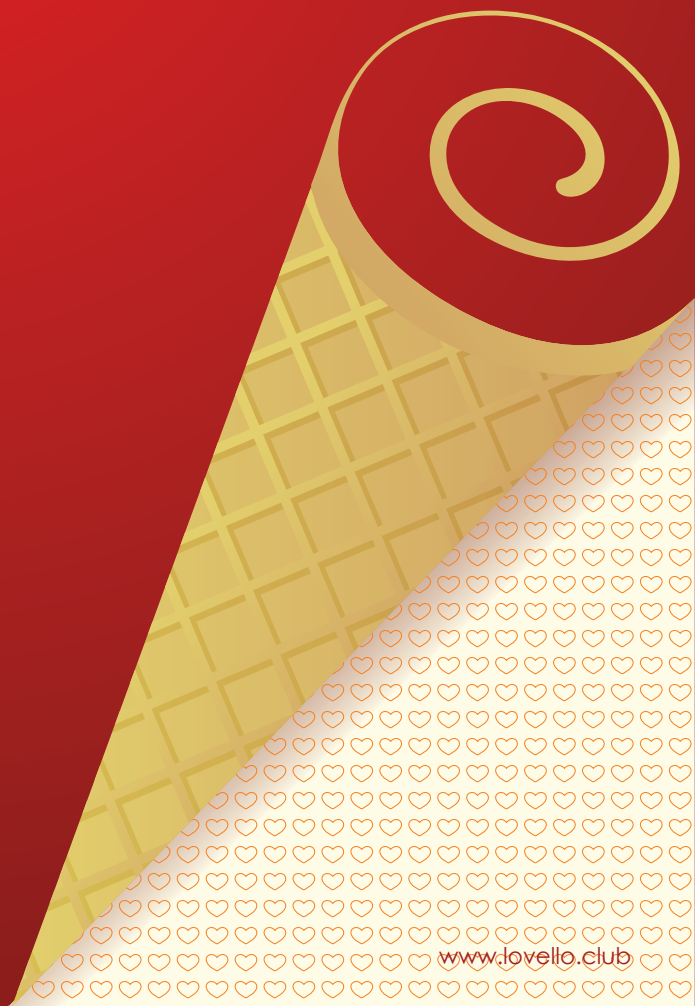




ANNUAL REPORT 2022-23

TAUFIKA FOODS AND
LOVELLO ICE-CREAM PLC



LOVELLO 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 & Reg. No.

C-94700/11

Date of Listing

February 02, 2021

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

Factory Address

Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh.

Factory/Project Telephone & FAX

Telephone: 01841102530, Fax: 02-9841289

Website

www.lovello.club

Email

lovello@lovello.club



Greetings



Greetings

With a shovel of gratitude and a sprinkle of delight, Taufika Foods and Lovello Ice Cream PLC takes immense pleasure in unveiling the Annual Report of its flavorful journey. With each passing year, we've strived to create not just frozen treats but memorable experiences that touch the hearts and taste buds of our cherished customers and stakeholders. This report is a skylight into our passion, innovation, and dedication to quality in every scoop. It's a tribute to the trust and support you've placed in us, driving us to push the boundaries of creativity and excellence in the world of ice cream.

Enclosed within these words and numbers is a vivid portrayal of our sweet voyage through the fiscal year, culminating on June 30, 2023. This Report is a testament to our commitment to transparency and adherence to the guiding principles and content elements outlined by the esteemed international integrated reporting framework graciously provided by the Value Reporting Foundation (VRF).

As you delve into these pages, you will uncover a multi-faceted perspective of our Company's performance during the eventful financial year of 2022-23 – a year as rich and diverse as the flavors we offer. As the sun sets on another year, we greet you with open arms to explore our Annual Report, a story of our passion for ice cream

Sustainable Attainment in Our Scoops

It is palpable that our path is closely intertwined with the nitty-gritty of success after we have witnessed a century of sustainable operations in Bangladesh. As we progress in our pursuit of sustainability, we are now setting our sights on the next century. At the heart of our sustainable achievement is our dedication to sourcing the finest ingredients responsibly. We've partnered with local farmers who share our commitment to eco-friendly farming practices. This not only ensures the highest quality ingredients but also supports local communities and reduces our carbon footprint. We are realigning our business to align with government priorities and future needs, all while reinvigorating our dedication to promoting sustainable change throughout Bangladesh.

As we take the next steps in our journey, this Annual Report outlines our plans for the years to come. These plans encompass various areas, including climate action, sustainable livelihoods, and excellence in corporate governance. Our quest of sustainable achievement is not just a part of our business stratagem; it's the very essence of who we are. As we continue to innovate, invest, and inspire, we invite you to join us on this delectable journey towards a more sustainable, responsible, and scrumptiously delightful future. Our strategic alignment remains steadfast to ensure resilience in this rapidly evolving new world.



Impression of Our Annual Report

In pursuit of the scheme to provide a scrupulously balanced, succinct, and precise representation of our corporate governance practices, regulatory compliance initiatives, strategic endeavors, performance metrics, emerging opportunities, and forward-looking perspectives, encompassing the relevant Environmental, Social, and Governance (ESG) aspects, this report assumes a pivotal role. It not only addresses the value-generation considerations of our steadfast long-term investors but also offers valuable insights to all our esteemed stakeholders.

This comprehensive report, while shedding light on the trajectory leading to our enduring future, derives its insights from our operational accomplishments during the period from July 1, 2022, to June 30, 2023.

Integrated Perspectives and Reporting Excellence

Our seamless integration across every surface of our value chain, from crop to consumer, serves as the foundation for our inclusive reporting framework. This framework empowers us to convey our strategic plans, performance outcomes, and value creation strategies with unwavering clarity.

Oversight of our integrated reporting process rests with the vigilant Board Audit Committee, while our internal and external audit teams carefully inspect key controls and accounting matters, ensuring the utmost precision and accuracy in our information. In pursuit of complete transparency and credibility, we also engage in regular collaboration with legislative authorities, regulators, and esteemed professional bodies to obtain external assurance as necessary.

At the core of this report lies our robust corporate governance framework, which stands as a testament to our workforce's unwavering dedication to achieving performance excellence with the highest standards of integrity and ethics. Guided by our Board and Leadership team, this framework enables swift, robust, and streamlined decision-making processes and the effective management systems that underscore our commitment to excellence.

Information Declaration

In the thorough development of both the written and visual elements of this report, we have diligently followed a suite of five stringent qualitative approaches:

Completeness: Our commitment to inclusivity extends to material impacts, external influences, and broader sustainability initiatives, ensuring a comprehensive portrayal of our operations.

Comparability: We provide a wide-ranging overview of our performance across current and previous reporting periods, underpinned by our steadfast pledge to long-term value creation.

Uniformity: The integration of report data with our internal controls bolsters the verifiability of our information, enhancing the credibility of our disclosures.

Lucidity: Through the seamless fusion of textual and visual elements, we have prioritized readability, comprehension, and concision to make our report accessible and informative.

Reliability: Financial and governance information is meticulously vetted by celebrated external assurance service providers, ensuring the utmost reliability and accuracy in our disclosures.

Our yearly evaluation of momentous subjects equips us with the ability to recognize and understand factors that can have either positive or negative effects on our efforts to create value in the short, medium, and long run. These factors encompass aspects directly impacting our financial performance, as well as our ESG priorities and opportunities. Together, these elements play a pivotal role in shaping the trajectory of our triple bottom-line over time. This report, in its entirety, serves as a complete repository of information concerning all such matters that we consider capable of substantially influencing the process of value creation at Taufika Foods and Lovello Ice Cream PLC.

Mohammad Didarul Alam, FCMA
Company Secretary (Acting)

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05

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SECOND GENERATION LEADERS



Welcome

note from our Chairman

The year that has just passed was undeniably one of the most challenging periods our global community has ever faced. It challenged us in unprecedented ways. Yet, in the midst of adversity, it also showcased the inherent strengths of our company, including our cohesive and inclusive corporate culture, the influence of our brand, the extensive reach of our distribution network and our resolute commitment to corporate liability.

In the face of the relentless challenges we encountered in previous years, we met them head-on with the dedicated spirit that has consistently defined our company. This determined spirit enabled us to pivot swiftly and respond with remarkable agility to the rapidly shifting landscape. As we move forward, cognizant of the potential hurdles in the current year, our commitment to our core principles remains steadfast. Foremost among these principles is our unwavering dedication to affecting a reflective and meaningful impact in the lives of our consumers and all stakeholders alike.

Simultaneously, we are committed to driving a positive and forward-looking agenda, uniting our people, products, and widening community in a shared journey of progress. As we embrace the future, I want to express my profound gratitude to our entire team, whose dedication and resilience have been the bedrock of our success. Together, we will steer the challenges ahead and strongly believe that, our values and vision will light our path forward.

With warm regards,

Datin' Shamima Nargis Haque
Chairman

NOTICE OF THE 12th ANNUAL GENERAL MEETING

Notice is hereby given for the 12th Annual General Meeting of the Shareholders of TAUFKA FOODS AND LOVELLO ICE CREAM PLC which will be held on Saturday the 30th December, 2023 at 11:30 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 discuss about matters arising out of the last minutes.
2. To received, consider and adopt the Audited Financial Statement for the year ended June 30, 2023.
3. To approve Report of Directors to the shareholders.
4. To declare dividend for the year ended June 30, 2023.
5. To elect/re-elect Directors in terms of the relevant provision of Articles of Association.
6. To appoint/ re-appoint statutory auditors for the financial year ended on June 30, 2023 and to fix their remuneration.
7. To appoint Compliance Auditors for the year 2023-2024 and to fix their remuneration.
8. To extension of time of IPO use of proceeds.
9. Any other matter with the permission of the Chair.

By order of the Board



Mohammad Didarul Alam, FCMA
Company Secretary (Acting)

07 December, 2023

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 20, 2023, 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 emailing at lovello@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 2022-23 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 2022-23 of the Company that will be sent through email, Members may download the same from the ‘Investors Information’ section of the Company’s website: www.lovello.club. Login process along with the joining link of the 12th AGM will be available at the ‘Investors Information’ section of the Company’s website; members are requested to check the login details. Members may also send an email at lovello@lovello.club for queries or assistance to join the AGM.



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 Limited PLC.

Annual Report for the year ended June 30, 2023

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report containing the Directors' Report and Auditors' Report along with Audited Financial Statements including the Statement of Financial Position as at June 30, 2023, Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2023 along with notes thereon for your record and necessary measures.

Thank you.

Sincerely yours,



Mohammad Didarul Alam FCMA
Company Secretary (Acting)



TOGETHER WE ARE STRONGER

Board of Directors

Datin' Shamima Nargis Haque	Chairman
Dato' Engr. Md. Ekramul Haque	Managing Director
Muhsinina Taufika Ekram	Director
Muhsinina Sharika Ekram	Director
Ruhul Ameen M.Com, FCMA	Independent Director

Operational Management Team

Dato' Engr. Md. Ekramul Haque	Managing Director
Engr. Md. Kamruzzaman	Chief Operating Officer
Mustaque Ahmad	Chief Financial Officer
Muhammad Razib Hasan	Chief Strategic Officer
Mohammad Didarul Alam FCMA	Company Secretary (Acting)
Md. Moheuddin Sarder	Head of Internal Audit

Audit Committee

Ruhul Ameen M.Com, FCMA, Independent Director, Chairman of the Committee
Muhsinina Taufika Ekram Director, Member of the Committee
Muhsinina Sharika Ekram., Member of the Committee

Nomination and Remuneration Committee

Ruhul Ameen M.Com, FCMA, Independent Director, Chairman of the Committee
Muhsinina Taufika Ekram, Director, Member of the Committee
Muhsinina Sharika Ekram. Member of the Committee

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



Auditors

Kazi Zahir Khan & Co.

Chartered Accountants
Home Town Apartments (Level-15),
87 New Eskaton Road, Dhaka- 1000.

Compliance Auditors

Mujibur Rahman & Co.

Cost and Management Accountant
Saj Bhaban Suite C-30 (15TH floor)
27, Bijoy Nagar, Dhaka-1000

Legal Adviser

Md. Iftabul Kamal Ayan

Advocate, Bangladesh Supreme Court

Md. Humayun Kabir

Advocate, Bangladesh Supreme Court

Bankers

Trust Bank Ltd

Millennium Branch Jahangir Gate, Dhaka Cantonment
Dhaka.

Pubali Bank Ltd

Delta Life Tower ,(2nd floor), Plot #37, Road # 45 North
& 90 South, Gulshan Circle-2, Dhaka-1212

Premier Bank Ltd

Address: Banani Branch, Plot#, 76/A Rd No. 11, Dhaka

Prime Bank Ltd

Address: 62 Block - E, Kemal Ataturk Avenue, Banani,
Dhaka 1213

Brac Bank Ltd

Address: Borak Mehnur, 51/B Kamal Ataturk Avenue 4th
and 5th Floor, Dhaka 1213

Islami Bank Ltd

Gulshan Branch, Gulshan Circle-2, Dhaka

Dutch Bangla Bank Ltd

Address: Borak Mehnur 51/B Kamal Ataturk Avenue 1st
and 2nd Floor, Dhaka 1213

Union Bank Ltd

Banani Branch, Assurance Nazir Tower, Plot-65, Block: B,
Kamal Ataturk Banani

Mercantile Bank Ltd

Mohakhali Branch, Address: 51-52, Green Delta Aims
Tower, Mohakhali C/A, Dhaka 1212

UCBL

Gulshan Branch

NRB Bank

Corporate Head Office. Uday Sanz; Block: SE (A), Plot:
2/B, Road: 134, South Avenue; Gulshan – 1, Dhaka-1212.
Old Corporate Head Office.

Shimanto Bank Limited

Shimanto Shamvar (Level-7), Bir Uttam M. A. Rob Sarak
(Road No. 2), Shimanto Square, Dhanmondi

City Bank Ltd

Gulshan Branch, City Bank Center, 136 Gulshan Avenue,
Gulshan 2, Dhaka 1212

AB Bank Ltd

Address: Banani Branch, House no: 88, Road No. 11,
House 50, Block C, (1st-2nd Floor, 54 Rd No. 11,
Dhak1213

Shimanto Bank Limited

Shimanto Shamvar (Level-7), Bir Uttam M. A. Rob Sarak
(Road No. 2), Shimanto Square, Dhanmondi, Dhaka- 1205

Trust Bank Ltd

Millennium Branch Jahangir Gate,
Dhaka Cantonment, Dhaka.

Dutch Bangla Bank Ltd

Seed Store Bazar Branch, Mymensingh

Shimanto Bank Limited

Shimanto Shamvar (Level-7), Bir Uttam M. A. Rob Sarak
(Road No. 2), Shimanto Square, Dhanmondi

Trust Bank

Millennium Branch Jahangir Gate, Dhaka Cantonment
Dhaka.

Shimanto Bank Limited

Shimanto Shamvar
(Level-7), Bir Uttam M. A.
Rob Sarak (Road No. 2),
Shimanto Square, Dhanmondi

Insurer

Karnaphuli Insurance Company Limited
Eastern Insurance Company Limited
Met Life Insurance



CHAIRMAN'S MESSAGE

“

I AM CONFIDENT THAT
TAUFIKA FOODS AND
LOVELLO ICE CREAM PLC
IS WELL-POSITIONED
FOR CONTINUED
SUCCESS IN THE YEARS
TO COME.

CHAIRMAN'S MESSAGE

Dear Esteemed Shareholders,

Assalamu Alaikum,

With great joy I hereby disclose the Annual Report for the fiscal year 2022-2023 of Taufika Foods and Lovello Ice Cream PLC. This stands as a grand opportunity for us to showcase our remarkable journey but also to convey our profound appreciation to the partners and stakeholders who have been the bedrock of our success. Although the year in question, has been a year of great challenges and opportunities, I am proud to say that we have emerged stronger than ever.

In the face of formidable challenges, which persisted from the previous years, our country has triumphed in achieving a truly iconic milestone: the Padma Multipurpose Bridge. This engineering marvel stands as a testimony to our nation's buoyancy and will serve as a channel for enhanced connectivity and unparalleled business prospects between our capital city and the dynamic South-Western region. The bridge has become a tangible reality, poised to contribute a remarkable 1.5 percent to our nation's GDP. Beyond its economic bang, the Padma Bridge holds the promise of transforming the regional landscape, nurturing agriculture-based economies, revolutionizing education and healthcare access, and invigorating the land ports, thereby fostering increased trade between India and Bangladesh. Furthermore, it is set to bridge the digital divide, creating new avenues for telecommunications, internet services, information sharing, data processing, software development, training, and manufacturing – all of which will catalyze economic growth and employment.

Amid political and financial turmoil, our company has remained resolute, maintaining steady progress and upholding high standards of credit quality. Our astute risk management practices have not only weathered the storms of global market fluctuations and evolving regulations but have also thrived throughout the business cycle. I take immense pride in highlighting the numerous positive outcomes achieved during the financial year 2022-23, despite the myriad challenges we faced.

I would also like to extend my heartfelt gratitude to our robust corporate governance framework. Corporate governance is the compass that guides our company's daily operations, reflecting our unwavering commitment to conducting business in a principled manner. LOVELLO places dominant importance on effective corporate governance to ensure the company's safety and the interests of its stakeholders. The Board provides strategic direction, approves major policy decisions, and oversees senior management to achieve our business objectives. To provide essential strategic support to the Board, various committees, including the Executive Committee, Audit Committee, and Risk Management Committee, are diligently fulfilling their roles.

I must extend my sincere appreciation to the Government of Bangladesh, regulatory authorities, and the dedicated members of our Board for their unwavering support and insightful guidance during these trying times. I would also like to express my gratitude to our valued customers, whose trust in our services drives us to incessantly, enhance their experience.

In rundown, I wish to convey my sincere appreciation to all individuals who have persistently provided their patronage and placed their reliance in Taufika Foods and Lovello Ice Cream PLC. I am confident that Taufika Foods and Lovello Ice Cream PLC is well-positioned for continued success in the years to come. While we persevere through these tumultuous circumstances, be assured that our paramount objective remains to elevate customer satisfaction, and we are resolutely dedicated to widen your overall experience with LOVELLO.

Thank you for your attention.

Warm regards,

Datin' Shamima Nargis Haque
Chairman



MANAGING DIRECTOR'S MESSAGE

“

WE WISH TO CONVEY OUR
INSIGHTFUL THANKS FOR YOUR
STEADFAST CONFIDENCE IN
TAUFIKA FOODS AND LOVELLO ICE
CREAM PLC. WE EAGERLY
ANTICIPATE A FUTURE TEEMING
WITH DYNAMIC PROSPECTS,
FORTIFIED BY OUR STANCH
PERSEVERANCE TO THE HIGHEST
STANDARDS OF EXCELLENCE AND
SUSTAINABILITY.



MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

Assalamu Alaikum,

Taufika Foods and Lovello Ice Cream PLC expresses its profound gratitude for your unwavering support and invaluable contributions to our company. The journey from our humble beginnings a few years ago to our current stature has been a remarkable one. LOVELLO, now a leading and esteemed brand in the ice cream industry, takes great pleasure in acknowledging your enduring trust and confidence.

In the world of Lovello, we don't just make ice cream; we craft experiences. Our commitment to delivering the finest quality, the most innovative flavors, and the highest standards of excellence has been our guiding principle since day one. Over the past couple of years, the company has achieved significant milestones. Our dedicated teams have played a pivotal role in propelling the company's growth through their tireless dedication and hard work. We've introduced innovative strategies and new products to align with evolving market demands, thereby establishing a robust foundation for the next decade and beyond as we continue to evolve as a sustainable and forward-thinking enterprise.

Even after much turmoil in recent years, we have successfully weathered those storms, emerged stronger and more resilient. Bangladesh's achievement in completing the Padma Multipurpose Bridge project in June 2022, has spurred significant economic growth to the country's GDP and we anticipate similar growth in the south-western region. With the Padma Bridge poised to carry an ever-increasing number of vehicles, we at LOVELLO are prepared to harness this opportunity for our growth and expansion. The ease of business communication it affords will catalyze growth in various industries across the southwestern part of the country, including communication, transportation, agriculture, industrialization, and employment. This, in turn, will uplift the living standards of the neighborhood in the region.

In fine, we wish to convey our insightful thanks for your steadfast confidence in Taufika Foods and Lovello Ice Cream PLC. We eagerly anticipate a future teeming with dynamic prospects, fortified by our staunch perseverance to the highest standards of excellence and sustainability.

In appreciation and kind regards,

Dato' Engr. Md. Ekramul Haque
Managing Director

SHAREHOLDER DIRECTOR'S



Datin' Shamima Nargis Haque
Chairman



Dato' Engr. Md. Ekramul Haque
Managing Director



Muhsinina Taufika Ekram
Director

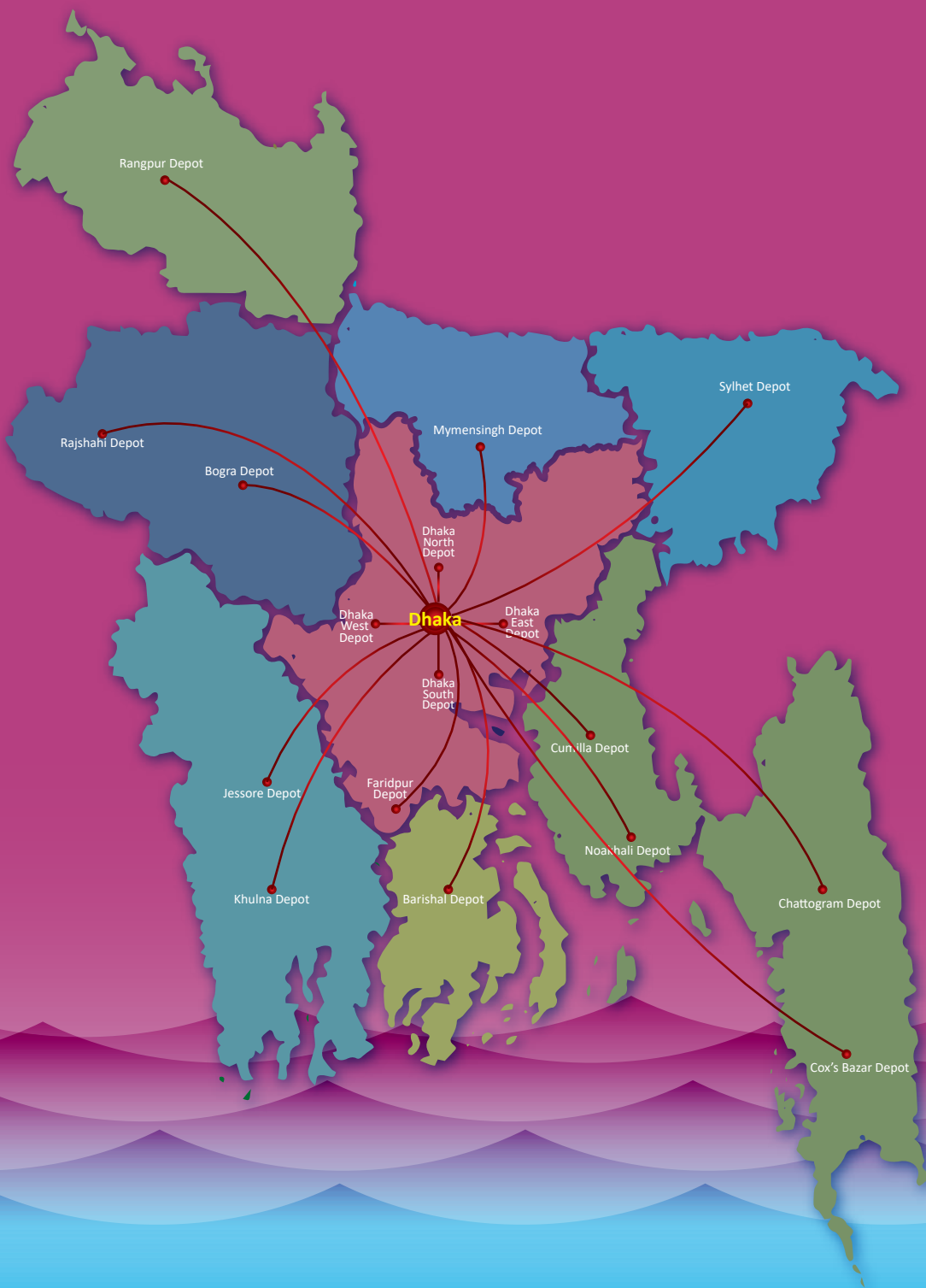


Muhsinina Sharika Ekram
Director

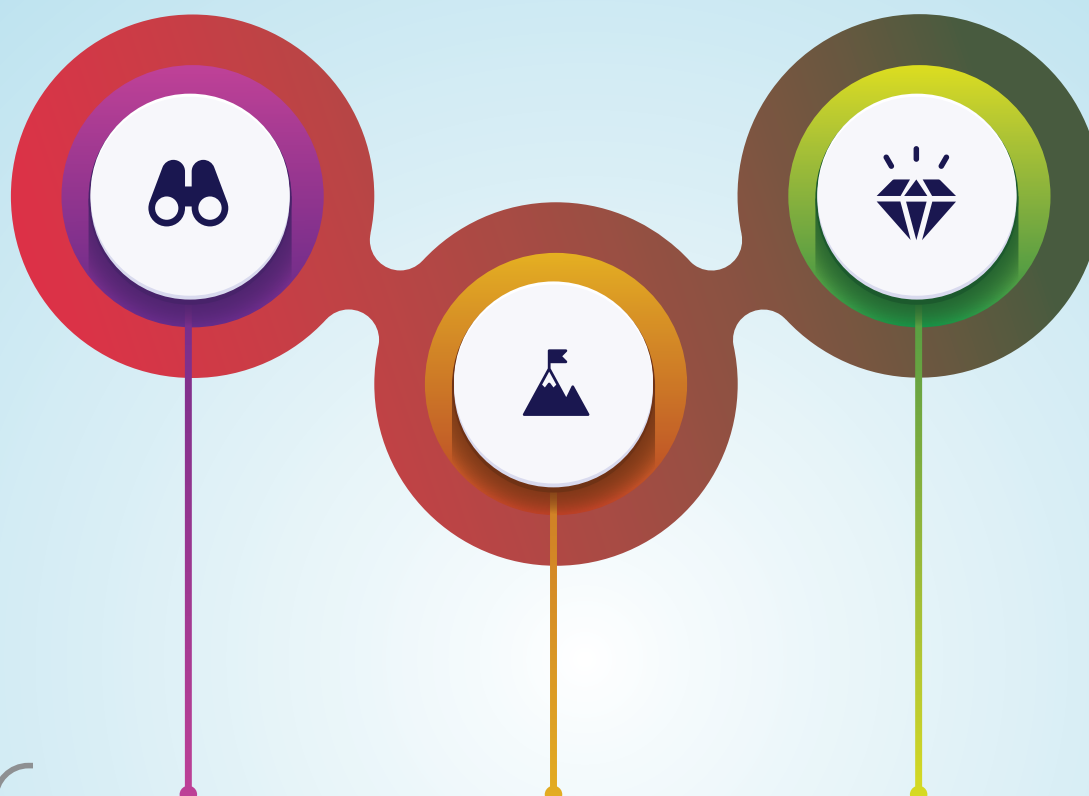
WHO WE ARE



PRESENCE IN BANGLADESH



OUR VALUES



VISION

We aspire to become the embodiment of love, capturing the hearts of all Bangladeshis so profoundly that the mere utterance of 'Lovello' evokes a concerto of joy, much like the melodious chirping of birds in unison.

MISSION

Our mission is to produce and deliver high-quality products through ongoing innovation in our products, operations, communication, and management. We are committed to maintaining the highest standards without ever compromising on the exceptional taste and quality that define our brand.

CORE VALUES

Our core values revolve around the resolute precedence we place on our customers. We embrace simplicity and standardization as guiding principles. Freshness, impeccable taste, and continuous innovation form the foundation of our values, ensuring that we constantly meet and exceed our customers' expectations.

PRIMARY FOCUS AND STRATEGIC OUTLOOK

Lovello, incisively attuned to the discerning tastes and demands of its customers, has embarked on a pioneering journey within the ice-cream industry. Central to our ethos is the unwavering commitment to Total Quality Management (TQM) across all facets of our operations. In this quest, we have unveiled an expansive array of ice-cream offerings, distinguishing itself from competitors in the market. To date, we have introduced an impressive 58 distinct ice-cream creations, positioning us as a frontrunner in the ice cream sales industry.

Our preeminent objectives revolve around stringent quality control and the maintenance of impeccable standards in our production processes. Hygiene and product quality remain paramount priorities for Lovello. Furthermore, we remain resolute in our dedication to delivering products that offer exceptional value for money, thereby ensuring 100% customer satisfaction through the right products, precisely placed in the right market, at the right time.

Market segmentation through the provision of customized products exemplifies Lovello's unique policy. Simultaneously, we are unwavering in our pursuit of sustained business growth. The principles of good corporate governance, lucidity, and accountability guide our every action. Maintaining regulatory compliance is not a mere obligation; it is a testament to our commitment to operating at the highest standards. Our pledge extends to the continuous enhancement of our product portfolio, fostering expansion that aligns with market dynamics.

In strategically charting Lovello's trajectory for the introduction of new ice cream products, a meticulous and all-encompassing market analysis becomes an imperative prerequisite. This involves an exhaustive scrutiny encompassing an array of facets, including an in-depth evaluation of consumer behavior, a comprehensive assessment of competitors' strategies, and a penetrating analysis of market penetration within the ice cream sector.

While our immediate concentration remains centered on the formulation of Lovello's ice cream distribution strategy, we maintain a dogged cognizance of the myriad challenges, barriers, and intricate competitive dynamics inherent within the overarching landscape of the industry.



COMPANY'S MILESTONES

2023

Disbursed BDT 100.20 Million as 12 % Cash dividend

2022

Sealed Revenue BDT 960.38 Million as 12.88% growth

2021

Trade opening on February 10 as 'TAUFIKA'

2020

Obtained Consent Letter from BSEC to IPO

2019

First Business Meet on February 15.

2018

Achieved 63% sales growth

2017

LOVELLO become the title sponsor of 'Miss World Bangladesh'

2016

Lovello officially started its journey on February 14 on the occasion of Valentine's Day.

2015

Lovello Ice-cream set up a factory at Valuka, Mymensingh and was inaugurated on December 19.



Single Sundae

Strawberry Ice Cream



BUSINESS PRINCIPLES

Though not stringent but genuine principles are the maiden priority for Taufika Foods and Lovello Ice-cream PLC and the company is the connoisseur of maintaining unique principles strictly. The corporate business principles being at the focal point of its company reflect the basic ideas of justice, sincerity and a concern for folks and families, communities including quality, innovation, commitment, health and safety, delectability. LOVELLO's internal rules run on strict compliance with the law and guide the actions even if the law is more indulgent 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 company believes the key to its success is Lovello's Six Principles of Quality, Liability, Mutuality, Modernization, Commitment and Freedom.

- **Quality:**

The consumers are the boss of our company and we will not compromise on our standards. Lovello's Quality Policy creates a shared platform for quality standards in both the Pharmaceutical and Diagnostics businesses. Consumers recognize and appreciate our commitment to quality. 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.

- **Liability:**

All our coworkers take liability for results and exercise scheme and verdict 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.

- **Mutuality:**

We believe the standard by which our business relationships should be measured is the degree to which mutual benefits are created. We assemble strong partnerships with our suppliers, customers, consumers and acquaintances. 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.

- **Modernization:**

Growth of ice-cream production for different weather is no longer urged nowadays. So modernization and innovation are the brotherly facts inscribed at the heart of Lovello. To keep the markets stocked, Lovello is stepping up and able to expand sales of its ice cream across the country. LOVELLO becoming the most demanding ice cream in the market, it has taken initiatives in increasing its distribution and logistics capabilities in line with its strategies through sincere innovation. We do not mislead our customers about our products and the customers, we do believe, have no complaints against our delectable products.

- **Commitment:**

Stern commitment is making Lovello successful over time. We never deviate to 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.

- **Freedom:**

To shape our future, Lovello believes in freedom and as one of the world's largest family-owned corporations, this independence enables our company to achieve growth and prosperity. Lovello is dreaming of building a business based on the philosophy of a "mutual benefits" for all stakeholders and this vision helps us continuously improve our management systems to guarantee product quality and safety aiming for zero defects. Lovello teams put the principles in action every day, making a difference for people and the planet through our performance.

ETHICAL PRINCIPLES

In an era where ethical considerations have transcended being merely desirable to becoming a fundamental pillar of business operations, Lovello Ice Cream reaffirms its staunch commitment to uphold and promote ethical philosophy. At Lovello, we proudly adhere to the highest standards of corporate conduct, unwaveringly complying with all relevant antitrust, competition, and fair dealing laws. We persistently reject any engagement in anticompetitive practices and work systematically to ensure that our business practices are aligned with the principles of fair competition. As we endeavor to craft our annual report, we take this opportunity to shed light on the ethical foundations that guide our actions and define our corporate character.

Our Core Ethical Philosophy

1. Integrity and Transparency

Integrity forms the bedrock of our ethical framework. We are committed to conducting our business with the utmost honesty, fairness, and transparency. Our stakeholders can trust us to always adhere to the highest ethical standards in every facet of our operations. Integrity is the cornerstone of our business conduct. We demand absolute honesty and ethical behavior from all employees. We believe that integrity is not merely an option; it is an essential component of our character. In a landscape where shortcuts may beckon and compromise may seem tempting, Lovello remains resolute in its unwavering dedication to the principles of integrity. We hold ourselves to the highest ethical standard, not because it is convenient, but because it is the right thing to do. In this commitment, we find our strength, our identity, and the assurance that our every action is rooted in the bedrock of integrity.

2. Customer-Centric Approach

At Lovello, we view ethical business practices as synonymous with a customer-centric approach. We prioritize the satisfaction and well-being of our customers, ensuring that our products meet the highest standards of quality and safety. This commitment extends to providing transparent and accurate product information.

3. Environmental Stewardship

Our environmental responsibility is not just a corporate obligation; it's a moral imperative. We take proactive measures to minimize our ecological footprint, from sustainable sourcing of ingredients to energy-efficient production processes. Lovello is dedicated to contributing positively to the environment we all share.

4. Social Responsibility

Our commitment to ethical principles extends to the communities we serve. We actively engage in philanthropic initiatives and support local causes that align with our values. By fostering positive social change, we aim to leave a lasting, positive impact on society.

5. Fair Labor Practices

Our workforce is the heartbeat of our organization, and we pledge to treat all employees with dignity and respect. Fair compensation, equal opportunities, and safe working conditions are non-negotiable elements of our ethical labor practices.

Code of Business Conduct:

At Lovello, our Code of Business Conduct stands as an unequivocal testament to our unwavering commitment to excellence in every facet of our operations. This code delineates non-negotiable minimum standards governing key areas of employee behavior, encompassing:

1. Compliance with Laws: Lovello holds steadfast to its duty of upholding the law. We insist upon strict compliance with all applicable laws and regulations, ensuring that our operations remain well within the bounds of legal and ethical standards.



2. Conflicts of Interests: We are acutely aware of the potential pitfalls of conflicts of interest. Lovello takes proactive measures to identify, disclose, and meticulously resolve any conflicts of interest, fostering an environment of fairness and transparency.

3. Bribery and Corruption: Lovello unequivocally prohibits all forms of bribery and corruption. We extend this prohibition not only to our employees but also to our service providers and agents, leaving no room for any conduct that could even remotely suggest or appear to be associated with such illicit activities.

Our Code of Business Conduct is not merely a document; it is a living testament to our dedication to building trust and credibility within our organization. We are committed to cultivating a culture of open and honest communication, both internally among our employees and externally with our valued clients. This code reflects our unwavering resolve to uphold the highest standards of ethics and integrity, setting the gold standard for how we conduct business at Lovello.

As we reflect on the past year, Lovello Ice Cream takes pride in the ethical foundation upon which our success is built. We remain dedicated to fostering a corporate culture that not only embraces these ethical principles but also seeks to continually improve upon them. Our commitment to ethics is not a static declaration; it is a dynamic, ongoing journey towards excellence and responsible corporate citizenship.

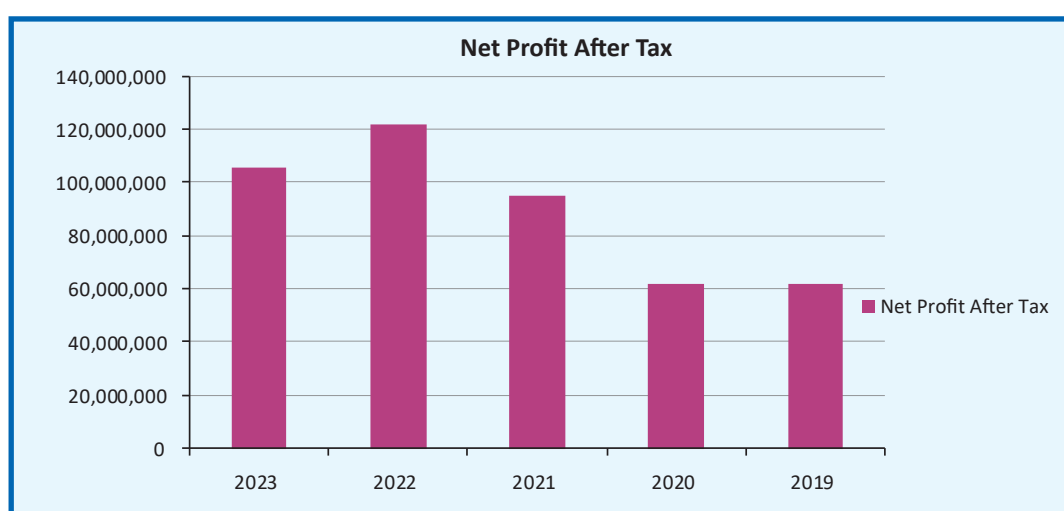
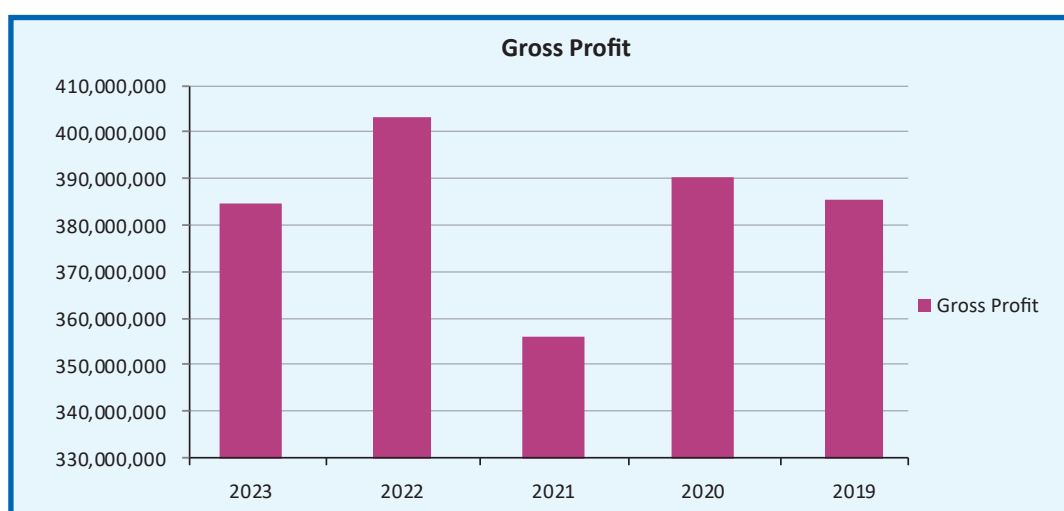
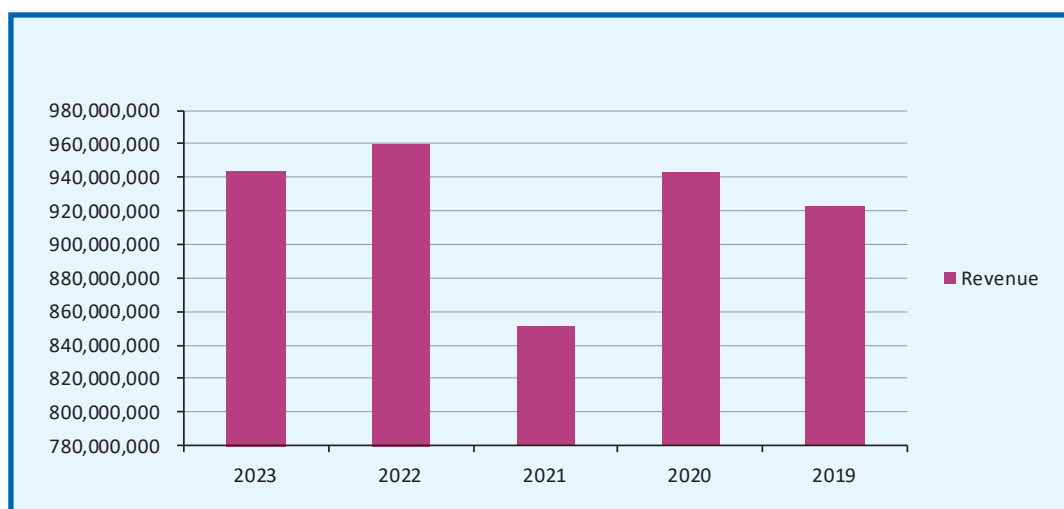


FIVE YEARS FINANCIAL SUMMARY

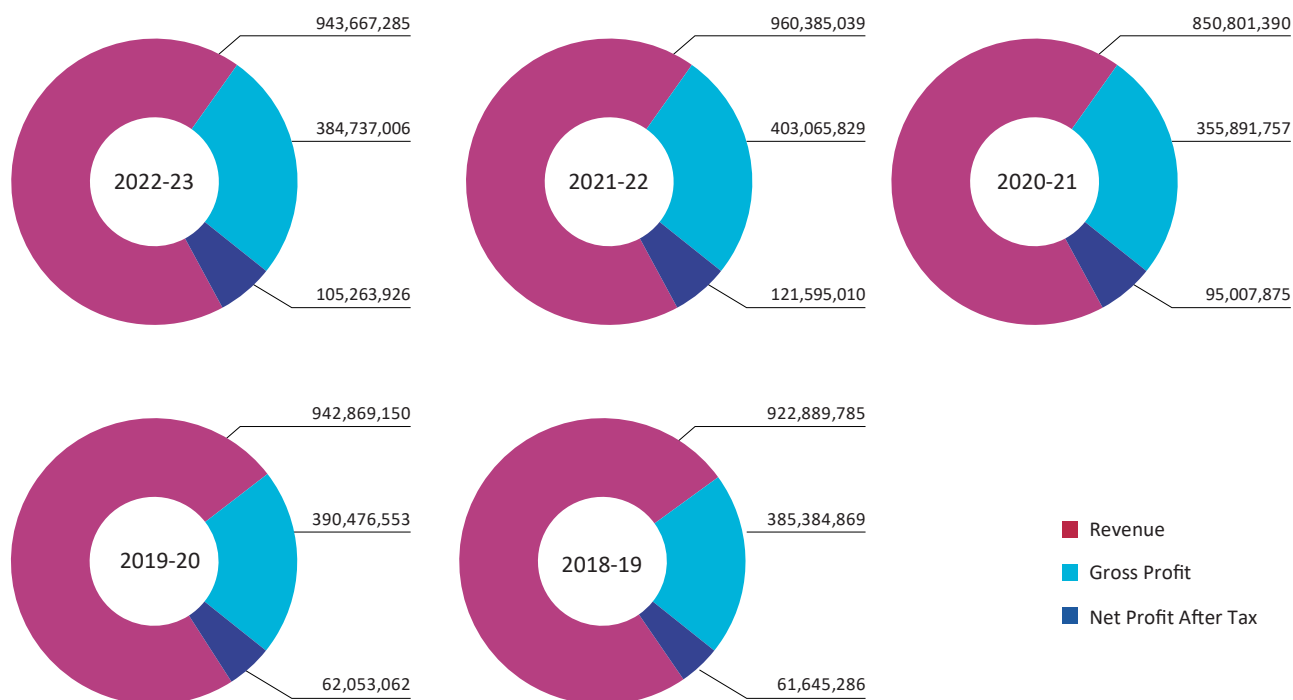
Particulars	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
(A) Sales	943,667,285	960,385,039	850,801,390	942,869,150	922,889,785
(B) Cost of Goods Sold	558,930,279	557,319,210	494,909,633	552,392,597	537,504,916
(C) Gross Profit (A-B)	384,737,006	403,065,829	355,891,757	390,476,553	385,384,869
(D) Operating Expenses	143,284,585	141,143,960	139,688,077	149,280,037	134,508,705
Administrative Expenses	16,687,750	17,101,509	16,231,797	18,701,781	13,564,960
Marketing Expenses	126,596,834	124,042,451	123,456,281	130,578,256	120,943,746
(E) Operating Income (C-D)	241,452,422	261,921,869	216,203,680	241,196,516	250,876,164
(F) Financial Expenses	116,877,787	120,022,392	118,035,700	155,147,618	161,134,907
(G) Profit Before Other Income (E-F)	124,574,634	141,899,478	98,167,980	86,048,898	89,741,257
(H) Other Income	13,590,518	12,051,004	3,598,895	3,455,781	6,102,220
(I) Net Profit Before WPPF	138,165,152	153,950,482	101,766,874	89,504,679	95,843,477
(J) Provision for WPPF	6,579,293	7,330,975	4,846,042	4,262,128	4,563,975
(K) Net Profit Before Tax (I-J)	131,585,859	146,619,507	96,920,833	85,242,551	91,279,502
(L) Income Tax Expense	26,321,934	25,024,497	1,912,957	23,189,490	29,634,215
Current Tax	11,639,189	13,362,639	18,794,777	21,733,994	23,173,852
Deferred Tax	14,682,745	11,661,858	-16,881,820	1,455,496	6,460,363
(M) Net Profit After Tax (K-L)	105,263,926	121,595,010	95,007,875	62,053,062	61,645,286



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



Our Performance: Revenue Growth Show of Last five years.



RISK MANAGEMENT OUTLINE

In the realm of business, embracing risk is an inherent aspect of progression. However, it is imperative to strike a delicate equilibrium between pursuing our objectives and meticulously preparing to navigate the risks we willingly encounter. At Lovello, our basic commitment lies in conducting our business operations in a manner that is both socially responsible and sustainable. In this context, risk management assumes paramount importance, encompassing the meticulous processes of identification, analysis, and either acceptance or mitigation of uncertainty inherent in our investment decisions.

Effective risk management stands as the linchpin that enables us to attain our objectives with unwavering efficiency and efficacy. It serves as the linchpin for ensuring the consistency of our financial reporting and our unwavering compliance with the manifold laws and regulations governing our industry.

Board Oversight and Risk Appetite

The oversight of our risk management endeavors is entrusted to our esteemed Board of Directors. Annually, or in response to unforeseen shifts in the risk landscape, the Board evaluates our risk appetite and conducts a comprehensive assessment of key risks. This rigorous scrutiny ensures that our risk exposure remains harmonious with Lovello's overarching strategy, business environment, regulatory framework, and the expectations of our valued stakeholders.

Risk Categories and Mitigation Strategies

Within the domain of ice cream production, several risk categories warrant our vigilant attention, ranging from operational and liquidity risks to price fluctuations, credit risks, market dynamics, and sustainability and environmental impact.

- **Operational Risk:** We acknowledge the potential ramifications of operational disruptions, such as labor disputes or wage demands. To mitigate this risk, we are unwavering in our commitment to fostering a harmonious work environment and offering attractive remuneration packages, thereby minimizing the potential for employee unrest.
- **Liquidity Risk:** The risk stemming from illiquid assets or liabilities is something we mitigate through vigilant cash flow management, optimization of working capital, and the maintenance of unused financing facilities. These measures provide us with the flexibility to meet future contingencies seamlessly.
- **Price Fluctuation Risk:** We actively manage this risk through diligent risk management procedures, where costs and benefits of hedging are carefully evaluated to ensure efficient resource allocation in our ice cream production.
- **Credit Risk:** To mitigate credit risk, we diligently assess the creditworthiness of our clients and maintain personal security agreements with dealers, thus ensuring control and risk mitigation. In summary, our approach to mitigating credit risk is characterized by a combination of rigorous creditworthiness assessments, the implementation of personal security agreements, and a vigilant approach to control and risk mitigation. These multifaceted measures collectively bolster our financial stability and underscore our commitment to responsible and sustainable business practices.
- **Risk in Second Hand or Reconditioned Machinery:** Recognizing the potential impact on profitability, we have procured primary capital machinery from reputable sources, thereby minimizing the risk of obsolescence and maintenance issues.
- **Adverse Effect on Future Cash Flow:** We anticipate future cash flow requirements by planning for loan interest obligations and thereby ensure a continuous and uninterrupted flow of funds. We adopt a forward-thinking approach by meticulously forecasting and preparing for future cash flow needs, especially in terms of meeting our loan interest obligations. This prudent financial strategy not only guarantees the unimpeded flow of funds but also reinforces our financial resilience, ensuring we navigate potential challenges with confidence and stability.
- **Financial Weakness Risk:** Our consistent sales growth and profitability bolster our resilience against financial weakness risk, ensuring our ability to meet loan obligations and sustain future growth.
- **Investment Risk:** The upward course of our profit margins over the years positions us as an attractive investment option, offering a compelling alternative to other investment avenues. Our resilience, sustained profitability, and firm dedication to delivering quality make Lovello an appealing investment choice. We stand as a testament to our industry, offering an investment opportunity that is not only profitable but also synonymous with enduring excellence and value creation.
- **Interest Rate Risk:** Interest rate risk, an external factor of concern, arises from the prospect of unfavorable fluctuations in interest rates. These fluctuations can be triggered by shifts in government monetary policies and heightened demand for loans and investments, often resulting in elevated interest rates. Typically, companies with floating rate loans are most susceptible to

the impact of such rate hikes. However, it's noteworthy that our company has astutely opted for fixed interest rate loans from banks. This strategic choice has enabled us to maintain a consistent track record of timely loan repayment. By adhering to this prudent financial approach, we have effectively mitigated the potential adverse effects of interest rate fluctuations, thereby safeguarding our financial stability.

- **Industry Risk:** With growing market demand for ice cream in Bangladesh, competitive forces remain harmonious, eliminating any undue threat of price wars or drastic price reductions.

The ice cream industry in Bangladesh is thriving with an established market size of Tk. 2000.00 crore. However, this market is primarily dominated by five existing companies, accounting for Tk. 1200.00 crore of this industry. This leaves a substantial gap of approximately Tk. 800.00 crore in the market, signaling significant untapped potential.

Furthermore, the demand for ice cream in Bangladesh is on a steady rise, with a growth rate of 20% annually. Remarkably, the current industry landscape is characterized by healthy competition, both from local and foreign entities. Despite this, no organization is inclined to engage in aggressive price reductions; as such a strategy could jeopardize their survival.

Several factors contribute to the gradual growth of the ice cream industry in Bangladesh:

Favorable Weather: The climatic conditions in Bangladesh are conducive to year-round ice cream consumption.

Skilled Workforce: The availability of skilled human resources within the ice cream industry ensures high-quality production.

Increasing Popularity: Ice cream continues to gain popularity across all age groups, further fueling the industry's growth.

In essence, the ice cream market in Bangladesh presents a promising landscape with untapped potential, driven by increasing demand and favorable market dynamics.

- **Tech Risk:** We proactively adapt to technological advancements within the ice cream industry, regularly maintaining and upgrading equipment to ensure operational efficiency.
- **Market Risk:** The burgeoning popularity of ice cream in our country and our expansive product range minimize market risk, while prudent brand management fortifies our customer base.

Lovello remains fanatical to preserve and augment its brand value, cultivating resilience, fostering emotional connections with stakeholders, and upholding industry, regulatory, and general standards of significance. Our commitment to excellence is untiring, ensuring that we navigate the complex terrain of risks with unwavering poise and purpose.



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VALUE GENERATION AND SUSTAINABLE LONGEVITY

Our unwavering dedication to generate value is deeply rooted in our ability to seize opportunities emerging from ever-changing environmental and social dynamics. We are resolute in our commitment to harness the resources of our company to both shore up profitability and, in parallel, contribute meaningfully to society, all while championing sustainability as a foundational principle. In today's fiercely competitive market, neglecting to provide substantial value to our customers can lead to a precarious decline. Therefore, it is imperative that businesses reimagine their strategies for value creation, expanding their horizons and innovating to flourish in the unpredictable and ever-evolving landscape of tomorrow. In this realm where sustainability and profitability seamlessly intertwine, it is not only a matter of prudence but also a fiduciary obligation for enterprises to address the impending challenges posed by climate change.

Our three elementary pillars for enduring value creation are Focus and Brand Perception, Environment, and High-Quality Employment Practices.

FOCUS AND BRAND PERCEPTION

Consumers exhibit an inclination to patronize brands that align with their own values and principles. Hence, our concerted focus rests on brands that actively contribute to the community or champion noteworthy causes, thereby forging a profound connection with our target audience. Our ultimate goal is to cultivate brand value and brand equity. Brand equity encompasses the extra value a company garners from products bearing a recognizable name, as opposed to their generic counterparts. Our aspiration is to nurture a robust brand equity, wherein our customers, when confronted with purchasing choices, feel emboldened and gratified in selecting the LOVELLO brand. Consequently, we posit that customers influenced by products boasting elevated brand equity are more inclined to opt for them, even if they command a premium over generic alternatives.

ENVIRONMENT

Within the purview of our business operations, value creation intrinsically melds with sustainability. In this context, the environment plays a pivotal role in our value proposition by responding proactively to energy challenges and imperatives.

Water and Chemical Management:

By reframing water investments as catalysts for business growth, we aim to galvanize greater private sector engagement in addressing water-related challenges. Notably, LOVELLO boasts an efficient Effluent Treatment Plant (ETP), operating under the auspices of Vietnam Technology. This bio-chemical marvel, with a capacity of 10,000 liters per hour, is purposefully designed to uphold ecological equilibrium and foster overall environmental amelioration. It merits mention that the Department of Environment (DOE) of the Bangladesh Government conducts thrice-annual visits to our ETP. Following rigorous assessments of processes and discharged water quality, DOE bestows an Environmental Clearance Certificate (ECC) upon us. Our commitment to chemical management transcends regulatory compliance and potential fines; it embodies our solemn duty to safeguard our planet and its finite resources from both immediate and long-term chemical hazards. It underscores the imperative of prudent control and management of risks associated with chemical usage, storage, and disposal.

Energy Preservation:

Energy efficiency constitutes a paramount concern for our company, given the energy-intensive nature of our ice cream production process. While ice cream is inherently invigorating, the blending of ingredients like milk, dairy chocolate, sugar, and vanilla beans necessitates substantial energy input. Electricity and compressed air serve as linchpins in the thermal and kinetic processes spanning mixing, extrusion, deep-freezing, dipping in various chocolate coatings, and final packaging. Thus, energy efficiency assumes paramount importance within LOVELLO. In this context, the Energy Savings Scheme (ESS) assumes pivotal significance. ESS extends financial incentives to New South Wales businesses that invest in energy reduction projects, either through new equipment installations or system modifications.

Water Management Actions

Waste management encompasses a spectrum of activities and measures indispensable for responsible waste handling, from inception to ultimate disposal. This holistic approach encompasses waste collection, transportation, treatment, and disposal, alongside robust monitoring and regulatory oversight. Its overarching objective is to deliver hygienic, efficient, and cost-effective



solid waste management without sullyng the atmosphere, soil, or water systems. Within the scope of this review, waste sources are categorized into three primary segments: municipal solid waste, industrial waste, and agricultural waste.

Municipal Solid Waste:

This category encompasses a wide array of materials varying in environmental toxicity, including paper, packaging materials, food processing waste, oils, solvents, resins, paints, sludge, glass, ceramics, metals, plastics, rubber, wood, cloth, straw, and abrasives, among others. The absence of a regularly updated and systematic database on industrial solid waste precludes precise quantification of generation rates.

Agricultural Waste:

The expansion of agricultural production has yielded increased quantities of livestock waste, agricultural crop residues, and agro-industrial byproducts. Prudent waste management in the agricultural sector can significantly augment farm operations by promoting a healthy environment for livestock and reducing reliance on commercial fertilizers while enriching crop nutrient profiles.

HIGH-QUALITY EMPLOYMENT PRACTICES

Taufika Foods and Lovello Ice-cream PLC has garnered acclaim for upholding superlative employment practices. Our recruitment methodology exemplifies meritocracy, ensuring equal opportunities for all recruited employees, regardless of their background. Our remuneration policy is designed with astute discernment, encompassing salary reviews, festival bonuses, performance incentives, and the punctual disbursement of salaries. In essence, we espouse a fair and equitable wage framework. Our workplace environment stands out as unbeatable within the industry, providing a platform for our highly talented cohorts to showcase their abilities. We foster a culture of positivity, encapsulated in our constructive working environment. Moreover, we conduct comprehensive internal training programs on a departmental basis, firmly believing that trained employees surpass meritorious students in suitability.

In conclusion, LOVELLO extends gratitude to our collaborative partners for affording us the invaluable opportunity to glean insights from their strategic deliberations. These encounters have enriched our understanding of navigating the dynamic interplay between disruption and linear thinking, balancing societal demands against shareholder expectations, and discerning the determinants of success and failure.

MARKET VALUE ADDED STATEMENT

The Market Value Added (MVA) provides a measurement of a company's external performance in relation to its equity. It compares the market value of shares and their book value. A positive MVA indicates that the company could add to the value to the shareholders' wealth.

Particulars	Notes	Amount in Taka	
		30-Jun-2023	30-Jun-2022
Market Value of Shares Outstanding	Note A	3,221,500,000	3,540,250,000
Book Value of Shares Outstanding	Note B	1,099,653,011	1,096,389,086
Market Value Added		2,121,846,989	2,443,860,914
Market Value Added per Share (with regard to Share Capital as existing		24.96	28.75
Note A - Market Price per Share (as quoted in the stock exchanges):			
Dhaka Stock Exchange Ltd		37.90	41.90
Chittagong Stock Exchange Ltd		37.90	41.40
Average Rate		37.90	41.65
No. of Shares Outstanding		85,000,000	85,000,000
Market Value of Shares Outstanding		3,221,500,000	3,540,250,000
Note B - No. of Shares Outstanding at June 30, 2023		85,000,000	85,000,000
Book Value of Shares (Tk. 10 per value)		850,000,000	850,000,000
Retained Earnings at June 30, 2023		249,653,011	246,389,086
Book Value of Shares Outstanding		1,099,653,011	1,096,389,086



CORPORATE SOCIAL RESPONSIBILITY (CSR)

As its core business Lovello has been taking different steps in mainstreaming CSR. We are passionate enough to create meaningful societal changes using our values. As a key priority, we use the concept of Social Responsibility in an analytic structure and so we start implementing actions that meet a tremendous range of vital requirements by improving overall contributions to the society. We have accepted CSR practices in a structured manner through our administrative vision so that our poor population cannot become helpless.



BOARD & COMMITTEES

Board of Directors

Sl. No.	Name	Designation
1	Datin' Shamima Nargis Haque	Chairman
2	Dato' Engr. Md. Ekramul Haque	Managing Director
3	Muhsinina Taufika Ekram	Director
4	Muhsinina Sharika Ekram	Director
5	Ruhul Ameen M. Com, FCMA	Independent Director

Operational Management Team

Sl. No.	Name	Designation
1	Dato' Engr. Md. Ekramul Haque	Managing Director
2	Engr. Md. Kamruzzaman	Chief Operating Officer
3	Mustaque Ahmad	Chief Financial Officer
4	Muhammad Razib Hasan	Chief Strategic Officer
5	Mohammad Didarul Alam FCMA	Company Secretary (Acting)
6	MD. Moheuddin Sarder	Head of Internal Audit

Audit Committee

Sl. No.	Name & Position
1	Ruhul Ameen M. Com, FCMA, Independent Director, Chairman of the Committee
2	Muhsinina Taufika Ekram, Director, Member of the Committee
3	Muhsinina Sharika Ekram, Director, Member of the Committee

Nomination and Remuneration Committee

Sl. No.	Name & Position
1	Ruhul Ameen M. Com, FCMA, Independent Director, Chairman of the Committee
2	Muhsinina Taufika Ekram, Director, Member of the Committee
3	Muhsinina Sharika Ekram, Director, Member of the Committee

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





PROFILE OF THE BOARD OF DIRECTORS



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 22 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 Chairman. 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' Engr. Md. Ekramul Haque, aged 55, is a Civil Engineer, MBA possesses more than 32 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' Engr. 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 Again "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' Engr. 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 Medal 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 is 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' Engr. 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, aged 24 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



Muhsinina Sharika Ekram

Director

Ms. Muhsinina Sharika Ekram, having dual citizenship of Canada and Bangladesh, is the younger 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. Ms. Sharika has been appointed as Director of the board recently upon getting her interest to be involved into it. Prior to her appointment in the Board her elder sister, Muhsinina Taufika Ekram also became a Director of Taufika Foods and Lovello Ice cream PLC, a concern of under Taufika Group which is named under her name "Taufika".

Ms. Sharika is now, pursuing her graduation degree in the field of Life Science at the McGill University, Montreal, Canada. Before she got admitted herself at McGill University, she completed her schooling from The York School, Toronto under IB (International Baccalaureate) curriculum where she scored distinction mark and was a top scorer.

Ms. Sharika is willing to be engaged herself more effectively in the company after completion of her higher degree and desires to introduce her thoughts for the growth of the business.

PROFILE OF THE BOARD OF DIRECTORS



Ruhul Ameen, M.Com, FCMA an experienced professional marketing accountant and business manager in the manufacturing and export sector with expertise in strategic planning, business development strategy formulation and implementation. He received his Master of Commerce in 1981 from the University of Chittagong, Qualified as a Cost and Management Accountant in 1983 from The Institute of Cost and Management Accountants of Bangladesh. He has gathered vast knowledge in Financial Management, supply chain, sales, marketing, distribution, customer service, internal control and risk management.

Mr. Ameen has over 45 years of extensive experience of which four years as Sr. Cost & Budget Accountant of Beximco Foods Ltd. Chittagong, three years in Siam's Superior (HK) Ltd. Chittagong, as Chief Accountant & Head of Commercial, three years in PMP International Company as General Manager. He worked in Excelsior Shoes Ltd from Feb-1990 to May 2015 as Marketing manager, Vice President and Dy. Managing Director. Presently he is working in Bangladesh Thai Aluminium Ltd as Managing Director.

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.

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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 33 years of practical experience in the field of Ice-cream, Food & Beverage industries. He worked for Modern Industries (BD) Ltd. as Asst. Manager (Engineering) and Igloo Ice Cream and Milk Pasteurization Plant as Manager (Engineering and Production). 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-Secondary Higher Diploma at 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 27 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 has an impressive track record of business development in his credentials. He joined Taufika Foods and Lovello Ice-cream PLC on 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 along with a specialization in information system, business analysis and decision-making process, has a progressive and dynamic corporate career with 22+ 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 the 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



Mohammad Didarul Alam FCMA

Company Secretary (Acting)

Mohammad Didarul Alam FCMA is a progressive and dynamic corporate leader with 16+ 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 6 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. Before left the Partex Group he was the General Manager-Finance & Accounts. Before joining Partex Group he worked with Dhaka Ice Cream Industries Limited. He was also worked at Abul Khair Group for two years.

SENIOR MANAGEMENT PROFILE



Dr. Md. Rafiqul Islam

Deputy General Manager

Dr. Md. Rafiqul Islam is a distinguished Food Engineering professional with 15+ years of dedicated experience in the Food & Beverage industry with excellence in Operation Management, New Product Development, Ingredient Selection, Quality Assurance, Machine selection, Food Safety Compliance, Food Fortification, and Training & Assessment.

He achieved Doctor of Philosophy (PhD) Degree in Food Engineering (specialization on Ice cream) from Bangladesh Agricultural University, Master of Science (M.S) in Food Engineering from Bangladesh Agricultural University, Master of Business Administration (MBA) from Stamford University, Bachelor of Science (B.Sc.) in Food Engineering from Bangladesh Agricultural University, Mymensingh. He also achieved Certificate IV in Training and Assessment from TAFE, Australia.

Throughout his career, Dr. Rafiq has assumed pivotal leadership roles, demonstrating his ability to deliver excellence in various domains. His current position as Deputy General Manager-Production at Taufika Foods & Lovello Ice-cream PLC showcases his prowess in directing plant operations to ensure efficiency, quality, health & safety, customer satisfaction, and food safety compliance. Moreover, he leads the Food Safety, QA, and Product Development Team, steering the company toward excellence.

Previously, as General Manager - Plant Operations at BG Food & Agro Processors Limited, Dr. Rafiq orchestrated production efficiency, quality assurance, safety, and regulatory compliance. He also played a crucial role in leading the Food Safety, QA, and Product Development Team, underscoring his multifaceted expertise.

His tenure as General Manager - Factory Operations at Diamond Food and Beverage Limited involved strategic planning and oversight of production, compliance with customer specifications, and the development of regulatory policies and procedures.

লাভেলো Shahi Sandesh





DIRECTOR'S REPORT

REPORT FROM DIRECTOR

Dear Esteemed Shareholders,

I extend my heartfelt greetings to each one of you, brimming with enthusiasm and gratitude, as I, in the distinguished capacity of the representative of the Board of Directors and Management, present before you the meticulously crafted Directors' Report. This comprehensive document, scrupulously curated with the utmost care and dedication, stands testament to our unwavering commitment to transparency, integrity, and excellence. In the hallowed halls of our revered organization, a momentous event unfolded on June 30, 2023, a pivotal juncture where the Board of Directors, embodying wisdom and foresight, convened and endorsed the contents of this report. Within these pages lie not just words, but a narrative of our collective journey, a tapestry woven with dedication, perseverance, and relentless pursuit of excellence.

Bangladesh Economic Landscape

In the backdrop of an ever-evolving global economy, Bangladesh stands tall as a beacon of economic resilience and growth. Bangladesh, with its vibrant economy, has consistently showcased impressive growth rates, underpinned by a thriving industrial sector, robust export activities, and a burgeoning middle class. The country's GDP growth remains steadfast, bolstered by diverse sectors including textiles, manufacturing, and services. One of the key drivers of Bangladesh's economic success is its significant investment in infrastructure development. The nation has embarked on ambitious projects, including the expansion of transportation networks, modernization of ports, and the establishment of industrial zones. These initiatives not only enhance domestic connectivity but also amplify our global competitiveness.

Bangladesh is increasingly recognized as an emerging market with vast potential. Its large consumer base, coupled with a growing disposable income, presents a plethora of opportunities for businesses. Bangladesh's strategic geographical location and its active participation in global trade make it a hub for commerce. The country's export-oriented approach has resulted in the expansion of international trade relationships. The nation's economic landscape has undergone a remarkable transformation, positioning itself as a significant player in the international market.

A Glimpse of Fast Moving Consumer Goods Industry

In the ever-changing tapestry of consumer habits, the Fast Moving Consumer Goods (FMCG) industry, especially within the realm of packaged foods, is undergoing a profound transformation. This metamorphosis is intricately woven into the fabric of urban, semi-urban, and rural life. A paradigm shift in lifestyle choices has propelled a surge in the demand for packaged and processed foods, a trend that resonates across all segments of society. Bangladesh, with its vibrant and consumption-driven economy, mirrors this change remarkably. The FMCG industry, acting as a barometer of economic progress, stands as a testament to the nation's resilience and adaptability. The industrial landscape, once marred by a decline in manufacturing output, is now witnessing resurgence, indicating a robust revival.

Within this bustling economic milieu, the ice cream industry in Bangladesh emerges as a true standout. Unparalleled in its growth trajectory, this sector has defied norms and exceeded expectations. In 2022, the market for ice cream experienced an extraordinary upswing which marked a phenomenal 95 percent increase compared to the previous year.

The surge in demand for ice cream can be attributed to various factors. The gradual return to normalcy, following the uncertainties of the pandemic, played a pivotal role. People, reassured of ice cream's safety, embraced it with open arms. Beyond this, the market's expansion mirrors the evolving lifestyles of the populace, bolstered by increased spending capacity, urbanization, and improved access to essential amenities, including power grids, even in rural areas. In essence, the FMCG industry, with ice cream at its forefront, symbolizes Bangladesh's unstoppable spirit. It encapsulates not only economic growth but also the spirit of resilience, adaptability, and the unwavering determination of the Bangladeshi people. As we move forward, this dynamic landscape promises boundless opportunities, where innovation and consumer preferences converge to shape a future that is as promising as it is exciting.

Embracing change, driving progress, and savoring the sweet taste of success, Bangladesh's FMCG journey continues, illuminating the path toward a thriving future.



A Sweet Success Story of Lovello Ice-cream

In the heart of Taufika Foods and Lovello Ice-cream PLC. blossomed the much-loved brand 'LOVELLO'. Swiftly captivating hearts, it soared to prominence, becoming a cherished ice cream choice nationwide. With battling fierce competition, LOVELLO's tenacity prevailed, propelling it to new heights. 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. LOVELLO's journey is not more than just frozen delights; it's a tale of sweet triumph and solid dedication.

Commitment to Quality and Responsibility

At Lovello Ice-cream, our dedication to our customers transcends beyond frozen treats; it embodies a promise of quality, convenience, and untiring commitment to your well-being. We understand the modern consumer's desire for products that align with their values, and Lovello stands tall, meeting these expectations with every delightful scoop.

Our stringent adherence to international standards and ISO certifications ensures that each Lovello creation embodies the essence of purity and safety. From the very essence of our ingredients to the innovative processes we employ, our pursuit of excellence is ceaseless.

This commitment is ingrained in the very fabric of our team, reflected in every aspect of our operations - from sourcing to manufacturing, marketing, and beyond. Behind the scenes, our Board of Directors diligently oversees the integrity of our internal control systems, ensuring robustness in design and implementation. With care and meticulousness, our internal audit department upholds the policies that guide us, providing a foundation of trust and reliability to our stakeholders.

Corporate responsibility, to us, means more than just business ethics; it embodies integrity, sustainability, and a deep respect for all stakeholders. Our shareholders are our partners in this journey, and we pledge to uphold their rights, delivering unparalleled performance and transparency. 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. We are not just employers; we are nurturers of talent, advocates for diversity, and believers in a working environment grounded in equality, respect, and meritocracy.

Our journey wouldn't be complete without acknowledging our valued clients, shareholders, and supporters. Your confidence in us fuels our passion, driving us to continuously innovate and excel. To the regulatory bodies, auditors, and every member of our Lovello family, your dedication forms the cornerstone of our success. As we sign off on this report, we extend our deepest gratitude for your trust and support. Here's to a future filled with delectable moments, shared values, and enduring partnerships.

AUDITOR'S CERTIFICATE REGARDING MONTHLY STATUS REPORT OF UTILIZATION OF FUND AGAINST INITIAL PUBLIC OFFERING (IPO) OF TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC FOR THE MONTH OF JUNE 30, 2023

This is to certify that 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, 2023 is as follows:



Sl. No	Purpose of Utilization	Allotment as per IPO (Tk.)	Total Utilization of Fund up to May 31, 2023	Fund utilized for the month of June 30, 2023	Total Utilization of Fund up to June 30, 2023	Unspent Balance (Taka)
1	Acquisition of plant & machinery	90,365,003	65,134,138	-	65,134,138	25,230,865
2	Freezer purchase	57,849,847	46,836,567	-	46,836,567	11,013,280
3	Vehicles purchase	20,564,250	27,005,948	-	27,005,948	(6,441,698)
4	Investment in depot to increase	13,220,900	-	-	-	13,220,900
5	To meet up IPO expenses	28,000,000	27,764,472	-	27,764,472	235,528
6	Bank loan repayment	90,000,000	90,000,000	-	90,000,000	-
	Total IPO proceeds	300,000,000	256,741,125	-	256,741,125	43,258,875
7	Interest income	-	945,681	329,312	-	1,274,993
8	Source Tax	-	(129,273)	(98,794)	-	(228,067)
9	Foreign exchange loss & Bank charges	-	(176,740)	(500)	-	(177,240)
	Total IPO Proceeds & Interest Income/ (Bank Charges)	300,000,000	256,564,385	230,018	256,741,125	44,128,561

Total unutilized fund excluding Interest Income/(Bank Charges) Taka 43,258,875/- (Four Crore Thirty Two Lac Fifty Eight Thousand Eight Hundred Seventy Five) only and including foreign exchange loss & Bank charges and Interest income Taka 44,128,561- as on June 30, 2023 is lying with Trust Bank Ltd. Millennium Branch, Jahangir Gate, Dhaka Cantonment, Dhaka (Account number 0022-0320000775). We have collected relevant information and required documents for all disbursements and we have also checked all the relevant document related with the mentioned disbursements, there is no expenditure during the month of June 30, 2023 Enclosed herewith the Status Report as Annexure-A for utilization of fund which has been prepared by the management.

During the course of our certification,

A The management of Taufika Foods and Lovello Ice-Cream PLC has transferred total amount of Taka 65,134,138/- for Acquisition of Plant & Machinery in which Taka 53,294,735/- has transferred to Shimanto Bank Ltd. in Account No: 1001244000258 for opening L/C. All L/C has been settled the amount of taka 53,294,735/- and paid amount of taka 11,839,403/- to Naj Associates as Duty Eepenses upto June 30, 2023 from the allotment as per IPO.

b) The management of Taufika Foods and Lovello Ice-Cream PLC has spent total amount of Taka 46,836,567 for Freezer purchase in which the amount of Taka 37,018,500 has been spent for Local purchase from different parties and the amount of Taka 4,020,200 has transferred for opening L/C to Shimanto Bank Ltd. in Account No: 1001244000258 for 470 Pcs Freezer purchase thereafter Duty, Shipping Charge, Port charge and Others has paid total amounting Taka 5,797,867 to NAJ Associates against the L/C upto the month of June 30, 2023.

c) The management of Taufika Foods and Lovello Ice-Cream PLC has transferred Taka 9,146,752 for opening L/C to purchase Vehicles from Shimanto Bank Ltd. in Account No- 1001244000258 and Taka 3,895,000 has been spent for Local Vehicles purchase from different parties and also paid Taka 13,964,196 to NAJ Associates against the L/C and Exise duty up to the month of June 30, 2023 But according to prospectous approved amount for Vehicles purchase was Taka 20,564,250 management couldn't provide any approval letter from BSEC for exceed expenditure of Taka 6,441,698.

d) The management of Taufika Foods and Lovello Ice-Cream PLC has spent total amount of Taka. 2,77,64,472 for the purpose of IPO Expenses up to June 30, 2023

e) The Management of Taufika Foods and Lovello Ice-Cream PLC has paid Taka 70,000,000 for repayment of Corporate Term Loan to Shimanto Bank Ltd. in Account No :1001741000187 and Taka 20,000,000 has been paid to Lanka Bangla Finance Ltd. as lease loan up to the month of June 30, 2023.



f) The management of Taufika Foods and Lovello Ice-Cream PLC has been incurred Foreign currency loss of Taka 80,638 and Bank Charge of Taka 96,102; Tk.9,45,681/- has been received as Interest Income and TDS on Interest income Tk. 129,273- on IPO Proceeds accounts (A/C No. 0022-0320000775 maintaining with Trust Bank Limited) up to the month of June 30, 2023.

g) According to the fund utilization monthly report of IPO Proceeds, report submission time line has been ended on January 31, 2022 as per Prospectus. We have received a letter from the company, reference no. PLC/SHARE/IUP/22 on dated December 26, 2022, where the company has applied to Bangladesh Securities and Exchange Commission (BSEC) for 1st time, time extension for 12 months up to January 31, 2024 and Company wants to utilize Tk. 65 (Sixty Five) lac in Vehicle purchase instead of Investment in depot but BSEC has not approved the rectification and extension of time till date.

We also report that:

- i. the expenses/utilization has been made in line with the provision of Initial Public Offering (IPO) documents;
- ii. the expenses/utilization made in line with the condition 4, part C of consent letter of Initial Public Offering (IPO);
- iii. the expenses/utilization of Taka 256,741,125/- of IPO proceeds have been completed as mentioned time schedule/ implementation schedule as specified in Initial Public Offering (IPO) documents;
- iv. the expenses/utilization made is accurate /for the purpose of the company as mentioned in Initial Public Offering (IPO) documents; and
- v. we also confirmed that: (i) expenses have been procured/ incurred by maintaining proper procedure as well as at a reasonable price; and (ii) books and records including vouchers are found correct in support of utilization of Initial Public Offering (IPO) fund.

Sd/-

Dated: July 11, 2023
Place: Dhaka

FAMES & R
Chartered Accountants

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.

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 2022-23 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 29, 2023, Taufika Foods and Lovello Ice-cream PLC recommended 10 percent cash dividend. Details of the recommended dividend during the financial year are disclosed in Note 39 of the Financial Report.

Dividend

The Company will be paying 10% cash dividend for the year ended 2022-23. The Board of Directors in its meeting held on 29 October 2023 recommended "10% cash" dividend for the year 2022-23. 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 105.26 mn.

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

The Board of Directors confirms 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 2022-23, the company contributed a total amount of BDT 10.36 million as Corporate Tax, BDT 169.63 million as VAT & SD, in total BDT 180.00 million was paid to the national exchequer

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 judgments;
- 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, 2023.

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

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. In this connection the following Directors will retire in the 12th Annual General Meeting and being eligible offered them for re-election;

- i) Datin' Shamima Nargis Haque
- ii) Muhsinina Sharika Ekram

The Nomination and Remuneration Committee reviewed the nomination of the above retiring and newly appointed directors and recommended the board for appointment. Accordingly, the board recommended appointment of retiring directors for re-election as well as newly appointed director.

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 are given on Annexure-II of this report.

Pattern and distribution of shareholding-

As on June 30, 2023 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 44.65%. The overall shareholding patterns of the Company as at the end of the year 2022-23 is shown on Annexure-II of this 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 complained 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 them aware of any relevant information and to establish that the company's Auditors are aware of that information.

Auditors

Kazi Zahir Khan & Co. Chartered Accounts have expressed their willingness to become the statutory auditor of the company for the FY-2023-2024. In this regard the Audit Committee scrutinized and reviewed their proposals and recommended to the Board to appoint Ahmed Zaker & Co, Chartered Accounts as the external auditor of the Company for the FY-2023-2024.

The Board in its meeting held on October 29, 2023 recommended the shareholders to appoint Kazi Zahir Khan & Co., Chartered Accounts at a remuneration of Tk. 400,000 plus VAT.

The Audit Committee scrutinized and reviewed the proposals of Mujibur Rahman & Co., 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 29, 2023 also recommended the shareholders to Mujibur Rahman & Co. Cost and Management Accountant at a remuneration of Tk. 25,000 plus VAT as the compliance auditor for the year 2023-24.

Our employees and environment



The Management of Taufika Foods and Lovello Ice-cream PLC believe 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, 2023 total 05 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 this Report.

Signing of Report

The Board in its meeting on June 2023 authorized the Chairman, Datin' Shamima Nargis Haque to sign Director's report and any addendum thereto.

Acknowledgement

With hearts brimming with gratitude, we extend our deepest thanks to our cherished clients, loyal depositors, and esteemed shareholders. Our heartfelt appreciation also reaches out to the Bangladesh Telecommunication Regulatory Commission, Bangladesh Securities and Exchange Commission, Dhaka and Chittagong Stock Exchanges, NBR, the invaluable backing from banks and financial institutions, and the unwavering support from various government bodies and our esteemed statutory auditors. Your positive suggestions have been the guiding light, shaping our path toward excellence. To our incredible employees, who breathe life into our vision at every level of the company, we express our deepest pleasure and gratitude. Your dedication and efforts illuminate our journey, turning challenges into triumphs and aspirations into achievements.

In every step we take, your support is the wind beneath our wings, propelling us toward greater heights. We treasure your trust, and it fuels our commitment to delivering nothing but the best. Here's to the shared success and the boundless possibilities that lie ahead.

Warmest regards,



Datin' Shamima Nargis Haque

Chairman

Dhaka: July 27, 2023

Shell & Core



PEAK POINTS

PROFIT after tax

2022-23 : BDT 105.26 Million
2021-22 : BDT 121.59 Million

EPS

2022-23 : BDT 1.24
2021-22 : BDT 1.43

NAV

2022-23 : BDT 1099.65 Million
2021-22 : BDT 1096.38 Million

Dividend payout (Cash)

2022-23 : 10%
2021-22 : 12%

NOCF

2022-23 : BDT 180.02 Million
2021-22 : BDT 178.22 Million

Sales

2022-23 : BDT 943.66 Million
2021-22 : BDT 960.38 Million
Consist of 17 Depot



MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

Business Insight

Despite the chilling winds of several turmoil previous years, Bangladesh's economy stood strong demonstrating unparalleled resilience akin to the creamiest, most enduring scoop of ice cream. Our GDP danced at a growth rate of 7.5%, a testament to the nation's unwavering spirit and determination. In the face of dynamic market conditions, Taufika Foods and Lovello Ice-cream PLC have remained loyal in its commitment to innovation, quality, and sustainability.

Our strategic decisions, guided by the insights gained through extensive market analysis, have not only propelled us through challenging times but also positioned us as industry leaders. Just like a scoop of ice cream brings joy to your day, businesses like ours are dedicated to sweetening the world with flavors of progress and commitment.

We are sincerely stimulated by Bangladesh's journey, and it fuels our passion to create charming experiences and contribute to this aloft path.

Taufika Foods and Lovello Ice-cream PLC under The Companies Act, 1994 vide Registration No. C-94700/11 dated August 07, 2011 was incorporated in Bangladesh as a Private Limited Company. The Company being transformed into a public limited Company dated 22 August, 2019, commenced its commercial operation on January 02, 2016. The company got a chance to take its corporate head office at Plot-80, Road-2, Banani (Chairman Bari), Dhaka-1213, Bangladesh and factory at Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh. The Company is an Ice-cream manufacturer and supplier in Bangladesh.

Blueprint of Business Excellence

Our strategy is meticulously crafted to not just meet industry standards but exceed them, setting a new benchmark for business excellence. Our approach encompasses a series of deliberate and dynamic moves, all geared towards captivating our customers, booming in competitive arenas, enhancing performance, and accomplishing our organizational objectives. Lovello's strategic framework serves as a beacon of corporate purpose and action, distinguished by its thoughtful planning and adaptable design, focusing on:

- Maximizing Efficiency: Embracing strategies that yield maximum results and efficiency in every operation.
- Seizing Opportunities: Actively identifying and capitalizing on emerging opportunities in the market.
- Leveraging Progressive Technology: Harnessing the power of modern machinery and manufacturing technology to stay ahead in innovation.
- Total Quality Management (TQM) Focus: Ensuring that every facet of our business adheres to the highest quality standards through rigorous Total Quality Management practices.
- Setting Service Excellence Standards: Establishing a culture of service excellence, where every customer interaction reflects our commitment to exceptional service.
- Precision in Market Timing and Product Placement: Delivering the right products to the right markets at the opportune moments, ensuring a strategic market presence.
- Modified Market Segmentation: Segregating markets and customizing our products to cater to diverse customer needs effectively.
- Customer-Centric Approach: Centering our focus on understanding and fulfilling the unique needs of our customers.
- Proactive Approach to Challenges: Anticipating and addressing challenges and threats with agility and innovation.
- Continuous Product Enhancement: Persistently expanding and refining our product lines to meet evolving market demands.
- Delivering Value and Satisfaction: Offering products that not only provide value for money but also ensure 100% customer satisfaction.
- Consistent Growth and Retention: Sustaining and nurturing consistent growth while retaining customer loyalty through unrivaled products and services.
- Strategic Positioning: Securing and maintaining an advantageous position in the market through strategic decision-making.
- Environmental Accountability: Taking proactive measures to curtail our environmental impact, reflecting our commitment to sustainability.

In our relentless pursuit of market supremacy, our outreach endeavors transcend the ordinary, painting a canvas of unparalleled engagement and innovation. Across a myriad of platforms, we masterfully weave our narrative, captivating audiences with a symphony of sophistication. The digital realm, adorned with the vibrant hues of Facebook, Twitter, and Instagram, becomes our playground, where we orchestrate compelling dialogues and forge enduring connections.



At the helm of Lovello stands a management cadre, not merely equipped but adorned with a holistic framework of unparalleled sophistication. Within this framework lies the wisdom to discern the faintest ripples of opportunity on the gigantic ocean of business, the insight to dissect threats before they materialize, and the artistry to optimize every resource and fortify our strengths. As we ascend the peaks of success, we don't just set standards; we redefine them, casting a brilliant, illuminating light that guides the entire industry toward a future where excellence isn't an option but the only choice. In the grand tapestry of commerce, Lovello isn't just a player; it's the maestro, conducting a symphony of unique brilliance and setting new benchmarks that echo across the annals of business history.

1. SWOT Analysis:

For business excellence, we also follow a strategic plan and it is SWOT. SWOT is actually a business analysis occurred internally and externally. SWOT of a company actually shows 4 major categorical analyses:

S – Strength
W – Weakness
O – Opportunities
T – Threats

Strength:

Our company has swiftly become identical with producing exquisite products, a testament to our steadfast commitment to quality and taste. More than just a business, we embrace the power of diversity, inclusion, and continuous learning. Our people, the heartbeat of our enterprise, represent our essence of strength. We champion the art of connection, fostering loyalty and motivation, creating a corporate culture steeped in engagement and warmth. Within our walls, an atmosphere of openness prevails, nurturing a high-performance environment where our team thrives. We relentlessly pursue excellence, expanding our product range to encompass a delightful array of flavors, party packs, sticks, cones, and mini treats. Our motivation stems from more than just our products; it's cultivated by a dynamic and skilled management team that propels us toward boundless horizons.

Weaknesses:

Though started newly, LOVEELLO is going on having less market share and crossing so many hardships to pierce into a new market. The company goes with the tough competition in the market from international and national ice cream products. Moreover, the four major facts are:

- 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:

In the bustling heart of major cities, our company is unfurling its wings, seizing the opportunity to expand its footprint. A delectable revolution is underway as the demand for ice cream and frozen delights skyrockets in hotels, restaurants, parties, and myriad celebrations. With our commitment to quality at an affordable price, we find ourselves at the epicenter of a growing appetite. As ice cream market is on the rise, the biggest opportunities for the company are

- Rising income, change in lifestyle party cultures.
- Large young population
- Hot summer.
- High economic growth and market liberalization.

Threats:

In the intricate dance of commerce, threats are the tempestuous waves that test a business's mettle. A ship adrift in placid waters lacks direction; similarly, a business unchallenged by threats lacks the impetus for innovation and resilience. We navigate the tumult of political transitions, the uncertainty of economic climates, the complexities of labor pricing, and the flickering lights of load shedding that cast shadows on our path. Through analysis we have found some other threats in business:

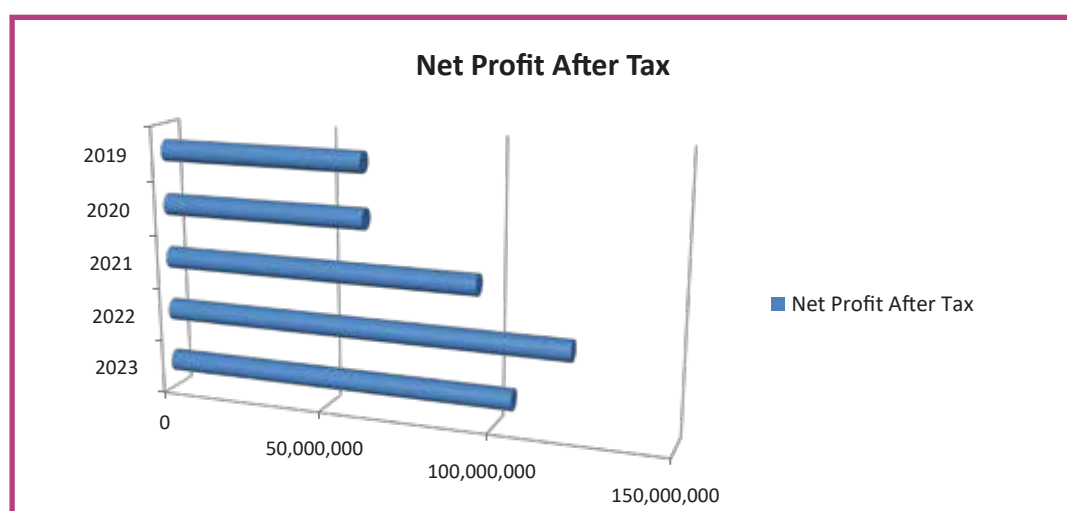
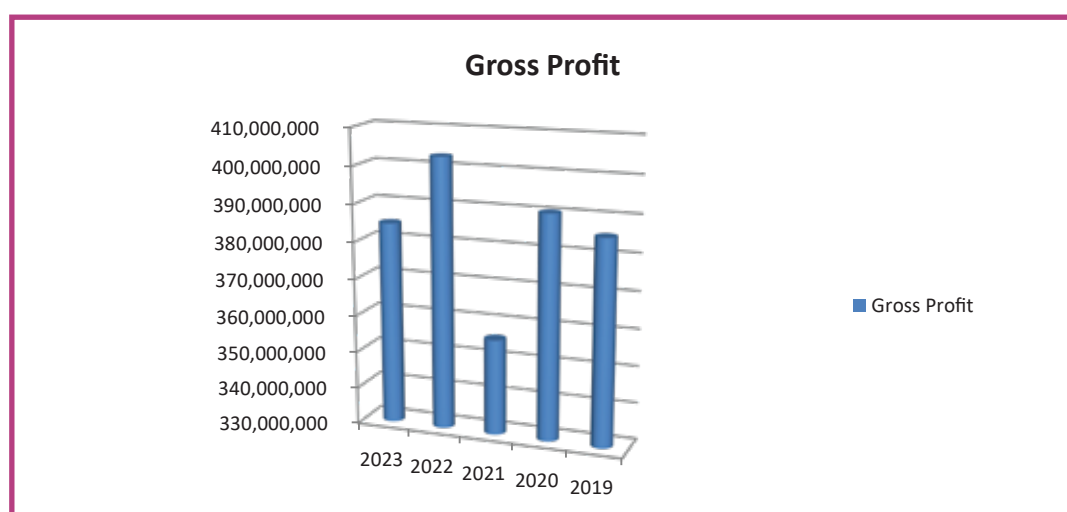
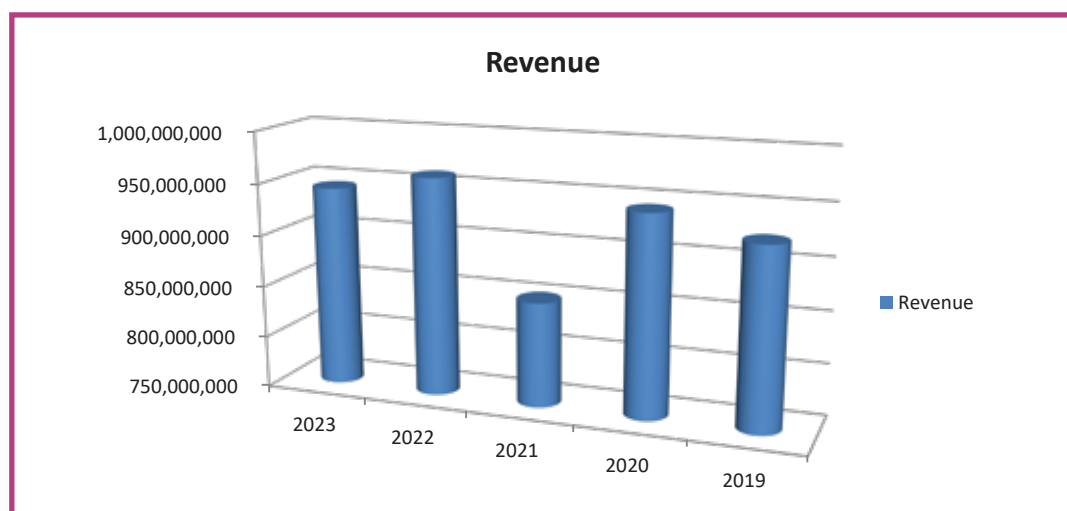
- Low income population and threat of infrastructure.
- Economical and regulatory changes.
- Threat of substitutes.
- Local ice creams and sweet dishes.
- Health conscious people refraining from sweets.

These challenges, while daunting, are the crucible in which our resilience is forged. Navigating these intricate waters requires not just a steady hand but also the innovation to adapt, ensuring our ship not only sails but triumphs amidst the storm.

2. 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, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
(A) Sales	943,667,285	960,385,039	850,801,390	942,869,150	922,889,785
(B) Cost of Goods Sold	558,930,279	557,319,210	494,909,633	552,392,597	537,504,916
(C) Gross Profit (A-B)	384,737,006	403,065,829	355,891,757	390,476,553	385,384,869
(D) Operating Expenses	143,284,585	141,143,960	139,688,077	149,280,037	134,508,705
Administrative Expenses	16,687,750	17,101,509	16,231,797	18,701,781	13,564,960
Marketing Expenses	126,596,834	124,042,451	123,456,281	130,578,256	120,943,746
(E) Operating Income (C-D)	241,452,422	261,921,869	216,203,680	241,196,516	250,876,164
(F) Financial Expenses	116,877,787	120,022,392	118,035,700	155,147,618	161,134,907
(G) Profit Before Other Income (E-F)	124,574,634	141,899,478	98,167,980	86,048,898	89,741,257
(H) Other Income	13,590,518	12,051,004	3,598,895	3,455,781	6,102,220
(I) Net Profit Before WPPF	138,165,152	153,950,482	101,766,874	89,504,679	95,843,477
(J) Provision for WPPF	6,579,293	7,330,975	4,846,042	4,262,128	4,563,975
(K) Net Profit Before Tax (I-J)	131,585,859	146,619,507	96,920,833	85,242,551	91,279,502
(L) Income Tax Expense	26,321,934	25,024,497	1,912,957	23,189,490	29,634,215
Current Tax	11,639,189	13,362,639	18,794,777	21,733,994	23,173,852
Deferred Tax	14,682,745	11,661,858	-16,881,820	1,455,496	6,460,363
(M) Net Profit After Tax (K-L)	105,263,926	121,595,010	95,007,875	62,053,062	61,645,286





Annexure-1

Board Meetings and Attendance by the Directors

Attendance by the Directors in the Board of Directors' Meeting in 2022-2023 are summarized and given below:

	Name	Number of Meeting	Number of Attendance	(%)
1	Datin' Shamima Nargis Haque, Chairman	5	5	100%
2	Dato' Engr. Md. Ekramul Haque, Managing Director	5	5	100%
3	Muhsinina Taufika Ekram, Director	5	5	100%
4	Muhsinina Sharika Ekram, Director	5	5	100%
5	Ruhul Ameen M.Com. FCMA Independent Director	5	3	60%
6	Imtiaz Lutful Baset, FCMA, FCA Independent Director	3	2	40%

Audit Committee Meetings and Attendance by the Directors

Attendance by the Directors in the Audit Committee Meeting in 2022-2023 are summarized and given below:

Sl. No	Name	Number of Meeting	Number of Attendance	(%)
1	Ruhul Ameen M.Com. FCMA Independent Director, Chairman of the Committee	4	4	100%
2	Muhsinina Taufika Ekram, Director, Member of the Committee	4	4	100%
3	Muhsinina Sharika Ekram, Director, Member of the Committee	4	4	100%

NRC Meetings and Attendance by the Directors

Attendance by the Directors in the NRC Meeting in 2022-2023 are summarized and given below:

Sl. No	Name	Number of Meeting	Number of Attendance	(%)
1	Ruhul Ameen M.Com. FCMA Independent Director, Chairman of the Committee	1	1	100%
2	Muhsinina Taufika Ekram, Director, Member of the Committee	1	1	100%
3	Muhsinina Sharika Ekram, Director, Member of the Committee	1	1	100%



Annexure-2

Shareholding Pattern

Position of shareholding of ordinary shares as on June 30, 2023

Sl. No.	Shareholder's Group	Number of Shares	% of holding June 30, 2023	% of holding June 30, 2022
1	Sponsors	37,950,000	44.65	44.65
2	Foreign Investors	Nil	Nil	Nil
3	Financial and other Institutions	16,987,414	19.51	20.00
4	General Public	30,062,586	35.85	35.35
Total		85,000,000	100	100

Distribution schedule of each class of equity security setting out the number of holders and percentages as on June 30, 2023

Sl. No.	Range of Holdings	As per BO ID		
		No. of holders	holdings	percentage(%)
1	Less than 500 shares	4017	11,25,606	1.32%
2	501 to 5,000 shares	2877	54,80,796	6.45%
3	5001 to 10,000 shares	390	30,44,080	3.58%
4	10,001 to 20,000 shares	265	40,02,302	4.71%
5	20,001 to 30,000 shares	72	18,40,173	2.16%
6	30,001 to 40,000 shares	33	11,66,609	1.37%
7	40,001 to 50,000 shares	32	14,45,037	1.70%
8	50,001 to 100,000 shares	46	34,58,780	4.07%
9	100,001 to 1000,000 shares	27	64,78,764	7.62%
10	Over 1,000,000 shares	9	5,69,57,853	67.01%
Total		7768	8,50,00,000	100.00%

A. Parent or Subsidiary or Associated Companies and other parties

Name	No. of Shares	Shareholding (%)
Taufika Engineering Limited (TEL)	13,697,921	16.12%

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	30,000,000	35.29%
Muhsinina Taufika Ekram	Director	2,050,000	2.41%
Muhsinina Sharika Ekram	Director	3,000,000	3.53%
Ruhul Ameen M.Com. FCMA	Independent Director		
<i>Their minor children do not have shareholding</i>			

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	-	-
Mohammad Didarul Alam FCMA	Company Secretary (Acting)	-	-
Md. Moheuddin Sarder	Head of Internal Audit	-	-
<i>Their Spouses and minor children do not have shareholding</i>			

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	30,000,000	35.29%
Taufika Engineering Ltd.	Institute	13,697,921	16.12%





CORPORATE GOVERNANCE



Certificate of BAPLC



CERTIFICATE OF COMPLIANCE

Report to the Shareholders of Taufika Foods and Lovello Ice-cream PLC on Compliance of 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, 2023. 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 30, 2023

Sd/-
Md. Mujibur Rahman FCMA
Principal & CEO
Mujibur Rahman & Co.
Cost & Management Accountants

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)
1 (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 Companies Act, 1994 (1994 m#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	Ruhul Ameen M.Com, FCMA, Independent Director, Chairman of the Committee
2	Muhsinina Taufika Ekram, Director, Member of the Committee
3	Muhsinina Sharika Ekram, Director, 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	Ruhul Ameen M.Com, FCMA, Independent Director, Chairman of the Committee
2	Muhsinina Taufika Ekram, Director, Member of the Committee
3	Muhsinina Sharika Ekram, Director, 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.

Ruhul Ameen M.Com, FCMA, Chairman of the Committee is an Independent Director. Detailed qualifications of the existing members of the Committee are set out on pages 42 to 44. of this Annual Report. The Committee formally met once during the year under review. The NRC of Taufika Foods and Lovello Ice-cream PLC 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.



Ruhul Ameen M.Com, FCMA
Chairman
September 27, 2023



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 Ruhul Ameen M.Com, FCMA, and Chairman of the Committee is the financial expert. During the financial year under review the Committee met five times.

During the year 2022-2023, 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, 2023
- 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 2022.
- 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 2022.
- 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 2023.
- 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.



Ruhul Ameen M.Com, FCMA
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, 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.

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.



- 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 com 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.

Age

The Board shall comprise of directors with a range of ages and tenure on the Lovello Board that can enhance diversity and minimise succession risks. In support of that objective, Non-executive Directors (excluding the Chairman) will not be considered for re-election at an Annual General Meeting ("AGM") of the Company if, as at the date of the relevant AGM, they will have reached the age of 72 years. The Board may from time to time determine to relax or waive this guideline in relation to any director whom the Board considers has skills, experience or capabilities that cannot be replaced at the relevant time.

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 2022-23, 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 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.

Festival Bonus	The Company pays two festival bonus @ 50% 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.

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:

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

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.

DIVIDEND DISTRIBUTION POLICY

1.00 Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRC-D/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2.00 Definitions

“the Act” means Companies Act 1994

“the Company” means **Taufika Foods and Lovello Ice-cream PLC.**

“AGM” means Annual General Meeting

“Board” means Board of Directors of Square Pharmaceuticals Ltd.

“Shareholders” means Members whose name is registered in the Member Register of the Company.

“Shares” means Ordinary Equity Shares.

3.00 Concept of Dividend

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

4.00 Types of Dividend

The Act deals with two types of dividend - Interim and Final.

- **Interim** dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.
- **Final** dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the AGM.

5.00 Declaration of Dividend

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

6.00 Factors Governing Declaration of Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The circumstance for dividend pay-out decision depends on various external and internal factors which the Board of Directors shall consider while recommend/ declaring dividend including the following:

6.01 External Factors:

- The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.
- The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.
- Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

6.02 Internal Factors:

- Profitability
- Availability and Liquidity of Funds
- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Additional investments in subsidiaries/associates of the Company
- Cost of raising funds from alternate sources
- Cost of servicing outstanding debts
- Funds for meeting contingent liabilities
- Mergers and Acquisitions
- Any other factor as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

7.00 Financial Parameters for Declaring Dividend

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

8.00 Utilization of Retained Earnings

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- Issue of fully paid-up bonus shares
- Declaration of dividend-Interim or Final
- Augmenting internal resources
- Funding for capital expenditure/expansion plans/acquisition;
- Repayment of debt
- Any other permitted use as may be decided by the Board.

9.00 Parameters for Various Classes of Shares

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

10.00 Circumstances Impacting Dividend Payment

The Company has been paying dividend to its shareholders around three decades and shall endeavor to continue with the dividend payment.

Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

10.01 May Expect Dividend:

- Adequate profits and liquidity
- Accumulated profits not warranted for immediate business needs.

10.02 May Not Expect Dividend:

- Non availability of profits for dividend distribution
- Funds available for dividend but need to be conserved due to:
 - Business needs;
 - Adverse economic /market scenario expected in near future;
 - Augmenting internal resources.

11.00 Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website: www.lovello.club

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

12.00 Effective Date

This Policy has been approved by the Board of Directors of the Company at its meeting held on 6th April, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

13.00 Review/Amendment

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

UNCLAIMED/UNSETTLED DIVIDEND

Summary of unclaimed/unsettled cash dividend for the FY 2020-21

Particulars	Amount
Dividend declared for the FY 2020-21	9,35,00,000
Dividend disbursement	8,81,25,760
Total Dividend lying with the Company	53,74,240

Summary of unclaimed/unsettled cash dividend for the FY 2021-22

Particulars	Amount
Dividend declared for the FY 2021-22	10,20,00,000
Dividend disbursement	3,66,10,312
Total Dividend lying with the Company	6,53,89,688

Summary of total unclaimed/unsettled cash dividend for the FY 2020-21 & 2021-22

Particulars	Amount
Unclaimed/unsettled cash dividend for the FY 2020-21	53,74,240
Unclaimed/unsettled cash dividend for the FY 2021-22	6,53,89,688
Total Dividend lying with the Company as on 30 June 2023	7,07,63,928

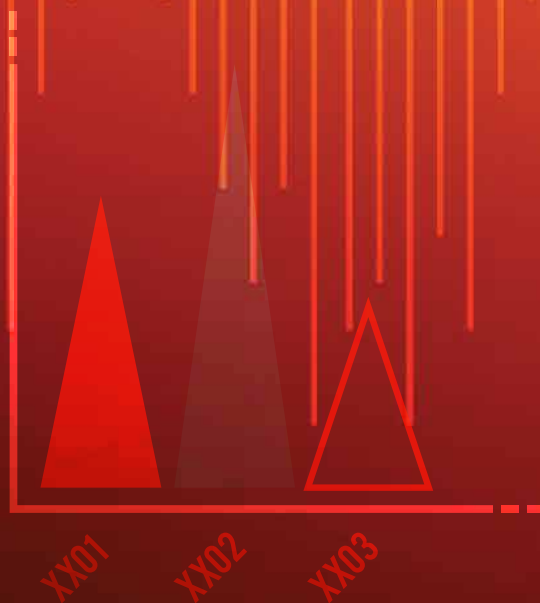
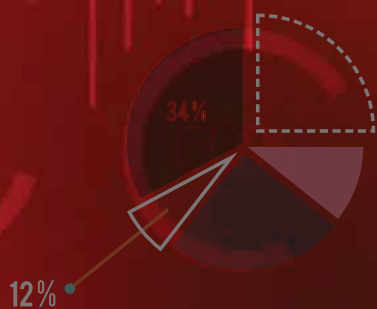
Double Sundae

Swirly Vanilla & Strawberry Ice Cream
500 ml





FINANCIAL STATEMENTS





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**INDEPENDENT AUDITOR'S REPORT
to the shareholders of
Taufika Foods and Lovello Ice-Cream PLC**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Taufika Foods and Lovello Ice-Cream PLC** which comprise the Statement of Financial Position as at **June 30, 2023** 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 **June 30, 2023**, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

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 **June 30, 2023**, and of its financial performance and its cash flows for the year then ended **June 30, 2023** in accordance with International Financial Reporting Standards (IFRSs), the company Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conduct 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) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) By Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified 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.

Risk	Our response to the risk
Revenue Recognition During the year ended June 30, 2023 , total reported revenue is of Tk. 94,36,67,285 . Revenue is measured net of discounts, VAT, incentives and rebates earned by customers on the Company's sales. Within a number of the Company's markets, the estimation of discounts, incentives and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives, rebates. There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance.	We have tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none"> ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period. ➤ Segregation of duties in invoice creation and modification (if any) and timing of revenue recognition. ➤ Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. ➤ Verifying the monthly VAT return form 9.1 to confirm reporting about sales to NBR. ➤ Obtaining supporting documents for sale transaction along with checking the recording period of revenue recognition. ➤ Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.

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Risk	Our response to the risk
	<ul style="list-style-type: none"> ➤ Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Please see note no. 24 to the statement of profit or loss & other comprehensive income.	
Inventory Valuation	
<p>During the year ended June 30, 2023, total reported inventory is of Tk. 48,23,97,366.</p> <p>The company had inventory which held in distribution centers, warehouses and numerous branches, and across multiple product lines. Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgement in determining the appropriate values for slow-moving or obsolete items.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> ➤ Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of distribution centers, warehouses and branches. ➤ Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data. ➤ Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete. ➤ Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year.
Please see note no. 8 to the financial statements	
Long Term Loan	
<p>At reporting date, the position of Long-term Loan including current portion outstanding was Tk. 87,48,66,989 for the Company. In other words, approximately 57.37% of total liabilities are represented by loans for the Company. Evidently, the Company is using loan to operate the business and also, to acquire non-current assets. Loan, therefore, has been considered as key audit area.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ➤ Understanding and reviewing the nature or types of loans. ➤ Reviewing the board meeting minutes on arrangements of the loans. ➤ Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loans. ➤ Recalculating the interest related to loans. ➤ Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards.
Please see note no. 16 to the financial statements	

We have nothing to report on going concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

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

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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 judgments and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in

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extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994 and relevant notifications issues by, we also report that:

- 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;
- In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- The Financial Statements of the company together with the annexed notes dealt with by the report are in agreement with the books of account and returns.
- The expenditure incurred was for the purposes of the Company's business.

Place: Dhaka
Dated: October 29, 2023
DVC: 2310300240AS909534


Md. Nurul Hossain Khan FCA
Enrolment No: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

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Taufika Foods and Lovello Ice-Cream PLC

Statement of Financial Position

As at 30 June 2023

Particulars	Notes	Amount in Taka	
		30-Jun-2023	30-Jun-2022
ASSETS:			
A. Non-current Assets		1,343,440,327	1,267,601,299
Property, Plant & Equipments	4.00	1,110,666,223	1,041,217,250
ROU Assets	4.01	187,257,301	212,247,197
Intangible Assets	5.00	451,805	633,610
Capital Work-in-progress	6.00	31,271,000	-
Investment	7.00	13,793,999	13,503,241
B. Current Assets		1,280,940,304	1,021,372,111
Inventories	8.00	482,397,366	364,927,361
Trade & Other Receivables	9.00	426,622,688	355,518,907
Inter-company Receivables	10.00	7,950,000	2,500,000
Advance, Deposits & Prepayments	11.00	218,879,582	173,060,217
Cash and Cash Equivalents	12.00	145,090,668	125,365,626
TOTAL ASSETS (A+B)		2,624,380,631	2,288,973,410
EQUITIES & LIABILITIES:			
C. Shareholders' Equity		1,099,653,011	1,096,389,086
Share Capital	13.00	850,000,000	850,000,000
Retained Earnings	14.00	249,653,011	246,389,086
D. Non-current Liabilities		981,948,546	746,779,741
Deferred Tax Liability	15.00	74,119,030	59,436,286
Long-term Loan	16.00	680,452,103	450,856,005
Lease Liability	17.00	227,377,414	236,487,451
E. Current Liabilities		542,779,073	445,804,583
Current Portion of Long-term Loan	16.00	194,414,886	128,816,001
Current Portion of Lease Loan	17.00	83,334,782	86,673,649
Short-Term Loan	18.00	13,901,325	86,522,537
Trade & Other Payables	19.00	58,047,293	29,608,177
Liabilities for Expenses	20.00	23,558,911	21,537,447
Provision for WPPF	21.00	7,739,887	7,759,281
Provision for Income Tax	22.00	91,018,062	79,378,873
Unclaimed Dividend	23.00	70,763,928	5,508,618
Total Equity & Liabilities:		2,624,380,631	2,288,973,410
Net Asset Value Per Share	31.00	12.94	12.90

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

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Sd/-
Chairman

Dated: Dhaka
October 29, 2023
DVC: 2310300240AS909534

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

Sd/-
Md. Nurul Hossain Khan FCA
Enrolment No. 240
Kazi Zahir Khan & 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 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Sales	24.00	943,667,285	960,385,039
Less: Cost of Goods Sold	25.00	558,930,279	557,319,210
Gross Profit		384,737,006	403,065,829
Operating Expenses:		143,284,585	141,143,960
Administrative Expenses	26.00	16,687,750	17,101,509
Marketing Expenses	27.00	126,596,834	124,042,451
Operating income		241,452,422	261,921,869
Financial Expenses		116,877,787	120,022,392
Finance cost	28.00	116,877,787	120,022,392
Profit before other income		124,574,634	141,899,478
Other Income	29.00	13,590,518	12,051,004
Net profit before WPPF		138,165,152	153,950,482
Provision for WPPF	21.00	6,579,293	7,330,975
Net Profit Before Tax		131,585,859	146,619,507
Income Tax Expense		26,321,934	25,024,497
Current Tax	22.00	11,639,189	13,362,639
Deferred Tax	15.00	14,682,745	11,661,858
Net Profit after Tax		105,263,926	121,595,010
Other Comprehensive Income			
Total Comprehensive Income		105,263,926	121,595,010
Earnings per Share (Per value Tk. 10)	30.00	1.24	1.43

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

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Sd/-
Chairman

Dated: Dhaka
October 29, 2023
DVC: 2310300240AS909534

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

Sd/-
Md. Nurul Hossain Khan FCA
Enrolment No. 240
Kazi Zahir Khan & Co
Chartered Accountants



Taufika Foods and Lovello Ice-Cream PLC

Statement of Changes in Equity

For the year ended 30 June 2023

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2022	850,000,000	-	246,389,086	1,096,389,086
Share Capital		-	-	-
Net Income for the year		-	105,263,926	105,263,926
Less: Dividend for FY 2021-22		-	(102,000,000)	(102,000,000)
Balance as on June 30, 2023	850,000,000	-	249,653,012	1,099,653,012

For the year ended 30 June 2022

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2021	850,000,000	-	218,294,076	1,068,294,076
Share Capital		-	-	-
Net Income for the year		-	121,595,010	121,595,010
Less: Dividend for FY 2020-21		-	(93,500,000)	(93,500,000)
Balance as on June 30, 2022	850,000,000	-	246,389,086	1,096,389,086

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Sd/-
Chairman

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

Dated: Dhaka
October 29, 2023
DVC: 2310300240AS909534

Taufika Foods and Lovello Ice-Cream PLC
Statement of Cash Flows
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
A. Cash Flows from Operating Activities :			
Cash Received from Customers		872,563,504	903,709,670
Cash Received from other Sources		13,590,518	12,051,004
Cash Paid to Suppliers and Creditors		(648,488,331)	(675,418,200)
Cash Paid for Operating Expenses		(47,605,851)	(46,159,701)
Cash paid for Income Taxes		(10,366,052)	(15,962,639)
Net cash inflow/(outflow) from operating activities		179,693,788	178,220,134
B. Cash flow from Investing Activities:			
Acquisition of Property, Plant & Equipment		(179,459,377)	(157,240,635)
Increase Investment		(290,758)	(594,965)
Capital Work in Progress		(31,271,000)	34,784,052
Net cash inflow/ (outflow) in Investing Activities		(211,021,135)	(123,051,548)
C. Cash flow from Financing Activities:			
Paid up capital		-	-
Bank Loan		222,573,770	77,198,917
Lease Loan		(12,448,904)	30,361,042
Dividend Paid		(36,744,690)	(87,991,382)
Inter-Company Receivables		(5,450,000)	(2,500,000)
Financial Expenses		(116,877,787)	(120,022,392)
Net cash inflow/(outflow) in financing activities		51,052,389	(102,953,814)
D. Increase (Decrease) in Cash and Cash Equivalent (A+B+C)		19,725,042	(47,785,228)
E. Opening of Cash and Cash Equivalent		125,365,626	173,150,854
		145,090,668	125,365,626
F. Ending Cash and Cash Equivalent (D+E)			
Net Operating Cash Flow Per Share (NOCFPS)	32.00	2.11	2.10

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Sd/-
Chairman

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

Dated: Dhaka
October 29, 2023
DVC: 2310300240AS909534

Taufika Foods and Lovello Ice-Cream PLC

Explanatory Notes to the Financial Statement

As at and for the year ended 30 June 2023

1.00 Corporate History of the Reporting Entity

1.01 Legal Status of the Entity

Taufika Foods and Lovello Ice-Cream PLC, The Company (Former Taufika Foods and Agro Industries Limited) 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 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 Bashil, 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) and International Financial Reporting Standards (IFRS) as adopted by Financial Reporting Council (FRC) 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 Income Tax Act 2023

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, 2022 to June 30, 2023.

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 payable has been paid on 21.09.2023
- ii. The company has been declared 10% cash dividend in this financial year (2022-2023)

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 for six months whenever 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, 2023	30 June, 2022
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 2023 and these are stated at cost.

3.03 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.

3.04 Long Term Loan

Long Term loans are non-current liabilities arising from loans taken from different banks which are not repayable within one year.

3.05 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.

3.06 Liability for expenses

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

3.07 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.

3.08 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". 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.

3.09 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.
Goods in transit	At cost including related charges.

3.10 Finance Costs:

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

3.11 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.

3.12 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

3.13 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

3.14 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.

3.15 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.

3.16 Trade payables

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

3.17 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.

3.18 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.

3.19 Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised other comprehensive income or directly in equity. In this case, the tax is recognised 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 incompliance 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, 2023 has been recognized in the statement of Profit or Loss and other comprehensive income as per IAS-12 "Income Taxes".

3.20 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.

3.21 VAT

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

3.22 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.

3.23 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.

3.24 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.

3.25 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.

3.26 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.

3.27 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.

3.28 IFRS 16 Leases

Under IFRS 16, LOVELLO recognises right-of-use assets and lease liabilities for all leases.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2023

		Amount in Taka	
		30-Jun-23	30-Jun-22
4.00	Property, Plant & Equipment		
	At Cost:		
	Opening Balance	1,534,380,136	1,377,424,500
	Addition During the Year	179,279,377	156,955,635
	Closing balance	1,713,659,513	1,534,380,136
	Accumulated Depreciation:		
	Opening Balance	493,162,885	390,841,217
	Addition During the Year	109,830,405	102,321,668
	Closing Balance	602,993,290	493,162,885
	Written Down Value	1,110,666,223	1,041,217,250
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
4.01	ROU Assets		
	At Cost:		
	Opening Balance	407,384,234	407,384,234
	Addition During the Year	-	-
	Closing balance	407,384,234	407,384,234
	Accumulated Depreciation:		
	Opening Balance	195,137,037	167,056,121
	Addition During the Year	24,989,897	28,080,916
	Closing Balance	220,126,934	195,137,037
	Written Down Value	187,257,301	212,247,197
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
5.00	Intangible Assets		
	At Cost:		
	Opening Balance	3,608,633	3,323,633
	Addition During the Year	180,000	285,000
	Closing Balance	3,788,633	3,608,633
	Accumulated Depreciation:		
	Opening Balance	2,975,023	2,483,913
	Addition During the Year	361,805	491,110
	Closing Balance	3,336,828	2,975,023
	Written Down Value	451,805	633,610
	(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, 2023

			Amount in Taka	
			30-Jun-23	30-Jun-22
6.00	Capital Work in Progress		31,271,000	-
	Storage Box		31,271,000	-
	Plant & Machinery			
7.00	Investment		13,793,999	13,503,241
	FDR Investment	7.01	13,793,999	13,503,241
7.01	FDR Investment		11,486,056	11,264,502
	Name of Bank	FDR No.	2,307,943	2,238,739
	Trust Bank	0022-0330059006	13,793,999	13,503,241
	Shimanto Bank	1001-343000092		
8.00	Inventories		148,961,318	125,733,318
	Raw Materials		21,274,206	17,019,365
	Work in Progress		312,161,841	222,174,678
	Finished Goods		482,397,366	364,927,361
At the end of the year physical verification of Inventories were carried out.				
9.00	Trade & Other Receivables		426,622,688	355,518,907
	Trade Receivables	9.01	426,622,688	355,518,907
9.01	Trade Receivables		23,392,150	20,136,953
			22,703,713	19,852,849
	Bogra Territory		21,901,141	19,689,045
	Khulna Territory		20,759,350	19,690,385
	Barisal Territory		34,702,379	24,846,671
	Rangpur Territory		32,077,986	24,937,919
	Chittagong Territory		23,256,440	25,799,404
	Cumilla Territory		30,647,817	32,608,095
	Uttara Territory		30,733,301	24,889,638
	Rampura Territory		22,691,692	19,821,612
	Jatrabari Territory		20,212,103	19,663,183
	Sylhet Territory		30,805,971	29,243,477
	Faridpur Territory		22,636,195	19,433,477
	Bosilla Territory		32,120,001	16,171,406
	Cox's Bazar Territory		15,931,828	15,246,715
	Noaykhali Territory		29,327,988	17,459,446
	Jessore Territory		12,722,634	6,028,632
	Mymensingh Territory		426,622,688	355,518,907
	Rajshahi Territory			



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2023

	Amount in Taka	
	30-Jun-23	30-Jun-22
Ageing of Trade receivables		
Due for 3 months	264,506,067	220,421,722
Due for 3 to 6 months	140,785,487	117,321,239
Due for above 6 months	21,331,134	17,775,945
	426,622,688	355,518,907

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, 2023 are as follows:

Sl.	Particulars	30 June, 2023	30 June, 2022
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.	426,622,688	298,843,538
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 Inter-company Receivables

7,950,000	2,500,000
7,950,000	2,500,000

This represent temporary advance and short term in nature, and repayable on demand.. Management has obtained confirmation from the aforesaid entities and assessed recoverability, upon which satisfied that all these balances are recoverable in full.

11.00 Advance, Deposits & Pre-payments

Advance	11.01	217,364,541	149,835,592
Deposit	11.02	578,000	19,501,835
Pre-payments	11.03	937,041	3,722,791
		218,879,582	173,060,217
11.01 Advance			
AIT & Source Tax	11.01.01	65,127,233	54,761,182
Advance to BSTI & Halal Sonod		994,240	1,933,446
Advance for Office Rent		1,150,000	1,150,000
Advance to Supplier		149,590,067	91,444,115
Advance for Listing Fees		503,000	546,849
		217,364,541	149,835,592
11.02 Deposit			
L/C margin	11.02.01	578,000	19,501,835
		578,000	19,501,835

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2023

		Amount in Taka	
		30-Jun-23	30-Jun-22
11.03 Pre-payments			
Karnahuli Insurance Co. Ltd.		-	3,530,251
Metlife Insurance Co. Ltd.		937,041	192,540
	<i>Insurance at Karnahuli Insurance Co. Ltd. will renew within the shortest possible time.</i>	<u>937,041</u>	<u>3,722,791</u>
11.01.01 AIT & Source Tax			
Opening Balance		54,761,182	38,798,543
Addition During the Year		10,366,052	15,962,639
		65,127,233	54,761,182
Adjustment During the Year		-	
Closing Balance		<u>65,127,233</u>	<u>54,761,182</u>
11.02.01 L/C margin			
Opening Balance		19,501,835	38,508,579
Addition during the year		578,000	19,501,835
Net Adjustment During the Year		(19,501,835)	(38,508,579)
Closing Balance		<u>578,000</u>	<u>19,501,835</u>

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

Advance, deposits & prepayments considered good & secured	218,879,582	173,060,217
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	218,879,582	103,735,987

12.00 Cash and Cash Equivalents

Cash in Hand	12.01	90,216,211	66,312,921
Cash at Bank	12.02	54,874,457	59,052,705
		<u>145,090,668</u>	<u>125,365,626</u>
12.01 Cash in Hand			
Factory Office		165,000	110,000
Corporate Office		4,929,639	5,080,819
Depot Office		85,121,572	61,122,102
		<u>90,216,211</u>	<u>66,312,921</u>

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2023

				Amount in Taka	
				30-Jun-23	30-Jun-22
12.02	Cash at Bank				
	Trust Bank Ltd	CD	0022-0210012550	11,716	101,402
	Pubali Bank Ltd	CD	0565901028140	20,527	17,680
	Premier Bank Ltd	CD	010411100078610	6,897	15,394
	Prime Bank Ltd	CD	2132113001637	246,947	6,460
	Brac Bank Ltd	CD	1507203439665001	14,095	1,384,900
	Islami Bank Ltd	CD	20501770100435601	22,429	123,062
	Dutch Bangla Bank Ltd	CD	1031100033118	150,908	583,502
	Union Bank Ltd	CD	0291010001239	6,836	41,338
	Mercantile Bank Ltd	CD	111311118966001	322,785	4,298
	UCBL	CD	541101000005430	10,035	6,974
	City Bank Ltd	CD	1402538242001	42,164	47,234
	AB Bank Ltd	SND	4033-761383-430	279,768	17,198
	Trust Bank Ltd	SND	0022-0320000775	44,138,232	47,453,191
	National Bank Limited	CD	1106003604218	1,851,959	150,932
	Dutch Bangla Bank Ltd	CD	2811100002179	698,766	143,721
	Shimanto Bank Limited	CD	1001241001122	17,500	18,190
	NRB Bank	CD	1022010104230	2,360	3,378,762
	Shimanto Bank Limited	CD	1005241000030	-	28,555
	Shimanto Bank Limited	SND	1005441000036	860,312	13,697
	Trust Bank Ltd	CD	7022-0212003722	10,774	9,371
	Trust Bank Ltd	SND	0022-0320000962	5,707,763	5,506,845
	Trust Bank Ltd	CD	0022-0210023324	451,688	-
				54,874,457	59,052,705

13.00 Share Capital

13.01 Authorized Capital

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

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

Sl. No.	Name of shareholders	Number of Shares		Percentage of holding Share	
		2022-23	2021-22	2022-23	2021-22
1	Sponsors	37,950,000	37,950,000	44.65	44.65
2	Foreign Investors	-	-	-	-
3	Financial and other Institutions	16,538,372	16,987,414	19.51	20.00
4	General Public	30,511,628	30,062,586	35.84	35.35
	Total	85,000,000	85,000,000	100.00	100.00

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2023

		Amount in Taka	
		30-Jun-23	30-Jun-22
14.00 Retained Earnings			
Opening Balance		246,389,086	218,294,076
Add: Profit During the Period		105,263,926	121,595,010
Less: Dividend for FY 2021-22		(102,000,000)	
Less: Dividend for FY 2020-21		-	(93,500,000)
Less: Adjustment for IPO Expenses		-	-
Closing Balance		249,653,011	246,389,086
15.00 Deferred Tax Liability			
Opening Balance		59,436,286	47,774,428
Add: During the Year		14,682,745	11,661,858
Closing Balance		74,119,030	59,436,286
As on 30 June 2023			
WDV as per Accounts		1,214,013,838	1,169,736,567
WDV as per 3rd Schedule		843,418,687	872,555,140
Temporary Difference		370,595,151	297,181,428
Applicable Tax Rate		20.00%	20.00%
Deferred Tax Liability		74,119,030	59,436,286
Deferred Tax Liability		74,119,030	59,436,286
16.00 Long -term Loan			
Long-term Loan from Shimanto Bank Limited	0.22	404,981,841	579,672,006
Long-term Loan from Trust Bank Limited	0.78	469,885,148	-
		874,866,988	579,672,006
Part of land and factory building are under motgage for long term loan.			
Current Portion Classification			
Due within one year		194,414,886	128,816,001
Due after one year		680,452,103	450,856,005
		874,866,988	579,672,006



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2023

		Amount in Taka	
		30-Jun-23	30-Jun-22
16.01 Long-term Loan from Shimanto Bank Limited			
1001741000052	-		13,331,747
1001741000061	-		1,912,446
1001741000070	-		2,449,882
1001741000089	-		5,079,687
1001741000098	-		1,701,629
1001741000105	-		1,498,507
1001741000114	-		15,118,581
1001741000123	-		14,016,584
1001741000141	-		4,726,936
1001741000150	-		5,317,421
1001741000187	-		514,518,586
1001741000294	29,717,289		-
1001741000301	30,048,448		-
1001741000310	49,768,647		-
1001741000329	28,684,233		-
1001741000347	43,205,154		-
1001741000365	31,911,456		-
1001741000374	17,137,136		-
1001741000383	26,695,030		-
1001741000445	26,279,000		-
1001741000454	27,699,000		-
1001741000463	19,405,500		-
1001741000472	74,430,948		-
	404,981,841		579,672,006

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

16.02 Long-term Loan from Trust Bank Limited		
0022-0640000884	210,567,252	-
0022-0640000893	105,095,565	-
0022-0640000900	22,022,811	-
0022-0640000919	19,071,108	-
0022-0640000946	61,650,517	-
0022-0640000955	21,379,297	-
0022-0640000964	30,098,599	-
	469,885,148	-

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2023

		Amount in Taka	
		30-Jun-23	30-Jun-22
17.00 Lease Liability			
Lease Loan from Lankabangla	17.01	308,199,083	318,202,609
Office Space	17.02	2,513,113	4,958,491
		310,712,196	323,161,100
Current Portion Classification			
Due within one year		83,334,782	86,673,649
Due after one year		227,377,414	236,487,451
		310,712,196	323,161,100
17.01 Lease Loan from Lankabangla			
0013 71400000025		15,360,375	15,690,226
0013 71400000026		36,994,888	37,750,375
0011 71400000131		144,319,649	150,834,025
0011 72200000070		111,524,170	113,927,983
		308,199,083	318,202,609

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

17.02 Lease Liability (Office Space)			
Office Space		4,958,491	7,128,640
Less: Adjustment for IFRS 16 for Current year		(2,445,378)	(2,170,149)
		2,513,113	4,958,491
Current Portion Classification			
Due within one year		2,513,113	2,445,378
Due after one year		-	2,513,113
		2,513,113	4,958,491
18.00 Short-term Loan			
Short-term Loan Trust Bank	18.01	-	86,522,537
Short-term Loan Shimanto Bank	18.02	13,901,325	-
		13,901,325	86,522,537

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%.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2023

		Amount in Taka	
		30-Jun-23	30-Jun-22
18.01	Short-term Loan Trust Bank		
	Loan Against Trust Receipt (LTR)	-	55,868,387
	Overdraft (Working Capital)	-	30,654,150
		<u>-</u>	<u>86,522,537</u>
18.02	Short-term Loan Shimanto Bank		
	9999643000031	5,278,353	-
	9999643000077	3,679,018	-
	9999643000068	3,038,170	-
	1001641001393	1,119,048	-
	1001641001339	786,736	-
		<u>13,901,325</u>	<u>-</u>
19.00	Trade & Other Payables		
	Trade Payables	13,176,933	10,063,146
	Others Payables	44,870,361	19,545,031
		<u>58,047,293</u>	<u>29,608,177</u>
19.01	Trade Payables		
	Siam Chemical	206,994	424,156
	ROTO PACK GLOBAL LTD.	184,480	-
	JAMUNA AUTO PLAN PRINTING & PACKAGING LTD.	689,542	-
	Emkay Enterprise	-	193,291
	Daraz Bangladesh Limited	2,532,094	-
	Pacific Trading	805,309	-
	Victor Internationals	958,700	-
	PremiaFlex Plastic Ltd	840,890	840,890
	International Television Channel LTD.	1,466,526	1,615,541
	Maasranga Communications Ltd.	7,200	7,200
	MMX advertising communication	548,654	421,684
	RTR Traders	3,233,117	4,758,246
	Opus Sign	1,262,182	1,464,207
	Rivers Sign	441,246	337,932
		<u>13,176,933</u>	<u>10,063,146</u>

This represents amount payable to suppliers of raw materials, packing materials and finished goods.

Ageing of Trade Payables

Due for 3 months	0.85	11,200,393	8,553,674
Due for 3 to 6 months	0.10	1,317,693	1,006,315
Due for above 6 months	0.05	658,847	503,157
		<u>13,176,933</u>	<u>10,063,146</u>

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2023

	Amount in Taka	
	30-Jun-23	30-Jun-22
19.02 Others Payables		
Payable for PPE	6,868,808	7,718,798
VAT payable	38,001,552	11,826,233
	44,870,361	19,545,031

VAT payable has been paid on 21 September 2023.

20.00 Liabilities for Expenses		
Statutory Audit Fees	350,000	200,000
Utilization and Corporate Governance Audit Fees	40,000	40,000
Electricity Bill Payable	7,081,393	5,960,735
Salary & Wages Payable	5,790,386	5,836,310
Payable for PF	9,692,132	9,350,402
TDS Payable	30,000	-
Regulatory Fees Payable	425,000	-
Remuneration Payable	150,000	150,000
	23,558,911	21,537,447

All these payables are temporary in nature and repayable in demand. No interest/profit is charged for these payables. Its erived from taking different types of service. Management has a good intention to set off all payables within a shortest possible time.

21.00 Provision for WPPF :

Opening Balance	7,759,281	5,672,354
Add: Addition During the year	6,580,483	7,330,975
	14,339,765	13,003,329
Less: Paid During the year	(6,599,878)	(5,244,048)
Closing Balance	7,739,887	7,759,281

The management of Taufika Foods and Lovello Ice-Cream PLC has already distributed the maximum part of WPPF to maintain compliance and they take decision to deposit remaing amounts within the possible shortest time frame.

22.00 Provision for Income Tax

Opening Balance	79,378,873	66,016,234
Current Year Provision	11,639,189	13,362,639
Total Current Year Provision	11,639,189	13,362,639
	91,018,062	79,378,873
Adjustment During the year		-
Closing Balance	91,018,062	79,378,873

Provision for taxation is calculated on the basis of applicable current tax rate and incompliance with Finance Act on the accounting profit made by the company as per ITO 1984 in compliance with IAS-12 "Income Taxes". A cumulative figure of Advance Income Tax is also showing in Advance Deposit and Pre-payments to adjust the provision for Income TAX liability.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2023

	Amount in Taka	
	30-Jun-23	30-Jun-22
Tax Computation		
Business Income	118,019,151	134,624,750
Other Income	13,590,518	12,051,004
Total Income	131,609,669	146,675,754
Acc. Dep	135,182,107	130,893,694
Tax Dep	(208,595,830)	215,744,333
Total Taxable Income	58,195,946	61,825,116
Applicable tax Rate	20.00%	20.00%
Current Year Tax	11,639,189	12,365,023

Minimum TAX	0.60% on Gross receipt	5,743,547	5,834,616
		<u>5,743,547</u>	<u>5,834,616</u>

Advance Income Tax considered for minimum TAX	10,366,052	13,362,639
	<u>10,366,052</u>	<u>13,362,639</u>

23.00 Unclaimed Dividend

Opening

Dividend for the FY 2020-21

Dividend for the FY 2021-22

Disbursement

Closing Balance

5,508,618	-
-	93,500,000
102,000,000	-
(36,744,690)	(87,991,382)
<u>70,763,928</u>	<u>5,508,618</u>

The management of Taufika Foods and Lovello Ice-Cream PLC has already distributed the Undisbursed Dividend on 09 July 2023 to the respective shareholders bank account through banking channel.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2023

Particulars	Amount in Taka	
	30-Jun-23	30-Jun-22
24.00 Sales		
Gross Sales	1,139,478,247	1,159,664,935
Less: (SD+VAT)	195,810,962	199,279,896
Net Sales	943,667,285	960,385,039

Quantity wise Sales Information:

Item	2022-23	2021-22
Lolly (All Kinds) 62 MI Ice Cream	9,505,416	9,673,811
Chocobar 72 MI	80,088,910	81,507,743
Hidden Heart Single 50 MI	125,074,122	127,289,901
Cruncy Bar Mega 82 MI	7,203,076	7,330,684
Cruncy Bar Mini 52 MI	33,011,399	33,596,220
Sheel & Core 62 MI	4,293,642	4,369,707
Malai Ice Cream 55 MI	11,826,831	12,036,352
Cup Regular 100 MI (All Flav.)	137,817,761	140,259,303
Cup Regular 50 MI (All Flav.)	5,054,984	5,144,536
1 Ltr. Container Ice Cream	42,570,222	43,324,384
750 MI Container Ice Cream	2,350,759	2,392,404
500 MI Container Ice Cream	51,134,935	52,040,828
250 MI Container Ice Cream	39,886,546	40,593,165
Hazel Beats 80 MI Ice Cream	4,411,126	4,489,273
Toffe Beats 80 MI Ice Cream	3,628,192	3,692,468
Chocoblast 100ML	8,483,960	8,634,260
Cone Maxi 121 MI (All Flav.)	129,570,105	131,865,534
Cone Mini 72 MI (All Flav.)	132,866,999	135,220,835
Round Shape Cake 1 Ltr.	1,409,077	1,434,040
Heart Shape Cake 1.5 Ltr.	283,606	288,631
Swirly Sundae 100 MI	3,801,201	3,868,542
Kulfi 50 MI Ice Cream	79,320,116	80,725,330
Double Sundy 1 Ltr. Ice Cream	9,706,203	9,878,156
Shahi Khajur Malai	3,110,372	3,165,474
Bulk Liter 9 per 1 Ltr	2,331,078	2,372,375
Lovello Swing Ball 100 ML Ice Cream	5,737,511	5,839,155
Lovello Ambrisia 1 Ltr. Ice Cream	245,399	249,747
Lovello Doi, Kheer Premium 1 Ltr Ice Cream	2,814,675	2,864,539
Lovello Shahi Shondesh, Black Forest Premium 1 Ltr.	783,867	797,754
Lovello Double Sundy Premium 500 ML Ice Cream	3,042,675	3,096,578
Lovello Doi, Kheer Premium 500 ML Ice Cream	2,302,519	2,343,310
Total	943,667,285	960,385,039



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2023

	Amount in Taka	
	30-Jun-23	30-Jun-22
25.00 Cost of Goods Sold		
Raw Materials Consumed: Note- 25.01	498,261,859	526,540,444
Add: Factory Overhead Charges Note- 25.02	154,910,424	154,293,950
Cost of Production	653,172,283	680,834,394
Add: Opening Work in Process	17,019,365	17,619,365
	670,191,648	698,453,759
Less: Closing Work in Process	(21,274,206)	(17,019,365)
Cost of Goods Manufactured	648,917,442	681,434,394
Add: Opening Stock of Finished Goods	222,174,678	98,059,494
Cost of Goods available for Sale	871,092,120	779,493,888
Less: Closing Stock of Finished Goods	(312,161,841)	(222,174,678)
Cost of Goods Sold	558,930,279	557,319,210
25.01 Raw Materials Consumed		
The break-up of the amount is given below:		
Opening Stock	125,733,318	184,056,096
Purchase During the year	521,489,859	468,217,665
Raw Materials available for Use	647,223,177	652,273,761
Less: Closing Stock	(148,961,318)	(125,733,318)
Raw Materials Consumed	498,261,859	526,540,444
25.02 Manufacturing Overhead		
Electricity Bill	38,736,831	34,492,180
Fuel & Lubricants	11,864,700	12,087,137
Wages & Salary	49,417,871	49,917,041
Festival Bonus	4,797,861	5,695,816
Overtime and Other Allowance	1,859,273	1,979,028
Tour and Travles	82,795	1,119,940
Pool Car Expenses	329,343	286,798
Telecommunication Expenses(Tracking)	62,160	103,664
Factory Supplies	943,184	1,097,442
Loading & Unloading Expenses	143,386	148,925
Postage & Courier	26,025	27,766
Printing & Stationary	464,926	568,724
Food and Entertainment	793,523	710,904
Repair & Maintenance	1,657,040	2,162,814
Spare Parts	3,450,978	4,325,986
Insurance Expenses	4,360,139	4,285,475
Licenses Renewal Fees	994,240	1,466,130
Depreciation	34,926,149	33,818,179
	154,910,424	154,293,950

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2023

	Amount in Taka	
	30-Jun-23	30-Jun-22
26.00 Administrative Expenses		
Salary & Allowance	7,653,934	7,578,153
Festival Bonus	1,251,890	1,028,797
Meeting Allowance	125,000	125,000
Provident Fund Expenses	1,231,051	1,642,075
Utility Charge	559,790	531,702
Director Remuneration	1,800,000	1,800,000
Office Vehicles expense	513,946	595,150
Entertainment Expense	91,216	205,099
Vehicle Insurance & Others	175,584	455,950
Statutory Audit Fees	350,000	200,000
Utilization and Corporate Governance Audit Fees	225,004	205,000
Listing Fees	1,006,000	353,151
Telephone, Mobile & Internet Bill	230,049	206,267
Postage & Couriers	133,825	122,570
Printing & Stationery	174,889	163,357
Legal & Statutory Expenses	54,150	244,853
Repair Maintenance	242,675	280,895
Health Safety Measure Expenses	-	61,890
Consultancy Fees	20,230	480,000
Depreciation	848,517	821,599
	16,687,750	17,101,509
27.00 Marketing & Selling Expenses		
Salary & Allowance	12,415,117	12,540,522
Festival Bonus	2,071,660	1,045,044
Provident Fund Expenses	1,196,385	1,722,661
Fuel & Toll for Vehicles	3,637,383	4,096,679
TA/DA and Other Allowances	1,359,456	1,485,542
Repair Maintenance & Others Vehicles Exp	1,221,294	1,242,038
Tour and Travels	784,638	701,171
Postage & Couriers	300,101	253,445
Incentive and Commission	292,530	337,799
Event Management Expenses	166,050	359,114
Health Safety Measure Expenses	-	36,437
Trade Promotion Expenses	50,000	503,758
Advertisement Expenses	3,694,780	3,464,325
Depreciation	99,407,440	96,253,915
	126,596,834	124,042,451

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2023

	Amount in Taka	
	30-Jun-23	30-Jun-22
28.00 Finance Cost		
Bank Service Charges	1,243,559	1,487,568
Interest on Bank Loan	81,103,133	75,293,782
Interest on Lease Loan	34,096,474	42,531,191
Interest Expense on Office Space	434,622	709,851
	116,877,787	120,022,392

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

29.00 Others Income

Scrap Sale	4,126,571	6,534,942
Rent Received against Freezer	8,516,932	4,362,550
Interest income	947,015	1,153,513
	13,590,518	12,051,004

30.00 Earning per Share (EPS)

The Computation of EPS is given below:

Earning attributable to the Shareholders (net profit after tax)	105,263,925.51	121,595,010
Total number of Shares	85,000,000.00	85,000,000
Adjusted/Basic Earnings per Share (EPS)(Per value Tk. 10)	1.24	1.43

For Current Year				
Total Share	No of shares	No. of Days Used	Total No. of Days	Weighted Average
85,000,000	85000000	365	365	85,000,000
85,000,000	85,000,000			85,000,000

For Previous Year				
Total Share	No of shares	No. of Days Used	Total No. of Days	Weighted Average
85,000,000	85,000,000	365	365	85,000,000
85,000,000	85,000,000			85,000,000

31.00 Net Asset Value (NAV) per Share

The Computation of NAV is given below:

Net Assets	1,099,653,011	1,096,389,086
Total number of Shares	85,000,000	85,000,000
Net Asset Value (NAV) per Share	12.94	12.90

Total number of shares

Paid-up-capital	850,000,000	850,000,000
Share money deposit	-	-
Total	850,000,000	850,000,000
Number of shares (Per value Tk. 10)	85,000,000	85,000,000

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2023

		Amount in Taka	
		30-Jun-23	30-Jun-22
32.00 Net Operating Cash Flows per Share (NOCFPS)			
The Computation of NOCFPS is given below:			
Net Cash Generated from Operating Activities		179,693,788	178,220,134
Total number of Shares		85,000,000	85,000,000
Net Operating Cash Flows per Share (NOCFPS)		2.11	2.10

33.00 Reconciliation of Net Operating Cash Flow

Particulars	Amount in Taka	
	30.06.2023	30.06.2022
Net Profit after Tax	105,263,926	121,595,010
Adjustment to reconcile netcash provided by operating activities:		
Depreciations	135,182,107	130,893,694
Provision for Income Tax	11,639,189	13,362,639
Provision for WPPF	6,579,293	7,330,975
Deferred Tax	14,682,745	11,661,858
Loan Interest	116,877,787	120,022,392
Increase in Inventories	(117,470,005)	(65,192,406)
Increase in Trade & Other Receivables	(71,103,781)	(56,675,369)
Increase in Advance, Deposits & Prepayments	(45,819,365)	(69,324,230)
Increase/Decrease in Trade & Other Payables	28,439,116	(33,363,172)
Increase in Liabilities for Expenses	2,021,465	3,152,792
Adjustments for WPPF	(6,599,878)	(5,244,048)
Adjustments for IPO Expenses		-
Net cash inflow/(outflow) from operating activities	179,692,598	178,220,135

34.00 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	2,500,000	119,290,000	-	7,950,000
2	Datin' Shamima Nargis Haque	Chairman	Meeting Allowance	-	25,000	25,000	-
3	Dato' Engr. Md. Ekramul Haque	Managing Director	Remuneration and Meeting Allowance	150,000	1,825,000	1,825,000	150,000
4	Muhsinina Taufika Ekram	Director	Meeting Allowance	-	25,000	25,000	-
5	Muhsinina Sharika Ekram	Director	Meeting Allowance	-	25,000	25,000	-
6	Ruhul Ameen M.Com. FCMA	Independent Director	Meeting Allowance	-	15,000	15,000	-
7	Imtiaz Lutful Baset FCMA, FCA	Independent Director	Meeting Allowance	-	10,000	10,000	-

35.00 Attendance Status of Board Meeting of Directors

During the year ended 2022-23 there were Five 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	5	5
Dato' Engr. Md. Ekramul Haque	Managing Director	5	5
Ruhul Ameen M.Com. FCMA	Independent Director	5	3
Muhsinina Taufika Ekram	Director	5	5
Muhsinina Sharika Ekram	Director	5	5
Imtiaz Lutful Baset FCMA, FCA	Independent Director	5	2

36.00 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 2022-2023 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.

37.00 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, 2023:

Salary (Monthly)	Factory	Head Office	Sales & Marketing	Total Employees
Below BDT 6,000	-	-	-	-
Above BDT 6,000	203	20	25	248
Total	203	20	25	248

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

Name of Directors	Designation	Meeting allowance	Total Remuneration for the year ended 2022-23
Datin' Shamima Nargis Haque	Chairman	25,000	-
Dato' Engr. Md. Ekramul Haque	Managing Director	25,000	1,800,000
Ruhul Ameen M.Com. FCMA	Independent Director	15,000	-
Muhsinina Taufika Ekram	Director	25,000	-
Imtiaz Lutful Baset FCMA, FCA	Independent Director	10,000	-
Muhsinina Sharika Ekram	Director	25,000	-

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
 For the year ended June 30, 2023

		Amount in Taka	
		30-Jun-23	30-Jun-22
38.00	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	-	-
		-	-

39.00 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:

- ii. VAT payable has been paid on 21.09.2023
- i. The company has been declared 10% cash dividend in this financial year (2022-2023)

40.00 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 and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading	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 accounting period	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 made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	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 (v) Repairs of Machinery (vi)(1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	

Taufika Foods and Lovello Ice-Cream PLC
Schedule of Property, Plant & Equipment
 As at 30 June 2023

Particulars	Cost		Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2023
	Balance as on 01-07-2022	Addition during the year		Balance as on 01-07-2022	Charged during the year	Balance as on 30-06-2023	
Land & Land Development	84,361,490	-	0%	-	-	-	84,361,490
Building & Civil Works	91,694,977	-	5%	25,378,781	3,315,810	28,694,591	63,000,386
Plant and Machinery	491,309,326	1,029,040	10%	171,454,863	32,036,898	203,491,761	288,846,605
Furniture and Fixtures	9,826,798	208,405	10%	2,980,405	695,060	3,675,465	6,359,738
Freezer	678,712,687	160,903,000	10%	198,134,348	56,102,984	254,237,332	585,378,354
Office Equipment	9,242,962	139,250	10%	2,449,449	686,314	3,135,763	6,246,449
Motor Vehicles	169,231,896	16,999,682	20%	92,765,039	16,993,340	109,758,378	76,473,200
Total as on 30.06.2023	1,534,380,136	179,279,377		493,162,885	109,830,405	602,993,290	1,110,666,223
Total as on 30.06.2022	1,377,424,500	156,955,635		390,841,217	102,321,668	493,162,885	1,041,217,250

Annexure - A

Property, Plant & Equipment

Right of Use Assets

Particulars	Cost		Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2023
	Balance as on 01-07-2022	Addition during the year		Balance as on 01-07-2022	Charged during the year	Balance as on 30-06-2023	
Plant and Machinery	4,079,499		10%	1,536,768	254,273	1,791,041	2,288,458
Freezer	324,745,500		10%	139,253,046	18,549,245	157,802,291	166,943,209
Motor Vehicles	67,662,134		20%	47,627,345	4,006,958	51,634,302	16,027,832
Office Space	10,897,101		20%	6,719,879	2,179,420	8,899,299	1,997,802
Total as on 30.06.2023	407,384,234	-	-	195,137,037	24,989,897	220,126,934	187,257,301
Total as on 30.06.2022	407,384,234	-	-	167,056,121	28,080,916	195,137,037	212,247,197



Intangible assets

Particulars	Cost		Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2023
	Balance as on 01-07-2022	Addition during the year		Balance as on 01-07-2022	Charged during the year	Balance as on 30-06-2023	
Computer Software	3,608,633	180,000	50%	2,975,023	361,805	3,336,828	451,805
Total as on 30.06.2023	3,608,633	180,000		2,975,023	361,805	3,336,828	451,805
Total as on 30.06.2022	3,323,633	285,000		2,483,913	491,110	2,975,023	633,610
Grand Total as on 30.06.2023	1,945,373,003	179,459,377		691,274,945	135,182,107	826,457,052	1,298,375,328
Total as on 30.06.2022	1,788,132,367	157,240,635		560,381,251	130,893,694	691,274,945	1,254,098,057

Amount in Taka

Allocation of depreciation	30.06.2023
Manufacturing Overhead	34,926,149
Administrative Expenses	848,517
Marketing & Selling Expenses	99,407,440
Total	135,182,107

Taufika Foods and Lovello Ice-Cream PLC
Schedule of Property, Plant & Equipment
 As at 30 June 2022

Particulars	Cost		Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2022
	Balance as on 01-07-2021	Addition during the year		Balance as on 01-07-2021	Charged during the year	Balance as on 30-06-2022	
Land & Land Development	84,361,490	-	0%	-	-	-	84,361,490
Building & Civil Works	91,694,977	-	5%	21,888,455	3,490,326	25,378,781	66,316,196
Plant and Machinery	414,437,939	76,871,386	10%	140,186,111	31,268,752	171,454,863	319,854,462
Furniture and Fixtures	9,425,340	401,458	10%	2,241,998	738,407	2,980,405	6,846,393
Freezer	628,974,033	49,738,654	10%	147,500,014	50,634,335	198,134,348	480,578,338
Office Equipment	8,360,012	882,950	10%	1,743,667	705,782	2,449,449	6,793,513
Motor Vehicles	140,170,710	29,061,187	20%	77,280,972	15,484,066	92,765,039	76,466,858
Total as on 30.06.2022	1,377,424,500	156,955,635		390,841,217	102,321,668	493,162,885	1,041,217,250
Total as on 30.06.2021	1,200,619,949	176,804,551	-	296,327,876	94,513,342	390,841,217	986,583,283

Annexure - A

Property, Plant & Equipment

Right of Use Assets

Particulars	Cost		Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2022
	Balance as on 01-07-2021	Addition during the year		Balance as on 01-07-2021	Charged during the year	Balance as on 30-06-2022	
Plant and Machinery	4,079,499		10%	1,254,242	282,526	1,536,768	2,542,731
Freezer	324,745,500		10%	118,642,773	20,610,273	139,253,046	185,492,454
Motor Vehicles	67,662,134		20%	42,618,647	5,008,697	47,627,345	20,034,789
Office Space	10,897,101		20%	4,540,459	2,179,420	6,719,879	4,177,222
Total as on 30.06.2022	407,384,234	-	-	167,056,121	28,080,916	195,137,037	212,247,197
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 30-06-2022
	Balance as on 01-07-2021	Addition during the year		Balance as on 01-07-2021	Charged during the year	Balance as on 30-06-2022	
Computer Software	3,323,633	285,000	50%	2,483,913	491,110	2,975,023	633,610
Total as on 30.06.2022	3,323,633	285,000		2,483,913	491,110	2,975,023	633,610
Total as on 30.06.2021	2,696,433	627,200		1,957,793	526,120	2,483,913	839,720
Grand Total as on 30.06.2022	1,788,132,367	157,240,635		560,381,251	130,893,694	691,274,945	1,254,098,057
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	33,818,179
Administrative Expenses	821,599
Marketing & Selling Expenses	96,253,915
Total	130,893,694

LOVELLO EVENTS & ACTIVATIONS

LOVELLO DAY & PARTNERS MEET 2023





Agreement Signing Ceremony between Lovello Ice-Cream and Walton





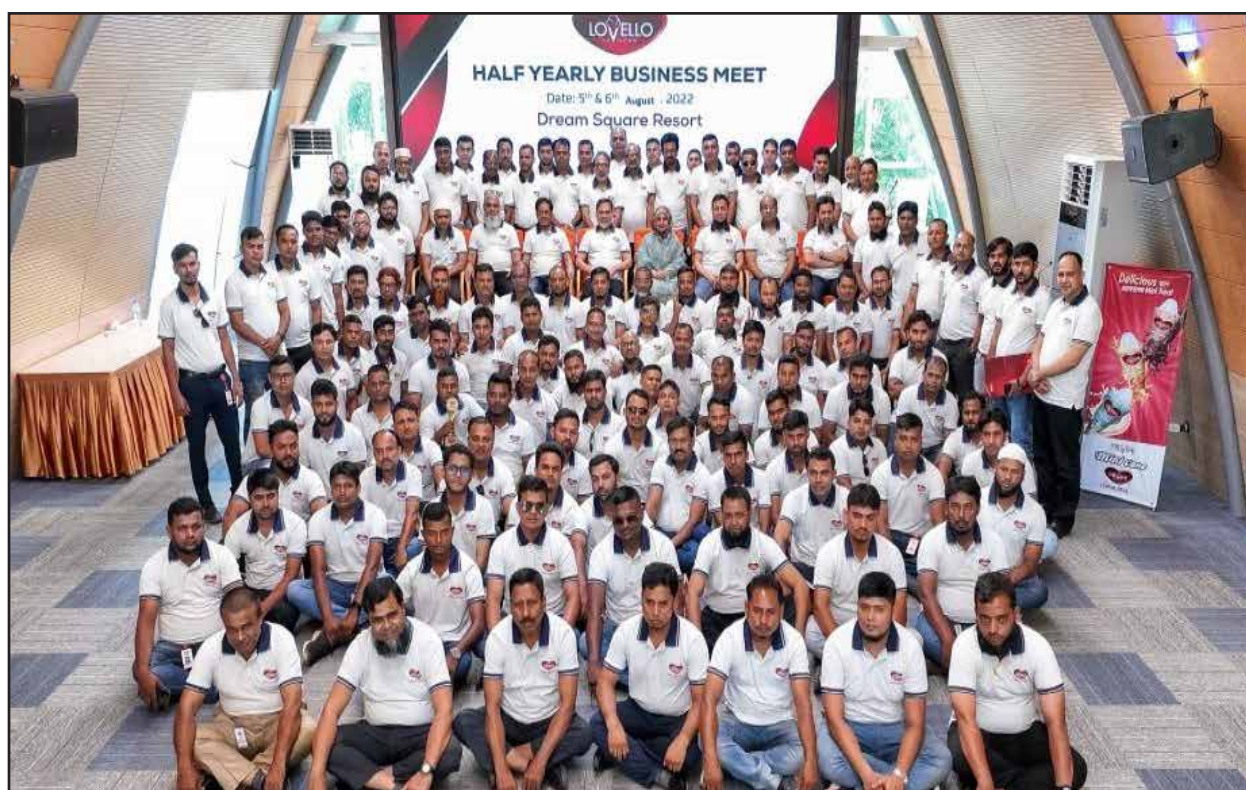
Congratulations to Prof. Shibli Rubayet ul Islam sir on his election as vice chairman for the Asia Pacific Regional Committee of the IOSCO



Lovello Half Yearly Business Meet 2022



Lovello Half Yearly Business Meet 2022



Lovello Annual Dinner 2022



Lovello Annual Dinner 2022





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 12th Annual General Meeting (AGM) of the Company to be held on using Digital platform on Saturday, Dec 30, 2023 at 11.30 AM

As witness I put my/our hand(s) this day of 2023

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 12th Annual General Meeting (AGM) being held on using Digital platform on Saturday, Dec 30, 2023 at 11.30 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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