginning but the impact of the COVID-19 pandemic stands as a great hurdle to achieve the goal we cherish. But our Board of Directors was wide-awake of the impact of the pandemic and accordingly, advised the Management of the company to formulate strategy and plan of action to keep our business move forward with a steady pace.

The government of Bangladesh have also taken series of measures to overcome the possible COVID-19 impact on the country's economy. This in turn has created a favorable atmosphere for business sector, which is reflected in various indicators, like growth in public investment, agriculture, service, export, import and remittance.

Despite the challenges in the financial sector, inflation rate has remained steady and our company is performing well.

Our company's risk management policy has adapted itself to the fluctuating global markets and regulatory frontiers, throughout the business cycle. Despite all the challenges faced by our company and our country, I would like to enlighten our valued shareholder on numerous achievements by our company from our business operation during the year: 2020-2021.



The corporate governance policy, which we are following, reflects the built in value system of the company in conducting its day to day affairs. The aim is to ensure that procedures and systems are in place to establish strategic objectives, through vigilant monitoring, to serve the interest of the company and its stakeholders.

The Board provides policy guidelines & directions to the management, approves strategic and major policy decisions and oversees the higher management to attain business goals. For the sake of providing strategic support to the Board, different committees, namely the Executive Committee, Audit committee and Risk Management Committee are actively performing and providing their best feedback.

I take this opportunity to thank the members of the board as well as the government of Bangladesh and other regulatory authorities of Bangladesh for their valuable and unwavering support and prudent guidance to our company.

I also thank all our valued customers for their passion for our products and trust in our services. We always aspire to grow with the lovingness and support from our valued customers and shareholders.

With best regards

Datin' Shamima Nargis Haque
Chairman



MANAGING DIRECTOR'S MESSAGE





MANAGING DIRECTOR'S MESSAGE



BASED ON THE PERFORMANCE OF THE COMPANY FOR THE YEAR ENDED 30TH JUNE, 2021, THE BOARD OF DIRECTORS RECOMMENDED TO DISBURSE ENTIRE PROFIT WHICH IS 11% CASH DIVIDEND FOR THE SHAREHOLDERS.

Dear Shareholders,
Assalamu Alaikum

I believe, you all are in good health and maintaining health guidelines to defuse the impact of COVID-19 pandemic.

I am delighted to place before you the “Annual Report 2020-2021” along with the Audited Financial Statements, the Auditors’ Report & the Directors’ Report thereon of our company for the year ended 30th June, 2021.

You are aware of facts that, the COVID-19 pandemic has affected adversely, individual people and industries differently around the globe. COVID has rewritten the basic structure of society and how businesses operate. When we look at the pandemic, we see it as a catalyst that is accelerating change that was already taking place. It is bringing to light existing problems that businesses or people have swept under the rug to be addressed sometime in the future and forcing them to deal with them today.

Our company always considers its employees, distributors, suppliers as “Family Members”. To mitigate the risk of COVID-19 pandemic the company has taken appropriate measures and thus to continue its business operation, smoothly. We have applied a realistic approach to our business and maneuvering it into achieving our goal. We have recorded highest ever net profit after tax since start of our journey.

Different financial indicators during the year under review, are highlighted below:

- Net Profit after Tax increased by 53%
- NOCFPS decreased by 62% and NAV decreased by 1% and Shareholders’ equity increased by 52% compare to last year.
- Total Current Liabilities decreased by 8% and Non-current liabilities decreased by 9% In 30th June, 2021 total Assets of the company increased by 14% compare to last year where total current Assets increased by 26% and Non-current assets increased by 7%.

Based on the performance of the company for the year ended 30th June, 2021, the Board of Directors recommended to disburse entire profit which is 11% Cash Dividend for shareholders.

Our long term aim is to achieve stable progress and sustainable growth. We will look forward for achieving this through maximizing our production efficiency and controlling all kind of relevant expenditures through Efficient Management Techniques (EMT).

Furthermore, with a view to expand the periphery of our business we have taken initiative to increase the production capacity of our factory by adding new capital machinery.

Last but not the least, on behalf of the Board of Directors I would like to take this opportunity to express my sincere admiration to all our valued customers for their confidence in our products, to the employees for their untiring efforts, to the suppliers for their support on supplying us raw materials and to our most admired shareholders for their continuous support for the betterment of the company. I hope that, our combined efforts will definitely, result in attaining our goal in the days to come.

With best wishes,

Dato’ Engr. Md. Ekramul Haque
Managing Director



VISION

To be the rhythmic beats of love winning the heart of all Bangladeshis so that people may utter the word 'Lovello' like a symphony of chirping birds.

MISSION

Taufika Foods and Lovello Ice-Cream PLC aims to produce and deliver standard and quality products with continuous innovation in products, operation, communication and management without compromising tastes and qualities.

CORE VALUES

Customers are the prime priority of Lovello. We believe in simplicity and standardization. Freshness, perfect tastes, innovation are our core values.

PRIME FOCUS AND STRATEGIES

Lovello knowing well to create customer's dignity and demand, has made its leading perambulation in ice-cream industry. Maintenance of total quality management (TQM) in every sphere is another prominent motto of the company. In this regard, Lovello has introduced an extensive choice of ice-cream to its consumers compared with other competitors in the market. A total of 58 items have so far been introduced and with all those Lovello is giving the indication of being a leading ice cream seller in this industry. Quality control and hygienic production are one of the focal targets for Lovello. Moreover, the company keeps offering value for money products with 100% satisfaction by ensuring right products in the right market in right time.

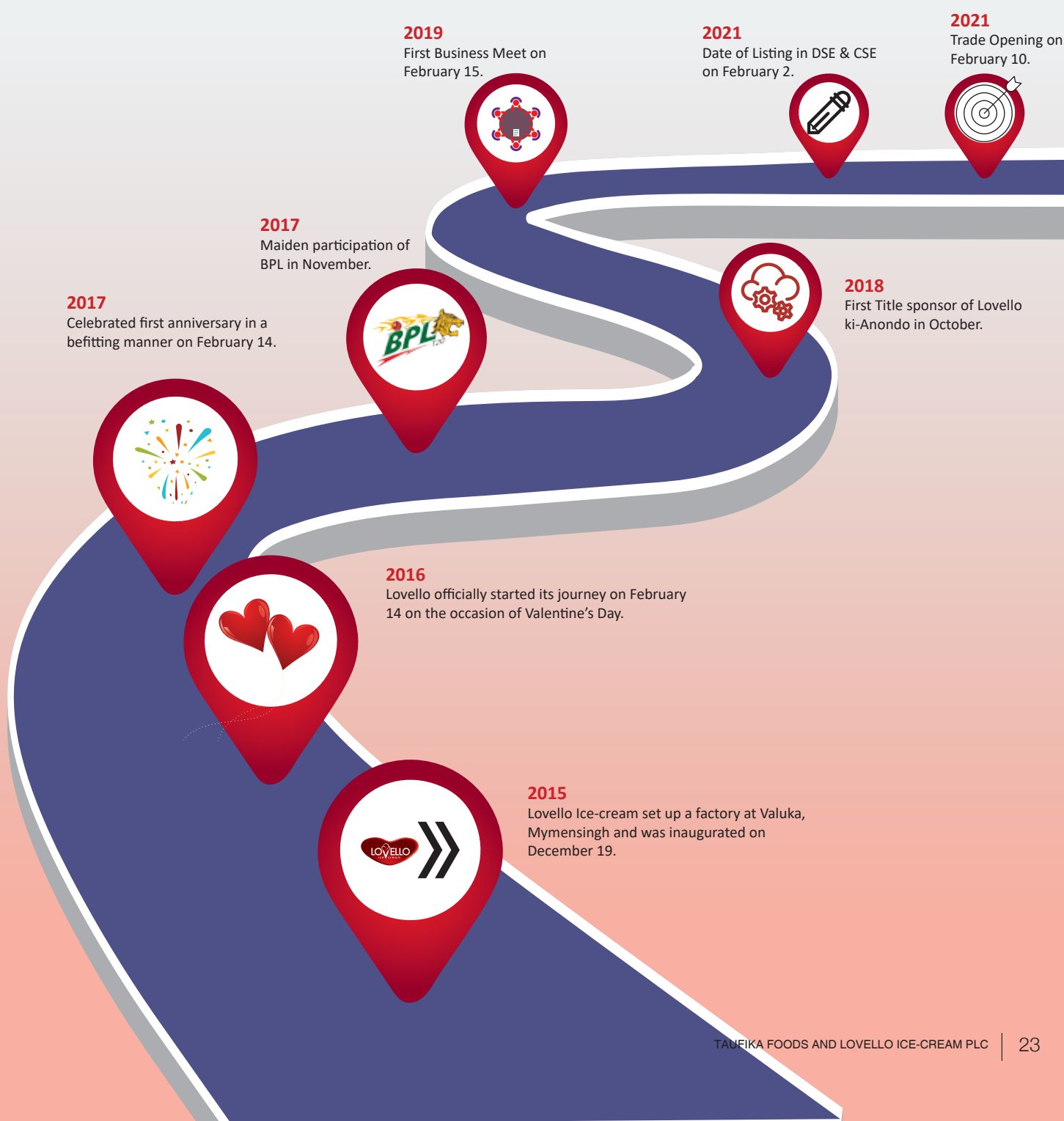
Market segmentation with customized products is Lovello's unique policy whilst retaining and maintaining a consistent growth is its finest strategy. Sustainable business growth is always in favor of the company. Besides, good corporate governance, transparency and accountability, maintaining regulatory compliance, improvement of products with continual expansion are the best clues for Lovello.

To come up with the subsequent strategy for Lovello in the launching of its ice cream products, we should first analyze the market environment for this type of product, such as its consumers, its competitors and the market penetration of ice cream products. However, since we are only focusing on Lovello's ice cream distribution strategy at the moment, we can attain an overall picture of the barriers, challenges, and competition in market size of the industry.



BUSINESS ACTIVITIES

COMPANY'S MILESTONES



OUR PRINCIPLES

Taufika Foods and Lovello Ice-Cream PLC is expert enough to maintain its unique principles strictly. The corporate business principles are at the heart of its company. They reflect the basic ideas of fairness, honesty and a concern for individuals and families, communities including quality, innovation, commitment, health and safety, deliciousness.

Company's internal rules not only require strict compliance with the law, they also guide the actions even if the law is more lenient or where there is no applicable law at all. Upholding compliance goes beyond keeping checklists. It requires steadfast principles that apply across the whole company and provide clear guidance for all employees.

The seven strict principles that the company maintain has made it exceptional comparing with other leading companies in the industry.

- **Quality:**

The Quality Policy creates a shared platform for quality standards in the businesses of the Lovello Group. Lovello's Quality Policy creates a shared platform for quality standards in the Food manufacturing businesses. Quality is a common interest and an important factor in our success – one that guarantees satisfied customers. Lovello's quality policy is a commitment to our customers and other interest groups.

- **Responsibility:**

All our co-workers take responsibility for results and exercise scheme and judgment while making decisions. As part of our commitment to the industry, our management team in the meantime met with congressional leaders to discuss our responsibility in leading important industry issues as part of the Annual General Meeting.

- **Efficiency:**

Persistently we look for ways to improve effectiveness and efficiency, and to reduce waste. We are proud to say that our manufacturing facility is now 100% pure and fresh. We use problem solving as a way to identify opportunities for improvement and focus resources where needed.

- **Innovation:**

Different weather and longer days are the tell-tale sign for ice cream processors to increase production especially for the summer months of licking and dripping. So novelty and innovative ideas are inscribed in the heart of Lovello. Due to innovative strategies and quality products, LOVELLO has in the meanwhile, become the most demanding ice cream in the market. The company has taken initiatives in increasing its distribution and logistics capabilities in line with its strategies and expecting to grow manifold the volume of business as well as its market share in the industry.

- **Commitment:**

For Lovello to be successful over time, we must earn the trust of our employees, consumers, customers, suppliers, shareholders and wider society. This depends on us acting with integrity at all times and upholding our commitments. Trust in our company, products, services and brands can only be built consistently step by step. This is why we take decisions with a long-term view, while ensuring we meet our commitments today. Our commitment is to never compromise on the safety of any product.

- **Health & Safety:**

Our core commitment is maintaining health and safety issue. Developing, manufacturing and providing products and services that are trusted and preferred in order to enhance quality of life and contribute to a healthier future. We are always ready to maintain high food safety standards all over the country and we believe it is our challenge to continuously improve our management systems to guarantee product quality and safety aiming for zero defects and inspiring ownership of product quality and safety by all employees and third parties in our value chain.

- **Delicious:**

LOVELLO never goes with unpredictable products which have meagre qualities. Hence, each and every of our products are very delicious since we maintain health and safety issues of our customers. We do not mislead our customers about our products and the customers, we do believe, have no complaints against our delectable products.

ETHICAL PRINCIPLES

On the groundwork of strong business ethics and compliance, we do business sustainably and in a way that creates shared value. We accomplish business in an ethical and principles based manner even in the absence of legal or regulatory frameworks. Where our own principles and policies are stricter than local legislation, the higher standard applies. This helps Lovello meet societal prospects and distinguishes us in the marketplace.

As our ethics, we go with customers, our team, honesty in relationship and national contribution. Lovello acts legally and honestly, disclosing and resolving conflicts of interests in a fair and transparent manner because Lovello competes in full compliance with all applicable antitrust, competition and fair dealing laws, systematically rejecting anticompetitive activities.

- **Customers:**

Lovello is catering its customers with a wide variety and ranges of products and also with some unique and noble items like Mini cone, Mini Chocobar and Kulfi. At the same time Lovello has positioned themselves at no. 3 in the market through their products and service in less than 3 years of time. Their products are made of using finest raw materials from Denmark and European sources along with some quality local supply.

- **Lovello Team:**

We believe in mate work to create sustainable network. From management team to production team, Lovello loves to step forward hand in hand. Our dedicated teams from different departments provide best services to the customers. The company is run by a professional team and its sponsors possess adequate business experience, knowledge and acumen.

- **Honesty in Relationship:**

Lovello's code of business conduct specifies certain non-negotiable minimum standards in key areas of employee behavior, including integrity, compliance with laws, conflicts of interests, antitrust and fair dealing, bribery, corruption, discrimination and harassment, and accurate reporting and accounting. Lovello forbids its employees, service providers and agents from engaging in bribery and corruption, along with conduct that could give rise to the appearance or suspicion of such illicit activities. Even we ensure the accuracy of financial records and alignment with company's accounting standards to fulfill our obligations to shareholders, regulators and other stakeholders.

- **Promise Keeping:**

Keeping promises is in our veins as a part of the industry commitment. Ethical executives can be trusted because they make every reasonable effort to fulfill the letter and spirit of their promises and commitments. They do not interpret agreements in an unreasonably technical or legalistic manner in order to rationalize non-compliance or create justifications for escaping their commitments.

- **Fairness:**

We are fundamentally committed to fairness because we strive to be fair and just in all dealings. We do not exercise power arbitrarily nor do we use overreaching or indecent means to gain or maintain any benefit nor take undue advantage of another's mistakes or difficulties. Our executives manifest a commitment to justice, the equal treatment of individuals, tolerance for and acceptance of diversity. We are open-minded and willing to admit any wrong we do and where appropriate, we are ready to change our positions and beliefs.

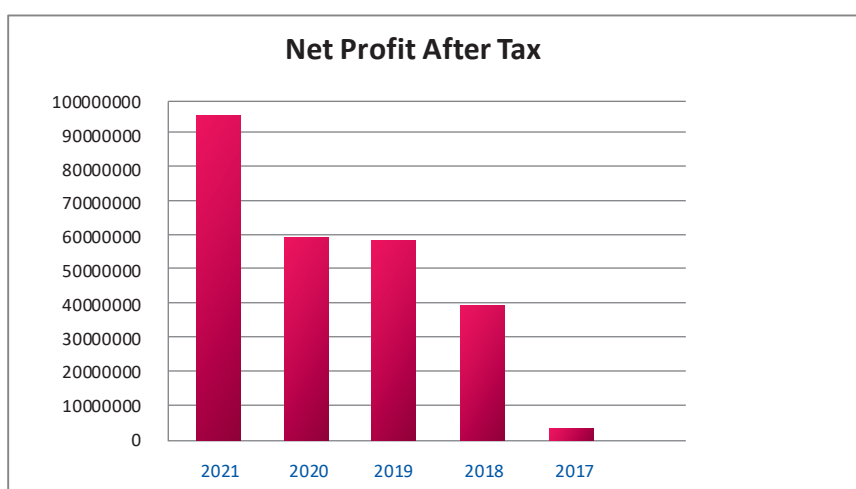
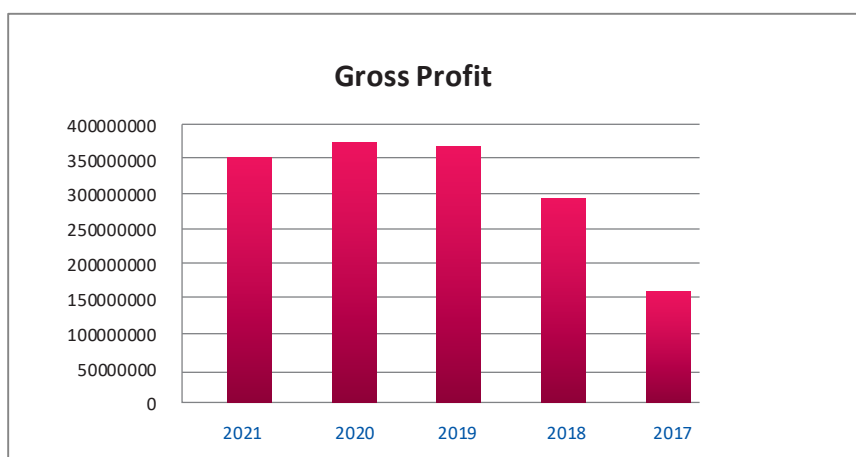
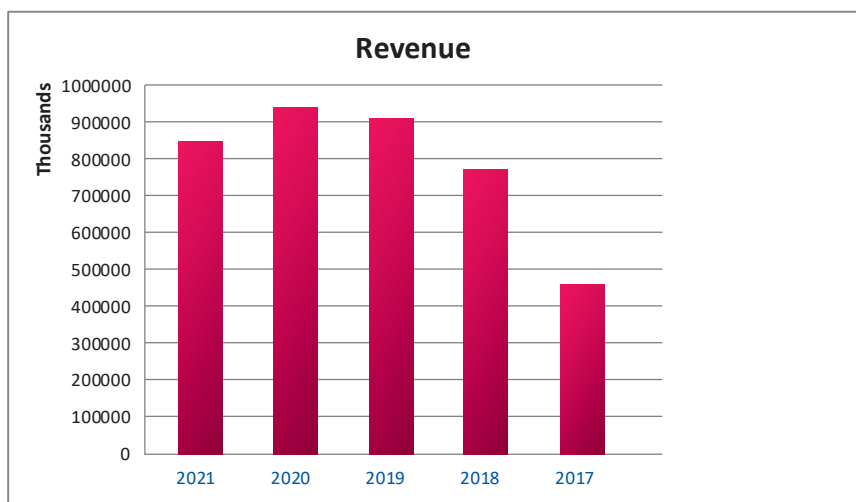
- **National Contribution:**

Our company believes that carrying out Corporate Social Responsibility (CSR) helps in tangible value creation. Moreover, CSR creates a positive image in society for Lovello. Since the inception of the company, we are committed to supporting our people and fulfilling social responsibilities alongside commercial operation. Lovello Ice Cream presents one ambulance to Combined Medical Hospital (CMH) as an initiative of CSR activities. The areas of our contribution under the banner of corporate social responsibility are well diversified across different segments. We plan to widen our corporate social responsibility activities as it is sensitive to the needs of the nation.

FIVE YEARS FINANCIAL SUMMARY

Particulars	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
(A) Sales	850,801,390	942,869,150	922,889,785	778,975,897	478,531,399
(B) Cost of Goods Sold	494,909,633	552,392,597	537,504,916	455,142,393	316,274,962
(C) Gross Profit (A-B)	355,891,757	390,476,553	385,384,869	323,833,504	162,256,438
(D) Operating Expenses	139,688,077	149,280,037	134,508,705	115,779,050	42,222,390
Administrative Expenses	16,231,797	18,701,781	13,564,960	9,185,457	3,185,906
Marketing Expenses	123,456,281	130,578,256	120,943,746	106,593,593	39,036,484
(E) Operating Income (C-D)	216,203,680	241,196,516	250,876,164	208,054,454	120,034,048
(F) Financial Expenses	118,035,700	155,147,618	161,134,907	126,213,752	94,448,658
(G) Profit Before Other Income (E-F)	98,167,980	86,048,898	89,741,257	81,840,702	25,585,389
(H) Other Income	3,598,895	3,455,781	6,102,220	5,192,925	3,178,685
(I) Net Profit Before WPPF	101,766,874	89,504,679	95,843,477	87,033,627	28,764,074
(J) Provision for WPPF	4,846,042	4,262,128	4,563,975	4,144,458	-
(K) Net Profit Before Tax (I-J)	96,920,833	85,242,551	91,279,502	82,889,168	28,764,074
(L) Income Tax Expense	1,912,957	23,189,490	29,634,215	40,341,018	26,263,576
Current Tax	18,794,777	21,733,994	23,173,852	8,748,255	1,433,783
Deferred Tax	(16,881,820)	1,455,496	6,460,363	31,592,763	24,829,793
(M) Net Profit After Tax (K-L)	95,007,875	62,053,062	61,645,286	42,548,150	2,500,498

Financial Graph: Financial graph will show our Revenue, GP & NPAT five years.



COVID 19 IMPACTS

Like other companies, Ice-cream Industry of Bangladesh has also suffered a lot during COVID-19 due to supply chain disruptions that impacted the ice cream sales. Also, a lot of people were avoiding ice cream as they felt it may make them susceptible to COVID-19. Even people has got feared to have cold foods like ice-creams.

The company has fulfilled its targeted sales each quarter except the last one due to the impact of COVID-19 pandemic and at the end, achievement of targeted sales was Tk. 94.29 crore in the financial year ended June 30, 2020. During the pandemic, global economy has resumed its down trend and worldwide no industry is in exception. In accordance with global financial analyst, the way to financial recovery would be longer and bumpy as well. But in the perspective of our country, we are lucky enough as the pandemic did not hit our country massively. As a result, the operation of the industries in our country have been resumed gradually and hoping this operation might get back to its normal trend soon. Though, it will depend on early invention of vaccine. In this case, a beacon of hope has been explored by the invention of vaccine in many other countries. If it becomes matched well with human body whole world will get relief from this pandemic soon and Bangladesh is no exception in this regard. In addition, auto immunity system has grown up in the people of our country and Bangladesh Govt. has been trying eagerly to cope with this drastic environment and get to early economic benefit as well.

- **Measures Taken by the Company:**

When a diabolical pandemic cast its colossal grip to the nation and industry, Lovello has not sat idly. Instantaneously, necessary measures have been taken. Pondering over the company and customers we have gone through enough steps.

- a) **Organizing Awareness Program:**

We have possibly organized awareness program maintaining the safety of the employees either maintaining social distance or through zoom or google meet. Each and every employees showed their consciousness about the pandemic. Our employees, would love to say, beloved team members went through awareness but kept working diligently.

- b) **Allowance:**

From the stuffs to management committee, we have provided them extra allowance for Corona Virus with the salary. When many other companies failed to provide full salary to the employees, our employees had the opportunity for getting corona allowance and this is one of our great achievements.

- c) **Work From Home:**

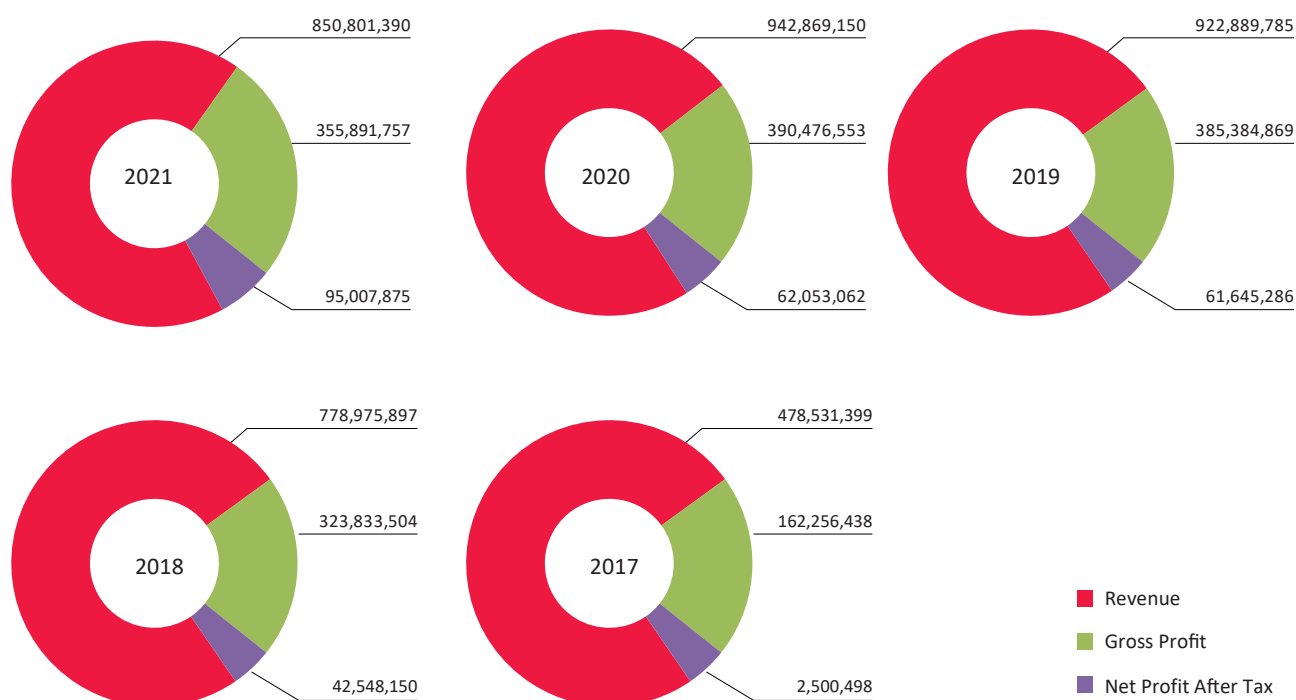
A new phrase grasps us all during this pandemic and it is 'New Normal' situation. In this new normal situation, 'Work from Home' has become a new trend for unpassed working. We believe in diligence and so our coworkers never paused to work. They were ready to work from home using modern technology and incredibly they could show their extra ordinary caliber with it. Their labour took the company to the apex of success under this pandemic as well.

- d) **Medical Facilities:**

'No risk, no gain' although is an important business formula, we chose alternative structure. When any of our employees felt attacked or infected by COVID 19, we directly provided medical allowance as well as facilities. Since we have a corporate deal with some hospitals, our employees may take the opportunity to get cared service from them. We may not take risk indeed but gain more than we can say.



Our Performance: Revenue Growth Show of Last five years.



Risk Management

Risk management in the corporate world is the process of identification, analysis, and acceptance or mitigation of uncertainty in investment decisions. The ice-cream companies like ours include Operational risk, liquidity risk, price fluctuation risk, credit risk, market risk and sustainability & environment impact. These risks are divided as internal and external risk factors.

- **Operational Risk:**
Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees and in such case, company's business operation will be hampered.

And so our company always focuses on ensuring a peaceful work environment so that maximum output from the employees can be generated. The pay package is designed in such a manner so that, every employee finds it attractive and remain satisfied with it. So, the risk related to worker/ employee unrest is well mitigated.

- **Liquidity Risk:**
Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or make the required profit. It arises from the mismatch of maturities of assets and liabilities.
So management mitigates liquidity risk by careful cash flow management including optimizing working capital and by maintaining unused, committed financing facilities or a liquidity buffer. These allow the business to easily meet its future requirements or contingencies. The way to recover liquidity crisis, Management deals with accounts payable, inventory and accounts receivable efficiently. The company ensures of having sufficient cash and cash equivalents to meet expected operational expenses including financial obligations through preparation of forecasted cash flow with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient fund to make the expected payment with due date.

- **Price Fluctuation Risk:**

Price risk is the risk that the value of a security or investment will decrease. Factors that affect price risk include earnings volatility, poor business management, and price changes.

Our company is highly active for these risk management procedures. Mechanism comes first because the mechanism involves costs, so the benefits of hedging need to be evaluated in order to assess its usefulness for producers. It emerges that the main benefit lies in producers being able to allocate resources more efficiently in the production of ice-creams. The easiest solution is to invest in hedged investments such as hedged ETFs. The fund manager of a hedged ETF can hedge forex risk at a relatively lower cost.

- **Credit Risk:**

Credit risk is the risk of loss which may arise from the non-repayment of credit facilities by a borrower. It is the risk of loss associated with client's inability to fulfill its payment obligation. Policies, applicable laws and regulations of Bangladesh require extensive risk analysis which includes evaluation of the purpose of the credit and the ability and willingness of repayment of the client.

In this regard, management operates business effectively and efficiently which is not excluded from credit Risk. From the inception of the business management offers credit facilities to the dealers to get the product penetrated into the competitive market for achieving more and more market shares gradually as the company is in its raising states. To mitigate this credit risk, management holds personal security from dealer's end to accomplish the control policies.

In addition, management of the company is used to taking and giving loan from and to intercompany as a part of the business. There are no control policies followed in those intercompany transactions other than the agreement. It is being informed that without any interest any more transaction would not be occurred in near future in the perspective of business.

- **Risk in Second Hand or Reconditioned:**

There is obsolescence risk relating to plant and machinery If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.

The primary capital machinery for the project of the Company have been imported directly from Tetra Pak South East Asia Pte Ltd., which is a concern of Tetra Pak, a multinational food packaging and processing company of Swedish origin with its Head Offices in Lund, Sweden, and Lausanne, Switzerland. Tetra Pak operates globally through 40 market companies, which are subsidiaries to Tetra Pak International SA, doing business in over 170 countries. The economic life of the plant and machinery is minimum 15 years.

- **Adverse Effect on Future Cash Flow:**

If company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loans are taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

- **Financial Weakness Risk:**

Financial weakness and poor performance of the issuer have negative impact on the company. As a result, it will be tough to pay loan interest, debt service and dividend. Future growth will be hampered.

Sales growth is a key indicator for any Company to conclude that, the Company's performance is good. Since beginning of commercial operation the Issuer Company's sales is recorded to be on the increase always with a good profit margin. The products of the Company have earned great popularity among the mass people within a comparatively short period of time due to the quality and taste of its ice cream product the brand name of which is LOVELLO.

- **Investment Risk:**

If any price goes down after floating, there is investment risk for the prospective investors.

The profit margin of the company is on the increase along the years since start of business. As the company is having continual sales growth every year so Lovello firmly believe that investing in the company's securities will be lucrative in comparison with other available investment options.

- **Interest Rate Risk:**

Interest rate risk as an external risk is the risk that company faces due to unfavorable movement in the interest rates. Changes in the government's monetary policy along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans.

Moreover, our company has taken loan from Banks having fixed interest rate. The company has been repaying their bank loan on a continuous basis which reduces the interest rate risk.

- **Industry Risk:**

Industry risk is the possibility that a specific industry will not perform to the level or at par. When problems plague one industry, they affect the individual organization of that particular industry. They may also cross over into other industries. Industry risk also refers to the risk of the increased competition from foreign and domestic sources leading to lower revenues, profit margins, market share etc. which could have an adverse impact on the business, financial condition and result of operation.

Since the present established market size for ice cream industry in Bangladesh is for Tk.2000.00 Crore among which only Tk.1200.00 crore has been covered by mainly 05 (five) existing companies, the existing gap in the ice cream market is for around Tk.800.00 crore. Besides, there is an increasing demand of ice cream of 20% per year. No abnormal competition among the individual organization, be it either local or foreign, is found in the present ice cream industry. Besides, no individual organization will dare to lower the price of its products drastically, much beyond the average market price with an intention to secure more market share, because it will then become a threat for that particular company to survive.

Ice cream industry is growing gradually, due the following phenomena:

- * Present weather is very favorable for Ice cream business
- * Expert Human resources are available for Ice Cream Industries
- * Ice cream is becoming more and more popular among the people of all ages as the days go by

- **Technology Related Risks:**

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency.

We always keep in touch with technological changes in the world ice cream industry and has adopted new technology according to its need. Furthermore, regular and proper maintenance of the equipment and machinery is carried out by the Company to ensure longevity of the same.

- **Market Risk:**

Market Risk refers to the risk of adverse market condition affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong market and brand management would help the company increase their customer base.

However, ice-cream is becoming a popular food item in our country day by day and so there is less possibility of any adversity in the ice cream market. On the other hand considering the demand and taste of the consumers of all classes and segments the LOVELLO has come out with a variety of extra ordinary mouthwatering ice creams of different design and flavors. The Company is spreading its sales and distribution network all over the country gradually but very smartly. The brand name of ice cream of the Company is LOVELLO, the visibility of which is unfolding fast.

- **Sustainability and Environment Impact:**

A fundamental concept of sustainability includes environment and society. It is the effect of human activity on the environment in the form of creating environmental imbalance.

Since reducing the environmental impact of any business will improve the sustainability, we have enough components to mitigate this risk. We maintain three key components: Being the best place to work for our Team, sharing our success, and

operational excellence. To share our success, we focus on environmental, social and governance activities, Corporate Governance practices, our philanthropy, in addition to many other activities. We are maintaining a consistent growth and taking necessary precautions to reduce environmental impact to a minimum level.

Value Creation and Long Term Sustainability

Companies in every industry are impacted by new disruptive societal trends, such as climate change, energy transition and social inequality. At the same time, companies are increasingly evaluated on their sustainability performance. So companies need to rethink the way they create value and grow their business to thrive in tomorrow's volatile and uncertain business environment. Where sustainability and profitability goes hand in hand, it should be the business interest to venture against tomorrow's risks of climate change. Hence, to create value for long term sustainability, we focus on three stages: Environment, Social and Good Employment Practices.

1. ENVIRONMENT:

To run a business like foods and agro companies, environment plays a significant role in creating values, respond proactively towards the energy and challenges like water treatment, chemical management, energy savings, carbon emission, waste management and finally certifications.

Water Treatment:

We believe that only by framing water investments as contributing to business growth will the private sector be more actively engaged in solving water challenges. This does not imply that all companies will become water solution providers. Instead, we propose that companies, regardless of the industry sector, have skills, talent and capital to leverage in the water sector and ultimately help solve our water challenges. We maintain that nothing is as important as reframing water as a business issue and opportunity to engage the private sector in solving water challenges more fully. Besides, Taufika Foods and Lovello Ice-Cream PLC has an effective Effluent Treatment Plant (ETP) which is operated by Vietnam Technology. It's a Bio-Chemical Type and Capacity 10000 Litre per hour. This ETP is designed to maintain ecological balance and overall development through the protection and improvement of the environment. The Department of Environment (DOE) of Bangladesh Government visits this ETP three times in a year. After evaluation of the process and discharged water quality, DOE provides Environmental Clearance Certificate (ECC). LOVELLO has also an effective Water Treatment Plant (WTP) which capacity 5 m³ per hour hard water and 5 m³ per hour soft water.

Chemical Management:

Chemical management is not a compulsion which we have to follow because of pressure of the regulatory authorities and fear of huge fines and brand image. It is important because it is our duty of protecting our planet and its resources from the long term and short term harmful chemical effects.

Chemical management is necessary for ensuring regulatory compliance that is a must for any organizations to deal with chemical usage, storage and their discarding. Chemical may be dangerous or safe in use but it is important to control and manage the risk associated with it.

An effective chemicals management system will have in place policies and procedures addressing the following:

- Chemical procurement and purchasing
- Compliance with applicable regulatory requirements and lists of restricted substances
- Hazard communications within the organization
- Safe storage, handling, use, and disposal of chemicals
- Control systems to prevent worker and environmental exposure to chemicals
- Increase member awareness and involvement in the safe use of chemicals
- Develop training and capability-building activities to reduce worker exposure
- Define adequate and effective practices for conducting chemical risk assessments, tracking and reporting process chemicals, and communicating with workers
- Explore how to phase out hazardous chemicals and pursue safer alternatives, where feasible

Energy Savings:

Energy efficiency is a top priority for our company. Ice cream is refreshing. And with its proteins and carbohydrates are considered a source of energy. However, it also takes a lot of energy to mix ingredients like milk, dairy chocolate, sugar, and vanilla beans into the finished product. Electricity and compressed air play an important role in the thermal and kinetic processes for everything from mixing and extruding the ingredients, deep-freezing to -13°F (-25°C), dipping into various chocolate coatings through to final packaging. Energy efficiency is therefore right at the top of Lovello. In this regard, the Energy Savings Scheme (ESS) is important fact for a company like ours. ESS provides NSW businesses with financial incentives to invest in projects which will reduce their energy consumption. Incentives are available to install new equipment or modify a current system. Furthermore, Taufika Group has got its own 'Taufika Energy Co. Limited' is involved in power business and marketing of cellular mobile phone under the brand name "OCTENN".

Carbon Emission:

We all know there are both natural and human sources of carbon dioxide emissions. Natural sources include decomposition, ocean release and respiration. Human sources come from activities like cement production, deforestation as well as the burning of fossil fuels like coal, oil and natural gas. The amount of carbon emissions trapped in our atmosphere causes global warming, which causes climate change, symptoms of which include melting of the polar ice caps, the rising of sea levels, the disturbance of animals' natural habitats, extreme weather events, and so many more negative side effects that are dangerous. So we need to stop carbon emissions and we are taking vital steps to reduce this.

Waste Management:

Waste management is the activities and actions required to manage waste from its inception to its disposal. This includes the collection, transport, treatment and disposal of waste, together with monitoring and regulation of the waste management process. Waste management is an important element of environmental protection. Its purpose is to provide hygienic, efficient and economic solid waste storage, collection, transportation and treatment or disposal of waste without polluting the atmosphere, soil or water system.

For the purposes of this review these sources are defined as giving rise to three major categories of waste: municipal solid waste, industrial waste, agricultural waste.

- **Municipal Solid Waste:**

Municipal solid waste (MSW) is generated from households, offices, hotels, shops, schools and other institutions. The major components are food waste, paper, plastic, rags, metal and glass, although demolition and construction debris is often included in collected waste, as are small quantities of hazardous waste, such as electric light bulbs, batteries, automotive parts and discarded medicines and chemicals.

- **Industrial solid waste:**

This solid waste in the Asian and Pacific Region, as elsewhere, encompasses a wide range of materials of varying environmental toxicity. Typically this range would include paper, packaging materials, waste from food processing, oils, solvents, resins, paints and sludge's, glass, ceramics, stones, metals, plastics, rubber, leather, wood, cloth, straw, abrasives, etc. As with municipal solid waste, the absence of a regularly up-dated and systematic database on industrial solid waste ensures that the exact rates of generation are largely unknown.

- **Agricultural Waste:**

Expanding agricultural production has naturally resulted in increased quantities of livestock waste, agricultural crop residues and agro-industrial by products. The proper management of waste from agricultural operations can contribute in a significant way to farm operations. This helps to maintain a healthy environment for farm animals and can reduce the need for commercial fertilizers while providing other nutrients needed for crop production. Agricultural solid wastes are generated from many sources. One of such sources are pesticides, including herbicides and insecticides. The influence of agricultural solid wastes on human health, animal health, and the environment is significant and all must be on deck to tackle the menace posed by mismanagement of agricultural solid wastes. Agricultural solid wastes are mismanaged largely owing to ignorance. In this connection, our company is doing everything necessary for protecting environment as an important project

2. Social:

We value societal structure mostly. We never compromise in social issues. Lot of studies and workshops we have had from our ends.

- * Promotions Education
- * Fairness in Workplace
- * Equal Workplace
- * Safety
- * Health and Hygiene

3. Good Employment Practices:

Taufika Foods and Lovello Ice-Cream PLC is praiseworthy for maintaining best employment practices. Our recruitment style has its fantastic way. We select our employees according to merit irrespectively so that all the recruited employees get the equal opportunities in order of their merit. Our remuneration policy is smart enough no doubt. According to the rules and regulations we maintain salary review, festival bonus, performance bonus and of course we give salaries to our employees timely. In brief, we have a fair remuneration policy. The work environment is stunning comparing other ones in the industry. Our employees have great talents and they can show them perfectly. We are positive in thinking and our working environment is positive as well. Besides, we organize internal training for our new members on department basis because we believe a trained employee is more suitable than a meritorious student.



Cone Machine



ETP PLANT



BOARD OF DIRECTORS AND MANAGEMENT

A good life
is a collection of
happy moments





Beats of My Heart



Beats of My Heart



BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors

Datin' Shamima Nargis Haque
Chairman

Dato' Engr. Md. Ekramul Haque
Managing Director

Muhsinina Taufika Ekram
Director

Kawser Ahmed
Director

Imtiaz Lutful Baset FCMA, FCA
Independent Director

A.K.M Zakaria Hossain FCMA
Company Secretary

Audit Committee

Imtiaz Lutful Baset, FCMA, FCA
Independent Director, Chairman of the Committee

Muhsinina Taufika Ekram
Director, Member of the Committee

Kawser Ahmed
Nominee Director of Taufika Engineering Ltd.
Member of the Committee

Nomination and Remuneration Committee

Imtiaz Lutful Baset, FCMA, FCA
Independent Director, Chairman of the Committee

Muhsinina Taufika Ekram
Director, Member of the Committee

Kawser Ahmed
Nominee Director of Taufika Engineering Ltd., Member of the Committee

** The company secretary shall act as the secretary of the Committee.*

MEETING AND ATTENDANCE

During the year ended 2020-21 were Eight Board Meeting were held. The attendance Status of all the meeting is as follows:

Name of the Directors	Designation	Meeting held	Attendance
Datin' Shamima Nargis Haque	Chairman	8	6
Dato' Engr. Md. Ekramul Haque	Managing Director	8	8
Kawsar Ahmed (Nominee Director of Taufika Engineering Limited)	Director	8	8
Muhsinina Taufika Ekram	Director	8	5
Imtiaz Lutful Baset FCMA,FCA	Independent Director	8	7

Quality checking of production ingredients



SHAREHOLDING PATTERN

Sl. No.	Name of Shareholders	Number of Shares
1	Dato' Engr. Md. Ekramul Haque	33,000,000
2	Datin' Shamima Nargis Haque	2,900,000
3	Taufika Engeneering Limited	11,550,000
4	Muhsinina Taufika Ekram	2,050,000
5	Abu Taher Muhammed Amanullah	1,000,000
6	Md. Abdus Sultan	725,000
7	Zakir Hossain	100,000
8	Kazi Amdadul Haque	1,060,000
9	Rizvi Kaiser	10,000
10	Md. Saiful Islam Helaly	1,045,000
11	Md. Mizanur Rahman	5,000
12	Tahmina Chowdhury	205,000
13	Masuma Khatun	255,000
14	Hosne Ara Begum	1,095,000
15	Initial Public Offering	30,000,000
	Total	85,000,000

PROFILE OF THE BOARD OF DIRECTORS



Datin' Shamima Nargis Haque
Chairman

Datin' Shamima Nargis Haque is a multitalented business personality and also an entrepreneur. She holds an academic degree in Economics. She has more than 20 years' experience in business sector. She has been involved with Taufika Foods and Lovello Ice-Cream PLC as its Chairman. She is also the Managing Director of Taufika Engineering Ltd. a sister concern of Taufika Foods and Lovello Ice-Cream PLC. She plays a vital role for the advancement of the company as a Director. She contributes significantly, in formulation of company's operational policies and implementation process. As part of her fiduciary responsibility to represent and protect the investor's interests in the company, she is profoundly involved to ensure that, assets as well as the human resources of the company are in good order. She always plays a vital role in taking crucial decision for the interest of the company on operational or managerial issues.

PROFILE OF THE BOARD OF DIRECTORS



Dato' Engr. Md. Ekramul Haque
Managing Director

Dato' Md. Ekramul Haque, aged 53, is a Civil Engineer, MBA possesses more than 30 years' experience in different business sector of Bangladesh and Malaysia, where he moved in early 90's as a Director of BEL Construction Sdn Bhd, a company incorporated in Malaysia. The company has great contribution to the development of telecommunication and energy sector in Malaysia. More than 2000 km of High Tension Transmission Line and few hundreds of Telecommunication Base Station projects were successfully implemented in Malaysia as well as in Bangladesh under the dynamic leadership of Dato' Md. Ekramul Haque. The in depth knowledge and expertise in the management of large turnkey construction project, development of telecommunication infrastructure, power Generation plant etc. have made Dato' Haque a successful entrepreneur.

Dato' Haque is now, the Managing Director of Taufika Group consisting of Taufika Engineering Limited, Taufika Energy Co. Ltd, Taufika Foods and Lovello Ice-Cream PLC, Deltamarge Sdn Bhd, Dato' Haque has introduced the brand "LOVELLO" is the new brand in the ice cream industry in Bangladesh and LOVELLO is being produced and marketed by Taufika Foods and Lovello Ice-Cream PLC. "LOVELLO" has earned good name and reputation within a very short period of time after its penetration in the market.

Taufika Group has an annual turnover of BDT 700 crore having 2000 staff in various departments under the leadership of Dato' Haque.

Dato' Md. Ekramul Haque is also involved in several community development and social welfare activities. He is the founder of a few educational institutions, which offer free education to under privileged children of the Bangladesh. He was bestowed with the Gold Medel for two consecutive years in 2009 and 2010 by Ishwar Chandra Bidya Shagore and Lalon Academy for his outstanding achievement in the area of commerce and industry. He has received a title "Dato" conferred to him by the Sultan of Pahang state of Malaysia as recognition to his contribution society and to the development of Malaysia in telecommunication & transmission industry.

Dato' Haque was one of the Sponsor Directors and shareholder of NRB Bank Limited, a well reputed fourth generation schedule bank in Bangladesh and served as the Chairman of the Executive committee of the bank.

Dato' Md. Ekramul Haque is a genuine businessman having vast experience in the line of businesses he is engaged in. He possesses excellent business acumen and the capability to run any business ventures; he intends to get involve in, with much efficiency and the capacity towards accomplishment.

PROFILE OF THE BOARD OF DIRECTORS



Muhsinina Taufika Ekram
Director

Muhsinina Taufika Ekram, aged 22 years and having dual citizenship of Canada and Bangladesh is the eldest daughter of Dato' Engr. Md. Ekramul Haque and Datin' Shamima Nargis Haque, the Managing Director and Chairman of Taufika Foods and Lovello Ice-Cream PLC, respectively.

Muhsinina Taufika Ekram is now, pursuing her graduation degree in the field of Life Science at the University of Toronto (UoFT), Canada. Before she got admitted herself in UoFT, she completed her grade 11 and 12 from The York School, Toronto under IB (International Baccalaureate) curriculum where she scored distinction mark and been achieved "The York School Award" commonly known as the student of the year.

Muhsinina Taufika Ekram is closely involved in the company's strategic policies and regulations. She along with other members of the board reviews and evaluates the executive decisions and coordinates the activities related to environmental factors, like natural resources, human resources, forms of economic system, economic policies, technological development, capital formation and investment, monetary and fiscal policies and situations of the market, where the company is in operation.

She oversees the process to obtain information from external environmental factors and redirect the same to the key individuals of the company in order to surmount possible hurdles and unwanted mistakes in the process of achieving organizational goals. She is willing to engage herself more effectively in the company's affair after completion of higher study.

PROFILE OF THE BOARD OF DIRECTORS



Engr. Kawser Ahmed

Nominee Director of
Taufika Engineering Ltd.

Engr. Kawser Ahmed is graduated in Civil Engineering from Bangladesh Institute of Technology (BIT-Dhaka). He has got fellowship (F-7176) in Professional Societies: Institution of Engineers, Bangladesh. He has experience of 25 years in consultancy and construction works as a team of local and expatriates. His experience is not limited to above but also in urban and rural infrastructure development project – High rise Building, Pre-fab Steel Structures, Cold Storage, Flyover, Bridge/Culvert, Road, Water supply & Sanitation/Drainage system and Effluent/Sewerage/Water Treatment Plants. He showed excellence in performing responsibility in project management – planning & scheduling, cost analysis & reporting, planning of material procurement, preparation of cash flow and liaison with clients/consultants, project implementation on QAP and monitoring of site progress. Formulating policies that promote company culture and vision, overseeing operation of the company and the work of all levels of executives, evaluates performance by analyzing and interpreting data & metrics. He has tremendous passion for design & implementing business strategies, projects, plans & procedure as per schedule and expedites various technical & commercial issues of the company. Pays special attention identifying and developing improvements for the maintenance and construction management processes etc.

PROFILE OF THE BOARD OF DIRECTORS



Imtiaz Lutful Baset

FCMA, FCA.

Independent Director

Imtiaz Lutful Baset FCMA, FCA received his Master of Business Administration with major in Marketing; passed in 2004 from the City University, Dhaka and secured CGPA 3.86 in the scale of 4. Qualified as a Chartered Accountant in 1992 from The Institute of Chartered Accountants of Bangladesh. He Conducted and finalized audit of financial statements/reporting of various MNCs, Autonomous bodies/corporation, non-profitteering organizations. Led audit discussions with various clients in order to finalize audit. Carried out consultancy relating to tax, designing accounting and control system Carried out cost, management and self-audit for various organizations. He is a fellow member of the Institute of Cost and Management Accountants of Bangladesh (F — 139) and a fellow member of the Institute of Chartered Accountants of Bangladesh {Enrol. #663}.

SENIOR MANAGEMENT PROFILE



SENIOR MANAGEMENT PROFILE



SENIOR MANAGEMENT PROFILE



Dato' Engr. Md. Ekramul Haque

Managing Director

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SENIOR MANAGEMENT PROFILE

Engineer Md. Kamruzzaman
Chief Operating Officer



Engineer Md. Kamruzzaman is the Chief Operating Officer (COO) at Taufika Foods And Lovello Ice-Cream PLC. He has over 31 years of practical experience in the field of Ice-cream, Food & Beverage industries. He worked as Asst. Manager (Engineering), Modern Industries (BD) Ltd. and as Manager (Engineering and Production), Igloo Ice Cream and Milk Pasteurization Plant. He also served as General Manager of Dhaka Ice Cream Industries, Bangladesh. A reliable and well-organized person with great experience in teaching of HVAC & Engineering courses.

Engineer Md. Kamruzzaman has Bachelor's degree in Mechanical Engineering from Khulna University of Engineering and Technology (KUET) and obtained his Post-graduation Diploma in HVAC and Refrigeration Technology, George Brown College, Toronto, Canada, and Strategic Management, Indian Institute of Technology (IIT), Kharagpur, India. He also acquired a Professional Course in Master of Business Administration (Marketing), Asian University of Bangladesh, Dhaka, Bangladesh. He is the License holder of HRAI & TSSA(Canada) and he is also the Life Fellow of The Institution of Engineers, Bangladesh (IEB).

SENIOR MANAGEMENT PROFILE



Mustaque Ahmad

Chief Financial Officer

Mustaque Ahmad is the Chief Financial Officer of Taufika Foods and Lovello Ice-Cream PLC. He has become a part of the Taufika family since January 2012. He is overseeing the Group's financial activities and operations as Group CFO.

Mr. Ahmad obtained his BSS (Honors) and MSS in International Relations from the University of Dhaka. He started his career in banking with the first private commercial bank in Bangladesh in June, 1994 as Probationary Officer. He has gathered vast knowledge in banking operation in all respects during his thirteen and half years' banking career.

Mr. Ahmad has over 25 years of extensive experience in finance & accounts as a result of working in different renowned commercial Banks and business conglomerates.

His key responsibilities as CFO, include looking after all relevant aspects of the Group's financing, financial performance, stakeholder reporting, internal audit, tax matters, strategic development of the company, liaison with the external auditor and other corporate functions.

He believes that, there is no end of self improvement, which he always focuses on. He aspires to contribute significantly, to the growth of the company with his proficiency in the days to come.

SENIOR MANAGEMENT PROFILE

Muhammad Razib Hasan

Chief Strategic Officer



Muhammad Razib Hasan is the Chief Strategic Officer (CSO) at Taufika Foods and Lovello Ice-Cream PLC. He joined Taufika Foods and Lovello Ice-Cream PLC in November 2017. His skills and experience have facilitated him to generate significant sales numbers through analyzing the market trends, setting strategies for product-mix and distribution network development, short-term tactics for penetrating into different market-segments etc.

Mr. Hasan, an MBA having a specialization in information system, business analysis and decision-making process, has a progressive and dynamic corporate career with 20+ years of experience in the field of Marketing and Sales. Prior to joining LOVELLO, he worked in Taufika Energy Company Limited as Chief Operating Officer (COO). In his long corporate journey he was a part of distribution business of Nokia Mobile in Grameen Telecom and

business development of Maximus Mobile in Union Group.

He has extensive and diversified training in the sales of Mobile Phone devices and team-building process. With his innate experience in relationship building, he leads LOVELLO sales team to provide excellent channel services for enhancement of value propositions. His in-depth knowledge, experience and skills have contributed to the advancement of the company.

SENIOR MANAGEMENT PROFILE



A.K.M Zakaria Hossain FCMA

Company Secretary

A.K.M Zakaria Hossain FCMA is a progressive and dynamic corporate leader and also the ex-chairman of DBC of the Institute of Cost & Management Accountants of Bangladesh (ICMAB). He is well-known in the supply chain sector of Bangladesh. He joined Taufika Foods and Lovello Ice-Cream PLC in January 2015 as Head of Supply Chain. Mr. Hossain, a competent professional, brings with him inclusive knowledge and extensive applied experience in the field of Supply Chain, Strategic Planning, Internal Control, Finance, Costing, Accounting, Taxation, VAT etc. of Manufacturing and Marketing oriented company.

Mr. Hossain has 20+ years of experience of which seven years as Head of ICP & Supply Chain of Dhaka Ice Cream Industries Limited, two years of Kohinoor Chemicals Company (Bangladesh) Limited as Assistant Vice President, three years of The ACME Laboratories Ltd. as manager, two years as manager of Shamsul Alamin Group a Leading Spinning Mills, Textile Mills and Garments Manufacturer of Bangladesh.

He visited Australia, Denmark, Sweden, Turkey, France, Spain, Lithuania, Singapore, Malaysia, China, India, Vietnam, Indonesia etc. for training & sourcing. He qualified as a CMA from The Institute of Cost & Management Accountants of Bangladesh (ICMAB) in the year of 2002.

During his 7 years journey with the Lovello, Mr. Hossain helped to grow the company's value and was closely supervised Initial Public Offering process of the company. Specializing in fast-growing, listed companies, Mr. Hossain has a proven track record in change Management, Integration, Mergers, Strategic Planning and Internal Control for the company.

SENIOR MANAGEMENT PROFILE

Md. Didarul Alam FCMA

Head of Internal Audit



Md. Didarul Alam FCMA is a progressive and dynamic corporate leader with 14+ years of experience in the field of Planning, Costing, Budgeting and Reporting. He has an impressive track record of designing organizational control process & implementation in the FMCG industry. He joined Taufika Foods and Lovello Ice-Cream PLC on December 2017. Mr. Alam completed Master of Commerce in Accounting in 2001. He is the Fellow member of the Institute of Cost and Management Accountants of Bangladesh (ICMAB).

He is an experienced executive with financial and strategic focus, financial services and commercial background and driving corporate transformation programs. His key responsibilities include all aspects of the company's financing, financial performance, and stakeholder reporting; board accountability for internal audit, tax and strategic development; leading the

executive relationship with the external auditor and leadership of the company's Finance & Accounts and other corporate functions.

During his 4 years with the Lovello, Mr. Alam helped grow the company's value and was closely supervised Initial Public Offerings. Mr. Alam skills and expertise have played a significant role in the progress of the company. Mr. Alam was previously at Partex Group where he served for more than 5 years. He was the General Manager-Finance & Accounts in Partex Group. Before joining Partex Group he worked with Dhaka Ice Cream Industries Limited. He was also worked at Abul Khair Group for two years.



DIRECTOR'S REPORT

DIRECTOR'S REPORT

Dear Shareholders,

On behalf of the Board of Directors and Management, It is indeed a great privilege for me to place herewith the Directors' Report for your valued consideration, adoption and approval. These were approved by the Board of Directors on October 27, 2020. Relevant disclosures and explanations relating to certain issues have been given by the Directors, which they consider important to ensure transparency and good governance practices.

Bangladesh Economy

World Bank, in June 2020, published the Global Economic Prospects describing both the immediate and near-term outlook for the impact of the pandemic and the long-term damage has dealt with prospects for growth. The baseline forecast envisages a 5.2 percent contraction in global GDP in 2020. Bangladesh's Per capita GDP was 8.2 in FY19 but during this fiscal year-FY20; Per capita GDP in Bangladesh is radically fell down from 8.2 to 3.8, says the IMF in its World Economic Outlook. Over the longer horizon, the deep recessions triggered by the pandemic are expected to leave lasting scars through lower investment, a corrosion of human capital through lost work and schooling, and fragmentation of global trade and supply linkages.

Economic activities portrayed a mixed picture in Q3FY20, amid global supply disruptions and looming economic recession originating from the global outbreak of the COVID-19. The impact of COVID-19 upon the Bangladesh economy has been no less dramatic in the first two months of lockdown. The economic impact has been felt in two main avenues: first, a drop in domestic economic activity, after the shutdown announced on March 26; the second is a decline in exports, which have been strongly impacted.

However, the Prime Minister has announced a large package of the assistance to support the country's large scale industries as well as encourage industrialists.

Fast Moving Consumer Goods Industry

The Food & Beverage Industry, particularly the packaged food is getting impetus due to the changing life style of the consumers; gradually for all the segments of urban, semi-urban & rural consumers. The demand for packaged & processed food is increasing dramatically like never before.

In general, the performance of the FMCG industry serves as a powerful indicator of economic progress in any country. This is particularly evident in Bangladesh, where the economy is largely consumption driven. In 2020 as the local FMCG industry experienced a tough year, as demand for non-essential goods fell amidst lower disposable incomes brought about by a culmination of factors, including weak economic conditions and higher unemployment. Demand for such commodities has been declining since the very beginning of the lockdown situation.

During this period, industrial production dropped significantly, driven mostly by a precipitous fall in manufacturing output, while the service sector activities stalled by the partial and often complete shutdown of transportation, trade, and hospitality industries. In addition, because schools are closed from mid-March, most goods do not have any demand since they are mostly used as school tiffin's. Moreover, Bangladesh's ice cream industry is not comparable to any other industry, nor to any other region. In Bangladesh, a vested interest group raised a false alarm against the consumption of ice cream by circulating that the consumption of ice cream triggers the possibility of COVID-19.

In short, the volumes of Taufika Foods and Lovello Ice-Cream PLC were directly affected by the lock-down steps imposed by the Government. In the meantime, the output of our subsidiaries and the important part of our business were below expectations; this challenging situation was reflected by the unfavorable situation in the country.

However, this pandemic severely weakened global trade, consumption, services, and the labour market in both developed and emerging markets. Global trade contracted by nearly 3.5 percent (year over year) in the first quarter, reflecting weak demand, collapse in cross-border tourism, supply chain disruptions, and supply dislocations triggered by shutdowns across the world. Several policy measures taken by the government will help the economy to recuperate from lost investment and consumption and bounce back to the economic growth momentum observed in the last decade. A pragmatic agricultural and rural credit policy has been adopted by relaxing terms and conditions for inclusive loan disbursement. In view of the importance of the agriculture sector in terms of employment generation, food security, and poverty reduction in the country, the target disbursement of agricultural credit is set at BDT 262.92 billion for FY21 which is about 9 percent higher than that of FY19. It is expected that policy measures and strategy taken by the government such as easy monetary, fiscal, and financial policies shall facilitate the rapid recovery of the economy to the pre-COVID-19 level.

Lovello Ice-cream

The company got its brand name 'LOVELLO' under the Taufika Foods and Lovello Ice-Cream PLC. Initially, the brand grew quickly and soon established itself as a popular ice cream brand in the country, securing one of the topper positions in the industry. Soon, in spite of facing stiff competition over the years, its market position rose to better position. This was possible due to the company introducing a large product line consisting of premium and regular segment of stick, cone, cup, tub, and mini-series of ice cream, the latter of which has generated sales both from urban areas as well as rural areas.

Performance of Taufika Foods and Lovello Ice-cream PLC in 2020-21.

The financial results of the Company for the year 2020-21 with a comparison of 2019-20 are summarized below:

(BDT in millions except per share data)	2020-21	2019-20
Revenue	850.8	942.87
Gross profit	355.89	390.48
Operating profit	216.2	241.2
Profit before tax	96.92	85.24
Tax	1.91	23.19
Profit after tax	95.01	62.05
Earnings per Share (EPS)	1.41	1.31

Statement of utilization of Proceeds raised through public offerings.

Taufika Foods and Lovello Ice-cream PLC. has received Taka. 300,000,000 (Taka Thirty Crore) only as Initial Public Offering (IPO) proceeds through subscription from January 03, 2021 to January 07, 2021 in the separate Bank Account with Trust Bank Ltd. Millennium Branch, Jahangir Gate, Dhaka Cantonment, Dhaka. Bank Account number is 0022-0320000775. In line with the condition number 4, Part C of the consent letter number BSEC/CI/IPO-301/2019/278 dated on November 30, 2020 of Bangladesh Securities and Exchange Commission (BSEC), fund utilization status as on June 30, 2021 is as follows:

Sl. No.	Purpose of Utilization	Allotment as per IPO (Tk.)	Total Utilization of Fund up to June 30, 2021	Unspent Balance (Taka)
1	Acquisition of plant & machinery	90,365,003	53,294,735	37,070,268
2	Freezer purchase	57,849,847	38,045,200	19,804,647
3	Vehicle's purchase	20,564,250	13,041,752	7,522,498
4	Investment in depot to increase	13,220,900	-	13,220,900
5	To meet up IPO expenses	28,000,000	27,764,472	235,528
6	Bank loan repayment	90,000,000	90,000,000	-
	Total IPO proceeds	300,000,000	222,146,159	77,853,841
7	Interest income	303,036	-	303,036
8	Source Tax	(30,304)	-	(30,304)
9	Foreign exchange loss & Bank charges	-	84,411	(84,411)
	Total IPO Proceeds & Interest Income/ (Bank Charges)	300,272,732	222,230,570	78,042,162

Significant deviation in operating results & significant variance between quarterly and annual results

Despite the devastating impact of COVID-19 Taufika Foods and Lovello Ice-Cream PLC able to conclude the year with satisfactory turnover. There was no significant deviation from the last year's operating result and between quarterly and annual financial results.

Five years data

Key operating and financial data of preceding 5 (five) years of the Company has been summarized on 26 page of this Annual Report.

Related party transaction

Compliant steps have been taken by the Board to avoid any conflict of interests that may arise, in transacting with related parties as per the definition of IAS. A statement of related party transactions has been presented in note no. 33 on 138 page of the Annual Report.

Events occurring after the reporting date

As at the date of this report, the directors are not aware of any matter or circumstance that has arisen since the end of the year 2020-21 that has significantly affected or may significantly affect the operations of the Company, the results of its operations or its state of affairs, which is not already reflected in this report other than the following:

On October 18, 2021, Taufika Foods and Lovello Ice-Cream PLC recommended 11 percent cash dividend. Details of the recommended dividend during the financial year are disclosed in Note 36 of the Financial Report.

Dividend

The Company will be paying 11% cash dividend for the year ended 2020-21. The Board of Directors in its meeting held on 27 October 2020 recommended "11% cash" dividend for the year 2020-21. As per Article-89, Schedule-1 of the Companies Act 1994, dividend shall be declared out of profit i.e. from current year's profit and from previous years' retained profit. During the year ended the company has registered profit of BDT 95.00 mn.

Taufika Foods and Lovello Ice-cream aims to provide commendable and sustainable rate of dividend to its shareholders.

The Board of Directors affirm that no bonus share or stock dividend has been or shall be declared as interim dividend.

Contribution to the National exchequer and the economy

During the year 2020-21, the company contributed a total amount of BDT 10.77 million as Corporate Tax, BDT 36.45 million as SD and BDT 150.96 million as VAT, in total BDT 198.19 million was paid to the national exchequer.

Management Discussion and Analysis

A management discussion and analysis signed by Managing Director regarding the Companies operation and position along with a brief discussion of changes in the financial statements has attached in the page no 66 to 69

Directors' Responsibilities for Financial Statements

The Board is responsible to present a fair, balanced and understandable assessment of the Company's position and prospect as part of good corporate governance and to that end the directors confirm to the best of their knowledge that-

- the Financial Statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- proper books of account as required by the law have been maintained;
- appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgements;
- the Financial Statements prepared in accordance with IAS//IFRS;

- the Financial Statements prepared on going concern basis;
- the minority shareholders have been protected from abusive action by or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress;

Accounting policies and maintenance of books of accounts

The Directors consider that in preparing the Financial Statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and that the International Accounting Standards have been followed. In preparing financial statements, information has been obtained from the books of accounts, which have been maintained properly as required by the applicable rules and regulations.

Observance of IAS, BAS, BFRS & applicable laws

The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable to ensure that the financial statements comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws. The Directors also confirm that the financial statements have been prepared in accordance with the International Accounting Standards and other applicable rules and regulations.

Fairness of the accounts

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of Companies Act, 1994. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of their profits for the year ended June 30, 2021.

Responsibility to Internal Control System

The Board of Directors is responsible to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. In this regard, the board has taken proper steps and sufficient care in building a system of internal control, which is reviewed, evaluated and updated regularly. The internal audit department of the Company conducts periodic audit to provide reasonable assurance that the established policies and procedures of the Company are consistently followed. The Audit Committee consists of three members from the Board of Directors. The Chairman of the Audit Committee is an Independent Director.

Risk and concerns:

The Board of Directors is in charge of determining the Company's fundamental attitude toward risk while setting out the risk principles as well as the level of risk exposure. The Board of Directors are responsible for formulating risk policies, determining methods to measure and manage risk, setting commensurate risk limits and monitoring their performance.

Fundamental principles of Taufika Foods and Lovello Ice-Cream PLC risk management philosophy are:

- Effectively managing and monitoring credit, interest rate, liquidity, market and operational risk and providing for appropriate allocation of capital among the types of risk.
- Managing risk in a forward-looking manner and identifying and analyzing risks from the beginning with the help of steering risk strategies, models and parameters.
- Creating maximum value for the shareholders, depositors and employees in long term.
- Being financially reliable and strong and establishing business relations with the stakeholders that will last for many years by creating the image of a profound institution that will stay in business permanently.
- Complying with Companies Act, Rule and Regulations of BSEC, Listing Regulations of Stock Exchanges and other guiding principles of BSEC.

Going concern

The Board of Directors has reviewed the Company's overall business plans, strategies and is satisfied that the Company has

adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements of the Company are prepared based on the going concern concept.

Corporate governance

Fundamentally, the conduct of the Company is guided by our core values, our code of ethics and a commitment to openness and transparency. LOVELLO's Board of Directors endeavors always to provide learned and strategic direction for the Company through applying the highest standards of corporate governance practice. To this end, we comply with all reporting regulations and requirements as defined in the Code of Corporate Governance issued by the Bangladesh Securities and Exchange Commission. Strengthening the policies and procedures by accommodating the changes in legislation and perspectives is our routine application to protect the Company from risk and introduce new policies necessary to steer the company on right and clear strategic direction. We work to ensure all governance matters are transparent to stakeholders as well as shareholders through channels such as the Annual General Meeting (AGM), quarterly financial statements and this annual report. The Board of Directors of the Company has always committed to maintain and practice an effective corporate governance structure. A detailed report on corporate governance has been set out on page 70 to 88 of this Annual Report.

Directors to retire, re-appointment and biographies of the Directors-

As per Article 104 of the Articles of Association of the Company, one-third of the Directors of the Company are required to retire by rotation at each Annual General Meeting (AGM). The retiring Directors are eligible to stand for re-election. The Company Secretary informed that there is no issues to elect or reelect of director in terms of the relevant provision of Articles of Association in this AGM.

Report on the compliance of the conditions of BSEC's notification

In accordance with the BSEC's Notification dated June 3, 2018, the Board of Directors are required to report on the compliance of certain conditions. The notification was issued for the purpose of establishing a framework for ensuring good governance practices in the listed companies for the interest of the investors and the capital market. The overall shareholding pattern and a statement on the compliance with the BSEC's conditions is given on Annexure-II of this annual report.

Pattern and distribution of shareholding-

As on June 30, 2021 the paid up capital of the Company is Tk. 850,000,000.00 subdivided by 85,000,000 shares of Tk. 10 each where the Sponsor/Directors Shareholders holding is 58.24%. The overall shareholding patterns of the Company as at the end of the year 2020-21 is shown in page 40 of this Annual Report.

Corporate responsibility

Taufika Foods and Lovello Ice-Cream PLC defines corporate responsibility as operating with veracity at all the times, sustaining the Company's long-term viability while contributing to the present and future well-being of all stakeholders.

We, at the company, recognize that we have certain responsibilities to our clients, shareholders, employees and to the communities in general. But the biggest contribution of the Company has to make the long-term sustainability of its business.

We value our shareholders and their rights. We are always committed towards our shareholders to preserve their rights and to enhance their return as much as possible. Considering this fact the management of Taufika Foods and Lovello Ice-cream PLC gives its best effort to:

- Keep standard operating performance that ranks among the best in the industry;
- Ensure effective corporate governance;
- Provide full and complete financial information;
- Give striking dividend.

We are committed to be equal opportunity employer, adhering to the highest social standards, the company seeks to provide a superior working environment for its employees based on diversity and respect for the importance of the individual.

Business ethics

Our customer welfare comes first. We ensure understanding our client's need, extending facilities to the right clients at just terms. We care our clients to enjoy consistent continuous service wherever we operate. We have complain box for taking care of

customer complaints with highest priority. All our Board, Management and employees strictly follows regulatory guidelines, instructions and all applicable laws, rules and regulations of the country.

Audit information

The Directors who held office at the date of this Director's Report confirm that:

- So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- The Directors have taken all the steps that they themselves ought to have taken as Directors in order to make themselves aware of any relevant information and to establish that the company's Auditors are aware of that information.

Auditors

Islam Quazi Shafique & Co. Chartered Accounts have expressed their willingness to become the statutory auditor of the company for the FY-2020-2021. In this regard the Audit Committee scrutinized and reviewed their proposals and recommended to the Board to appoint Islam Quazi Shafique & Co, Chartered Accounts as the external auditor of the Company for the FY-2020-2021.

The Board in its meeting held on October 18, 2021 recommended the shareholders to appoint Islam Quazi Shafique & Co., Chartered Accounts at a remuneration of Tk. 200,000 plus VAT.

The Audit Committee scrutinized and reviewed the proposals of Khalil & Associates, Cost and Management Accountant to be compliance auditor of the company and recommended to the Board for appointment.

The Board in its meeting held on October 18, 2021 also recommended the shareholders to Khalil & Associates, Cost and Management Accountant at a remuneration of Tk. 25,000 plus VAT as the compliance auditor for the year 2021.

Our employees and environment

The Management of Taufika Foods and Lovello Ice-cream PLC believes that Human Resources of any organization can make the difference in the Industry. Considering this thought the company recruits competent people, develop them as per the demand of the time and situation, and retain them with competitive and standard motivation-award and retention policies and practices.

The Company is committed to creating a working environment based on the values of equal opportunity, diversity and meritocracy. All the Company's activities are reinforced by its governance structure, which complies with the leading codes of best practices.

Product Responsibility and Customer Health & Safety

The Company believes that the modern day Consumers demand quality, convenience and value for money from the brands they choose and all our products sold under the brand names of LOVELLO score high in this regard. The Company complies with stringent international standards/ ISO certifications for hygiene and food safety.

Furthermore, our prime focus on the highest quality standards run through all the functions in the Company from sourcing and quality standard are maintaining from end-to-end covering to product innovation, manufacturing, marketing and are embedded in the genes of our staff. Our well-equipped Quality Assurance and Research and Development laboratories help us to deliver our promise of high quality products to our consumers.

Directors' meeting, attendance & remuneration

During the year ended June 30, 2021 total 08 meetings were held. During this year, all of the Directors serving on the Board attended were more than 80 percent of the aggregate of the total number of meetings of the Board of Directors. The attendance in the Board and Committee meetings by each Director is given in Annexure-I on page 63 of this Annual Report. Please note that the amount of total remuneration which has paid to the Directors including Independent Directors is given on page 139 of this Annual Report.

Signing of Report

The Board in its meeting on June 2021 authorized the Chairman, Datin' Shamima Nargis Haque to sign Director's report and any addendum thereto.

Acknowledgement

We would like to concede and place on record our appreciation to our valued clients, depositors and shareholders for the confidence in Taufika Foods and Lovello Ice-Cream PLC. Our sincere gratitude to the Bangladesh Telecommunication Regulatory Commission, Bangladesh Securities and Exchange Commission, Dhaka and Chittagong Stock Exchanges, NBR, Banks and Financial Institutions, Other government bodies and statutory auditors for their positive suggestions and supports. We also express our pleasure for the commitment and efforts put in by the employees at all levels of the Company.

For and on behalf of the Board,



Datin' Shamima Nargis Haque
Chairman



Annexure-1

Board Meetings and Attendance by the Directors

Attendance by the Directors in the Board of Directors' Meeting in 2020-2021 are summarized and given below:

Sl. No	Name	Number of Meeting	Number of Attendance	(%)
1	Datin' Shamima Nargis Haque, Chairman	8	6	75%
2	Dato' Engr. Md. Ekramul Haque, Managing Director & CEO	8	8	100%
3	Muhsinina Taufika Ekram, Director	8	5	63%
4	Taufika Engineering Ltd. (Represented by Kawser Ahmed), Director	8	8	100%
5	Imtiaz Lutful Baset, FCMA, FCA, Independent Director	8	7	88%

Audit Committee Meetings and Attendance by the Directors

Attendance by the Directors in the Audit Committee Meeting in 2020-2021 are summarized and given below:

Sl. No	Name	Number of Meeting	Number of Attendance	(%)
1	Imtiaz Lutful Baset, FCMA, FCA, Independent Director, Chairman of the Committee	4	4	100%
2	Muhsinina Taufika Ekram, Director, Member of the Committee	4	4	100%
3	Kawser Ahmed, Nominee Director of Taufika Engineering Ltd., Member of the Committee	4	4	100%

NRC Meetings and Attendance by the Directors

Attendance by the Directors in the NRC Meeting in 2020-2021 are summarized and given below:

Sl. No	Name	Number of Meeting	Number of Attendance	(%)
1	Imtiaz Lutful Baset, FCMA, FCA, Independent Director, Chairman of the Committee	1	1	100%
2	Muhsinina Taufika Ekram, Director, Member of the Committee	1	1	100%
3	Kawser Ahmed, Nominee Director of Taufika Engineering Ltd., Member of the Committee	1	1	100%

Annexure-2

Shareholding Pattern

Shareholding Position as on 30th June 2021

Group Name	No. of Shares	Shareholding (%)
Sponsor / Director	49,500,000	58.24%
Institute	4,692,000	5.52%
General Public	30,808,000	36.25%
Total	850,000,000	100%

A. Parent or Subsidiary or Associated Companies and other parties

Name	No. of Shares	Shareholding (%)
Taufika Engineering Limited (TEL)	11,550,000	13.59%

B. Director's and their spouses and minor children

Name	Status	No. of Shares	Shareholding (%)
Datin' Shamima Nargis Haque	Chairman	2,900,000	3.41%
Dato' Engr. Md. Ekramul Haque	Managing Director & CEO	33,000,000	38.82%
Muhsinina Taufika Ekram	Director	2,050,000	2.41%
Taufika Engineering Ltd. (Represent by Kawser Ahmed)	Director	11,550,000	13.59%
Imtiaz Lutful Baset FCMA, FCA	Independent Director		
Their minor children do not have shareholding			

Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their Spouses and Minor children

Name	Status	No. of Shares	Shareholding (%)
Mustaque Ahmad	Chief Financial Officer	-	-
A.K.M Zakaria Hossain, FCMA	Company Secretary & Compliance Officer	-	-
Mohammad Didarul Alam, FCMA	Head of Internal Audit	-	-
Their Spouses and minor children do not have shareholding			

C. Executives and their spouses and minor children: Nil

D. Shareholders holding ten percent or more voting interest in the company

Name	Status	No. of Shares	Shareholding (%)
Dato' Engr. Md. Ekramul Haque	Managing Director	33,000,000	38.82%
Taufika Engineering Ltd. (Represent by Kawser Ahmed)	Director	11,550,000	13.59%

Internal work environment



MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

1. Overview of Business:

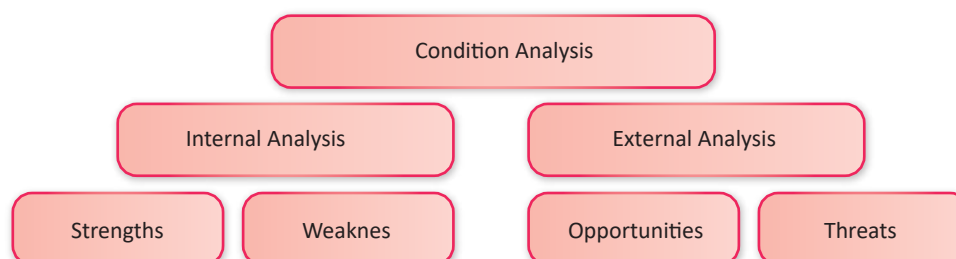
Taufika Foods and Agro Industries Limited changes into Taufika Foods and Lovello Ice-Cream PLC was incorporated in Bangladesh as a Private Limited Company under The Companies Act, 1994 vide Registration No. C-94700/11 dated August 07, 2011. Subsequently, the Company was converted into a public limited Company dated 08 July, 2019. The Company started its commercial operation on January 02, 2016. Its Corporate Head Office located at Plot-80, Road-2, Banani (Chairman Bari), Dhaka-1213, Bangladesh and Factory is located at Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh. The Company is an Ice-cream manufacturer and supplier in Bangladesh.

Business Strategy:

- Using modern machineries and manufacturing technology.
- Maintaining Total Quality Management (TQM) in every aspect.
- Establishing Service Excellence.
- Ensuring right products in the right market in right time.
- Market segmenting with customized products.
- Focusing with customers need.
- Continuous expansion and improvement of product.
- Offering value for money products with 100% satisfaction.
- Retaining and maintaining a consistent growth.
- Taking necessary precautions to reduce environmental impact to a minimum level.

Company uses different media like Facebook, Twitter, Instagram, TV Advertisement, attend fair to introduce the product to consumer. Sponsorship at key events to promote sales. Live telecast of TV programs. Package offers with leading customers of the country. On the other hand, company has its own Sales team and Marketing team to provide the best service to final consumer.

2. SWOT Analysis:



Strengths:

- Newly established company producing quality product with good taste.
- Management team are well experienced and credible.
- Back up by the entire current and fixed assets of the project.
- Good Product range including various flavors, party pack, sticks, cones, mini product etc.
- Wide variety of unique ice cream and dessert flavors.
- High quality product.
- Established and recognized brand.

Weaknesses:

- Newly established company having less market share.
- Difficulties in penetrating a new market.
- Tough competition in the market from international and national ice cream products.
- Size of market is limited as the supply of the product is very difficult.
- Seasonal sales of the product.
- General problem faced by ice cream manufacturing companies like load shedding problem, damage return and untimely delivery to retailers.
- Credit facilities is not secured by land and building.

Opportunities:

- The consumption of ice cream and frozen dessert is increasing in hotels, restaurant, parties and various other occasions. As the company is catering quality product with good taste in reasonable price there is high demand of product and company has good opportunities to grow in the future.
- The Company is expanding its business in major cities
- National GDP is growing rapidly so we are thinking luxurious product like ice cream consumption will be increase day by day.
- Rising income, change in lifestyle party cultures.
- Large young population and very hot summer.
- High economic growth and market liberalization.
- Growing Ice cream market.

Threats:

- There is threat of competition from international and national brands like Polar, Igloo, Baskin Robbins, etc.
- Country's prolonged political transitions, uncertain economic situation, labor pricing and load shedding has adversely affected the business environment of the country.
- Low income population and threat of infrastructure.
- Economical and regulatory changes.
- Threat of substitutes.
- Local ice creams and sweet dishes.
- Health conscious people refraining from sweets.

3. Analysis of the financial statements of last five years with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.

Particulars	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Sales	850,801,390	942,869,150	922, 889, 785	778, 975,897	478,531,399
Other Income	3,598,895	3,455,781	6,102,220	5,192,925	3,178,685
Total Income	854,400,285	946,324,931	928,992,005	784,168,822	481,710,084
Cost of Material	494,909,633	552,392,597	537,504,916	455,142,393	295,494,192
Finance Cost	118,035,700	155,147,618	161,134,907	126,213,752	94,448,658
Depreciation Expenses	126,693,974	119,517,521	109,641,705	94,753,347	80,234,499
Inventory	299,734,955	264,612,631	218,927,157	171,287,614	112,781,720
Net profit before tax	96,920,833	85,242,551	91,279,503	82,889,168	28,764,074
Net Profit after tax	95,007,875	62,053,062	61,645,286	42,548,150	2,500,498
Earnings per Share (EPS)	1.41	1.31	10.05	7.87	2.61

Reason of Fluctuation:

Revenue

There was a steady growth in the sales revenue during the last five years due to installation of new machineries & market demand.

Other Income

Other income comes from scrap sales, rent received against Freezer rent income rest from FDR interest. The reasons for fluctuation in other income are for changes of rent received from Freezer.

Total Income

Since Revenue have increased over the last five years, so naturally total income is increased.

Cost of Material

The costs of materials to revenue are consistent over the years.

Finance Cost

The company deals with various bank. It has taken short term and long term loan and finance lease from LBFL to lease vehicles. The amount of these loans varied over the last five years which generally rose year after year significantly and cause to increase financial cost gradually.

Depreciation & Amortization expenses

The increase and decrease of depreciation is relevant with the procurement and installation of machineries and equipment.

Other Expenses:

The company incurred no other expenses other than regular expenses during the last five years.

Change in Inventory

Changes in Inventory is relevant with the change with revenue in the last five years.

Net profit before & after Tax and Earnings per Share (EPS)

The company's net profit before and after tax becomes rational with sales volume and operating expenses. EPS fluctuated due to uneven net profit but rational in line with income statement.

However, the growth of net profit before tax is consistent with the growth of the revenue. No unusual changes have been occurred during the last five years on the above matters.

Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business;

There are no known trends and events that shall have a material impact on the company's future business but the business operation of the Company may be affected by the following uncertainties:

- Increased Competition;
- Govt. Policy Changes towards the industry;
- Political unrest;
- Natural disaster.

Trends or expected fluctuations in liquidity;

There are no trends of expected fluctuations in liquidity.

Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition;

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.



CORPORATE GOVERNANCE



REPORT TO THE SHAREHOLDERS OF TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by Taufika Foods and Lovello Ice-Cream PLC as on 30 June, 2021. This Code relates to the Notification No: BSEC/CMRRCD 2006-158/207/Admin/80, dated - 3rd June, 2018, of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission complied;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code complied;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws complied; and
- (d) The Governance of the company is highly satisfactory.

Place: Dhaka
Date: October 27, 2021

Sd/-
Md. Ibrahim Khalil FCMA
Principal & CEO Khalil & Associates
Cost and Management Accountant

TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006- 158/207/Ad-min/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No	Title	Compliance Status		Remarks (If any)
1.	Board of Directors:-			
1 (1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC Board is comprised of 05 Directors.
1 (2)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-			
1 (2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		The number of independent director of the company is 01 (one)
v1 (2) (b)	For the purpose of this clause "independent director" means a director			
1 (2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paidup shares of the company;	√		
1 (2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	√		
1 (2) (b) (iii)	who has not been an executive of the company in immediately preceding 2(two) financial years;	√		
1 (2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		

1 (2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1 (2) (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1 (2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1 (2) (b) (viii)	who is not independent director in more than 5 (five) listed companies;	√		
1 (2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1 (2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1 (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1 (2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		No vacancy Occurred
1 (2) (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the $\text{Kv}\mu\text{vbx AvBb, 1994 (1994 m}\mu\text{bi 18bs AvBb)}$ Companies Act, 1994).	√		
1 (3)	Qualification of Independent Director.-			
1 (3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1 (3) (b)	Independent director shall have following qualifications:			
1 (3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	-	-	N/A

1 (3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	-	-	N/A
1 (3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	√		
1 (3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	-	-	N/A
1 (3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-	-	N/A
1 (4)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive (CEO) of the company shall be filled by different individuals;	√		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive (CEO) of a listed company shall not hold the same position in another listed company;	√		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non -executive directors of the company;	√		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive ;	√	-	

1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non -executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1 (5)	The Directors' Report to Shareholders The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994): -			
1 (5) (i)	An industry outlook and possible future developments in the industry;	√		
1 (5) (ii)	The segment -wise or product -wise performance;	√		
1 (5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1 (5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1 (5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	-	-	N/A
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1 (5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	-	-	N/A
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	-	-	N/A
1 (5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	-	-	N/A
1 (5) (x)	A statement of remuneration paid to the directors including independent directors;	√		
1 (5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained	√		
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		

1 (5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1 (5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1 (5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	-	-	N/A
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1 (5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		N/A
1 (5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1 (5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1 (5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1 (5)(xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	-	-	N/A
1 (5)(xxiii) (b)	Directors, Chief Executive, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		All directors other than Independent directors hold shares of the company.
1 (5) (xxiii)(c)	Executives; and	-	-	N/A
1 (5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	a brief resume of the director	√		

1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	N/A
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;			
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√ √		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure - A; and	√		
1(5)(xxvii)	(xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure -B and Annexure - C .	√		
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		

1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive of the company;	✓		
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	Governance of Board of Directors of Subsidiary Company.-			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	-	-	N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	-	-	N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	-	-	N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	-	-	N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
3	Managing Director (MD) or Chief Executive (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3 (1)	Appointment			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓	-	N/A

3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3 (2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		
3 (3)	Duties of Managing Director (MD) or Chief Executive (CEO) and Chief Financial Officer (CFO)			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3 (3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3 (3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	-	-	N/A
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4	Board of Directors' Committee.- For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4 (i)	(i) Audit Committee; and	√		
4 (ii)	(ii) Nomination and Remuneration Committee.	√		
5	Audit Committee.-			
5 (1)	Responsibility to the Board of Directors.			
5 (1) (a)	The company shall have an Audit Committee as a subcommittee of the Board;	√		
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		

5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	✓		
5 (2)	Constitution of the Audit Committee			
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5 (2) (c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstances causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	✓		
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5 (3)	Chairperson of the Audit Committee			
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		

5 (4)	Meeting of the Audit Committee			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5 (5)	Role of Audit Committee The Audit Committee shall: -			
5 (5) (a)	Oversee the financial reporting process;	√		
5 (5) (b)	monitor choice of accounting policies and principles;	√		
5 (5) (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5 (5) (d)	oversee hiring and performance of external auditors;	√		
5 (5) (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5 (5) (f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5 (5) (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5 (5) (h)	review the adequacy of internal audit function;	√		
5 (5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5 (5) (j)	review statement of all related party transactions submitted by the management;	√		
5 (5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5 (5) (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		

5 (5) (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee	-	-	N/A
5 (6)	Reporting of the Audit Committee	-		
5 (6) (a)	Reporting to the Board of Directors			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board.	√		
5 (6) (a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
5 (6) (a) (ii) (a)	report on conflicts of interests;	-	-	N/A
5 (6) (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-	-	N/A
5 (6) (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-	-	N/A
5 (6) (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	N/A
5 (6) (b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier	-	-	N/A
5 (6) (7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		

6	Nomination and Remuneration Committee (NRC).-			
6 (1)	Responsibility to the Board of Directors			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6 (1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	√		
6 (2)	Constitution of the NRC 6			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;	√		
6 (2) (b)	All members of the Committee shall be non-executive directors;	√		
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6 (2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6 (2) (g)	The company secretary shall act as the secretary of the Committee;	√		
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6 (3)	Chairperson of the NRC			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		

6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	√		
6 (3) (c)	Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		
6 (4)	Meeting of the NRC			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;	√		
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6 (2) (h);	√		
6 (4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6 (5)	Role of the NRC			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6 (5) (b) (i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to 13 the remuneration of the directors, top level executive, considering the following:	√		
6 (5) (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6 (5) (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6 (5) (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		

6 (5) (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6 (5) (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6 (5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6 (5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6 (5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	External or Statutory Auditors. -			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -			
7 (1) (i)	appraisal or valuation services or fairness opinions;	√		
7 (1) (ii)	financial information systems design and implementation;	√		
7 (1) (iii)	book -keeping or other services related to the accounting records or financial statements;	√		
7 (1) (iv)	broker -dealer services;	√		
7 (1) (v)	actuarial services;	√		
7 (1) (vi)	internal audit services or special audit services;	√		
7 (1) (vii)	any service that the Audit Committee determines;	√		
7 (1) (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7 (1) (ix)	any other service that creates conflict of interest.	√		
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		

7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company.-			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	√		
8 (2)	The company shall keep the website functional from the date of listing.	√		
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance.-			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√	-	

Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.

In accordance with the currently accepted Best Practice and Corporate Governance Code adopted by Bangladesh Securities and Exchange Commission (BSEC), the Board appointed Audit Committee and Nomination and Remuneration Committee (NRC) comprises of the following:

Audit Committee Members Name

SL No.	Name & Position
1	Imtiaz Lutful Baset, FCMA, FCA, Independent Director, Chairman of the Committee
2	Muhsinina Taufika Ekram, Director, Member of the Committee
3	Kawser Ahmed, Nominee Director of Taufika Engineering Ltd., Member of the Committee

** The company secretary shall act as the secretary of the Committee.*

Nomination and Remuneration Committee (NRC) Members Name

SL No.	Name & Position
1	Imtiaz Lutful Baset, FCMA, FCA, Independent Director, Chairman of the Committee
2	Muhsinina Taufika Ekram, Director, Member of the Committee
3	Kawser Ahmed, Nominee Director of Taufika Engineering Ltd., Member of the Committee

** The company secretary shall act as the secretary of the Committee.*

The terms of reference of the audit committee has been agreed upon as follows:

- To review all internal and external audit report.
- To recommend the statutory annual audited financial statements to the Board of Directors for approval.
- To review the finding of the internal and external auditors.
- To review and approve the Annual "Audit Plan" of the Internal Audit Department.
- To monitor the implementation of the recommendations of the Internal and External auditors.
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees.
- To review the quarterly, half-yearly and annual financial statements before submission to the Board, focusing particularly on.
- To review the company's statement on internal control systems prior to endorsement by the Board.
- The company secretary shall be the secretary of the audit committee.

The terms of reference of the Nomination and Remuneration Committee (NRC) has been agreed upon as follows:

- To assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company
- Determining the remuneration packages
- Review the Annual Confidential Report (ACR) of senior management of the company
- Review and oversee the Company's overall human resources strategy.

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee is a sub-committee of the Board of Directors of the Company and its role is to assist the Board in fulfilling their oversight responsibilities defined in the BSEC's Corporate Governance Code.

The NRC, in compliance with the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), is comprised of three Directors of the Board of which one is Independent Director. The Independent Director is the Chairman of the Committee.

The terms of reference of the Nomination and Remuneration Committee (NRC) have been adopted by the Board as per BSEC notification. The NRC assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as to develop policy for formal process of considering remuneration of directors, top level executives.

Imtiaz Lutful Baset, FCMA, FCA, Chairman of the Committee is an Independent Director. Detailed qualifications of the existing members of the Committee are set out on pages of this Annual Report. The Committee formally met once during the year under review. The NRC of Copper tech Industries Limited observed the following activities:

- To assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company.
- Determining the remuneration packages.
- Review the Annual Confidential Report (ACR) of senior management of the company.
- Formulated Nomination and Remuneration Policy.
- Formulated Board Evaluation Policy.
- Reviewed Training and Development Policy.
- Reviewed nomination of the directors to be re-elected in retire by rotation.
- Reviewed reappointment of Managing Director.

Nomination and Remuneration Committee (NRC) expressed their sincere thanks to the members of the Board of Directors, management of the Company for their support and co-operation.

Imtiaz Lutful Baset, FCMA, FCA
Chairman
September 27, 2021

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is a sub-committee of the Board of Directors of the Company and its role is to assist the Board in fulfilling their oversight responsibilities regarding the integrity of Lovello's financial statements, risk management, internal control & compliance with legal and regulatory requirements, the external auditors' performance, qualifications and independence and the performance of the internal audit function.

The Audit Committee, in compliance with the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), is comprised of three Directors of the Board of which one is Independent Director. The Independent Director is the Chairman of the Committee.

For the purposes of the Corporate Governance Code, all the members of Committee are financially literate and Imtiaz Lutful Baset, FCMA, FCA, and Chairman of the Committee is the financial expert. During the financial year under review the Committee met five times.

During the year 2020-21, the Audit Committee of the Company met five and reviewed the following:

- Reviewed the financial statements of the company for the year ended on June 30, 2020
- Reviewed the Company's 1st Quarterly Un-Audited Financial Statements- Statement of Financial Position, Statement of Comprehensive Income, statement of Changes in Equity, statement of Cash Flows and related explanatory notes as on 30 September 2020.
- Reviewed the Company's Half Yearly Un-Audited Financial Statements- Statement of Financial Position, Statement of Comprehensive Income, and Statement of Changes in Equity, statement of Cash Flows and related explanatory notes as on 31 December 2020.
- Reviewed the Company's 3rd Quarterly Un-Audited Financial Statements- Statement of Financial Position, Statement of Comprehensive Income, statement of Changes in Equity, statement of Cash Flows and related explanatory notes as on 31 March 2021.
- Recommended for appointment of External Auditors and fixation of their remuneration.
- Recommended for appointment of compliance auditor.
- Reviewed the management discussion and analysis.
- Reviewed the Internal Audit Report and Compliance plan.
- Reviewed the adequacy of internal control and systems.
- Reviewed the financial reporting process.
- Reviewed the choice of accounting policies and principles.
- Reviewed the management letter issued by the statutory auditor.
- Reviewed the effectiveness and independence of the statutory auditors.
- Evaluate the performance of statutory auditor.
- Reviewed the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.

The Audit Committee expressed its sincere thanks to the members of the Committee, Board, Management and the auditors for their support in carrying out their duties and responsibilities.

Imtiaz Lutful Baset, FCMA, FCA
Chairman
Audit Committee

TERMS OF PREFERENCE OF NRC

Regulatory Framework

Clause 6 (1) (c) read with the applicable Clauses of Corporate Governance Code of Bangladesh Securities and Exchange Commission require the Board to clearly set forth in writing the duties of the Nomination and Remuneration Committee (NRC).

This Terms of Reference of the Nomination and Remuneration Committee is framed as per the requirements of the aforesaid governance code.

Constitution

The Board has resolved to establish a Committee of the Board to be known as the Nomination and Remuneration Committee. The Nomination and Remuneration Committee assists the Board in fulfilling its oversight responsibilities in respect of:

- Formulation of nomination criteria for appointment of directors, chief executives and other top level executives;
- Formulation of remuneration policy for the directors and top level executives;
- Devising policy on Boards diversity;
- Formulation of Policy on Evaluation of performance of the Board of Directors, Committees and individual Directors;

Membership

- The membership of the Committee is as appointed by the Board from time to time from amongst the non-executive directors;
- The Committee comprises of three members including Independent Directors;
- The Independent Directors will be appointed by the Board and approved by the shareholders for a term of three years and term can be extended for another three years. A former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years];
- Except Independent Director the membership of other directors is subject to annual re-election by the shareholders;
- The Committee has a Chairman selected by the Board who shall be an Independent Director.
- When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 180 days from the date of vacancy(ies) in the Committee.
- The members of the committee can be changed/removed at the discretion of the Board of Directors at any time.

Secretary

The Company Secretary shall act as the Secretary of the Committee.

Meetings

- The Committee meets at least once in a year, with authority to convene additional meetings as circumstances require;
- Meetings are convened by written notice served on each of the members by the Secretary of the Nomination and Remuneration Committee, such notice to be served at least two days prior to the meeting;
- All members of the Committee are expected to attend each meeting;
- The quorum necessary for the transaction of business shall be two Committee members, the quorum of the Nomination and Remuneration Committee meeting shall not constitute without presence of at least 1(one) independent director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, duties and discretions vested in or exercisable by the Committee;
- Meetings of the Committee may be attended by the Chairman, MD and CFO's, HR executives and outside expert at the invitation of the Committee;
- In the absence of the Committee Chairman the remaining members shall elect any of them present to chair the meeting;
- Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- The Secretary shall be responsible, in conjunction with the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting. The Secretary will also be responsible for liaising with the Executive Team to ensure that all papers, reports etc. required by the Committee are forwarded to them in a timely manner.

Minutes of Meetings

- The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- Conflicts of interest must be declared by Committee members at the beginning of meetings and the Secretary should record any such declaration in the minutes.

- The Committee Secretary shall promptly circulate draft meeting minutes to the Committee Chairman for review and subsequently to all members of the Committee. Meeting minutes shall be confirmed at the next meeting of the Committee and tabled as soon as practicable thereafter at a meeting of the Board.

Annual General Meeting

The Committee Chairman shall present at the Annual General Meeting and respond to any questions regarding the Committee's activities at the Annual General Meeting of the Company's Shareholders.

Duties & Responsibilities

NRC shall oversee, among others, the following matters and make report with recommendation to the Board:

- (i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- (ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- (iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- (iv) formulating the criteria for evaluation of performance of independent directors and the Board;
- (v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (vi) developing, recommending and reviewing annually the company's human resources and training policies;

Reporting Responsibilities

- The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- The Committee shall compile a report to shareholders on its activities to be included in the company's Annual Report.

Others

The Committee shall also:

- Review annually its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- Undertake any other projects relating to its remit which it considers appropriate or as requested by the Board.

Authority

The Committee is authorized by the Board:

- To seek any information it requires from any employee of the company in order to perform its duties;
- To obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;
- To call any employee to be questioned at a meeting of the Committee as and when required; and
- To gain unrestricted access to all books and records of the Company.

TERMS OF PREFERENCE OF THE AUDIT COMMITTEE

Regulatory Framework:

Clause 5 (1) (c) read with the applicable Clauses of Corporate Governance Code of Bangladesh Securities and Exchange Commission require the Board to clearly set forth in writing the duties of the Audit Committee.

This Terms of Reference of the Audit Committee is framed as per the requirements of the aforesaid governance code.

Constitution

The Board has resolved to establish a Committee of the Board to be known as the Audit Committee. The Audit Committee assists the Board in fulfilling its oversight responsibilities in respect of:

- the integrity of Company's financial statements;
- Company's risk management and internal control arrangements;
- Company's compliance with legal and regulatory requirements;
- the performance, qualifications and independence of the external auditors; and
- the performance of the internal audit function.

Membership

- The membership of the Committee is as appointed by the Board from time to time from amongst the non-executive directors except Chairman;
- The Committee comprises of three members including Independent Directors;
- Each member of the Committee should be 'financially literate'. One member of the Committee should be a 'financial expert' who shall have accounting correlated financial management background and 10 (ten) years of such experience. The 'financial expertise' of this member is adjudged by the Board in accordance with the requirements of current legislation and regulation, and in the light of relevant codes of practice;
- The Independent Directors will be appointed by the Board and approved by the shareholders for a term of three years and term can be extended for another three years. A former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years];
- Except Independent Director the membership of other directors is subject to annual re-election by the shareholders;
- The Committee has a Chairman selected by the Board who shall be an Independent Director.
- When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee.
- The members of the committee can be changed/removed at the discretion of the Board of Directors at any time.

Secretary

The Company Secretary shall act as the Secretary of the Committee.

Meetings

- The Committee meets at least four times a year, with authority to convene additional meetings as circumstances require;
- Meetings are convened by written notice served on each of the members by the Secretary of the Audit Committee, such notice to be served at least two days prior to the meeting;
- All members of the Committee are expected to attend each meeting;
- The quorum necessary for the transaction of business shall be two Committee members, the quorum of the Audit Committee meeting shall not constitute without presence of at least 1(one) independent director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, duties and discretions vested in or exercisable by the Committee;
- Meetings of the Committee may be attended by the Chief Executive Officer, Chief Financial Officer, Chief Auditor, Chief Legal Officer, the lead partner of the external auditors, and other Directors and executives at the invitation of the Committee;
- In the absence of the Committee Chairman, if there is more than one Independent Directors, the remaining members shall elect the other Independent Director present to chair the meeting;
- Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- The Secretary shall be responsible, in conjunction with the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting. The Secretary will also be responsible for liaising with the Executive Team to ensure that all papers, reports etc. required by the Committee are forwarded to them in a timely manner.

Minutes of Meetings

- The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- Conflicts of interest must be declared by Committee members at the beginning of meetings and the Secretary should record any such declaration in the minutes.
- The Committee Secretary shall promptly circulate draft meeting minutes to the Committee Chairman for review and subsequently to all members of the Committee. Meeting minutes shall be confirmed at the next meeting of the Committee and tabled as soon as practicable thereafter at a meeting of the Board.

Annual General Meeting

The Committee Chairman shall present at the Annual General Meeting and respond to any questions regarding the Committee's activities at the Annual General Meeting of the Company's Shareholders.

Duties & Responsibilities

1. Risk Management and Internal Control

The Committee shall:

- Evaluate whether:
 - the Management has been able to build up the appropriate administration culture regarding the importance of internal control system and risk management;
 - employees have been provided clear instruction on their duties & responsibilities and full control on their work.
- Review the recommendations as provided time to time by the internal and external auditors to build a strong internal control frame work have been administered by the Management or not;
- Review the existing Risk Management process to ensure effective mitigation & control system;
- Inform the Board regularly after review of the steps taken against findings of forgery, limitations of internal control system or identification of similar sectors by the internal, external and inspection team, if any, of regulatory authority;
- Monitor the effectiveness of the Company's risk based internal control system, make such recommendations as the Committee considers desirable. Among other things the Committee shall have access to all reports of the Head of Internal Audit and Control and the External Auditors and information relating to policy and management responsibilities with regard to risk management and internal control, the adequacy of disclosure controls and procedures (including related certification and attestation processes), the avoidance of illegal payments and improper accounting practices, and identified weaknesses in the effectiveness of risk and control management.

2. Financial Reporting

The Committee shall:

- Review whether the financial statements are contained with full & applicable disclosures and are prepared in accordance with the policies and procedures and in compliance with accounting and reporting standards required by law and regulators;
- Oversee the financial reporting process
- Monitor choice of accounting policies and principles;
- Discuss with the external auditors and management before finalization of financial statements;
- Review and discuss the integrity of annual audited Company financial statements and quarterly financial statements with management and the External Auditors, including the financial contents of (and the notes to) the financial statements and management's commentary or discussion and analysis of the financial information and recommend to the Board for approval;
- Monitor and recommend interim results announcements and any other formal announcement relating to its financial performance;
- Review statement of all related party transactions submitted by the management.
- Review the Management's Discussion and Analysis before disclosing in the Annual Report;

3. Internal Audit

The Committee shall:

- Consider and approve the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions;
- Review and monitor management's responsiveness to the findings and recommendations of the internal auditor;
- Review and assess the annual internal audit plan;
- Review the adequacy of internal audit function;
- Monitor and review the expertise & effectiveness of the company's internal audit function in the context of the company's overall risk management system;
- Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- Approve the appointment and removal of the head of the internal audit function. The Committee shall consider, at least annually, the standards employed by the internal audit function, quality assurance procedures and auditor competence.
- Recommend to the Board for changing accounting principles, if any.
- The Chief Internal Auditor shall have direct access to the Committee Chairman and to the Committee as a whole, and any member of the Committee shall also have direct access to the Chief Internal Auditor.

4. External Audit

The Committee shall:

- Consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the company's external auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
- Review the annual audit activities and audit report;
- Approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
- Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
- Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the company (other than in the ordinary course of business);
- Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.
- Review the management's response to the auditor's findings and recommendations.

5. Compliance with existing Laws & Regulations

Review compliance with existing laws & regulations of the relevant regulators and policies approved by the Board.

6. Reporting Responsibilities

- The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- The Committee shall compile a report to shareholders on its activities to be included in the company's Annual Report.
- The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-
 - a) report on conflicts of interests;
 - b) suspected or presumed fraud or irregularity or material defect in the internal control system;
 - c) suspected infringement of laws, including securities related laws, rules and regulations;
 - d) any other matter which shall be disclosed to the Board of Directors immediately.

7. Reporting to the Authority

- If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Securities and Exchange Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

8. Others

The Committee shall also:

- Review annually its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- Report to the Board quarterly, regarding corrective measures taken against error, fraud, deceit, or other irregularities identified by the auditors (internal or external) or regulatory authority;
- Undertake any other projects relating to its remit which it considers appropriate or as requested by the Board.

9. Authority

The Committee is authorized by the Board:

- To seek any information it requires from any employee of the company in order to perform its duties;
- To obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;
- To call any employee to be questioned at a meeting of the Committee as and when required; and
- To gain unrestricted access to all books and records of the Company.



POLICY OF NOMINATION:

For the Board of a Company to be effective and efficient, it should comprise of individuals who have professional qualifications and proven experience in their respective fields of specialization.

The Nomination and Remuneration committee evaluates the Directors and recommends the Board for their appointment and ensures optimum composition of Board. While recommending appointment of an Individual as a Director on the Board, the committee has to review the following factors including the others:

- Diversity of the Board
- Qualification and positive attributes
- Independence of Directors (in the case of Independent Directors)

Regulatory Framework:

Clause 6 (5) (b) read with the applicable Clauses of Corporate Governance Code of Bangladesh Securities and Exchange Commission require the Nomination and Remuneration Committee of a company ("NRC") to recommend to the Board of Directors a policy, relating to the appointment, removal and remuneration of the directors, top level executives and to devise a policy on Board diversity.

The said governance code also require NRC to lay down the evaluation criteria for performance evaluation of Board, its Committees and individual directors. Further, the Board of Directors is responsible for monitoring and reviewing of the Board Evaluation framework.

The Board of Directors is also required to satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management.

This nomination policy is framed as per the requirements of the aforesaid governance code.

Criteria for Board Nominations:

The Nomination and Remuneration Committee (NRC) of the Board is responsible for identifying persons for initial nomination as directors and evaluating incumbent directors for their continued service. The following are the qualifications, positive attributes and independence criteria laid down by the NRC of aamra technologies limited in terms of Corporate Governance Code, Notification of BSEC and Companies Act, 1994 to be considered for nominating candidates for Board positions/appointment of directors.

Qualifications:

Personal Traits

- Highest personal and professional ethics, integrity and values.
- Shares the values and beliefs of the Company.
- Inquisitive and objective perspective, practical wisdom and mature judgment.
- Demonstrates intelligence, maturity, wisdom and independent judgment.
- Self-confidence to contribute to board deliberations, has a stature that other board members will respect his or her views.

Experience and Background

- Well accomplished in his / her respective field.
- Demonstrated success at policy-setting and strategy development levels in a large organization (such as corporation, government, academic institution or profession).
- Typically first level leadership position (i.e., Chair, MD & CEO or equivalent) or second level (i.e., COO, CFO or other CXO's) unless the Board is seeking a particular skill set (e.g., technology, human resources management or financial expert).
- Leadership role- at the time a potential director's initial candidacy is evaluated must either be current or very fresh and recent, and incumbent directors should continue to demonstrate a sophisticated understanding and current knowledge of complex business issues.
- A mastery of a broad knowledge area (e.g., engineering, finance, marketing, corporate affairs, technology, law, human resources management, executive leadership) that complements the skills of current board members and proposed board role.
- Absence of adverse events (e.g., bankruptcy affiliations, disqualifications under Companies Act 1994 or other applicable laws etc.) that either disqualify or require adverse disclosures.

Fit and proper

- The intangibles of demeanor, attitude and interpersonal skills that indicate the candidate will be an effective member of the board of directors “team” in a major company setting
- Should act on fully informed basis, in good faith, with due diligence and care and in the best interest of the Company and its stakeholders
- Should be able to exercise objective independent judgment on corporate affairs
- Special skills, expertise and background that contribute to the diversity of views and perspective of the board as a whole
- with respect to Directors being nominated for Independent position, the candidate should comply with the “Independence qualifications” as defined by applicable laws
- Willingness to devote sufficient time to carry out the duties and responsibilities effectively, including attendance at meetings
- Willingness to undertake appropriate induction and regularly update and refresh his/ her skills, knowledge and familiarity with the Company
- Commitment to representing the long-term interests of the shareholders and balancing the interests of stakeholders
- Willingness to challenge management in a constructive manner while working effectively as a part of a team in an environment of collegiality and trust
- Adhere to the code of conduct of the Company
- Protecting the legitimate interests of the Company, its shareholders and employees and maintain confidentiality
- Meets the age criteria and applicable tenor restrictions placed by the Board
- Absence of an unacceptable number of other board commitments
- Absence of personal and business relationships/directorship that would pose a conflict of interest to the Board position
- Absence of unfair obstruction in the functioning of the Board/Committees

Positive Attributes

The positive attributes for a director would encompass:

- Ethical Integrity & transparency
- Has/acquires sufficient knowledge in the Company’s business and operations
- Demonstrate sound judgement gained through experience & expertise in management/ technical/ financial /governance or regulatory matters
- Foresight - ability to see and prepare for future, anticipate needs, opportunities and threats
- Managerial abilities required to lead and guide the management such as effective communication skills, cultural sensitivity, flexibility, team player, strategic thinking, and balancing risk with opportunity, ability to juggle several variables and make complicated decisions etc.

Independence Standards:

A Director is independent if the Board affirmatively determines that he/she meets the

Independence criteria provided under the applicable laws. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relative to a director’s independence.

Two core objectives in selecting board members and continued board service are that the skills, experiences and perspectives of the Board as a whole should be broad and diverse, and the collective talent should blend together to be as effective as possible.

Independence of Directors (only in the case of Independent Directors):

Any relationship between the Company and Directors other than in the normal course will affect the Independence of Directors in many ways. The Committee shall assure that the candidate proposed for the position of Independent Director meets the minimum criteria for Independence set out in the Corporate Governance Code of BSEC.

POLICY ON REMUNERATION

The principles and criteria for the director, MD & COO, Senior Management employee remuneration policy will be annually reviewed by the Nominations and Remuneration Committee and the Board of Directors within the framework of their powers to maintain the alignment of the Company's remuneration policy with the best practices and trends in the market.

Therefore, the directors' remuneration for exercising their supervision and decision-making functions is based on the following main principles:

- The remuneration must be sufficient and conform to the directors' dedication, qualification and responsibilities but it must not compromise their independent criteria.
- The remuneration must be sufficient to attract and retain directors with the talent and profile desired by the Company.
- The remuneration must be competitive, which is achieved by establishing a remuneration package in line with market standards of comparable sectors and companies.

The MD & Chief Executive's remuneration for exercising his/her functions is based on the following main principles:

- Making sure that the compensation package can attract, retain and motivate the Chief Executive thanks to its structure and overall amount and be competitive with respect to the similar trend business standards, so that the Company can meet its strategic objectives within the increasingly competitive environment in which it operates.
- The MD & Chief Executives remuneration will necessarily be approved by the shareholders and disclosed in annual report.

The Nomination and Remuneration Committee shall recommend to the Board, remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to the managing director, the whole-time director, the executive directors, the chief executive officer and other senior management employee.

The remuneration to be paid to the managing director, the whole-time director, the executive directors, the chief executive officer and other senior management employee shall be determined keeping in view the market practice, the relative performance of the Company to the industry performance and individual performance and shall be subject to approval of appropriate authorities, as and when required.

Independent and non - executive directors may be paid such sitting fees for attending the meeting of the Board and its committees, as approved by the Board time to time.



BOARD EVALUATION POLICY

Purpose

This policy is intended to provide a framework for inclusion to promote diversity in the Board of Taufika Foods and Lovello Ice-Cream PLC.

The Board of Directors of Taufika Foods and Lovello Ice-Cream PLC. believes in the benefits diversity brings and it recognizes that diversity of thought makes prudent business sense. Having a board composed of men and women with diverse skills, experience, backgrounds and perspectives means:

- competitive advantage;
- robust understanding of opportunities, issues and risks;
- inclusion of different concepts, ideas, and relationships;
- enhanced decision-making and dialogue; and
- Heightened capacity for oversight of the organization and its governance.

Principles

The Board of Directors of Taufika Foods and Lovello Ice-Cream PLC believes that board diversity enhances decision-making capability and a diverse board is more effective in dealing with organisational changes and less likely to suffer from group thinking. We recognise that board diversity is an essential element contributing to the sustainable development of the Company.

In applying this Policy we recognise that directors are appointed by shareholders, not the Board or the Company. The right to appoint directors is one of the most important rights exercisable by shareholders and is not sought to be fettered by this Policy.

Objectives

The objectives of this Policy are, with the support of our shareholders, to have a Board which:

- a) is characterized by a broad range of views arising from different experiences when discussing business;
- b) facilitates the making of informed and critical decisions; and
- c) has sustainable development as its core value, and thus promotes the interests of all our stakeholders, particularly the long term interests of our shareholders, fairly and effectively.

Scope

For purposes of Board composition, diversity includes, but is not limited to, business and industry skills and experience, age, educational background, gender, and ethnicity. The Board will make good use of these differences and distinctions among individuals in determining the optimum composition of the Board.

Independence

The Board shall have an optimum balanced composition of Executive, Non-executive Directors and Independent Non-executive Directors as required by applicable laws so that there is a strong element of independence in the Board. The Independent Non-executive Directors shall be of sufficient calibre and stature for their views to carry weight. In so far as the independence of each of the Directors is concerned, this is a question of fact and the Board is committed to assessing this on an ongoing basis with regard to all relevant factors concerned.

Gender

LOVELLO is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment or discrimination on the basis of gender, physical or mental state, race, nationality, religion, age, family status, or any other attribute recognised by the laws of the country. The same principle is applied to the selection of potential candidates for appointment to the Board and thus the Board intends to ensure at least 30% female representation.

Nationality and Ethnicity

LOVELLO shall encourage of having a board of directors of different nationality or ethnic backgrounds, subject to fulfilment of required qualifications, who can contribute their knowledge and understanding of the environment, in which the company operates.

Skills and Experience

The Board shall possess a balance of skills appropriate for the requirements of the business of the Company. The Directors will have a mix of finance, marketing, legal and management backgrounds that taken together provide the Company with considerable experience in a range of activities.

Board Size

The size of the Board can have a significant impact on board diversity. The Board shall ensure that the total number of members shall not be less than 5 (five) and more than 20 (twenty).

Implementation

The Nomination and Remuneration Committee (NRC) has been delegated with the overall responsibility for implementation, monitoring and periodic review of this Policy. In assessing potential candidates for the Board, the NRC will consider the diversity perspectives, as set out in this policy.

The shareholders shall provide required information about the qualifications, experience, and other engagement etc. of each individual Board member so that the shareholders are aware of the composition of their Board, including diversity.

Publication and Revision

A summary of this Policy will be included annually in the Annual Report. This Policy is will also available on the company's website.

Any revisions to the Policy as recommended by the Nomination and Remuneration Committee will be submitted to the Board for consideration and approval.

Human Resource Metaphysics

Human Resource Management is a philosophy of people management based on the belief that human resources are uniquely important to grow and sustain business success. HR philosophy of Lovello refers its leadership style of the top management, the current corporate culture and practicing values. It is about the vision of the leader of the organization. Lovello believes in modern HR Management approach and builds the environment suitable for the evolution of the modern HR Management. Lovello respects and values the opinions of the main stakeholders. Lovello management and HR division puts continuous effort to change and develop the corporate culture for its stakeholders.

Importance of Human Resources

Understanding and responding to the trends shaping the future of work enables us to create the best possible environment for our workforce. In 2020-21, Lovello built on a number of initiatives to improve existing HR systems and processes as well as develop new tools to enhance the employee experience. These efforts will span recruitment and employer brand; development; engagement; performance and recognition; leadership and succession.

Recruitment and Employer Brand: Entry level candidates now respond to different approaches, for example through social media and virtual reality, as well as look for an authentic Employee Value Proposition. We have employed a number of these approaches. At the same time, in line with our focus on internal mobility, we have continued our efforts to retain expertise and experience by providing attractive career opportunities. Internal mobility also helps us turn necessary restructuring into an opportunity.

Development: As we adopt digital tools and new ways of working, we also need to ensure our employees are equipped with the right skills. To support this objective, we provide access to learning available anywhere and anytime via our digital learning platform. This covers the entire range of mandatory training and available learning at Lovello. Furthermore, reflecting our commitment to help employees develop professionally and personally and advance their careers, we are pursuing a cross-divisional approach to talent acceleration.

Engagement: It is crucial for us to understand what motivates and engages our employees and how they perceive their work environment. Therefore, we encourage open and regular dialogue between managers and their team members.

Performance and Recognition: Reflecting the ambitions and needs of our employees, we have adopted a holistic approach to performance management, which includes providing regular meaningful feedback and recognition, while holding people accountable and promoting continuous development. This approach is directly linked to our compensation framework and promotion process. In addition, to ensure our employees' financial, social, mental and physical wellbeing throughout all stages of their lives while employed at Lovello. The company provides various benefit packages to its employees in addition to monthly benefit of salary, wages and allowances. Lists of benefits provided for the employees are as follows:

Festival Bonus	The Company pays two festival bonus @ 100% of gross salary.
Yearly Increment/Promotions	Employees are awarded with a minimum increment of at least 10-20% of salary and promotion for extra ordinary performances.
Contribution to Workers' Profit Participation and Welfare Funds	The company makes a regular allocation of 5% on net profit after charging such contribution but before tax to this fund as per provision of Bangladesh Labour Law, 2006 and The company will transfer the fund to the trustee board and the trustee of the fund will take decision of disbursement and investment within the stipulated time.
Group Insurance	Employees of Taufika Foods and Lovello Ice-Cream PLC. receive group insurance facility from Metlife Insurance for any kind of injury during the course of their service in the company.
Provident Fund	Taufika Foods and Lovello Ice-Cream PLC. has established this Employees' Provident Fund by way of trust deed dated 05 day of June 2012 and recognized under the provisions of Part B, Paragraph – 2 (1) of the first schedule of the Income Tax Ordinance 1984 by the Commissioner of Income Tax having jurisdiction and to be known as the "Taufika Foods and Agro Industries Limited Employees' Provident Fund" effective from 1st January of 2019. This Provident fund is approved as per Income Tax Ordinance. Every member so admitted to the fund shall be bound to subscribe to the fund in each month during the period of his service a sum equal to 10% (ten percent) of his basic salary for that month to the nearest Taka & contributions are to be deducted from Members salary when it is disbursed and shall be paid by the company to the Trustees.

Leadership and Succession: To ensure we develop future leaders for the Lovello, we provide a number of cross-divisional programs to foster management and leadership skills. The purpose is to equip our people with the necessary capabilities to lead the organization through change, develop their teams, manage performance and ensure business success in line with the Lovello's strategy and our values and beliefs.

Diversity and Inclusion: Diversity and inclusion are vital to business success and are integral to all of our people practices and culture. Last year, we made further progress in our integrated, multi-dimensional approach.

Code of Conduct: Acting in accordance with our Code of Conduct is vital for us to be a socially responsible company that achieves sustainable success. The Code sets out our standards of behavior and conduct to which we expect our people to adhere. Our Code of Conduct should be at the heart of everything we do. Its success depends on all employees using their judgment to navigate what is sometimes a complex regulatory environment and seeking advice as appropriate. It also highlights that critical matters should be escalated promptly and appropriately. The Code is designed to ensure that we conduct ourselves ethically – with integrity, and in accordance with Lovello's policies and procedures as well as the laws and regulations that apply to us.

We are committed to advocating a "speak up" culture, an environment where all employees feel comfortable in voicing their concerns about misbehavior or any issues that they may come across in their daily work. "Speak up" is about supporting an open and honest dialogue across the organization. This includes providing feedback when things are going well and alerting management to potential problems and scope for improvements.

Rewarding Employees

A fair, transparent and sustainable approach to employee remuneration remains of crucial importance to the company. Our compensation strategy is focused on supporting a competitive and sound compensation practices. Our compensation framework aims to promote and reward sustainable performance and contributions at all levels of the organization. It provides a clear structure of compensation composition across the company.

Wellbeing

Our employees are our most important resource and we rely on them to help us shape the future of the company. For our people to stay healthy and engaged, perform well and thrive in their professional and personal lives we provide a comprehensive offering. In addition to competitive compensation, we offer provident fund which complement social security and private savings.

We provide a range of benefits to help our employees manage professional and personal commitments and achieve a healthy work-life balance. We believe that we can make a positive contribution to the good health of our people.

Employee Turnover & Retention

Lovello has an effective employee retention program which includes employee compensation, recognition and reward system, work-life balance, communication and feedback, effective teamwork etc. The Company also has the best practices in developing workplace culture for its employees. The company experiences minimum employee turnover.

Senior Leadership Development

We continue to place leadership and culture at the core of our transformation and change efforts. This includes intensified support for senior talent who drive performance, innovation and culture at Lovello. This phase of corporate talent management builds on existing executive practices by amplifying focus on board readiness, senior talent development and team effectiveness.

Workforce Management

Our workforce management concept enables us to achieve cost savings, while managing organizational change, strengthening our corporate culture and facilitating cross-divisional collaboration through a consistent approach to planning and defining roles.

Equal Employment Opportunity

Lovello believes to provide equal opportunity in all aspects of employment for all persons, to prohibit discrimination in employment because of age, disability, marital status, race, religion, personal appearance, family responsibilities, matriculation, political affiliation, sex or veteran status or other unlawful factors; to prohibit sexual, racial and other forms of unlawful harassment; and to promote the full realization of equal employment opportunity through a positive, continuing, result-oriented program of affirmative action throughout the Organization.

As a large and diverse organization, Lovello offers these policies as a framework within which to make human resources decisions in a competitive environment. Although progressive and flexible, the policies provide sufficient framework in a climate where our best employees can excel and we can address the deficiencies of those who cannot meet legitimate job performance standards.

Working Environment

Lovello companies offers a wonderful and friendly environment in the office. The company has conducive and safe working environment. The company's intent is to establish a good relationship through a mutual understanding of expectations. Lovello believes in working in a team and demonstrate team spirit to maximize and excel in standard quality service to our valued customers in the area of business. Employees work in an environment where they feel valued, responsible, and supported by the authority as well as their colleagues. Lovello also takes preventive and safety measures to avoid all sorts of hazardous situations that might take place in some areas of technical functions. With the present status, the company aims to expand and grow at a faster pace by utilizing the best possible opportunities and expansion of network, distribution channels throughout the whole country. This enormous task requires dedicated, devoted, and committed manpower.

Safety at Work

We are committed to promoting accident prevention and providing safe places to work and conduct business for our employees, clients and other visitors. We believe that integrating sound environment, health and safety practices into our business has multiple positive effects, including contributing to improving quality and productivity in the workplace and increasing employee job satisfaction.

Health, Safety and Environment

Lovello is a safe and attractive place to work. The main principle of this policy is that injury, discomfort in the job and work related diseases, can be prevented. This can be achieved through systematic work, awareness of dangers and common sense. Lovello strives to maintain all the employees' motivated and educated work force.

Health, safety and environment issues must have high priority and must also be managed by objectives. All concerned are encouraged to reduce workplace hazards and implement new or improve existing safety and health programs. It is an important issue that all concerned employee and officials give great importance to HSE. The working environment has to be evaluated as a company issue and all efforts should be given for a good working environment. If all demonstrates a cooperative attitude and plays their active role concerning HSE issues, then it is expected that Lovello will become an attractive place to work having a good atmosphere and low injuries figures.

A good and safe working environment in the company will enable all employees to render a high level of services to customers and ensure high productivity and efficiency.

Employee Safety During COVID-19 Outbreak

The Management of Lovello is concerned of stakeholders and employees health and safety. The Management is always dedicated to the well-being of Lovello employees and was ready to support in every way possible during the period.

Following preventive measures were taken considering the outbreak of the Coronavirus (COVID-19)–

- Employees of Lovello were requested to postpone or avoid all kind of professional meetings, events, and gatherings at office premises as well as outside office, and advised not to arrange or participate any such gatherings which could be potentially risky to COVID-19 spread.
- Employees who use public transport/ride sharing transport (i.e. Uber, Pathao, Obhai etc) and come in connection with frequently used items (i.e. Helmets, Handles, Seats etc) were advised to be cautious about touching such items and to maintain personal hygiene and health safety measures.
- Employees of Lovello were advised to postpone or avoid any kind of professional or personal travel to countries with high levels of confirmed infections.
- Employees who had traveled abroad or been in contact with confirmed cases or had been directly exposed to a potential source of infection in recent 14 days were requested to go under Self-Quarantine for 14 days incubation period. Employees were also advised to inform the office if any of his/her family members have been recently visited abroad.
- Employees and their families were requested to be aware of rumors and advised to refrain themselves from spreading any kind of rumors or improper information about the pandemic. It is very important to know the appropriate information and share them for public safety. Inaccurate and wrong information may lead to health hazards of families, Lovello colleagues and employees.

A few recommended practices:

- Washing hands thoroughly and often, with soap, for 30 seconds or with sanitizer for 20 seconds.
- Cleaning between fingers and under nails.
- Avoid shaking hands, hugs, especially with those who appear to be ill.
- Avoid touching eyes, nose and mouth as much as possible.
- Cleaning/Sanitizing shared surfaces, such as doorknobs, bathroom taps, or table tops.
- Maintaining social distance whenever moving or appearing in any physical interactions.
- Avoid taking tea outside/roadside or food.
- Staying home when feeling sick.

Ingredients of product



Distribution Channel





The background of the cover is a dark red color with a complex pattern of white and light red lines and dots. The pattern includes a grid of dots, a line graph with several peaks and valleys, and a series of vertical lines of varying heights, resembling a bar chart. The overall effect is a technical, data-driven aesthetic.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Taufika Foods and Lovello Ice-Cream PLC (the "Company"), which comprise the Statement of Financial Position as at 30 June 2021 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended 30 June 2021, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the year then ended 30 June 2021 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

S.L.	Key Audit Report	How our audit addressed the key audit matter
1	<p>Valuation of Inventories</p> <p>Refer to note 08 to the financial statements.</p> <p>Inventories represent BDT 299,734,955 which is about 13.94% of the total assets of the Company; inventories are thus a material item to the Financial statements.</p> <p>As described in the accounting policy note 3.09 to the financial statements, inventories are valued at the lower of cost or net realizable values. As such, management is required to make judgments in determining whether inventories are being appropriately valued. And also report that we couldn't verify physically because of COVID-19. So that we fully depended on internal report against inventory counting and valuation. Volume of inventories being held by the company at the reporting date and the complexities involved in the accounting and presentation thereof, Inventories has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> Tested the operating effectiveness of key controls over Inventories; including observing the process of management's Year-end inventory count. Verified a sample basis the net realizable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items. Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period. Reviewed the historical accuracy of inventory provisions and the level of write-downs.

2	<p>Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.</p> <p>Refer to note 23 to the financial statements.</p> <p>As described in accounting policy note 3.04 to the financial statements, the Company recognizes revenue upon transfer of control as per the newly adopted IFRS 15: Revenue from Contracts with Customers. The Company has reported total revenue of BDT 850,801,390.</p> <p>The Company's primary customers are its corporate customer and dealers who are also entitled to get wholesale rate of goods invoiced.</p> <p>Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> • Assessed the environment of the measurement as well as other relevant systems supporting the accounting or revenue. • Assessed manual as well as application controls supporting revenue recognition. • Assessed the invoicing and measurement systems up to entries in the general ledger. • Examined customer invoices and receipts of payment on a test basis. • Assessed the design of the processes set up to account for the transactions in accordance with the new standard. • Assessed whether the sufficiency of disclosures as required by the new standard have been met. • Assessed whether the sufficiency of disclosures as required to be made to opening balances due to the adoption of the new standard.
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Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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.

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 in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.
- 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 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.

Report on the other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, 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 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;
- (iv) the expenditures incurred were for the purpose of the Company's business;

Dated: Dhaka
October 18, 2021
DVC: 2110180165AS261399



Sd/-
Quazi Shafiqul Islam, FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Lovello Ice-Cream PLC
Statement of Financial Position
As at 30 June 2021

Particulars	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
ASSETS:			
A. Non-current Assets		1,275,443,445	1,189,064,839
Property, Plant & Equipments	4.00	986,583,283	904,292,073
ROU Assets	4.01	240,328,113	271,982,626
Intangible Assets	5.00	839,720	738,640
Capital Work-in-progress	6.00	34,784,052	-
Investment	7.00	12,908,277	12,051,500
B. Current Assets		875,465,334	693,595,747
Inventories	8.00	299,734,955	264,612,631
Trade & Other Receivables	9.00	298,843,538	268,775,026
Advance, Deposits & Prepayments	10.00	103,735,987	55,633,223
Cash and Cash Equivalents	11.00	173,150,854	104,574,867
TOTAL ASSETS (A+B)		2,150,908,778	1,882,660,586
EQUITIES & LIABILITIES:			
C. Shareholders' Equity		1,068,294,075	701,050,672
Share Capital	12.00	850,000,000	550,000,000
Share Money Deposit	13.00	-	-
Retained Earnings	14.00	218,294,075	151,050,672
D. Non-current Liabilities		680,293,494	746,056,418
Deferred Tax Liability	15.00	47,774,428	64,656,247
Long-term Loan	16.00	418,249,653	462,409,397
Lease Liability	17.00	214,269,413	218,990,774
E. Current Liabilities		402,321,209	435,553,496
Current Portion of Long-term Loan	16.00	119,499,901	132,116,971
Current Portion of Lease Loan	17.00	78,530,644	56,658,657
Short-Term Loan	18.00	51,246,072	83,709,500
Trade & Other Payables	19.00	62,971,350	91,224,736
Liabilities for Expenses	20.00	18,384,654	15,846,626
Provision for WPPF	21.00	5,672,354	8,775,549
Provision for Income Tax	22.00	66,016,234	47,221,457
Total Equity & Liabilities:		2,150,908,778	1,882,660,586
Net Asset Value Per Share		12.57	12.75

The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith

Sd/-
Company Secretary

Place: Dhaka
Dated: October 18, 2021
DVC: 2110180165AS261399

Sd/-
Managing Director

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

Sd/-
Chairman

Sd/-
Quazi Shafique Islam FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Lovello Ice-Cream PLC
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2021

Particulars	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
Sales	23.00	850,801,390	942,869,150
Less: Cost of Goods Sold	24.00	494,909,633	552,392,597
Gross Profit		355,891,757	390,476,553
Operating Expenses:		139,688,077	149,280,037
Administrative Expenses	25.00	16,231,797	18,701,781
Marketing Expenses	26.00	123,456,281	130,578,256
Operating income		216,203,680	241,196,516
Financial Expenses		118,035,700	155,147,618
Finance cost	27.00	118,035,700	155,147,618
Profit before other income		98,167,980	86,048,898
Other Income	28.00	3,598,895	3,455,781
Net profit before WPPF		101,766,874	89,504,679
Provision for WPPF	21.00	4,846,042	4,262,128
Net Profit Before Tax		96,920,833	85,242,551
Income Tax Expense		1,912,957	23,189,490
Current Tax	22.00	18,794,777	21,733,994
Deferred Tax	15.00	(16,881,820)	1,455,496
Net Profit after Tax		95,007,875	62,053,062
Other Comprehensive Income			
Total Comprehensive Income		95,007,875	62,053,062
Earnings per Share (Per value Tk. 10)		1.41	1.31

The accompanying notes form an integral part of this financial statements are to be read in conjunction therewith

Sd/-
Company Secretary

Place: Dhaka
Dated: October 18, 2021
DVC: 2110180165AS261399

Sd/-
Managing Director
Signed in terms of our separate report of even date annexed.

Sd/-
Chairman

Sd/-
Quazi Shafique Islam FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Lovello Ice-Cream PLC
Statement of Changes in Equity
For the year ended 30 June 2021

Amount in Taka				
Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2020	550,000,000	-	151,050,672	701,050,672
Share Capital	300,000,000	-		300,000,000
Net Income for the year		-	95,007,875	95,007,875
Less: IPO Expenses		-	(27,764,472)	(27,764,472)
Balance as on June 30, 2021	850,000,000	-	218,294,075	1,068,294,075

For the year ended 30 June 2020

Amount in Taka				
Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2019	65,450,000	270,000,000	89,363,632	424,813,632
Share Capital	484,550,000	(270,000,000)	-	214,550,000
Prior year adjustments for IFRS 16				-
Prior year Office Rent adjustment			240,000	240,000
Prior year Interest Expense adjustment			(106,571)	(106,571)
Prior year depreciation adjustment			(181,618)	(181,618)
Prior year DT adjustment			(317,832)	(317,832)
Share Money Deposit	-	-	-	-
Net Income for the year	-	-	62,053,062	62,053,062
Balance as on June 30, 2020	550,000,000	-	151,050,672	701,050,672

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

Place: Dhaka
Dated: October 18, 2021
DVC: 2110180165AS261399

Sd/-
Quazi Shafique Islam FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Lovello Ice-Cream PLC
Statement of Cash Flows
 For the year ended 30 June 2021

Particulars	Notes	Amount in Taka	
		30-Jun-2021	30-Jun-2020
A. Cash Flows from Operating Activities :			
Cash Received from Customers		820,732,878	894,302,593
Cash Received from other Sources		3,598,895	3,455,781
Cash Paid to Suppliers and Creditors		(562,876,990)	(508,309,670)
Cash Paid for Operating Expenses		(78,902,908)	(63,133,595)
Cash paid for Income Taxes		(10,777,994)	(10,635,851)
Net cash inflow/(outflow) from operating activities		171,773,881	315,679,258
B. Cash flow from Investing Activities:			
Acquisition of Property, Plant & Equipment		(177,431,751)	(228,078,889)
Increase Investment		(856,777)	(12,051,500)
Capital Work in Progress		(34,784,052)	-
Net cash inflow/ (outflow) in Investing Activities		(213,072,580)	(240,130,389)
C. Cash flow from Financing Activities:			
Paid up capital		300,000,000	214,550,000
Bank Loan		(72,089,615)	(94,027,388)
Inter Company Receivable		-	4,820,000
Financial Expenses		(118,035,700)	(155,147,618)
Net cash inflow/(outflow) in financing activities		109,874,685	(29,805,006)
D. Increase (Decrease) in Cash and Cash Equivalent (A+B+C)		68,575,987	45,743,864
E. Opening of Cash and Cash Equivalent		104,574,867	58,831,003
F. Ending Cash and Cash Equivalent (D+E)		173,150,854	104,574,867
Net Operating Cash Flow Per Share (NOCFPS)		2.55	6.66

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

Place: Dhaka
Dated: October 18, 2021

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statement
 As at and for the year ended 30 June 2021

1.00 Corporate History of the Reporting Entity

1.01 Legal Status of the Entity

Taufika Foods and Agro Industries Limited (Present Taufika Foods and Lovello Ice-Cream PLC, The Company) was incorporated in Bangladesh as a Private Limited Company under The Companies Act, 1994 vide Registration No. C-94700/11 dated August 07, 2011. Subsequently, the Company was converted into a public limited Company dated 08 July 2019. And also the company has been enlisted with DSE & CSE on February 02, 2021. And the company also change its name Taufika Foods and Agro Industries Limited to Taufika Foods and Lovello Ice-Cream PLC on 20th June 2021.

The Company started its commercial operation on January 02, 2016. Its Corporate Head Office located at Plot-80, Road-02, Banani, Dhaka-1213 and Factory is located at Bashile, Kathali, Valuka, Mymensingh.

1.02 Corporate Business

The Company is an Ice-cream manufacturer and supplier in Bangladesh.

2.00 Basis of preparation, presentation and disclosures of financial statements.

2.01 Statement of Compliance

The financial statements have been prepared under historical cost convention on a going concern basis following accrual basis of accounting in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), The Companies Act 1994 and Securities and Exchange Rules 1987.

2.02 Regulatory Compliances

The financial statements of the company under reporting have been prepared in accordance with Generally Accepted Accounting Principles and Practice in Bangladesh in compliance with The Companies Act 1994, The Securities and Exchange Rules 1987, The Listing Regulations of Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd. (CSE), International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), International Financial Reporting Standards (IFRS) as adopted by the The Institute of Chartered Accountants of Bangladesh (ICAB) and other applicable rules and regulations.

2.03 Basis of measurement

These financial statements have been prepared under the 'historical cost' convention method.

2.04 Fundamental Accounting Concepts/ Assumption

The Financial Statements have been prepared based on Going Concern, Consistency and Accrual Concepts and such other convention as required by IAS-1 for Fair Presentation of Financial Statements.

2.05 Other regulatory compliances

In addition, the Company is also required to comply with the following major legal provisions:

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 1991

The Value Added Tax Rules, 1991

The Value Added Tax (Amendment) Act, 2012

The Value Added Tax (Amendment) Rules, 2012

The Customs Act 1969

The Company Act 1994

The Bangladesh Labour Act 2006, and

Bangladesh Labour (Amendment) Act 2013

2.06 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1 'Presentation of Financial Statements'. The Financial Statement comprises

- a) a statement of financial position;
- b) a statement of profit or loss and other comprehensive income;
- c) a statement of changes in equity;
- d) a statement of cash flows; and
- e) notes, comprising a summary of significant accounting policies and explanatory information.

2.07 Preparation and Presentation of Financial Statements of the Company

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

2.08 Going Concern

The company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.09 Reporting Period

The period of the financial statements covers period from July 01, 2020 to June 30, 2021.

2.10 Provisions

In accordance with the guidelines as prescribed by IAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. reliable estimates can be made of the amount of the obligation.

2.11 Events after the Reporting Period

In compliance with the requirements of IAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting period there are adjusting events those are disclosed as follows:

- i. VAT payables are settled within September 09, 2021
- ii. The company has been declared 11% cash dividend in this financial year (2020-2021)

2.12 Functional and Presentational (Reporting) Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka),Which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

Figures in brackets indicated negative balance.

2.13 Comparative Information and Rearrangement Thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.14 Principal Accounting Policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect in preparation and presentation of financial statements within the framework of IAS-1 "Presentation of Financial Statements", have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant & Equipment
IAS 19	Employees Benefits
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 37	Provisions, Contingent Liabilities and Contingent Assets,
IAS 38	Intangible Assets
IFRS 01	First-time Adoption of International Financial Reporting Standards
IFRS 07	Financial Instruments: Disclosures
IFRS 09	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

3.00 Summary of Significant Accounting Policies

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

3.01 Property, Plant & Equipment (PPE)

i) Recognition of Property, Plant & Equipment

These are capitalized at cost of acquisition and revalued amount and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure

has resulted in an increase in the future economic benefit expected to be obtained from the use of the PPE, the expenditure is capitalized as an additional cost of the PPE.

On retirement or otherwise disposal of PPE, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of PPE and the net sales proceeds.

ii) Depreciation

Depreciation on all PPE other than Land & Land development has been charged when the PPE was available for use and is computed using the Reducing balance method so as to write off the assets over their expected useful life. Office space is depreciated as per lease contract.

After considering the useful life of PPE as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Particulars	30 June, 2021	30 June, 2020
Land & Land Development	0%	0%
Building & Civil Works	5%	5%
Plant and Machinery	10%	10%
Furniture and Fixtures	10%	10%
Freezer	10%	10%
Office Equipment	10%	10%
Motor Vehicles	20%	20%
Office Space	20%	20%
Computer Software	50%	50%

3.02 Capital Work-in-progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of the period 30 June 2021 and these are stated at cost.

3.03 Impairment of assets

All Fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the year and for this reasons, no provision has been made for impairment of assets.

3.04 Revenue Recognition

As per IFRS-15 "Revenue from Contracts with Customers", Revenue is too recognized when it is probable that the economic benefits associated with the transaction will flow to the organization and the amount of revenue can be measured reliably. The Company recognizes revenue at the point of raising invoices to the customers/clients. Turnover is shown net of return and discount. Sales revenue is recognized on accrual basis as and when goods are delivered.

Other Income

All other income is recognized when the Company's right to receive such income has been reasonably determined and all conditions precedent is satisfied.

3.05 Long Term Loan

Long Term loans are non-current liabilities arising from loans taken from different banks which are repayable within more than one year.

3.06 Short term loan and bank overdraft

Short term loans are current liabilities arising from loans taken from different banks which are repayable within one year. Bank overdrafts are repayable on demand which were taken to meet up the working capital requirement.

3.07 Liability for expenses

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

3.08 Advances, deposits and pre-payments

Advances, Deposits & Pre-payments are unsecured but considered good.

i) Advances

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or changes to other accounts heads.

ii) Deposits

Deposits are measured at payment value.

iii) Prepayments

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charge to profit and loss accounts.

3.09 Inventories

Inventories comprise Raw Materials, Packaging Material, Finished Goods and Work in process. They are stated at the lower of cost or net realizable value in accordance with IAS 2 "Inventories" after making due allowance for any obsolete or slow moving item. The costs of inventories are assigned by using weighted average cost method. Net realizable value of Work in Process is determined after deducting the estimated cost of completion and estimated cost necessary to make the sale from estimated selling price.

3.10 Basis of valuation of inventories

<u>Category</u>	<u>Basis of Valuation</u>
Finished products and work-in- process	At the lower of cost and net realizable value. The cost includes allocation of production overheads that relate to bringing the inventories to their present condition and location.
Raw and packaging materials	At the lower of cost and net realizable value.
Spares accessories & others	At the lower of cost and net realizable value.
Goods in transit	At cost including related charges.

3.11 Finance Costs:

Finance costs comprise interest expense on bank loan and other borrowings and are recognized in the income statement using effective interest method.

3.12 Finance Income:

Finance income comprise of interest income receivable from FDR from Trust Bank Ltd. and Shimanto Bank Ltd. And also interest received from bank current accounts.

3.13 Employees' benefit schemes

i) Defined contribution fund (Provident fund)

The Company maintains an equal contributory recognized provident fund @10% for its eligible permanent employees. The provident fund is being considered as defined contribution plan being managed by a separate Board of Trustees.

ii) Workers' profit participation and welfare fund

The Company recognizes a provision for workers' profit participation and welfare fund (WPPF) @ 5% of income before tax and it has been managing, disbursing and investing as per provisions of the Bangladesh Labour (Amendment) Act, 2013. The Company is making the payment within nine months at the end of the relevant financial year. 80% of the Fund is being paid to eligible employees, 10% to Government Workers Welfare Foundation and remaining 10% to Taufika Foods and Lovello Ice-Cream PLC Employees Welfare Fund as per provision of Bangladesh Labour (Amendment) Act, 2013.

iii) Group insurance scheme

The Company operates a group insurance scheme for its permanent employees as per provision of the Bangladesh Labor (Amendment) Act, 2013. The permanent employees include full time permanent employees and workers of the Company. Payment in this regard has been accounted for in the accompanying financial statements.

3.14 Statement of Cash flows

Cash Flow Statement is prepared in accordance with IAS-7: Statement of Cash Flows under Direct Method as prescribed by Bangladesh Securities and Exchange (BSEC) rule 1987.

3.15 Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances, cash in hand and cash equivalents like demand draft, pay orders etc in hand that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.16 Trade receivables

Trade receivables are recognized and stated at original invoiced amounts and carried at anticipated realizable values. Bad debts are written off when it is established that they are irrecoverable. No bad debt incurred in the period.

3.17 Trade payables

Trade payables are stated at cost which approximates the fair value of the consideration to be paid for goods and services received.

3.18 Provisions

All provision is recognized on the balance sheet date if, as a result of a past event. The company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.19 Borrowings Costs

Financial Expenses (Borrowing Costs) incurred during the year was recognized as revenue expenses in accordance with IAS-23 "Borrowings Costs". No borrowing cost incurred during the period.

3.20 Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or directly in equity, respectively.

i) Current Tax

Necessary provision for tax has been made as per Income Tax Ordinance 1984. Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate and non-compliance with Finance Act on the accounting profit made by the company as per ITO 1984 in compliance with IAS-12 "Income Taxes".

ii) Deferred Tax

Deferred Tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently

enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities for the year ended June 30, 2020 has been recognized in the statement of Profit or Loss and other comprehensive income as per IAS-12 "Income Taxes".

3.21 Contingent Liabilities and Assets

Contingent liabilities are current or possible obligations, arising from past events and whose existence is due to the occurrence or non- occurrence of one or more uncertain future events, which are not within the control of the company. In accordance with IAS 37 provisions, contingent liabilities and contingent assets, there were no contingent liabilities and assets.

- i. The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii. The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. The amount of revenue can be measured reliably;
- iv. It is probable that the economic benefits associated with the transaction will flow to the company; and
- v. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

3.22 VAT

The Company's net sales is considered with 15% applicable VAT and 5% supplementary duty.

3.23 Statement of Changes in Equity

Statement of changes in equity is prepared in accordance with IAS-1 "Presentation of Financial Statements". This statement reflects information about the increase or decrease in net assets or wealth.

3.24 Related party disclosures

The Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The information as required by IAS-24: "Related Party Disclosures" has been disclosed in a separate note to the financial statements.

3.25 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3.26 Segment information

The Company is primarily engaged in the manufacturing and selling of similar type of products. The Company's business is not organized in such a way which may identify different products/ geographical components structurally. Hence segmentation within a wide portfolio of products/ geographical location is not a part of the regular internally reported financial information to the operating decision makers. Therefore, it is not possible to segment the Company's results by products/ geographic location which might involve a high degree of estimation.

3.27 Earnings per Share

This has been calculated in compliance with the requirements of IAS 33: "Earnings Per share" by dividing the basic earnings by the number of ordinary shares outstanding during the year.

3.28 Basic Earning

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax has been considered as fully attributable to the ordinary shareholders.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2021

		Amount in Taka	
		2020-21	2019-20
4.00	Property, Plant & Equipment		
	At Cost:		
	Opening Balance	1,200,619,949	978,537,603
	Addition During the Year	176,804,551	222,082,346
	Closing balance	1,377,424,500	1,200,619,949
	Accumulated Depreciation:		
	Opening Balance	296,327,876	213,192,865
	Addition During the Year	94,513,342	83,135,011
	Closing Balance	390,841,217	296,327,876
	Written Down Value	986,583,283	904,292,073
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
4.01	ROU Assets		
	At Cost:		
	Opening Balance	407,384,234	396,487,133
	Addition During the Year	-	10,897,101
	Closing balance	407,384,234	407,384,234
	Accumulated Depreciation:		
	Opening Balance	135,401,609	99,602,521
	Addition During the Year	31,654,512	35,799,088
	Closing Balance	167,056,121	135,401,609
	Written Down Value	240,328,113	271,982,626
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
5.00	Intangible Assets		
	At Cost:		
	Opening Balance	2,696,433	2,385,996
	Addition During the Year	627,200	310,437
	Closing Balance	3,323,633	2,696,433
	Accumulated Depreciation:		
	Opening Balance	1,957,793	1,374,372
	Addition During the Year	526,120	583,422
	Closing Balance	2,483,913	1,957,793
	Written Down Value	839,720	738,640
	(Details Intangible Assets are provided in the Annexure-A)		

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2021

			Amount in Taka	
			2020-21	2019-20
6.00 Capital Work in Progress				
Storage Box			9,146,752	-
Plant & Machinery			25,637,300	
			34,784,052	-
7.00 Investment				
FDR Investment	7.01		12,908,277	12,051,500
			12,908,277	12,051,500
7.01 FDR Investment				
Name of Bank	FDR No.			
Trust Bank	0022-0330059006		10,747,500	10,000,000
Shimanto Bank	1001-343000092		2,160,777	2,051,500
			12,908,277	12,051,500
8.00 Inventories				
Raw Materials			184,056,096	165,471,075
Work in Progress			17,619,365	15,544,814
Finished Goods			98,059,494	83,596,742
			299,734,955	264,612,631
At the end of the year physical verification of Inventories were carried out.				
9.00 Trade & Other Receivables				
Trade Receivables	9.01		298,843,538	268,775,026
			298,843,538	268,775,026
9.01 Trade Receivables				
Bogra Territory			19,742,376	19,728,817
Khulna Territory			14,702,821	15,002,878
Barisal Territory			14,997,432	14,580,658
Rangpur Territory			19,875,438	18,505,332
Chittagong Territory			24,334,369	25,615,125
Cumilla Territory			24,683,450	25,446,856
Uttara Territory			25,543,740	25,566,396
Rampura Territory			31,956,859	32,561,804
Jatrabari Territory			19,515,968	16,263,307
Sylhet Territory			18,730,134	19,715,930
Faridpur Territory			15,049,649	15,676,718
Bosilla Territory			29,541,880	29,840,283
Cox's Bazar Territory			15,406,385	10,270,923
Noaykhali Territory			8,032,752	-
Jessore Territory			8,313,788	-
Mymensingh Territory			8,416,497	-
			298,843,538	268,775,026

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2021

	Amount in Taka	
	2020-21	2019-20
Ageing of Trade receivables		
Due for 3 months	185,282,993	72,396,711
Due for 3 to 6 months	98,618,367	183,798,209
Due for above 6 months	14,942,177	12,580,107
	298,843,538	268,775,026

Full information as per requirements of the Para 4 Part I, schedule XI, of the Companies Act, 1994 regarding Trade receivables as on June 30, 2021 are as follows

Sl.	Particulars	30 June, 2021	30 June, 2020
i.	Receivables considered good in respect of which the company is fully secured.		
ii.	Receivables considered good in respect of which the company holds no security other than the debtor personal security.	298,843,538	268,775,026
iii.	Receivable considered doubtful or bad.		
iv.	Accounts Receivable due by any director or other officer of the company or any of them either severally or jointly with any other person or debts due firm or private companies respectively in which any director is a partner or a director or a member to be separately stated.		
v.	Receivables due by companies under the same management to be disclosed with the names of the companies;		
vi.	The maximum amount of receivable due by any director or other officer of the company at any time during the year to be shown by way of a note.		

- i) Debt considered good and in respect of which the company can realize it fully.
- ii) Debts considered good for which the company holds no security other than the debtors personal security
- iii) Management considered the trade receivables are collectible and thus no provision had been made.
- iv) There is no such trade receivables due by or to director or other officers of the company.

10.00 Advance, Deposits & Pre-payments

Advance	10.01	62,584,422	34,402,600
Deposit	10.02	38,508,579	19,882,424
Pre-payments	10.03	2,642,986	1,348,198
		103,735,987	55,633,223

10.01 Advance

AIT & Source Tax	10.01.01	38,798,543	28,020,549
Advance to BSTI & Halal Sonod		-	760,567
Advance for Office Rent		1,150,000	1,150,000
Advance to Supplier		22,635,879	4,471,484
		62,584,422	34,402,600

10.02 Deposit

L/C margin	10.02.01	38,508,579	19,882,424
		38,508,579	19,882,424

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2021

		Amount in Taka	
		2020-21	2019-20
10.03 Pre-payments			
Karnahuli Insurance Co. Ltd.	2,487,164	896,891	
Metlife Insurance Co. Ltd.	155,822	115,499	
Eastern Insurance Co. Ltd.	-	180,106	
Sena Kalyan Insurance Co. Ltd.	-	155,702	
	2,642,986	1,348,198	
10.01.01 AIT & Source Tax			
Opening Balance	28,020,549	17,384,698	
Addition During the Year	10,777,994	10,635,851	
	38,798,543	28,020,549	
Adjustment During the Year	-	-	
Closing Balance	38,798,543	28,020,549	
10.02.01 L/C margin			
Opening Balance	19,882,424	18,750,747	
Addition during the year	38,508,579	19,882,424	
Net Adjustment During the Year	(19,882,424)	(18,750,747)	
Closing Balance	38,508,579	19,882,424	

10.04 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994

Advance, deposits & prepayments considered good & secured	103,735,987	55,633,223
Advance, deposit & prepayments considered Good without security		
Advance, deposit & prepayments considered doubtful & bad		
Advance, deposit & prepayments due by directors or other officers & staffs		
Advance, deposit & prepayments due from companies under same management		
Maximum advance due by directors or officers & staffs at any time		
Total	103,735,987	55,633,223

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2021

		Amount in Taka	
		2020-21	2019-20
11.00 Cash and Cash Equivalents			
Cash in Hand	11.01	19,987,598	1,104,603
Cash at Bank	11.02	153,163,256	103,470,264
		173,150,854	104,574,867

Closing cash at bank shows higher compare to last year balance. It has been generated from year end collection from the accounts receivables and IPO unutilized fund balance.

11.01 Cash in Hand			
Factory Office		5,972,533	231,817
Corporate Office		4,295,599	278,897
Depot Office		9,719,466	593,889
		19,987,598	1,104,603

11.02	Cash at Bank				
	Trust Bank Ltd	CD	0022-0210012550	78,278	5,470,517
	Pubali Bank Ltd	CD	0565901028140	891,577	20,608,400
	Premier Bank Ltd	CD	010411100078610	881,819	7,173,320
	Prime Bank Ltd	CD	2132113001637	477,246	17,231,344
	Brac Bank Ltd	CD	1507203439665001	51,544	16,254,007
	Islami Bank Ltd	CD	20501770100435601	1,477,778	16,922,410
	Dutch Bangla Bank Ltd	CD	1031100033118	102,272	10,083,742
	Union Bank Ltd	CD	0291010001239	49,603	1,507,926
	Mercantile Bank Ltd	CD	111311118966001	692,676	374,183
	UCBL	CD	541101000005430	504,370	43,948
	NRB Bank	CD	1022070063031	550,980	5,171,976
	Shimanto Bank Limited	CD	1001241000258	66,461,687	159,298
	City Bank Ltd	CD	1402538242001	47,234	9,450
	AB Bank Ltd	SND	4033-761383-430	564,935	327,108
	Shimanto Bank Limited	SND	1001441001020	198,162	1,756,996
	Trust Bank Ltd	SND	0022-0320000775	78,051,906	20,000
	National Bank Limited	CD	1106003604218	789,200	340,210
	Dutch Bangla Bank Ltd	CD	2811100002179	1,132,311	15,430
	Shimanto Bank Limited	SND	1003441000029	63,898	-
	Shimanto Bank Limited	CD	1001241001122	95,781	-
				153,163,256	103,470,264

All bank balances are reconciled with bank statements and bank book and reconciled balance extracted here.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2021

Amount in Taka	
2020-21	2019-20

12.00 Share Capital

12.01 Authorized Capital

(100,000,000 Ordinary shares of Tk.10 each)	1,000,000,000	1,000,000,000
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12.02 Issued, Subscribed and Paid-up

85,000,000 shares of Tk.10 each	850,000,000	550,000,000
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Shareholding Position is as follows:

Sl. No.	Name of shareholders	Percentage of Shareholdings		Percentage of Shareholdings	
		2020-21	2019-20	2020-21	2019-20
1	Dato' Engr. Md. Ekramul Haque	38.82%	60.00%	33,000,000	33,000,000
2	Datin' Shamima Nargis Haque	3.41%	5.27%	2,900,000	2,900,000
3	Taufika Engeeneering Limited	13.59%	21.00%	11,550,000	11,550,000
4	Muhsinina Taufika Ekram	2.41%	3.73%	2,050,000	2,050,000
5	Abu Taher Muhammed Amanullah	1.18%	1.82%	1,000,000	1,000,000
6	Md. Abdus Sultan	0.85%	1.32%	725,000	725,000
7	Zakir Hossain	0.12%	0.18%	100,000	100,000
8	Kazi Amdadul Haque	1.25%	1.93%	1,060,000	1,060,000
9	Rizvi Kaiser	0.01%	0.02%	10,000	10,000
10	Md. Saiful Islam Helaly	1.23%	1.90%	1,045,000	1,045,000
11	Md. Mizanur Rahman	0.01%	0.01%	5,000	5,000
12	Tahmina Chowdhury	0.24%	0.37%	205,000	205,000
13	Masuma Khatun	0.30%	0.46%	255,000	255,000
14	Hosne Ara Begum	1.29%	1.99%	1,095,000	1,095,000
15	Initial Public Offering	35.29%	0.00%	30,000,000	-
	Total	100%	100%	85,000,000	55,000,000

13.00 Share Money Deposit

Opening Balance	-	270,000,000
Add: Addition During the Period	-	-
Less: Adjustments	-	(270,000,000)
Closing Balance	-	-

14.00 Retained Earnings

Opening Balance	151,050,672	89,363,632
Add: Profit During the Period	95,007,875	62,053,062
Add: Prior year Office Rent adjustment	-	240,000
Less: Prior year Interest Expence adjustment	-	(106,571)
Less: Prior year depreciation adjustment	-	(181,618)
Less: Prior year DT adjustment	-	(317,832)
Less: Adjustment for IPO Expenses	(27,764,472)	-
Closing Balance	218,294,075	151,050,672

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2021

		Amount in Taka	
		2020-21	2019-20
15.00	Deferred Tax Liability		
	Opening Balance	64,656,247	62,882,919
	Add: During the Year	(16,881,820)	1,455,496
	Closing Balance	47,774,428	64,656,247
	As on 30 June 2021		
	WDV as per Accounts	1,227,751,116	1,092,651,849
	WDV as per 3rd Schedule	1,015,420,327	893,709,550
	Temporary Difference	212,330,789	198,942,299
	Applicable Tax Rate	22.50%	32.50%
	Deferred Tax Liability	47,774,428	64,656,247
	Deferred Tax Liability	47,774,428	64,656,247
16.00	Long -term Loan		
	Long-term Loan from AB Bank Limited 16.01	-	514,278,279
	Long-term Loan from Shimanto Bank Limited 16.02	537,749,554	80,248,088
		537,749,554	594,526,368
	Current Portion Classification		
	Due within one year	119,499,901	132,116,971
	Due after one year	418,249,653	462,409,397
		537,749,554	594,526,368
16.01	Loan from AB Bank Limited		
	A/C: 4005-788707-466	-	514,278,279
		-	514,278,279
<i>Loan from AB bank Ltd. has been taken over by Shimanto Bank Ltd.</i>			
16.02	Long-term Loan from Shimanto Bank Limited		
	1001741000052	14,443,760	17,754,865
	1001741000061	1,977,896	2,430,147
	1001741000070	2,542,051	3,143,141
	1001741000089	5,275,724	6,488,188
	1001741000098	1,765,131	2,181,376
	1001741000105	1,554,265	1,920,341
	1001741000114	15,418,596	17,971,098
	1001741000123	14,233,704	16,588,706
	1001741000141	4,800,191	5,596,796
	1001741000150	5,287,153	6,173,430
	1001741000187	470,451,085	-
		537,749,554	80,248,088

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2021

Amount in Taka	
2020-21	2019-20

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial Institute	Shimanto Bank Limited
Type of Facility	Long Term Loan
Limit	BDT TK 69.50 Crore
Repayment	Monthly
Interest Rate	9% p.a with monthly rest or as revised from time to time by SML
Period of Loan	60 months
Expiry Date	5 Years from the the date of 1st disbursement.
Renewal Status	Renewed
Securities	i. Joint Registration and comprehensive insurance of vehicles ii. Postdated Cheque covering each EMI
Purpose	To purchase glass top deep freezer, storage box for cold room, pick up, Refrigerated van, auto vehicles, office car, motorcycle etc

17.00 Lease Liability

Lease Loan from Lankabangla	17.01	285,671,418	266,594,894
Office Space	17.02	7,128,640	9,054,537
		292,800,058	275,649,431

Current Portion Classification

Due within one year	78,530,644	56,658,657
Due after one year	214,269,413	218,990,774
	292,800,058	275,649,431

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2021

		Amount in Taka	
		2020-21	2019-20
17.01 Lease Loan from Lankabangla			
0013 71400000004			-
0013 71400000006			10,436,735
0013 71400000007			1,230,357
0013 71400000009			1,777,261
0013 71400000010			-
0013 71400000011			737,207
0013 71400000013			-
0013 71400000014			-
0013 71400000015			355,819
0013 71400000016			-
0013 71400000018			3,641,058
0013 71400000019			3,762,046
0013 71400000020			1,025,273
0013 71400000021			3,106,744
0013 71400000022			2,502,362
0013 71400000023			878,435
0013 71400000024			16,788,518
0011 71400000052			35,200,619
0011 71400000054			8,028,060
0011 71400000056			7,921,690
0011 71400000059			1,706,610
0011 71400000073			34,266,327
0011 71400000086			42,329,756
001172200000061			90,900,016
0013 71400000025		14,314,163	-
0013 71400000026		34,461,537	-
0011 71400000131		137,660,648	-
0011 72200000070		99,235,070	-
		285,671,418	266,594,894

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial Institute	Lanka Bangla Finance Limited
Type of Facility	Lease Finance
Limit	BDT 316,200,725
Repayment	Quarterly
Interest Rate	14.00%
Period of Loan	60 months
Expiry Date	June, 2026
Renewal Status	Renewal
Securities	i. Subsequent Charges/Hypothecation on all the Fixed Assets of TFAIL ii. Ownership of Leased Assets iii. Personal Guarantee of Directors iv. Corporate Guarantee of Taufika Engineering Limited (TEL)
Purpose	To procure Glass Top Deep Freezer and Try Cycle, Ref. Van & Cold Store

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2021

		Amount in Taka	
		2020-21	2019-20
17.02 Lease Liability (Office Space)			
Office Space		9,054,537	10,897,101
Less: Adjustment for IFRS 16 for prior year		-	(133,429)
Less: Adjustment for IFRS 16 for Current year		(1,925,897)	(1,709,136)
		<u>7,128,640</u>	<u>9,054,537</u>
Current Portion Classification			
Due within one year		2,170,149	1,925,897
Due after one year		4,958,491	7,128,640
		<u>7,128,640</u>	<u>9,054,537</u>
18.00 Short-term Loan			
Short-term Loan AB Bank	18.01	-	15,765,273
Short-term Loan Trust Bank	18.02	51,246,072	67,944,227
		<u>51,246,072</u>	<u>83,709,500</u>
<p>These loans are taken to finance import materials value and L/C related expenses. The average tenure of these facilities are normally 06 months with renewal option. The rate of interest/profit against these facilities is 9%.</p>			
18.01 Short-term Loan AB Bank			
SOD		-	15,765,273
		<u>-</u>	<u>15,765,273</u>
<p style="text-align: center;"><i>Short Term Loan from AB bank Ltd. has been taken over by Shimanto Bank Ltd.</i></p>			
18.02 Short-term Loan Trust Bank			
Loan Against Trust Receipt (LTR)		40,878,988	67,786,752
Overdraft (Working Capital)		10,367,084	157,475
		<u>51,246,072</u>	<u>67,944,227</u>
19.00 Trade & Other Payables			
Trade Payables	19.01	11,893,177	12,494,356
Others Payables	19.02	51,078,172	78,730,381
		<u>62,971,350</u>	<u>91,224,736</u>

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2021

		Amount in Taka	
		2020-21	2019-20
19.01 Trade Payables			
	-		957,020
Bengal Flexipak	-		1,320,511
Bismillah Packaging & Printing	719,997		1,274,796
Siam Chemical	949,058		741,758
Noorani Agro & Food Complex Ltd	-		509,590
R M Poly & Packaging	291,495		429,812
Jahanara Plastics Product	-		1,544,442
A K S Printing & Packaging	130,420		-
Emkay Enterprise	-		80,959
Famous Iberchem	-		485,740
MM Plastic	395,910		1,424,526
Mais Industries Ltd	840,890		840,890
PremiaFlex Plastic Ltd	1,463,579		1,478,226
International Television Channel LTD.	7,200		7,200
Maasranga Communications Ltd.	148,239		96,417
MMX advertising communication	-		904,700
Totalplus Industries Ltd	5,378,856		6,543
RTR Traders	1,109,308		353,049
Opus Sign	458,227		38,179
Rivers Sign	11,893,177		12,494,356

This represents amount payable to suppliers of raw materials, packing materials and finished goods. All suppliers were paid on a regular basis.

Ageing of Trade Payables

Due for 3 months	10,109,201	10,620,202
Due for 3 to 6 months	1,189,318	1,249,436
Due for above 6 months	594,659	624,718
	11,893,177	12,494,356

19.02 Others Payables

Payable for PPE	7,876,325	7,501,262
Upas-EBL Payable	-	17,155,346
VAT payable	43,201,848	54,073,773
	51,078,172	78,730,381

VAT payable has been paid within 09.09.2021

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2021

		Amount in Taka	
		2020-21	2019-20
20.00 Liabilities for Expenses			
Audit Fees	230,000	172,500	
Electricity Bill Payable	4,724,479	1,592,283	
Salary & Wages Payable	4,955,112	6,149,141	
Payable for PF	8,325,063	7,174,456	
Rent Payable	-	258,963	
TDS Payable	-	349,283	
Remuneration Payable	150,000	150,000	
	18,384,654	15,846,626	

All these payables are temporary in nature and repayable in demand. No interest/profit is charged for these payables. Its derived from taking different types of service.

21.00 Provision for WPPF :

Opening Balance	8,775,549	8,708,433
Add: Addition During the year	4,846,042	4,262,128
	13,621,591	12,970,561
Less: Paid During the year	(7,949,237)	(4,195,012)
Closing Balance	5,672,354	8,775,549

The management of Taufika Foods and Lovello Ice-Cream PLC have already taken all necessary steps to maintain compliance and they take decision to deposit all amounts within one year.

22.00 Provision for Income Tax

Opening Balance	47,221,457	25,487,463
Current Year Provision	18,794,777	21,733,994
Total Current Year Provision	18,794,777	21,733,994
	66,016,234	47,221,457
Adjustment During the year	-	-
Closing Balance	66,016,234	47,221,457

Tax Computation		
Business Income	93,321,938	81,786,770
Other Income	3,598,895	3,455,781
Total Income	96,920,833	85,242,551
Acc. Dep	126,693,974	119,517,520
Tax Dep	140,082,464	(137,886,244)
Total Taxable Income	83,532,343	66,873,828
Applicable tax Rate	22.50%	32.50%
Current Year Tax	18,794,777	21,733,994

23.00 Sales

	Amount in Taka	
	2020-21	2019-20
Gross Sales	1,027,342,679	1,138,514,499
Less: (SD+VAT)	176,541,289	195,645,349
Net Sales	850,801,390	942,869,150

Quantity wise Sales Information:

Item	2020-21	2019-20
Lolly (All Kinds) 62 MI Ice Cream	8,569,992	9,497,376
Chocobar 72 MI	72,207,394	80,021,172
Hidden Heart Single 50 MI	112,765,631	124,968,337
Cruncy Bar Mega 82 MI	6,494,224	7,196,984
Cruncy Bar Mini 52 MI	29,762,761	32,983,479
Sheel & Core 62 MI	3,871,106	4,290,010
Malai Ice Cream 55 MI	10,662,958	11,816,828
Cup Regular 100 MI (All Flav.)	124,255,174	137,701,198
Cup Regular 50 MI (All Flav.)	4,557,525	5,050,708
1 Ltr. Container Ice Cream	38,380,904	42,534,217
750 MI Container Ice Cream	2,119,421	2,348,770
500 MI Container Ice Cream	46,102,768	51,091,686
250 MI Container Ice Cream	35,961,328	39,852,811
Hazel Beats 80 MI Ice Cream	3,977,029	4,407,396
Toffe Beats 80 MI Ice Cream	3,271,143	3,625,123
Chocoblast 100ML	7,649,057	8,476,785
Cone Maxi 121 MI (All Flav.)	116,819,166	129,460,517
Cone Mini 72 MI (All Flav.)	119,791,615	132,754,623
Round Shape Cake 1 Ltr.	1,270,410	1,407,885
Heart Shape Cake 1.5 Ltr.	255,697	283,367
Swirly Sundae 100 MI	3,427,127	3,797,986
Kulfi 50 MI Ice Cream	71,514,258	79,253,029
Double Sundy 1 Ltr. Ice Cream	8,751,020	9,697,994
Shahi Khajur Malai	2,804,281	3,107,741
Bulk Liter 9 per 1 Ltr	2,101,678	2,329,107
Lovello Swing Ball 100 ML Ice Cream	5,172,885	5,732,658
Lovello Ambrisia 1 Ltr. Ice Cream	221,250	245,192
Lovello Doi, Kheer Premium 1 Ltr Ice Cream	2,537,684	2,812,294
Lovello Shahi Shondesh, Black Forest Premium 1 Ltr.	706,727	783,204
Lovello Double Sundy Premium 500 ML Ice Cream	2,743,247	3,040,102
Lovello Doi, Kheer Premium 500 ML Ice Cream	2,075,930	2,300,572
Total	850,801,390	942,869,150

		Amount in Taka	
		2020-21	2019-20
24.00 Cost of Goods Sold			
Raw Materials Consumed: Note- 24.01	365,386,241	434,968,042	
Add: Factory Overhead Charges Note- 24.02	146,060,695	142,814,880	
Cost of Production	511,446,936	577,782,922	
Add: Opening Work in Process	15,544,814	4,587,500	
	526,991,750	582,370,422	
Less: Closing Work in Process	(17,619,365)	(15,544,814)	
Cost of Goods Manufactured	509,372,385	566,825,608	
Add: Opening Stock of Finished Goods	83,596,742	69,163,731	
Cost of Goods available for Sale	592,969,127	635,989,339	
Less: Closing Stock of Finished Goods	(98,059,494)	(83,596,742)	
Cost of Goods Sold	494,909,633	552,392,597	
24.01 Raw Materials Consumed			
The break-up of the amount is given bellow:			
Opening Stock	165,471,075	145,175,926	
Purchase During the year	383,971,262	455,263,192	
Raw Materials available for Use	549,442,337	600,439,117	
Less: Closing Stock	(184,056,096)	(165,471,075)	
Raw Materials Consumed	365,386,241	434,968,042	
24.02 Manufacturing Overhead			
Electricity Bill	30,051,499	19,670,262	
Fuel & Lubricants	12,333,814	14,675,764	
Wages & Salary	47,540,040	50,042,147	
Festival Bonus	5,424,587	7,232,782	
Overtime and Other Allowance	1,884,789	2,402,922	
Tour and Travles	1,317,577	2,293,754	
Pool Car Expenses	196,629	357,380	
Telecommunication Expenses(Tracking)	90,142	190,836	
Factory Supplies	1,371,802	1,917,448	
Loading & Unloading Expenses	175,206	95,913	
Postage & Courier	29,610	7,990	
Printing & Stationary	670,407	855,738	
Food and Entertainment	836,358	747,610	
Repair & Maintenance	2,276,646	3,268,774	
Spare Parts	4,407,483	4,367,257	
Insurance Expenses	3,359,556	2,568,026	
Licenses Renewal Fees	1,361,426	1,337,201	
Depreciation	32,733,124	30,878,989	
	146,060,695	142,814,880	

		Amount in Taka	
		2020-21	2019-20
25.00 Administrative Expenses			
Salary & Allowance	7,429,561	7,820,591	
Festival Bonus	1,008,625	1,344,833	
Meeting Allowance	130,000	105,000	
Provident Fund Expenses	1,323,981	1,007,938	
Utility Charge	389,390	303,417	
Office rent	-	1,200,000	
Director Remuneration	1,800,000	2,850,000	
Office Vehicles expense	570,706	917,497	
Entertainment Expense	205,367	200,872	
Vehicle Insurance & Others	632,748	513,027	
Audit Fees	275,000	287,500	
Telephone, Mobile & Internet Bill	360,314	421,190	
Postage & Couriers	136,759	236,589	
Printing & Stationery	204,477	266,852	
Legal & Statutory Expenses	399,133	165,000	
Repair Maintenance of Head office	226,119	252,157	
Health Safety Measure Expenses	133,005	-	
Credit Rating Fees	-	59,125	
Consultancy Fees	50,000	-	
Depreciation	795,238	750,193	
	16,231,797	18,701,781	
26.00 Marketing & Selling Expenses			
Salary & Allowance	11,921,309	14,901,637	
Festival Bonus	1,379,749	1,839,665	
Provident Fund Expenses	1,589,541	1,566,423	
Fuel & Toll for Vehicles	4,377,789	5,227,935	
TA/DA and Other Allowances	1,982,991	2,510,115	
Repair Maintenance & Others Vehicles Exp	1,922,717	2,023,913	
Tour and Travles	589,384	785,845	
Postage & Couriers	128,377	132,605	
Incentive and Commision	29,262	588,783	
Event Management Expenses	378,015	450,224	
DITF Expense	-	3,395,701	
Health Safety Measure Expenses	48,583	-	
Trade Promotion Expenses	382,709	-	
Advertisement Expenses	5,560,243	9,267,072	
Depreciation	93,165,611	87,888,339	
	123,456,281	130,578,256	
27.00 Finance Cost			
Bank Service Charges	1,233,002	1,076,757	
Interest on Bank Loan	76,049,469	108,917,056	
Interest on Lease Loan	39,799,126	43,982,941	
Interest Expense on Office Space	954,103	1,170,864	
	118,035,700	155,147,618	

Consistent with prior periods banks charges and others bank loan interest expenses are included as finance costs

		Amount in Taka	
		2020-21	2019-20
		30 June 21	30 June 20
28.00 Others Income			
Scrap Sale		1,089,413	1,146,750
Rent Received against Freezer		1,363,297	1,185,476
Interest income		1,146,185	1,123,556
		3,598,895	3,455,781
29.00 Earning per Share (EPS)			
The Computation of EPS is given below:			
Earning attributable to the Shareholders (net profit after tax)		95,007,875	62,053,062
Total number of Shares		67,246,575	47,433,055
Adjusted/Basic Earnings per Share (EPS)(Per value Tk. 10)		1.41	1.31

For Current Year				
Total Share	No of shares	No. of Days Used	Total No. of Days	Weighted Average
550,000,000	55,000,000	365	365	55,000,000
300,000,000	30,000,000	149	365	12,246,575
850,000,000	85,000,000			67,246,575

For Previous Year				
Total Share	No of shares	No. of Days Used	Total No. of Days	Weighted Average
65,450,000	6,545,000	365	365	6,545,000
484,550,000	48,455,000	308	365	40,888,055
550,000,000	55,000,000			47,433,055

30.00 Net Asset Value (NAV) per Share

The Computation of NAV is given below:

Net Assets	1,068,294,075	701,050,672
Total number of Shares	85,000,000	55,000,000
Net Asset Value (NAV) per Share	12.57	12.75
Total number of shares		
Paid-up-capital	850,000,000	550,000,000
Share money deposit	-	-
Total	850,000,000	550,000,000
Number of shares (Per value Tk. 10)	85,000,000	55,000,000

31.00 Net Operating Cash Flows per Share (NOCFPS)

The Computation of NOCFPS is given below:

Net Cash Generated from Operating Activities	171,773,881	315,679,258
Total number of Shares	67,246,575	47,433,055
Net Operating Cash Flows per Share (NOCFPS)	2.55	6.66

32.00 Reconciliation of Net Operating Cash Flow

Particulars	Amount in Taka	
	30.06.2021	30.06.2020
Net Profit after Tax	95,007,875	62,053,062
Adjustment to reconcile netcash provided by operating activities:		
Depreciations	126,693,974	119,517,520
Provision for Income Tax	18,794,777	21,733,994
Provision for WPPF	4,846,042	4,262,128
Deferred Tax	(16,881,820)	1,455,496
Loan Interest	118,035,700	155,147,618
Increase in Inventories	(35,122,324)	(45,685,474)
Increase in Trade & Other Receivables	(30,068,512)	(48,566,557)
Increase in Advance, Deposits & Prepayments	(48,102,765)	(5,604,096)
Increase/Decrease in Trade & Other Payables	(28,253,387)	53,857,658
Increase in Liabilities for Expenses	2,538,028	1,702,922
Adjustments for WPPF	(7,949,237)	(4,195,012)
Adjustments for IPO Expenses	(27,764,472)	-
Net cash inflow/(outflow) from operating activities	BDT 171,773,881	BDT 315,679,258

33.00 Related Party Transactions

The company has related party transactions as per IAS-24 "Related Party Disclosures".

Related party transactions are as follows:

Sl.	Name of the Related Party	Relationship	Nature of transaction	Opening Balance	Transaction during the year	Payment/ Recieved	Closing Balance
1	Taufika Engineering Limited	Intercompany	Advance	-	-	-	-
2	Datin' Shamima Nargis Haque	Chairman	Meeting Allowance	-	30,000	25,000	-
3	Dato' Engr. Md. Ekramul Haque	Managing Director	Remuneration and Meeting Allowance	150,000	1,840,000	1,840,000	150,000
4	Muhsinina Taufika Ekram	Director	Meeting Allowance	-	25,000	20,000	-
5	Imtiaz Lutful Baset FCMA, FCA	Independent Director	Meeting Allowance	-	35,000	25,000	-

34.00 Attendance Status of Board Meeting of Directors

During the year ended 2020-21 there were Eight Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Designation	Meeting held	Attendance
Datin' Shamima Nargis Haque	Chairman	8	6
Dato' Engr. Md. Ekramul Haque	Managing Director	8	8
Kawsar Ahmed (Nominee Director of Taufika Engineering Limited)	Director	8	8
Muhsinina Taufika Ekram	Director	8	5
Imtiaz Lutful Baset FCMA, FCA	Independent Director	8	7

35.00 General:

All the figures in the financial statements represent Bangladeshi taka currency (BDT) rounded off to the nearest figure. The comparative information has been disclosed of 2020-2021 for all numerical information in the financial statements and also the narrative and descriptive information as found relevant for understanding of the current years financial statements. To facilitate comparison, certain relevance balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year presentation.

36.00 Disclosure as per requirement of Schedule XI, Part II of the Companies Act, 1994:

A. Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3:

Employee position of the company as at 30 June, 2021:

Salary (Monthly)	Factory	Head Office	Sales & Marketing	Total Employees
Below BDT 6,000	-	-	-	-
Above BDT 6,000	203	20	20	243
Total	203	20	20	243

B. Disclosure as per requirement of Schedule XI, Part II, Para 4:

Name of Directors	Designation	Meeting allowance	Total Remuneration for the year ended 2020-21
Datin' Shamima Nargis Haque	Chairman	30,000	-
Dato' Engr. Md. Ekramul Haque	Managing Director	40,000	1,800,000
Kawsar Ahmed (Nominee Director of Taufika Engineering Limited)	Director	-	-
Imtiaz Lutful Baset FCMA, FCA	Independent Director	35,000	-
Muhsinina Taufika Ekram	Director	25,000	-

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2021

37.00 As per IAS- 24:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits	-	-
(b) Post-employee benefits	-	-
(c) Other long term benefits	-	-
(d) termination benefits and	-	-
(e) Share- based payment	-	-
	-	-

38.00 Events after Reporting Period:

In compliance with the requirements of IAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting period there are adjusting events those are disclosed as follows:

- i. VAT payables are settled within September 09, 2021
- ii. The company has been declared 11% cash dividend in this financial year (2020-2021)

39.00 Disclosure as per requirements of Schedule XI, Part-II., Para-3 of the Companies Act. 1994

Requirements under condition No.	Compliance status of Disclosure Schedule XI, Part II, Para 3
3(i)(a) The turnover	Complied
3(i)(b) Commission paid to selling agents	Not Applicable
3(i)(c) Brokerage and discount of sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as as possible	Complied
3(i) (d)(ii) The opening and closing stocks of goods produced	Complied
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks	Not Applicable
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered	Not Applicable
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the	Complied
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	Not Applicable
3(i)(l) Charge for income tax and other taxation on profits	Complied
3(i)(m) Reserved for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item:	Complied
(i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings	

Taufika Foods and Lovello Ice-Cream PLC
Schedule of Property, Plant & Equipment
 As at 30 June 2021

Property, Plant & Equipment		Depreciation				Rate of Dep. (%)		Cost		Written Down Value as on 30-06-2021	
Particulars		Balance as on 01-07-2020	Addition during the year	Balance as on 30-06-2021	Charged during the year	Balance as on 30-06-2021		Balance as on 01-07-2020	Addition during the year	Balance as on 30-06-2021	
Land & Land Development		84,361,490		84,361,490	-	-	0%				84,361,490
Building & Civil Works		91,694,977		91,694,977	3,674,027	21,888,455	5%	18,214,428			69,806,522
Plant and Machinery		371,972,040	42,465,899	414,437,939	28,113,209	140,186,111	10%	112,072,902			274,251,828
Furniture and Fixtures		6,738,763	2,686,577	9,425,340	648,895	2,241,998	10%	1,593,103			7,183,342
Freezer		506,733,380	122,240,653	628,974,033	46,705,966	147,500,014	10%	100,794,048			481,474,019
Office Equipment		7,062,732	1,297,280	8,360,012	663,078	1,743,667	10%	1,080,589			6,616,345
Motor Vehicles		132,056,568	8,114,142	140,170,710	14,708,167	77,280,972	20%	62,572,806			62,889,737
Total as on 30.06.2021		1,200,619,949	176,804,551	1,377,424,500	94,513,342	390,841,217		296,327,876			986,583,283

Annexure - A

Right of Use Assets

Particulars		Cost		Rate of Dep. (%)	Depreciation		Written Down Value as on 30-06-2021	
		Balance as on 01-07-2020	Addition during the year		Balance as on 01-07-2020	Charged during the year	Balance as on 30-06-2021	
Plant and Machinery		4,079,499		10%	940,325	313,917	1,254,242	2,825,257
Freezer		324,745,500		10%	95,742,470	22,900,303	118,642,773	206,102,727
Motor Vehicles		67,662,134		20%	36,357,776	6,260,872	42,618,647	25,043,487
Office Space		10,897,101		20%	2,361,039	2,179,420	4,540,459	6,356,643
Total as on 30.06.2021		407,384,234	-		135,401,609	31,654,512	167,056,121	240,328,113

Intangible assets

Particulars	Cost		Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2021
	Balance as on 01-07-2020	Addition during the year		Balance as on 01-07-2020	Charged during the year	Balance as on 30-06-2021	
Computer Software	2,696,433	627,200	50%	1,957,793	526,120	2,483,913	839,720
Total as on 30.06.2021	2,696,433	627,200		1,957,793	526,120	2,483,913	839,720
Total as on 30.06.2021	1,610,700,616	177,431,751		433,687,278	126,693,974	560,381,251	1,227,751,116

Amount in Taka

Allocation of depreciation

Manufacturing Overhead	32,733,124
Administrative Expenses	795,238
Marketing & Selling Expenses	93,165,611
Total	126,693,974

Taufika Foods and Lovello Ice-Cream PLC
Schedule of Property, Plant & Equipment
 As at 30 June 2020

Property, Plant & Equipment

Particulars	Cost		Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-20
	Balance as on 01-07-19	Addition during the year		Balance as on 01-07-19	Charged during the year	Balance as on 30-06-20	
Land & Land Development	84,361,490	-	0.00%	-	-	-	84,361,490
Building & Civil Works	87,619,117	4,075,860	5.00%	14,454,290	3,760,138	18,214,428	73,480,549
Plant and Machinery	322,941,438	49,030,602	10.00%	85,919,143	26,153,760	112,072,902	259,899,138
Furniture and Fixtures	4,523,478	2,215,285	10.00%	1,144,434	448,669	1,593,103	5,145,660
Freezer	359,260,070	147,473,310	10.00%	63,882,640	36,911,408	100,794,048	405,939,331
Office Equipment	3,659,662	3,403,070	10.00%	604,966	475,623	1,080,589	5,982,143
Motor Vehicles	116,172,349	15,884,219	20.00%	47,187,393	15,385,413	62,572,806	69,483,762
Total as on 30.06.2020	978,537,603	222,082,346		213,192,865	83,135,011	296,327,876	904,292,073

Right of Use Assets

Particulars	Cost		Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-20
	Balance as on 01-07-19	Addition during the year		Balance as on 01-07-19	Charged during the year	Balance as on 30-06-20	
Plant and Machinery	4,079,499		10%	591,527	348,797	940,325	3,139,174
Freezer	324,745,500		10%	70,297,689	25,444,781	95,742,470	229,003,030
Motor Vehicles	67,662,134		20%	28,531,686	7,826,090	36,357,776	31,304,358
Office Space		10,897,101	20%	181,618	2,179,420	2,361,039	8,536,063
Total as on 30.06.2020	396,487,133	10,897,101		99,602,521	35,799,088	135,401,609	271,982,626

Intangible assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2020
	Balance as on 01-07-19	Addition during the year	Balance as on 30-06-20		Balance as on 01-07-19	Charged during the year	Balance as on 30-06-20	
Computer Software	2,385,996	310,437	2,696,433	50%	1,374,372	583,422	1,957,793	738,640
Total as on 30.06.2020	2,385,996	310,437	2,696,433		1,374,372	583,422	1,957,793	738,640
Grand Total as on 30.06.2020	1,377,410,732	233,289,884	1,610,700,616		314,169,757	119,517,520	433,687,278	1,177,013,339

Amount in Taka
30.06.2020
30,878,989
750,193
87,888,339
119,517,520

Allocation of depreciation
Manufacturing Overhead
Administrative Expenses
Marketing & Selling Expenses
Total



**Agreement Signed between
Lovello with DSE & CSE**





**Title Sponsorship Agreement of Bangabandhu
Bangladesh VS West Indies Cricket Series 2021ver
Ceremony to RSM**





**Lovello Share Trading Inauguration
at DSE and CSE**

















TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC
Plot: 80, Road: 2, Banani (Chairman Bari), Dhaka-1213, Bangladesh

PROXY FORM

I/We of
..... being a member of Taufika Foods And Lovello Ice-Cream PLC and entitled to vote, do hereby appoint Mr./Ms. of as my/our Proxy to attend and vote on my/our behalf in the 10th Annual General Meeting (AGM) of the Company to be held on using Hybrid system in combination of Physical and Digital presence on Tuesday, Dec 28, 2021 at 10.00 AM

As witness I put my/our hand(s) this day of 2021

REVENUE
STAMP
TK. 20.00

1.

Signature of the PROXY

2.

Signature of the Shareholder

Signature of the Shareholder

Folio/BO ID No																	
----------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Note: This Proxy Form, duly completed, must be deposited at the Company's Registered Office not later than 48 (forty-eight) hours before the commencement of meeting. Proxy shall be invalid if not signed and stamped as explained above. Signature of the Shareholders should agree with the Specimen Signature registered with the Company/Depository Participants.



TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC
Plot: 80, Road: 2, Banani (Chairman Bari), Dhaka-1213, Bangladesh

ATTENDANCE SLIP

I/We hereby record my/our attendance in the 10th Annual General Meeting (AGM) being held on using Hybrid system in Digital presence on Tuesday, Dec 28, at 10.00 AM or at any adjournment thereof.

Name of the Member/	
Proxy (in Block Letter)	
Folio/BO ID No	

Signature Verified by

Signature of the Shareholder/PROXY

Authorized Signature of the Company

Note: Shareholders attending the meeting in person or by proxy are requested to complete the Attendance Slip and deposit the same at the reception desk. Any friend or children accompanying with the honorable Member/ Shareholders/ Proxy will not be allowed to the meeting.



TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC

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