



ANNUAL REPORT 2023-24



TAUFIKA FOODS AND
LOVELLO ICE-CREAM PLC

The background is a vibrant, abstract composition of pink and purple liquid splashes and drips, creating a sense of movement and texture. A central splash of white cream is visible in the upper middle section.

NET PROFIT
TK. 121.77 M

GROSS PROFIT
TK. 414.20 M

EPS
TK. 1.43

NAVPS
TK. 13.37

NOCFPS
TK. 4.16



Greetings

Greetings

The Board of Directors of Taufika Foods and Lovello Ice Cream PLC is pleased to present the Annual Report for the year 2024. This report offers an in-depth view of the company's financial and operational achievements, supported by the Independent Auditors' Report and the audited Financial Statements. We have adhered to all relevant statutory requirements and international best practices to ensure comprehensive transparency and accountability.

In 2024, Taufika Foods and Lovello Ice Cream PLC made substantial progress in advancing our key strategic priorities, marking a pivotal year for the company. Our commitment to innovation, quality, and sustainable growth served as the driving force behind these achievements, enabling us to solidify our position as a leading player in the food and ice cream industry.

We prioritized operational excellence across all areas of our business, enhancing efficiency, streamlining processes, and fostering a culture of continuous improvement. These efforts were coupled with an aggressive focus on expanding our market reach, which allowed us to tap into new customer segments and increase brand recognition. By doing so, we not only strengthened our competitive position but also created new avenues for sustainable, long-term growth.

This year's Annual Report reflects our adherence to the International Integrated Reporting Framework (IIRF), a globally recognized standard for presenting both financial and non-financial information. By following the IIRF guidelines, we have been able to offer a comprehensive, multi-dimensional view of our company's performance. This includes not only financial outcomes but also how we create value for our stakeholders across various fronts—be it environmental, social, or governance (ESG) factors. The framework allows us to present a well-rounded, transparent perspective on how we are generating sustainable value, ensuring that all aspects of our business are clearly communicated to our investors, partners, and other stakeholders.

Through this approach, we are better equipped to demonstrate how our long-term strategies align with broader societal goals, while continuing to deliver exceptional products and services that meet the evolving needs of our consumers.

As we navigate the challenges and opportunities ahead, sustainability remains at the core of our business philosophy. We are proud of the progress we've made in enhancing our environmental stewardship, optimizing our resource usage, and championing responsible practices across our value chain. From reducing our carbon footprint to implementing innovative packaging solutions, we are constantly evolving to meet the needs of a changing world.

In crafting this report, we have followed a set of core principles to ensure both the quality of its content and the effectiveness of its presentation:

In crafting this report, we have followed a set of core principles to ensure both the quality of its content and the effectiveness of its presentation:

01

INCLUSIVENESS

We have captured all relevant aspects of our business, incorporating material issues, external factors, and our sustainability initiatives, to provide a holistic view of the company's impact.

02

COMPARABILITY

The report presents our performance not only for the current year but also in relation to previous periods, offering a clear narrative on how our strategy fosters long-term value creation.

03

CONSISTENCY

The information provided aligns with our internal controls and processes, ensuring coherence and easy verification, which upholds the integrity of the data.

04

TRANSPARENCY

Both the text and visual elements are designed to enhance the report's readability and accessibility, allowing stakeholders to easily understand key insights and performance metrics without ambiguity.

05

ASSURANCE

All financial and governance data has been reviewed and validated by recognized external assurance providers, reinforcing the reliability of the disclosed information.



Our annual review of critical issues allows us to continuously identify factors that could influence our ability to generate value in the short, medium, and long term. These include both financial performance drivers and Environmental, Social, and Governance (ESG) priorities. This report reflects on all material issues that could impact value creation at Taufika Foods and Lovello Ice Cream PLC, ensuring that we remain well-positioned for sustainable growth and responsible business practices.

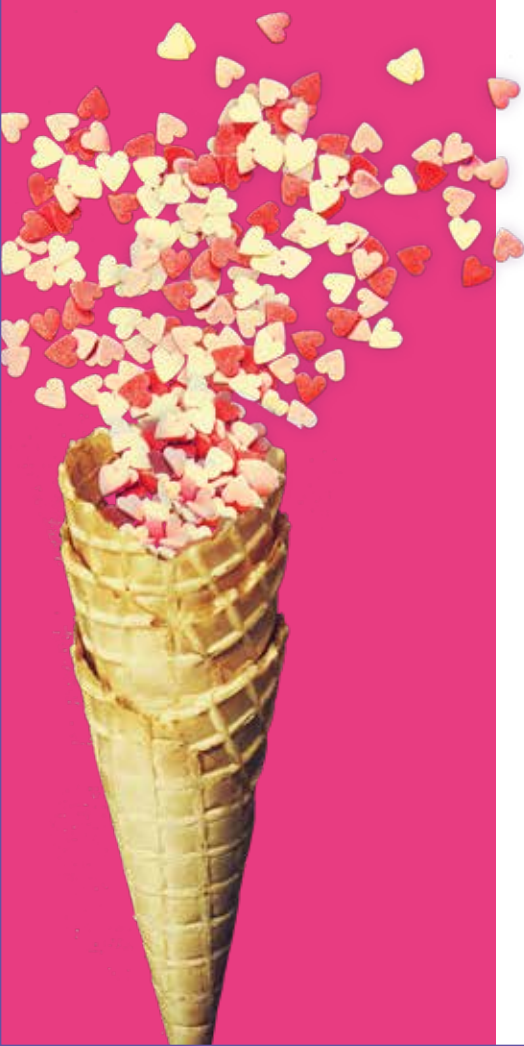
The year 2024 marks another footfall in our journey toward delivering long-term value for our shareholders, employees, and customers. Our strategic initiatives focus on fostering sustainable growth, driving operational efficiency, and ensuring that we continue to exceed customer expectations with our high-quality products.

On behalf of the Board of Directors, I would like to express our gratitude to all those who have contributed to the continued success of Taufika Foods and Lovello Ice Cream PLC. With your support, we are confident in our ability to navigate the evolving landscape and create a positive impact in the years to come.

Md. Moheuddin Sarder
Company Secretary



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SECOND GENERATION LEADERS



Welcome

Note From Our Chairman

The year 2024 has been a remarkable testament to our resilience, bold innovation, and steadfast dedication to quality and sustainability. In the face of challenges, we not only persevered but thrived, emerged stronger and more focused than ever. Our commitment to pushing boundaries allowed us to expand our reach, enter new markets, and strengthen our presence in the market, while staying true to our core values.

Through it all, we have continued to craft products that not only meet but exceed customer expectations, sparking joy and building deeper connections with those we serve.

Sustainability is not just a goal but the lifeblood of our business. From slashing our environmental footprint to embracing ethical practices, we are determined to create a lasting positive impact. This report is a clear reflection of our journey, providing an honest and vivid snapshot of both our financial and non-financial milestones. It showcases the strides we have made and the path we are forging toward sustainable, long-term value creation.

As we venture into the future, I am filled with confidence that our momentum will only continue to escalate. The dedication of our exceptional employees, the trust of our valued partners, and the steadfast support of our loyal stakeholders has been the driving forces behind our success, for which I offer my deepest gratitude to all of them. Together, we are not just ready for the future but set to soar to even greater heights, with bold ambitions and illimitable possibilities ahead.

Datin' Shamima Nargis Haque
Chairman

NOTICE OF THE 13th ANNUAL GENERAL MEETING

Notice is hereby given for the 13th Annual General Meeting of the Shareholders of TAUFKA FOODS AND LOVELLO ICE CREAM PLC which will be held on Monday the 30th December, 2024 at 11:30 A.M. through Hybrid System in combination of Physical Presence (Venue: Amari Dhaka, 47, Road No 41, Gulshan-2, Dhaka1212) and using Digital Platform (Link: <https://lovello.bdvirtualagm.com>) to transact the following business:

Agenda:

1. To received, consider and adopt the Audited Financial Statement for the year ended June 30, 2024.
2. To approve dividend for the year ended June 30, 2024.
3. To elect/re-elect Directors in terms of the relevant provision of Articles of Association.
4. To appoint/ re-appoint statutory auditors for the financial year ended on June 30, 2025 and to fix their remuneration.
5. To appoint/ re-appoint Compliance Auditors for the financial year 2024-2025 and to fix their remuneration.
6. To approve the proposal to purchase shares equal to 50% of the paid up capital of Sharika Foods & Amandala Limited..

By order of the Board



Md. Moheuddin Sarder
Company Secretary

08 December, 2024

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 10, 2024, 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 secretary@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 2023-24 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 2023-24 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 13th 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 secretary@lovello.club for queries or assistance to join the AGM.
5. In compliance with the Bangladesh Securities and Exchange Commission's Circular No.: SEC/CMRRCD/2009-193/154; dated: 24 October 2013, No Gift/Gift Coupon/Food Box shall be distributed at the upcoming AGM of the Company.



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, 2024

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, 2024, Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2024 along with notes thereon for your record and necessary measures.

Thank you.

Sincerely yours,



Md. Moheuddin Sarder
Company Secretary



TOGETHER WE ARE STRONGER

Board of Directors

Datin' Ms. 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
Barrister Sajed Ahammad Sami	Independent Director

Operational Management Team

Dato' Engr. Md. Ekramul Haque	Managing Director
Mustaque Ahmad	Chief Financial Officer
Muhammad Razib Hasan	Chief Strategic Officer
Md. Moheuddin Sarder	Company Secretary
Engr. Md. Emdadul Kabir	General Manager
Hamid Ullah ACMA	Head of Accounts
Md. Mahfuzur Rahman	Head of Internal Audit & Compliance

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

Barrister Sajed Ahammad Sami, 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 PLC

Millennium Corporate Branch
Shaheed Jahangir Gate, Dhaka Cantonment, Dhaka-1206

Pubali Bank PLC

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

Premier Bank PLC

Iqbal Centre (2nd Floor), 42 Kemal Ataturk Avenue,
Banani, Dhaka -1213

Prime Bank PLC

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

BRAC Bank PLC

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

Islami Bank Bangladesh PLC

Gulshan Branch, Gulshan Circle-2, Dhaka

Dutch Bangla Bank PLC

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

Union Bank PLC

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

Mercantile Bank PLC

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

United Commercial Bank PLC

Gulshan Branch
Concord I.K. Tower (1st floor), Plot No.CEN (A) -2, North
Avenue, Gulshan-2, Dhaka 1212

City Bank PLC

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

AB Bank PLC

Banani Branch, House No.88, Road No.11, House 50,
Block C, (1st-2nd Floor, 54 Rd No. 11, Dhaka-1213

National Bank Limited

Banani Branch
Sikder Center, Holding No.67/B, Road No.13/B (Front
Road No.11), Block-E, Ward No.19, Dhaka, Bangladesh

Dutch Bangla Bank PLC

Seed Store Bazar Branch,
Mymensingh

NRB Bank PLC

Classic Tower (1st Floor)
House No. : 1, Road: 11, Block: F, Banani, Dhaka-1213.

Shimanto Bank PLC

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

Standard Bank PLC

Plot-98, Road-11, Block-C, Banani
Dhaka-1213

Shahjalal Islami Bank PLC

Ataturk Tower (1st floor) 22 Kamal Ataturk Avenue,
Banani Dhaka-1213

Insurer

Karnaphuli Insurance Company Limited

Eastern Insurance Company Limited

Met Life Insurance



CHAIRMAN'S MESSAGE

“

**OUR TALENTED TEAM,
SUPPORTIVE PARTNERS, AND
LOYAL STAKEHOLDERS ARE THE
CORNERSTONES OF OUR
SUCCESS, AND I AM CONFIDENT
THAT, TOGETHER, WE WILL
SEIZE NEW OPPORTUNITIES AND
ADEPTLY NAVIGATE THE
CHALLENGES THAT LIE AHEAD.**



CHAIRMAN'S MESSAGE

Dear Shareholders, Partners, and Stakeholders,

Assalamu Alaikum,

I am honored to present the Annual Report of Taufika Foods and Lovello Ice Cream PLC for the year 2024. Reflecting on this past year, I am filled with pride for what we have accomplished together. This year has been a vibrant tapestry of growth, innovation, and a steadfast commitment to sustainability and values that define our company.

The year 2024 has challenged us in many ways while also opening doors to remarkable opportunities. Our adaptability has empowered us to rise above obstacles, expanding our market presence and continually enhancing the quality of our products. With an unwavering focus on excellence and creativity, we have solidified our position in the food and ice cream industry, delighting our customers with exceptional products.

Central to our achievements is a steadfast commitment to sustainable growth. We recognize that true success goes beyond mere financial performance; it encompasses our profound responsibility to the environment and society as a whole. This year, we made bold strides to significantly reduce our environmental impact, seamlessly integrating sustainability into our operations and championing ethical practices at every level. These transformative efforts not only enhance our brand's reputation but also establish a robust foundation for a future where economic and environmental objectives are not just aligned but thrive in synergy.

In this Annual Report, we present a clear and comprehensive view of our financial and non-financial performance, framed through the International Integrated Reporting Framework (IIRF). This rigorous approach underscores our dedication to creating lasting value for all our stakeholders, ensuring that we remain accountable and responsive to your evolving needs.

As we gaze into the future, I am filled with optimism about the pathways that await us. Our talented team, supportive partners, and loyal stakeholders are the cornerstones of our success, and I am confident that, together, we will seize new opportunities and proficiently navigate the challenges that lie ahead.

I extend my heartfelt gratitude to each of you for your ongoing trust, support, and belief in our vision. Together, we are poised to reach new heights and create a lasting impact.

Warm Regards,

Datin' Shamima Nargis Haque
Chairman



MANAGING DIRECTOR'S MESSAGE

“

OUR PATH FORWARD
IS DEFINED BY
AMBITION AND A
RELENTLESS DRIVE
FOR IMPROVEMENT,
AND I AM CONFIDENT
THAT, TOGETHER, WE
WILL ACHIEVE EVEN
GREATER SUCCESS.



MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

Assalamu Alaikum,

As we bring this year to a close, I am delighted to reproduce on the remarkable journey Taufika Foods and Lovello Ice Cream PLC has made in 2024. It has been a year of transformation, not only in terms of growth but also in harmonizing our vision with the ever-evolving needs of the food industry. With each step forward, we have embraced change and innovation, allowing us to stay at the forefront of this dynamic landscape.

This year we concentrated on innovations that align with today's evolving lifestyles. Modern consumers are more aware and discerning, looking for products that not only deliver great taste but also support their health and environmental well-being. In response to this shift, we introduced a range of new products emphasizing natural ingredients, lower sugar content, and options tailored to specific dietary preferences. These efforts have reinforced our position as a leader in delivering indulgence with responsibility.

Operational resilience has also been a priority. In the face of global economic uncertainties, we have streamlined our supply chains, ensuring efficiency and minimizing disruptions. Investments in advanced manufacturing technologies have helped us enhance productivity, improve product consistency, and maintain cost control without compromising in quality.

Environmental sustainability is deeply embedded in our operational ethos. This year, we have made meaningful progress in reducing our carbon footprint by optimizing energy use and introducing environmentally friendly packaging. Our commitment to minimizing waste and promoting a circular economy is stronger than ever, and we will continue to explore ways to push these boundaries in the years to come.

None of these achievements would be possible without the support of our dedicated team and partners. Their passion and dedication fuel our continued success, and I extend my deepest appreciation to everyone who contributed to our milestones this year.

As we set our sights on 2025 and beyond, our commitment to providing innovative, premium products that connect with our consumers will remain



unwavering. We will further advance our sustainability efforts, harness cutting-edge technologies, and seek growth opportunities both domestically and internationally. Our path forward is defined by ambition and a relentless drive for improvement, and I am confident that, together, we will achieve even greater success.

Thank you for your continued trust and partnership as we look forward to a bright and prosperous future.

Dato' Engr. Md. Ekramul Haque
Managing Director



SHAREHOLDER DIRECTOR'S



WHO WE ARE

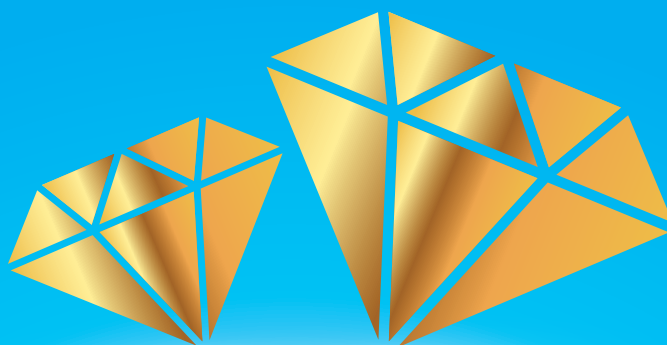




PRESENCE IN BANGLADESH



OUR VALUES



VISION



Our commitment is to be the gentle melody of love in every Bangladeshi's heart and the name 'Lovello' flows as softly as the soothing flakes of snow in all sphere.

MISSION



Taufika Foods and Lovello Ice Cream PLC is dedicated to producing and delivering best quality products by fostering continuous innovation in our SKUs, operations, communication, and management ensuring that the rich flavors and high standards our customers adore are always maintained.

CORE VALUES



At Lovello, we put passion into every scoop as its foundation is built on creativity, authenticity, and excellence, with a commitment to crafting memorable experiences for our customers. We believe in bold innovation, ethical practices, and bringing joy through every bite of LOVELLO ice cream.



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

2024

Lovello Declared Record 20% Dividend for the shareholders

2023

Distributed BDT 100.20 Million as 12% Cash Dividend

2022

Placed in "A" category from "N" distributing 11% cash dividend

2021

Date of Listing in DSE & CSE on February 2.

2020

Date of Listing in DSE & CSE on February 2.

2019

First Business Meet on February 15.

2018

First Title sponsor of Lovello ki-Anondo in October.

2017

Celebrated first anniversary in a befitting manner on February 14.

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.



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: 02-222261286
Fax: 02-222264289

Corporate Office

Plot-80, Road-2, Banani (Chairman Bari), Dhaka-1213.

Corporate Office Telephone & FAX

Telephone: 02-222261286
Fax: 02-222264289

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

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 <p>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.</p>	Liability <p>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.</p>	Mutuality <p>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.</p>
Modernization <p>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.</p>	Commitment <p>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.</p>	Freedom <p>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.</p>



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

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.

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.

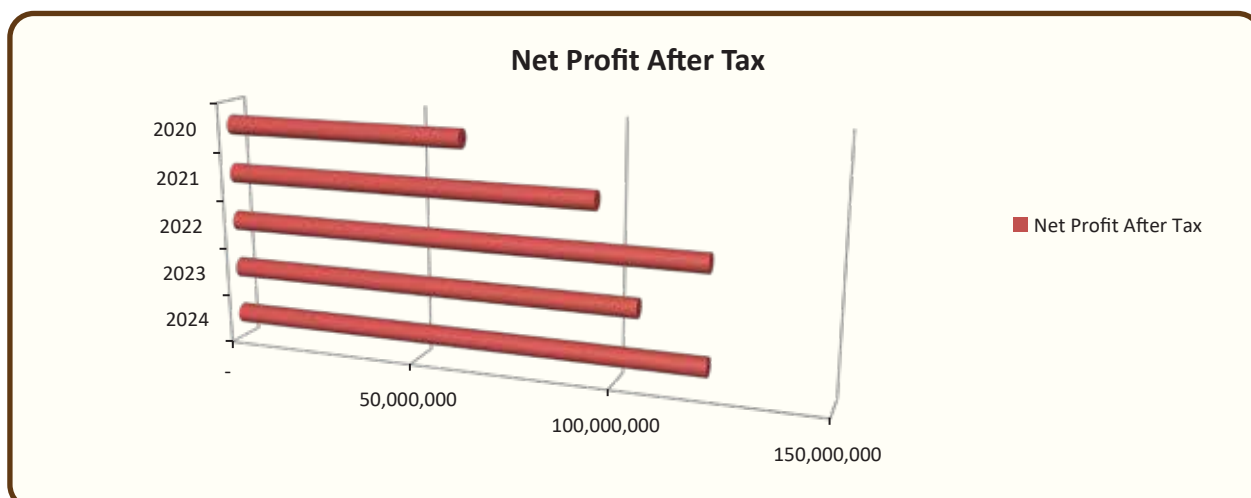
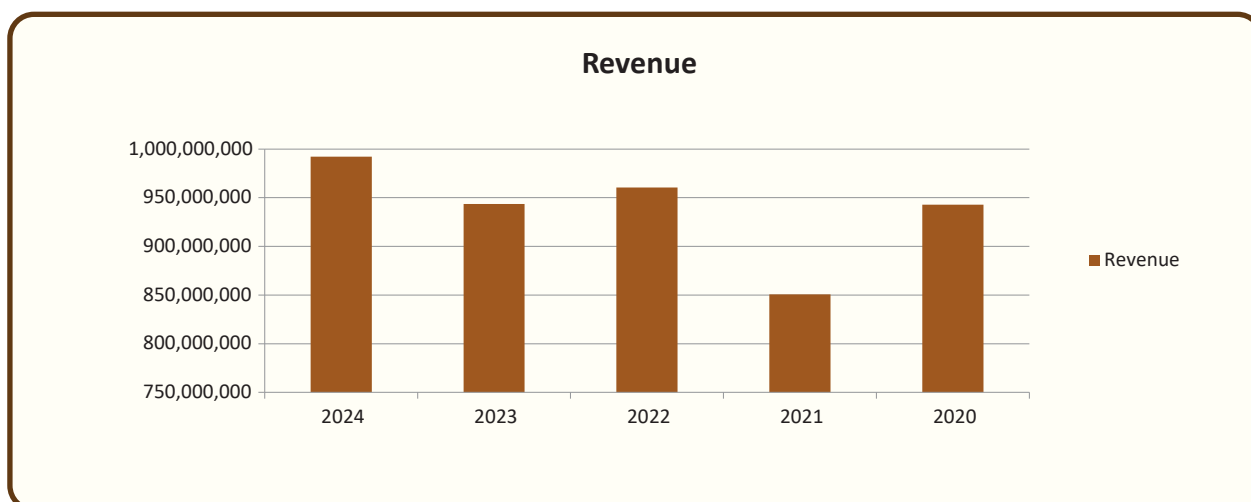


FIVE YEARS FINANCIAL SUMMARY

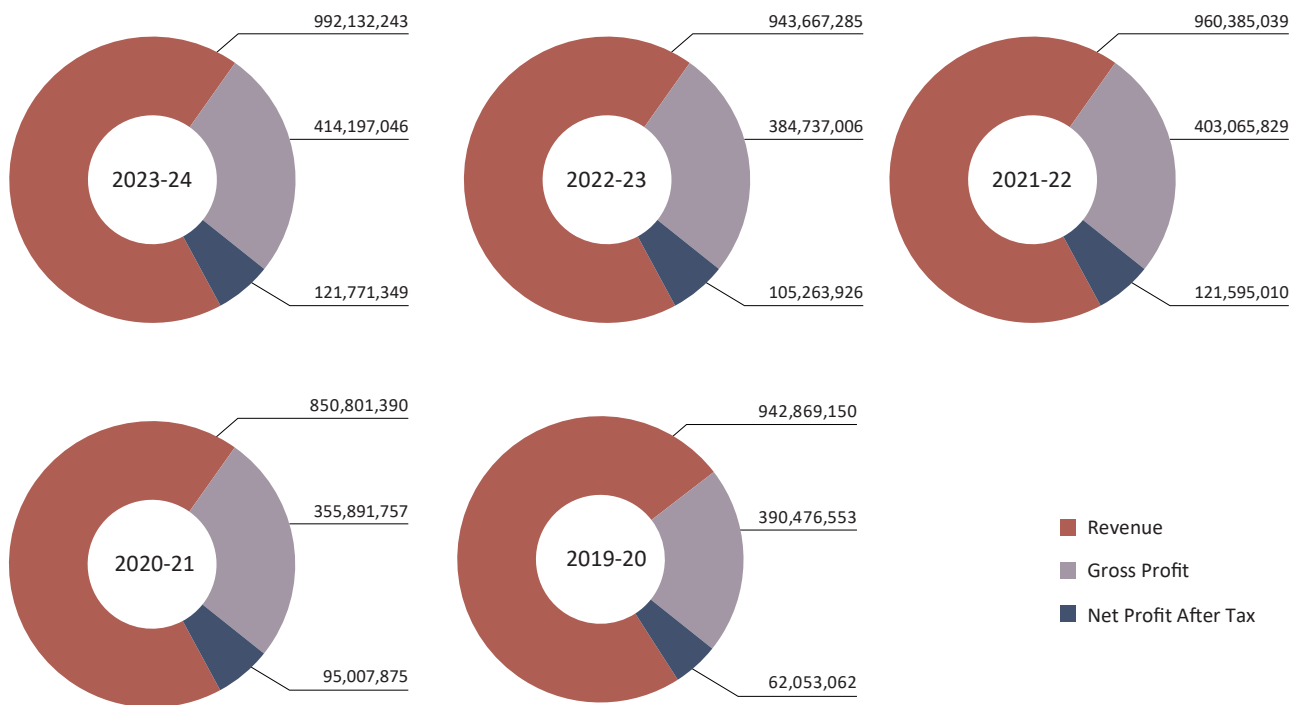
Particulars	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
(A) Sales	992,132,243	943,667,285	960,385,039	850,801,390	942,869,150
(B) Cost of Goods Sold	577,935,197	558,930,279	557,319,210	494,909,633	552,392,597
(C) Gross Profit (A-B)	414,197,046	384,737,006	403,065,829	355,891,757	390,476,553
(D) Operating Expenses	141,034,522	143,284,585	141,143,960	139,688,077	149,280,037
Administrative Expenses	15,378,844	16,687,750	17,101,509	16,231,797	18,701,781
Marketing Expenses	125,655,678	126,596,834	124,042,451	123,456,281	130,578,256
(E) Operating Income (C-D)	273,162,525	241,452,422	261,921,869	216,203,680	241,196,516
(F) Financial Expenses	128,225,191	116,877,787	120,022,392	118,035,700	155,147,618
(G) Profit Before Other Income (E-F)	144,937,334	124,574,634	141,899,478	98,167,980	86,048,898
(H) Other Income	14,887,562	13,590,518	12,051,004	3,598,895	3,455,781
(I) Net Profit Before WPPF	159,824,896	138,165,152	153,950,482	101,766,874	89,504,679
(J) Provision for WPPF	7,610,709	6,579,293	7,330,975	4,846,042	4,262,128
(K) Net Profit Before Tax (I-J)	152,214,186	131,585,859	146,619,507	96,920,833	85,242,551
(L) Income Tax Expense	30,442,837	26,321,934	25,024,497	1,912,957	23,189,490
Current Tax	37,752,395	11,639,189	13,362,639	18,794,777	21,733,994
Deferred Tax	(7,309,558)	14,682,745	11,661,858	-16,881,820	1,455,496
(M) Net Profit After Tax (K-L)	121,771,349	105,263,926	121,595,010	95,007,875	62,053,062



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.

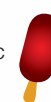
Board Oversight and Risk Appetite

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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Ice Cream Cone
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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 sully 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-2024	30-Jun-2023
Market Value of Shares Outstanding	Note A	7,463,000,000	3,221,500,000
Book Value of Shares Outstanding	Note B	1,221,424,360	1,099,653,011
Market Value Added		6,241,575,640	2,121,846,989
Market Value Added per Share (with regard to Share Capital as existing)		73.43	24.96
Note A - Market Price per Share (as quoted in the stock exchanges):			
Dhaka Stock Exchange Ltd		86.60	37.90
Chittagong Stock Exchange Ltd		89.00	37.90
Average Rate		87.80	37.90
No. of Shares Outstanding		85,000,000	85,000,000
Market Value of Shares Outstanding		7,463,000,000	3,221,500,000
Note B - No. of Shares Outstanding at June 30, 2024		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, 2024		286,424,360	249,653,011
Book Value of Shares Outstanding		1,221,424,360	1,099,653,011



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
6	Barrister Sajed Ahammad Sami	Independent Director

Operational Management Team

Sl. No.	Name	Designation
1	Dato' Engr. Md. Ekramul Haque	Managing Director
2	Mustaque Ahmad	Chief Financial Officer
3	Muhammad Razib Hasan	Chief Strategic Officer
4	Md. Moheuddin Sarder	Company Secretary
5	Engr. Md. Emdadul Kabir	General Manager
6	Hamid Ullah ACMA	Head of Accounts
7	Md. Mahfuzur Rahman	Head of Internal Audit & Compliance

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	Barrister Sajed Ahammad Sami, 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 25 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 57, is a Civil Engineer, MBA possesses more than 33 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 "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 was one of the Sponsor Directors and shareholder of NRB Bank Limited, a well reputed fourth generation schedule bank in Bangladesh and served as the Chairman of the Executive committee of the bank.

Dato' 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

Director

Muhsinina Taufika Ekram, 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 degrees 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 Biomedical 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
Independent Director

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 46 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.

PROFILE OF THE BOARD OF DIRECTORS



Barrister Sajed Ahammad Sami
Independent Director

Barrister Sajed is one of the most aspiring and well-regarded young lawyers in Bangladesh having broad international experience in both contentious and non-contentious matters. Coming from a family rich in legal heritage, Sajed is a third-generation lawyer, having his father Mr. Justice A F M Ali Asgar, a Justice of the Supreme Court of Bangladesh, as his idol. Sajed is qualified and trained in the US, the UK, and Bangladesh, and has practiced law in multiple jurisdictions. Sajed is the only US tri-qualified legal counsel with audience before the Appellate Division of Supreme Court of Bangladesh. He moved to Bangladesh in 2008 after completing his clerkship at the ICC's International Court of Arbitration in Paris, France. Prior to moving to Bangladesh, Sajed has had some excellent international arbitration experience obtained in Washington DC. He has been involved in high profile cases, providing legal advice in both a strategic and analytic capacity. He was hand-picked for a particular role by his law professor, Co-chair of the Arbitration Group at Crowell and Moring LLP. He was also a member of Litigation Practice Group of King & Spalding LLP's Washington, DC Office. Sajed writes for Oxford Press and has contributed in the publication of a Practitioners' Guidebook on International Arbitration. He has also carried out research project funded by International Finance Corporation (IFC) and DFID where he has explored the impact of international arbitration proceedings on the investment climate of Bangladesh. Besides his legal practice, for his exceptional spectrum of experience in fields of corporate governance and financial structuring, the Government of Bangladesh appointed him as an Independent Director to the board of directors of Power Grid Company of Bangladesh Ltd. ("PGCB"), a state owned and the sole power transmission company in Bangladesh. Sajed has also been appointed as an independent director of Desh Garments Limited, the first ever garments manufacturing Company in Bangladesh and publicly listed company. Sajed is also the Chairman and shareholder of Entrust Global Ltd. a leading provider of IT and Infrastructure related services in Bangladesh.

SENIOR MANAGEMENT PROFILE



Dato' Engr. Md. Ekramul Haque

Managing Director

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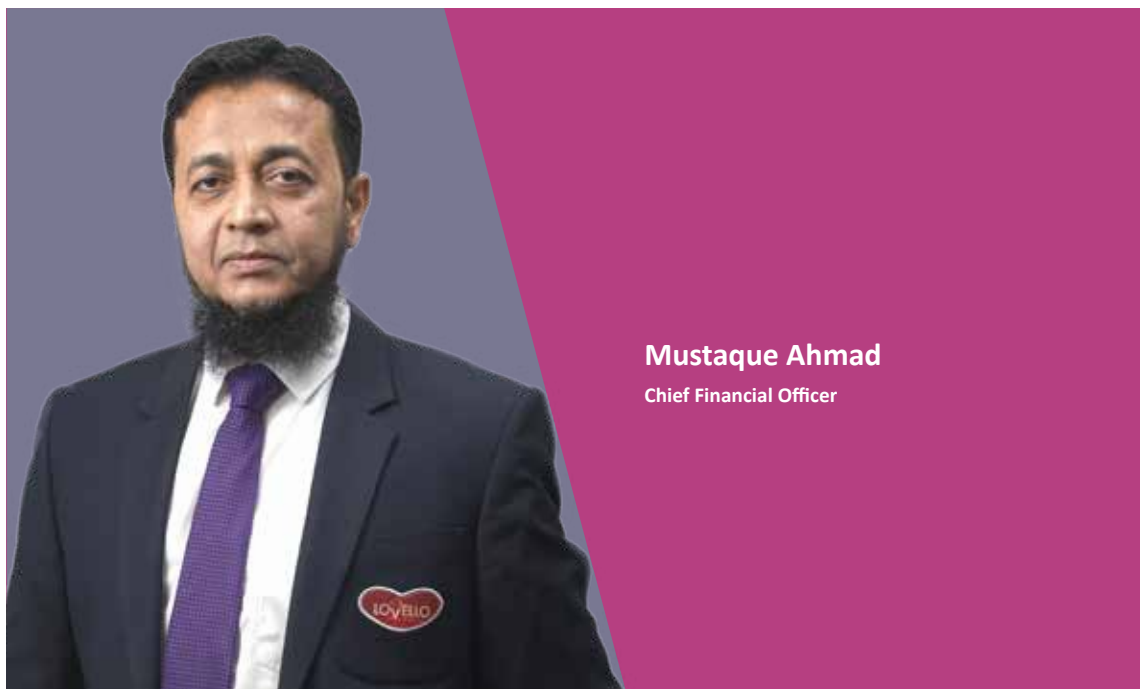
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SENIOR MANAGEMENT PROFILE



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 28 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 23+ 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



Md. Moheuddin Sarder

Company Secretary

Md. Moheuddin Sarder is a young and energetic professional guy. He received his Master of Business Administration (MBA) from the University of Dhaka in 2018. He completed his Chartered Accountancy Course in 2019 from The Institute of Chartered Accountants of Bangladesh. He Conducted and finalized audit of financial statements/reporting of various Company's, Autonomous bodies/corporation, non-profitable organizations. Led audit discussions with various clients in order to finalize audit. Carried out consultancy relating to tax, designing accounting and control system. He also carried out cost, management and self-audit for various organizations like Rancon Motors Ltd, Rupali Bank Ltd, Aftab Feed Products Ltd, Meghna Cement Mills Ltd, Brac International, Somatec Pharmaceuticals Ltd, SKS LPG Mongla, Bangladesh Paper Mills Ltd, Coral Reef Properties Ltd. During his 6 years with the Lovello, Mr. Moheuddin worked to grow the company's value and directly supervised Initial Public Offerings. Mr. Moheuddin working skills and expertise have played a significant role in the growth of the company.

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



Engr. Md. Emdadul Kabir joined Taufika Foods and Lovello Ice-Cream PLC as General Manager - Factory in March 2024, bringing over 19 years of comprehensive experience in engineering, project management, and plant operations within the ice cream and food manufacturing industries. Before joining Taufika Foods and Lovello Ice-Cream PLC, he served as Chief Engineer at Dhaka Ice Cream Industries Ltd. (Polar Ice Cream), overseeing the engineering department with a focus on operational efficiency and technical excellence.

Throughout his career, Mr. Kabir has held critical roles in various notable organizations, including Kazi Food Industries Ltd., Perfetti Van Melle Bangladesh Pvt. Ltd., and Abdul Monem Limited. His expertise extends across ice cream project development, refrigeration systems, and large-scale plant management. With a Bachelor's degree in Mechanical Engineering from KUET, he has a strong technical foundation and has successfully led complex engineering projects, implemented innovative solutions, and driven continuous improvements in high-performance environments."

SENIOR MANAGEMENT PROFILE



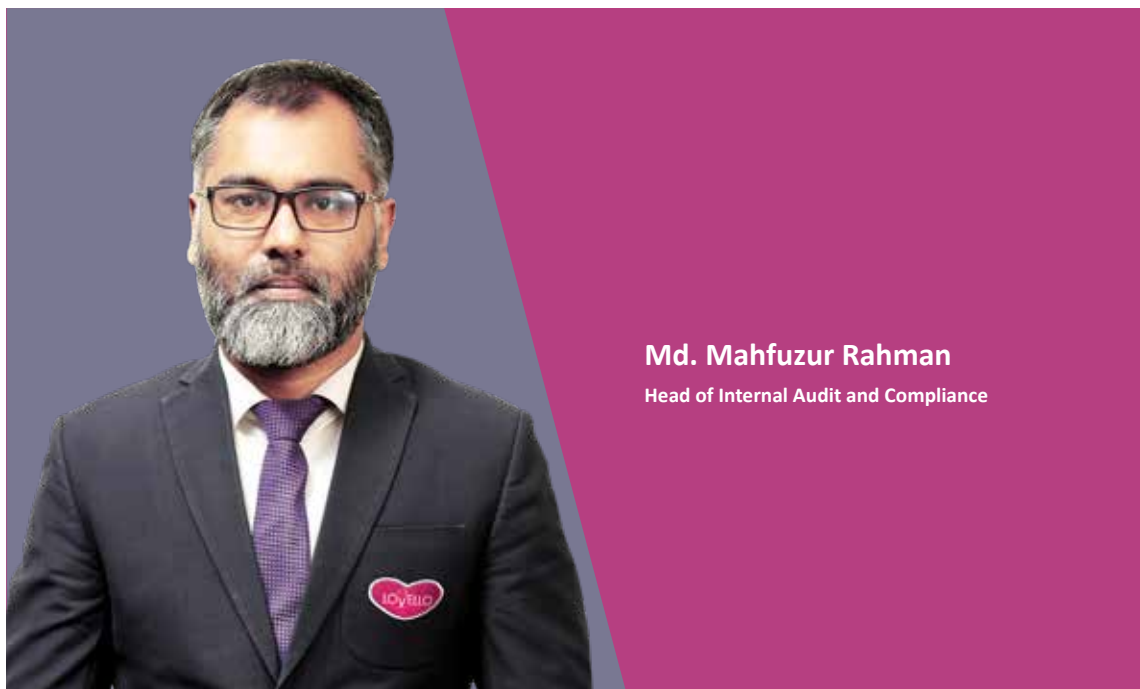
Hamid Ullah ACMA

Head of Accounts

Hamid Ullah ACMA was born at Manikgonj in the year 1982 in a respected Muslim family. He obtained Masters of Commerce degree (M.Com) from Jagannath University (Under NU). He qualified as a CMA in the year 2023 (ACMA) of the Institute of Cost & Management Accountants of Bangladesh (ICMAB). Mr. Hamid Ullah ACMA has vast experience in the field of Accounting, finance; Costing, Project Financing, Financial Reporting, Taxation, Corporate affair and Auditing. He started his career as Officer-Corporate Finance of Ascent Group (Former SCHOLAS-TICA Group), Dhaka in the year 2007.

Mr. Hamid Ullah ACMA joined Taufika Foods and Lovello Ice-Cream PLC as AGM (Head of Accounts) in the year 2024. In his long career of services, he served as Head of Finance in Ujala Paint Industry, Deputy General Manager-Finance & Accounts of Saif Powertec-PLC (Listed Company in DSE & CSE) and also served in different renowned company in different senior management positions in the F & A department. Leading the Finance team, he has contributed significantly to delivering excellent services to stakeholders. His impact on the growth trajectory of Taufika Foods and Lovello Ice-Cream PLC is evident through his handwork and experience. His unwavering commitment to excellence echoes through his leadership, encouragement a culture of quality services. Mr. Hamid Ullah ACMA's strategic vision aligns with the Finance team's continuous efforts to provide outstanding services to stakeholders. He stands as a pillar of financial acumen, contributing significantly to the growth and success of Taufika Foods and Lovello Ice-Cream PLC. His leadership and expertise continue to be vital assets in circumnavigating the intricacies of the financial landscape.

SENIOR MANAGEMENT PROFILE

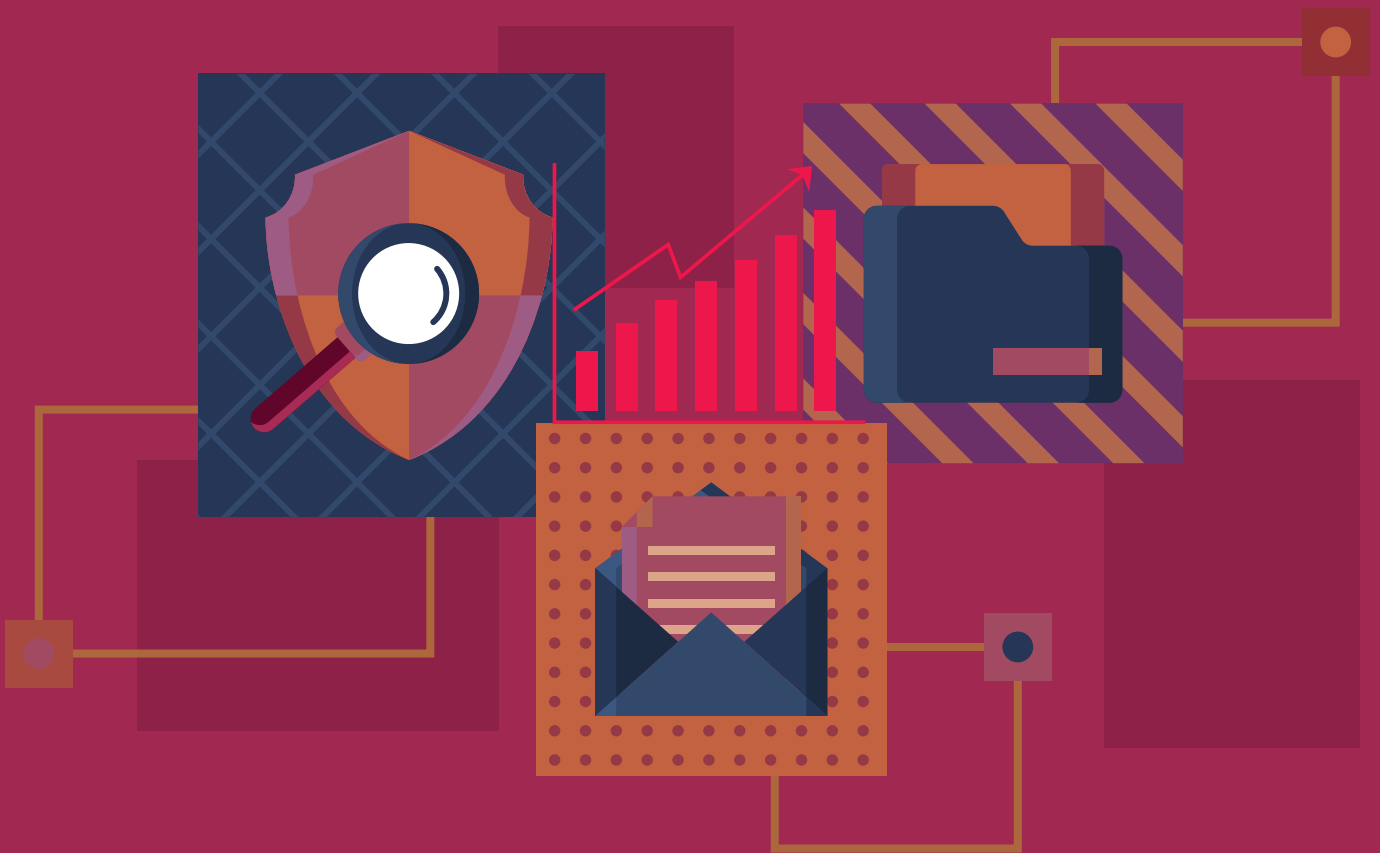


Md. Mahfuzur Rahman
Head of Internal Audit and Compliance

Md. Mahfuzur Rahman has joined as Head of Internal Audit and Compliance in Taufika Foods and Lovello Ice-Cream PLC in June 2024. He has served different national and multinational companies as Head of Audit and Compliance since 2007. Before joining in Taufika Foods and Lovello Ice-Cream PLC. Mr mahfuzur served as a Senior Consultant for PricewaterhouseCoopers Bangladesh Pvt. Ltd. He is a Business Graduate with Master in Commerce. He's highly experienced in Audit, Compliance and Risk Management Capacities with 16 years of comprehensive expertise in both corporate and development sectors. He has proven track record of delivering strategic guidance and operational excellence to diverse organizations, ensuring compliance, mitigating risks, and optimizing performance. He's proficient in developing and implementing robust Audit frameworks, Risk management strategies, and internal control systems to safeguard assets and enhance governance standards.



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, 2024, 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 2024, 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, 2024

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, 2024 is as follows:



Sl. No	Purpose of Utilization	Allotment as per IPO (Tk.)	Total Utilization of Fund up to May 31, 2024	Fund utilized for the month of June 30, 2024	Total Utilization of Fund up to June 30, 2024	Unspent Balance (Taka)
1	Acquisition of plant & machinery	90,365,003	65,134,138	10,337,854	75,471,992	14,893,011
2	Freezer purchase	57,849,847	46,836,567	12,452,024	59,288,591	(1,438,744)
3	Vehicles purchase	20,564,250	27,005,948	-	27,005,948	(6,441,698)
4	Investment in depot to increase	13,220,900	-	6,660,002	6,660,002	6,560,898
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	29,449,880	286,191,005	13,808,995
7	Interest income	-	1,826,745	501,167	2,327,912	2,327,912
8	Source Tax	-	(393,593)	(150,350)	(543,943)	(543,943)
9	Foreign exchange loss & Bank charges	-	(192,817)	575	(192,242)	(192,242)
	Total IPO Proceeds & Interest Income/ (Bank Charges)	300,000,000	257,981,460	29,801,272	287,782,732	15,400,722

Total unutilized fund excluding Interest Income/(Bank Charges) Taka 13,808,995/- (One Crore Thirty Eight Lakh Eight Thousand Nine Hundred Ninety Five Tk.) only and including foreign exchange loss & Bank charges and Interest income Taka 15,400,722/- as on June 30, 2024 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, 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, we have found that:

- 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 Expenses up to the month of June 30, 2024 from the allotment as per IPO.

During the month of June 2024, the management of Taufika Foods and Lovello Ice-Cream PLC opened L/C (Ref. No.-236124010055) equivalent to Taka 10,337,854/- to import Brand New Capital Machinery: Packint Chocolate Refiner Machine from the allocated fund for the Acquisition of Plant & Machinery from the IPO Bank Account which does not fully match with the description of items, as stated in with prospectus for Acquisition of Plant & Machinery.

- 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, 2024.

During the month of June 2024, the management of Taufika Foods and Lovello Ice-Cream PLC has opened L/C (Ref. No.-236124010053) equivalent to Taka 12,509,000.00 (EURO 95,240.00) to import Brand New Capital Machinery: Continuous Ice-Cream Freezers (Model: TEKNOFREEZE 1800 EL LP) from an Italian company "Teknoice S.R.L" from the allocated fund for Freezers from IPO Accounts. However, the company can utilize Tk. 57,849,847 for freezer purchase according to prospectus. But actual expenses are Tk. 59,345,567 where the management need approval from BSEC for exceeding the expense by Taka 1,438,744.

- 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 NAI Associates against the L/C and Exise duty up to the month of June 30, 2024 but according to prospectus 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 transferred Taka 6,660,002 for opening L/C ((Ref. No.-236124010054) to import Brand New capital Machinery: Storage Box for Ice Cream and In process Ice Cream Materials from a Malaysian company namely, SAI cond Sales and Engineering SDN BHD from the fund allocated for Investment in Depot. But in the Prospectus the supplier's name is mentioned as "Yantai High Link Imp. And Exp. Co." from China.
- e) 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, 2024.
- f) 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, 2024.
- g) 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, 2024.
- h) According to the fund utilization monthly report of IPO Proceeds, report submission time line has been ended on January 31, 2023 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 extention 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 to date.

The company has applied to Bangladesh Securities and Exchange Commission (BSEC) for 2nd time, time extention for 12 months up to January 31, 2025 but BSEC has not approved the rectification and extension of time till to date

We also report that:

- i. the expenses/utilization has been made in line with the provision of Initial Public Offering (IPO) documents except Tk. 10,337,854;
- 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, 2024

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 2023-24 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 17, 2024, Taufika Foods and Lovello Ice-cream PLC recommended 10 percent cash & 10 percent stock 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 & 10% Stock dividend for the year ended 2023-24. The Board of Directors in its meeting held on 17 October 2024 recommended "10% cash & 10% Stock" dividend for the year 2023-24. 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 121.77 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 2023-24, the company contributed a total amount of BDT 4.59 million as Corporate Tax, BDT 210.82 million as VAT & SD, in total BDT 215.41 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, 2024.

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 13th Annual General Meeting and being eligible offered them for re-election;

- i) Dato' Engr. Md. Ekramul Haque
- ii) Muhsinina Taufika 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, 2024 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 41.12%. The overall shareholding patterns of the Company as at the end of the year 2023-24 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-2024-2025. 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-2024-2025.

The Board in its meeting held on October 17, 2024 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 17, 2024 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 2024-25.



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, 2024 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 2024 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: October 17, 2024



Shell & Core



PEAK POINTS

PROFIT after tax

2023-24: BDT 121.77 Million
2022-23: BDT 105.26 Million

EPS

2023-24: BDT 1.43
2022-23: BDT 1.24

NAV

2023-24: BDT 1136.42 Million
2022-23: BDT 1099.65 Million

Dividend payout (Cash)

2023-24: 10% Cash & 10% Stock
2022-23: 10% Cash

NOCF

2023-24: BDT 353.85 Million
2022-23: BDT 180.02 Million

Sales

2023-24: BDT 992.13 Million
2022-23: BDT 943.66 Million
Consist of 17 Depots



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 6.5%, 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.



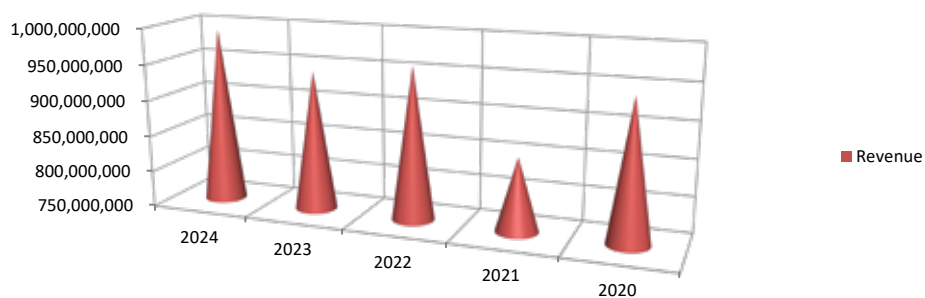
These challenges, while daunting, are the crucible in which our resilience is forged. Navigating these intricate waters requires not just a steady hand but also the innovation to adapt, ensuring our ship not only sails but triumphs amidst the storm.

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.

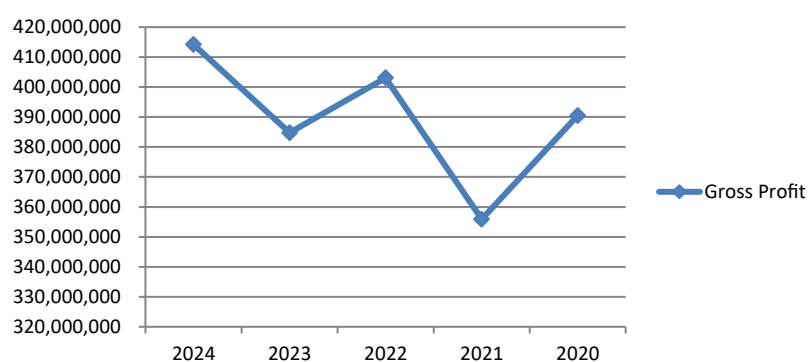
Particulars	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
(A) Sales	992,132,243	943,667,285	960,385,039	850,801,390	942,869,150
(B) Cost of Goods Sold	577,935,197	558,930,279	557,319,210	494,909,633	552,392,597
(C) Gross Profit (A-B)	414,197,046	384,737,006	403,065,829	355,891,757	390,476,553
(D) Operating Expenses	141,034,522	143,284,585	141,143,960	139,688,077	149,280,037
Administrative Expenses	15,378,844	16,687,750	17,101,509	16,231,797	18,701,781
Marketing Expenses	125,655,678	126,596,834	124,042,451	123,456,281	130,578,256
(E) Operating Income (C-D)	273,162,525	241,452,422	261,921,869	216,203,680	241,196,516
(F) Financial Expenses	128,225,191	116,877,787	120,022,392	118,035,700	155,147,618
(G) Profit Before Other Income (E-F)	144,937,334	124,574,634	141,899,478	98,167,980	86,048,898
(H) Other Income	14,887,562	13,590,518	12,051,004	3,598,895	3,455,781
(I) Net Profit Before WPPF	159,824,896	138,165,152	153,950,482	101,766,874	89,504,679
(J) Provision for WPPF	7,610,709	6,579,293	7,330,975	4,846,042	4,262,128
(K) Net Profit Before Tax (I-J)	152,214,186	131,585,859	146,619,507	96,920,833	85,242,551
(L) Income Tax Expense	30,442,837	26,321,934	25,024,497	1,912,957	23,189,490
Current Tax	37,752,395	11,639,189	13,362,639	18,794,777	21,733,994
Deferred Tax	(7,309,558)	14,682,745	11,661,858	-16,881,820	1,455,496
(M) Net Profit After Tax (K-L)	121,771,349	105,263,926	121,595,010	95,007,875	62,053,062



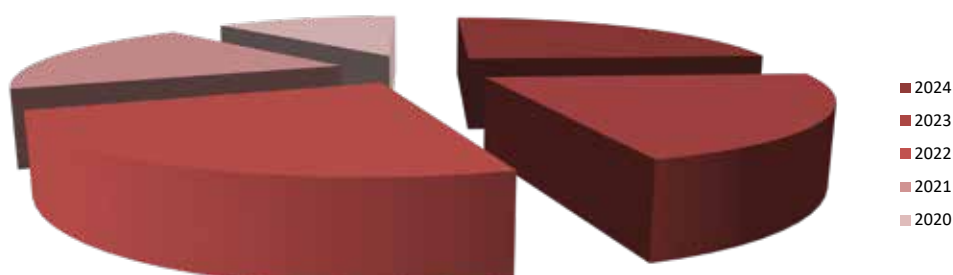
Revenue



Gross Profit



Net Profit After Tax



Annexure-1

Board Meetings and Attendance by the Directors

Attendance by the Directors in the Board of Directors' Meeting in 2023-2024 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	5	100%
6	Barrister Sajed Ahammad Sami, Independent Director	5	1	20%

Audit Committee Meetings and Attendance by the Directors

Attendance by the Directors in the Audit Committee Meeting in 2023-2024 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 2023-2024 are summarized and given below:

Sl. No	Name	Number of Meeting	Number of Attendance	(%)
1	Barrister Sajed Ahammad Sami, 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, 2024

Sl. No.	Shareholder's Group	Number of Shares	% of holding 2023-2024	% of holding 2022-2023
1	Sponsors	34,950,000	41.12	44.65
2	Foreign Investors	Nil	Nil	Nil
3	Financial and other Institutions	14,739,000	17.34	19.51
4	General Public	35,311,000	41.54	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, 2024

Sl. No.	Range of Holdings	As per BO ID		
		No. of holders	holdings	percentage(%)
1	Less than 500 shares	2368	572,131	0.67%
2	501 to 5,000 shares	1023	2,061,615	2.43%
3	5001 to 10,000 shares	235	1,798,655	2.12%
4	10,001 to 20,000 shares	191	2,780,084	3.27%
5	20,001 to 30,000 shares	87	2,172,434	2.56%
6	30,001 to 40,000 shares	55	1,900,097	2.24%
7	40,001 to 50,000 shares	38	1,729,847	2.04%
8	50,001 to 100,000 shares	76	5,398,125	6.35%
9	100,001 to 1000,000 shares	66	19,267,357	22.67%
10	Over 1,000,000 shares	9	47,319,655	55.67%
Total		4148	85,000,000	100 %

A. Parent or Subsidiary or Associated Companies and other parties

Name	No. of Shares	Shareholding (%)
Taufika Engineering Limited (TEL)	8,049,655	9.47%

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	27,000,000	31.76%
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	-	
Barrister Sajed Ahammad Sami	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	-	-
Md. Moheuddin Sarder	Company Secretary	-	-
Md. Mafuzur Rahman	Head of Internal Audit & Compliance	-	-
<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	27,000,000	31.76%





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, 2024. 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 20, 2024

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 06 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 02 (Two)
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	Barrister Sajed Ahammad Sami, 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.

Sd/-
Barrister Sajed Ahammad Sami
Chairman
September 27, 2024



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 2023-24, 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, 2024
- 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 2023.
- 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 2023.
- 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 2024.
- 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.

Sd/-
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.

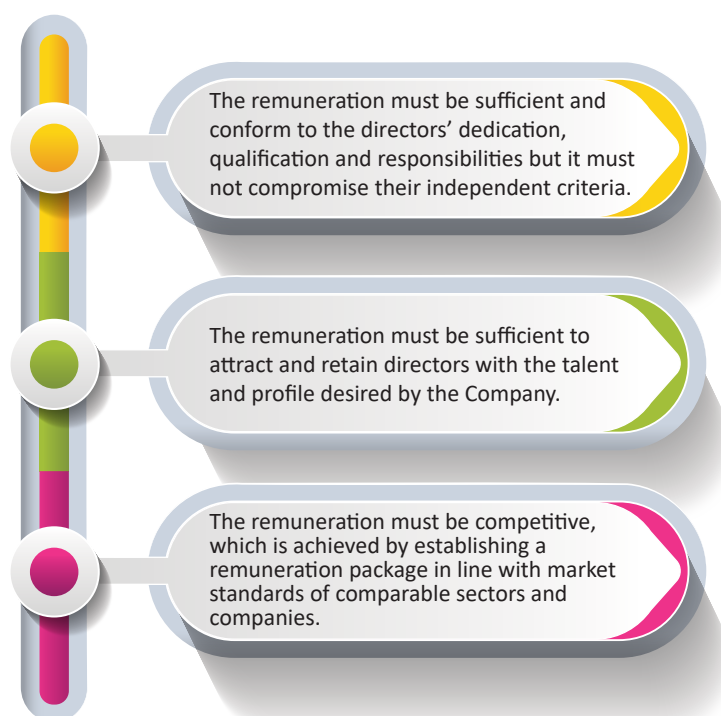
Independence of Directors (only in the case of Independent Directors):

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 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 2023-24, 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, 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	8,85,88,447
Total Dividend lying with the Company	49,11,553

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	9,74,93,592
Total Dividend lying with the Company	45,06,408

Summary of unclaimed/unsettled cash dividend for the FY 2022-23

Particulars	Amount
Dividend declared for the FY 2022-23	8,50,00,000
Dividend disbursement	8,09,52,670
Total Dividend lying with the Company	40,47,330

Summary of total unclaimed/unsettled cash dividend for the FY 2020-21, 2021-22 & 2022-23

Particulars	Amount
Unclaimed/unsettled cash dividend for the FY 2020-21	49,11,553
Unclaimed/unsettled cash dividend for the FY 2021-22	45,06,408
Unclaimed/unsettled cash dividend for the FY 2022-23	40,47,330
Total Dividend lying with the Company as on 30 June 2024	1,34,65,291

SUPPLY CHAIN MANAGEMENT

Supply chain management is the handling of the entire production flow of a goods or service starting from the raw components all the way to delivering the final product to the consumer. It is create a network between a company and its suppliers to produce and distribute a specific product to the final buyer. The supply chain also represents the steps it takes to get the product or service from its original state to the customer.

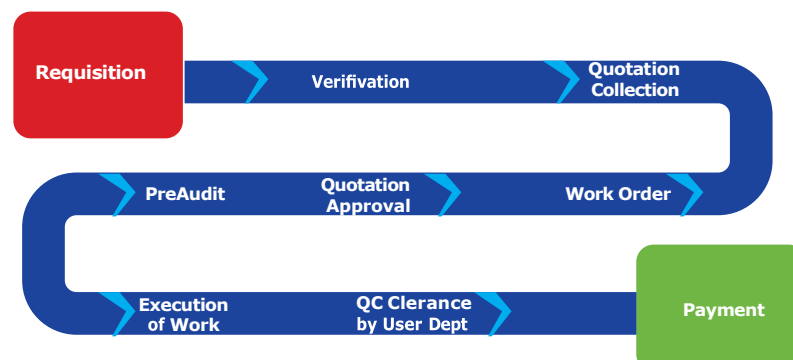
Supply Chain Practice in Taufika Foods and Lovello Ice-Cream PLC:

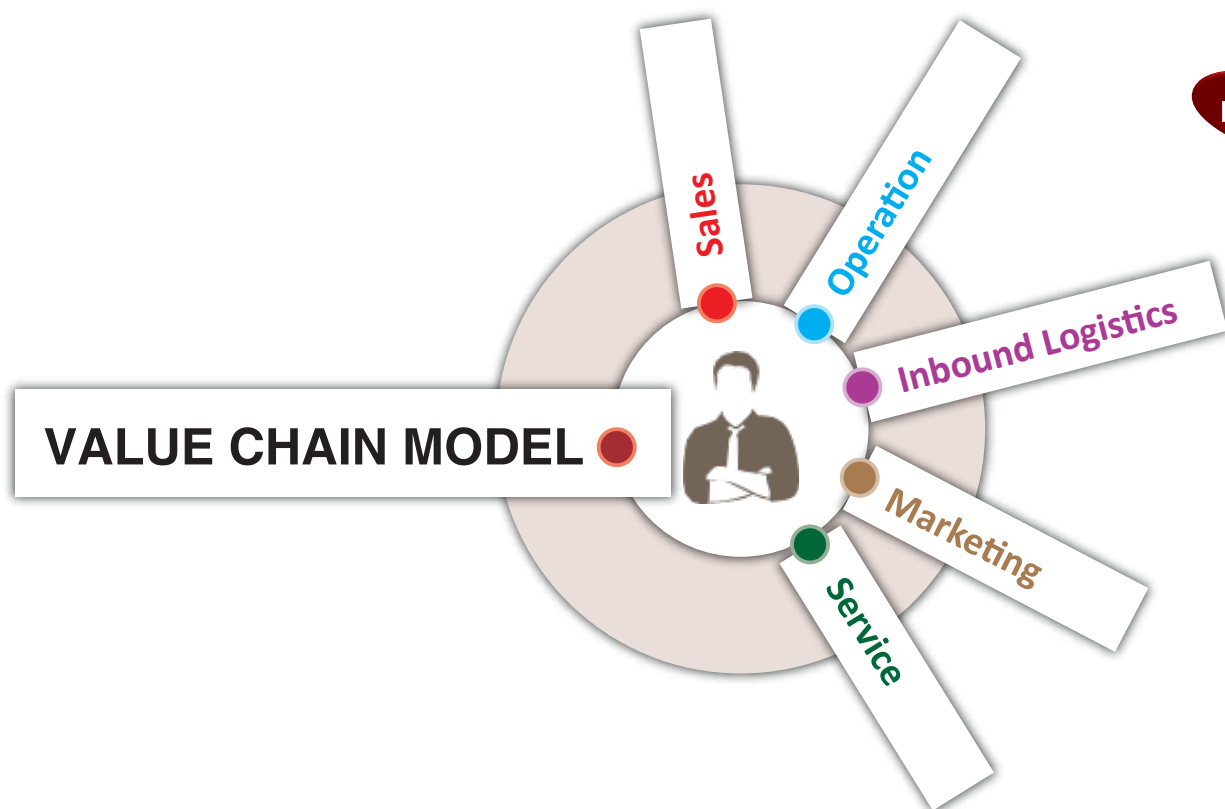


Supply chain Management is aimed to examining and managing supply chain network to cost savings, overall quality output & just in time service. Taufika Foods and Lovello Ice-Cream PLC follow a standard work flow chart for Supply Chain Management as follows:

Procurement Practice

Procurement is the process of purchasing goods or services and is usually in reference to business spending. Procurement is most commonly associated with businesses because companies need to solicit services or purchase goods, usually on a relatively large scale. Taufika Foods and Lovello Ice-Cream PLC has a procurement practice which is guided by the procurement manual and purchase practice must comply with procurement guideline, Policy and principle. Cash Purchase is highly discourage. For all kind of purchase, several quotations are obtained to ensure competitive cost. Procurement practices of Taufika Foods and Lovello Ice-Cream PLC as follow:





We, Taufika Foods and Lovello Ice-Cream PLC are portraying all business activities, carried out in regular business to create value for stakeholders by a value chain mode in order to do this we have adopted porter's value chain analysis to examine all activities, the way in which value chain activities are performed, to see how they are connected and how these activities are affecting costs and profits.

Primary Business activities:

Inbound Logistics

- Sourcing suppliers of high-quality materials
- Strong relationship with suppliers and vendors
- Logistics and stock management
- Supply schedules are matched with production

Operation

- Anticipating, identifying, developing and delivering fabric to meet the customer needs
- Automated & manual manufacturing process
- Compliance in every aspect and step of the production processes
- Quality control and inspection
- Order fulfillment on time
- Real time inventory and sales tracking system
- Outbound logistic
- Efficient dispatch and delivery system
- Inventory management
- On time delivery
- Emergency shipment

Sales and Marketing

- Effective customer management system
- Efficient sales by skill and experiences employees
- Regular training of the sales team through sales training department
- Entering new and emerging markets
- Market research
- Branding and promotion of products

Service

- Customer survey and seeking feedback
- Structured approach to understand to the requirement of customers

Support Business Activities:

Firm Infrastructure

- The design of the building and factory is good and reflects modern concept
- Prevalence of good governance
- Practice of strong code of business conduct
- Improved communication between different department through the intranet
- Better accounting and financial management practices

Human Resource Management

- Offering healthy working environment
- Strong HR department to recruit, training and motivate employee
- Excellent corporate culture for team work and leadership development
- Competitive salary package and compensation benefits
- Ensuring employees health and safety issues

Technology Development

- Installation of machinery and equipment with advanced technologies
- IT department with required expertise
- Development of in-house customized software
- Efficient R&D departments continuously engaged with developing new product or upgrading existing one.
- Procurement
- Direct contract with vendors and suppliers
- Good cross border relationship
- IT based procurement planning and inventory management system
- Practice of strong code of business conduct.





FINANCIAL STATEMENTS





কাজী জহির খান এন্ড কোং
KAZI ZAHIR KHAN & CO.
Chartered Accountants
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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, 2024** 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, 2024**, 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, 2024**, and of its financial performance and its cash flows for the year then ended **June 30, 2024** in accordance with International Financial Reporting Standards (IFRSs), the company Act 1994, the Securities and Exchange Rules, 2020 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, 2024 , total reported revenue is of Tk. 992,132,243 .	We have tested the design and operating effectiveness of key controls focusing on the following:
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.	<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, 2024, total reported inventory is of Tk. 501,622,491.</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. 953,468,887 for the Company. In other words, approximately 60.77% 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	

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.

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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 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, the Securities and Exchange Rules, 2020 and relevant notifications issues by, we also report that:

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

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- b) 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;
- c) 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.
- d) The expenditure incurred was for the purposes of the Company's business.

Kazi Zahir Khan & Co., Chartered Accountants
FRC Registration # CAF-001-116

Place: Dhaka

Dated:

DVC: 17/10/2024

2410170243ASR37819

Md. Nurul Hossain Khan FCA
Managing partner
Enrollment No. 0240

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KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS

Taufika Foods and Lovello Ice-Cream PLC
Statement of Financial Position
As at 30 June 2024

Particulars	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
ASSETS:			
A. Non-current Assets		1,365,665,749	1,343,440,327
Property, Plant & Equipments	4.00	1,145,944,020	1,110,666,223
ROU Assets	4.01	175,846,253	187,257,301
Intangible Assets	5.00	462,153	451,805
Capital Work-in-progress	6.00	29,612,716	31,271,000
Investment	7.00	13,800,607	13,793,999
B. Current Assets		1,339,669,406	1,280,940,304
Inventories	8.00	501,622,491	482,397,365
Trade & Other Receivables	9.00	439,864,964	426,622,688
Inter-company Receivables	10.00	8,520,579	7,950,000
Advance, Deposits & Prepayments	11.00	230,081,742	218,879,582
Cash and Cash Equivalents	12.00	159,579,630	145,090,668
TOTAL ASSETS (A+B)		2,705,335,155	2,624,380,631
EQUITIES & LIABILITIES:			
C. Shareholders' Equity		1,136,424,360	1,099,653,011
Share Capital	13.00	850,000,000	850,000,000
Retained Earnings	14.00	286,424,360	249,653,011
D. Non-current Liabilities		1,055,149,598	981,948,546
Deferred Tax Liability	15.00	66,809,472	74,119,030
Long-term Loan	16.00	741,586,912	680,452,103
Lease Liability	17.00	246,753,213	227,377,414
E. Current Liabilities		513,761,197	542,779,073
Current Portion of Long-term Loan	16.00	211,881,974	194,414,886
Current Portion of Lease Loan	17.00	90,436,094	83,334,782
Short-Term Loan	18.00	-	13,901,325
Trade & Other Payables	19.00	40,127,858	58,047,293
Liabilities for Expenses	20.00	21,393,140	23,558,911
Provision for WPPF	21.00	8,211,531	7,739,887
Provision for Income Tax	22.00	128,245,309	91,018,062
Undisbursed Dividend	23.00	13,465,291	70,763,928
Total Equity & Liabilities:		2,705,335,155	2,624,380,631
Net Asset Value Per Share	31.00	13.37	12.94

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


Company Secretary


Chief Financial Officer


Managing Director


Chairman

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

Kazi Zahir Khan & Co., Chartered Accountants
FRC Registration # CAF-001-116



Place: Dhaka
Dated: October 17, 2024
DVC: 2410170240AS837819


Md. Nurul Hossain Khan FCA
Managing Partner
Enrolment No. 0240

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 2024

Particulars	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
Sales	24.00	992,132,243	943,667,285
Less: Cost of Goods Sold	25.00	577,935,197	558,930,279
Gross Profit		414,197,046	384,737,006
Operating Expenses:		141,034,522	143,284,585
Administrative Expenses	26.00	15,378,844	16,687,750
Marketing & Selling Expenses	27.00	125,655,678	126,596,834
Operating income		273,162,525	241,452,421
Financial Expenses		128,225,191	116,877,787
Finance cost	28.00	128,225,191	116,877,787
Profit before other income		144,937,334	124,574,634
Other Income	29.00	14,887,562	13,590,518
Net profit before WPPF		159,824,896	138,165,152
Provision for WPPF	21.00	7,610,709	6,579,293
Net Profit Before Tax		152,214,186	131,585,859
Income Tax Expense		30,442,837	26,321,934
Current Tax	22.00	37,752,395	11,639,189
Deferred Tax	15.00	(7,309,558)	14,682,745
Net Profit after Tax		121,771,349	105,263,925
Other Comprehensive Income			
Total Comprehensive Income		121,771,349	105,263,925
Earnings per Share (Per value Tk. 10)	30.00	1.43	1.24

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


Company Secretary


Chief Financial Officer


Managing Director

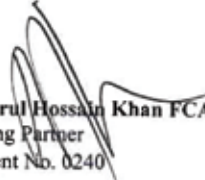

Chairman

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

Kazi Zahir Khan & Co., Chartered Accountants
FRC Registration # CAF-001-116



Place: Dhaka
Dated: October 17, 2024
DVC: 2410170240AS837819


Md. Nurul Hossain Khan FCA
Managing Partner
Enrolment No. 0240

KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS

Taufika Foods and Lovello Ice-Cream PLC
Statement of Changes in Equity
For the year ended 30 June 2024

Amount in Taka				
Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2023	850,000,000	-	249,653,012	1,099,653,012
Share Capital			-	-
Net Income for the year			121,771,349	121,771,349
Less: Dividend for FY 2022-23			(85,000,000)	(85,000,000)
Balance as on June 30, 2024	850,000,000	-	286,424,361	1,136,424,361

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			105,263,925	105,263,925
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

Taufika Foods and Lovello Ice-Cream PLC
Statement of Changes in Equity
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


Company Secretary


Chief Financial Officer


Managing Director


Chairman



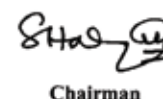
Taufika Foods and Lovello Ice-Cream PLC
Statement of Cash Flows
For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
A. Cash Flows from Operating Activities :			
Cash Received from Customers		978,889,967	872,563,504
Cash Received from other Sources		14,887,562	13,590,518
Cash Paid to Suppliers and Creditors		(586,762,316)	(648,488,331)
Cash Paid for Operating Expenses		(48,569,779)	(47,605,851)
Cash paid for Income Taxes		(4,591,300)	(10,366,052)
Net cash inflow/(outflow) from operating activities		353,854,133	179,693,788
B. Cash flow from Investing Activities:			
Acquisition of Property, Plant & Equipment		(161,100,126)	(179,459,377)
Increase Investment		(6,608)	(290,758)
Capital Work in Progress		1,658,284	(31,271,000)
Net cash inflow/ (outflow) in Investing Activities		(159,448,450)	(211,021,135)
C. Cash flow from Financing Activities:			
Paid up capital		-	-
Bank Loan		64,700,574	222,573,770
Lease Loan		26,477,112	(12,448,904)
Dividend Paid		(142,298,637)	(36,744,690)
Inter-company Receivables		(570,579)	(5,450,000)
Financial Expenses		(128,225,191)	(116,877,787)
Net cash inflow/(outflow) in financing activities		(179,916,721)	51,052,389
D. Increase(Decrease) in Cash and Cash Equivalent (A+B+C)		14,488,962	19,725,042
E. Opening of Cash and Cash Equivalent		145,090,668	125,365,626
F. Ending Cash and Cash Equivalent (D+E)		159,579,630	145,090,668
Net Operating Cash Flow Per Share (NOCFPS)	32.00	4.16	2.11


Company Secretary


Chief Financial Officer


Managing Director


Chairman



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the year ended 30 June 2024

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 2001.

2.02 Regulatory Compliances

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

Income Tax Act-2023

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax and Supplementary Duty Act, 2012

The Value Added Tax and Supplementary Duty rules, 2016.

The Customs Act 2023

The Company Act 1994

The Bangladesh Labour Act 2006, and

Bangladesh Labour (Amendment) Act 2013



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the year ended 30 June 2024

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, 2023 to June 30, 2024.

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. The company has been declared 10% cash and 10% stock dividend in this financial year (2023-2024)

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.



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the year ended 30 June 2024

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.



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the year ended 30 June 2024

ii) Depreciation

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

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

Particulars	30 June, 2024	30 June 2023
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 2024 and these are stated at cost.

3.03 Impairment of assets

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

3.04 Revenue Recognition

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

Other Income

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

3.05 Long Term Loan

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

3.06 Short term loan and bank overdraft

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

3.07 Liability for expenses

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



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the year ended 30 June 2024

3.08 Advances, deposits and pre-payments

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

i) Advances

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

ii) Deposits

Deposits are measured at payment value.

iii) Prepayments

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

3.09 Inventories

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

3.10 Basis of valuation of inventories

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

3.11 Finance Costs:

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

3.12 Finance Income:

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

3.13 Employees' benefit schemes**i) Defined contribution fund (Provident fund)**

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



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the year ended 30 June 2024

ii) Workers' profit participation and welfare fund

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

iii) Group insurance scheme

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

3.14 Statement of Cash flows

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

3.15 Cash and Cash Equivalents

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

3.16 Trade receivables

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

3.17 Trade payables

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

3.18 Provisions

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

3.19 Borrowings Costs

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

3.20 Income Tax

The tax expense for the period comprises current and deferred tax. Tax is 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.



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the year ended 30 June 2024

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, 2022 has been recognized in the statement of Profit or Loss and other comprehensive income as per IAS-12 "Income Taxes".

3.21 Contingent Liabilities and Assets

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

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

3.22 VAT

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

3.23 Statement of Changes in Equity

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

3.24 Related party disclosures

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

3.25 Materiality and aggregation

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

3.26 Segment information

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

3.27 Earnings per Share

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



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the year ended 30 June 2024

3.28 Basic Earning

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

3.29 Changes in significant accounting policies - IFRS 16 Leases

IFRS 16 Leases

Nature and effect of Changes

Previously, LOVELLO determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, LOVELLO assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to IFRS 16, LOVELLO evaluated all types of contracts to assess whether a contract is or contains, a lease at the date of initial application.

As a Lessee

As a lessee, LOVELLO previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to LOVELLO. Under IFRS 16, LOVELLO recognises right-of-use assets and lease liabilities for all leases.



KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2024

Particulars	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
4.00 Property, Plant & Equipment			
At Cost:			
Opening Balance		1,713,659,513	1,534,380,136
Addition During the Year		<u>149,888,025</u>	<u>179,279,377</u>
Closing balance		<u>1,863,547,538</u>	<u>1,713,659,513</u>
Accumulated Depreciation:			
Opening Balance		602,993,290	493,162,885
Addition During the Year		<u>114,610,227</u>	<u>109,830,405</u>
Closing Balance		<u>717,603,518</u>	<u>602,993,290</u>
Written Down Value		<u>1,145,944,020</u>	<u>1,110,666,223</u>
(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		<u>10,897,101</u>	<u>-</u>
Closing balance		<u>418,281,336</u>	<u>407,384,234</u>
Accumulated Depreciation:			
Opening Balance		220,126,934	195,137,037
Addition During the Year		<u>22,308,149</u>	<u>24,989,897</u>
Closing Balance		<u>242,435,083</u>	<u>220,126,934</u>
Written Down Value		<u>175,846,253</u>	<u>187,257,301</u>
(Details of Property, Plant & Equipment are provided in the Annexure-A)			
5.00 Intangible Assets			
At Cost:			
Opening Balance		3,788,633	3,608,633
Addition During the Year		<u>315,000</u>	<u>180,000</u>
Closing Balance		<u>4,103,633</u>	<u>3,788,633</u>
Accumulated Depreciation:			
Opening Balance		3,336,828	2,975,023
Addition During the Year		<u>304,653</u>	<u>361,805</u>
Closing Balance		<u>3,641,481</u>	<u>3,336,828</u>
Written Down Value		<u>462,153</u>	<u>451,805</u>
(Details Intangible Assets are provided in the Annexure-A)			
6.00 Capital Work in Progress			
Plant & Machinery		16,997,856	-
Freezer		<u>12,614,860</u>	<u>31,271,000</u>
		<u>29,612,716</u>	<u>31,271,000</u>
7.00 Investment			
FDR Investment	7.01	13,800,607	13,793,999
		<u>13,800,607</u>	<u>13,793,999</u>
7.01 FDR Investment			
Name of Bank	FDR No.		
Trust Bank	0022-0530059006	11,772,565	11,486,056
Shimanto Bank	1001-3430000092	<u>2,028,042</u>	<u>2,307,943</u>
		<u>13,800,607</u>	<u>13,793,999</u>



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2024

Particulars	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
8.00 Inventories			
Raw Materials		150,450,931	148,961,318
Work in Progress		23,401,627	21,274,206
Finished Goods		327,769,933	312,161,841
		<u>501,622,491</u>	<u>482,397,365</u>
At the end of the year physical verification of Inventories were carried out.			
9.00 Trade & Other Receivables			
Trade Receivables	9.01	<u>439,864,964</u>	<u>426,622,688</u>
9.01 Trade Receivables			
Bogra Territory		24,327,836	23,392,150
Khulna Territory		23,384,825	22,703,713
Barisal Territory		22,558,175	21,901,141
Rangpur Territory		21,589,724	20,759,350
Chittagong Territory		35,743,450	34,702,379
Cumilla Territory		33,040,325	32,077,986
Uttara Territory		23,954,133	23,256,440
Rampura Territory		31,260,773	30,647,817
Jatrabari Territory		31,347,967	30,733,301
Sylhet Territory		23,372,443	22,691,692
Faridpur Territory		21,020,587	20,212,105
Bosilla Territory		31,730,150	30,805,971
Cox's Bazar Territory		23,315,280	22,636,195
Noakhali Territory		33,083,601	32,120,001
Jessore Territory		16,569,101	15,931,828
Mymensingh Territory		30,207,827	29,327,988
Rajshahi Territory		<u>13,358,766</u>	<u>12,722,634</u>
		<u>439,864,964</u>	<u>426,622,688</u>
Ageing of Trade receivables			
Due for 3 months		272,716,278	264,506,067
Due for 3 to 6 months		145,155,438	140,785,487
Due for above 6 months		<u>21,993,248</u>	<u>21,331,134</u>
		<u>439,864,964</u>	<u>426,622,688</u>

Full information as per requirements of the Para 4 Part I, schedule X1, of the Companies Act, 1994 regarding Trade receivables as on June 30, 2024 are as follows:

Sl.	Particulars	30 June, 2024	30 June, 2023
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.	439,864,964	426,622,688
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.		



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2024

Particulars	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
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		8,520,579	7,950,000
		<u>8,520,579</u>	<u>7,950,000</u>
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	229,369,877	217,364,541
Deposit	11.02	-	578,000
Pre-payments	11.03	711,865	937,041
		<u>230,081,742</u>	<u>218,879,582</u>
11.01 Advance			
AIT & Source Tax	11.01.01	69,193,385	65,127,233
Advance to BSTI & Halal Sonod		-	994,240
Advance for Office Rent		1,150,000	1,150,000
Advance to Supplier		159,026,492	149,590,067
Advance for Listing Fees		-	503,000
		<u>229,369,877</u>	<u>217,364,541</u>
11.02 Deposit			
L/C margin	11.02.01	-	578,000
		<u>-</u>	<u>578,000</u>
11.03 Pre-payments			
Karnaphuli Insurance Co. Ltd.		711,865	-
Metlife Insurance Co. Ltd.		-	937,041
		<u>711,865</u>	<u>937,041</u>
11.01.01 AIT & Source Tax			
Opening Balance		65,127,233	54,761,182
Addition During the Year		4,066,152	10,366,052
		<u>69,193,385</u>	<u>65,127,233</u>
Adjustment During the Year		-	-
Closing Balance		<u>69,193,385</u>	<u>65,127,233</u>
11.02.01 L/C margin			
Opening Balance		578,000	19,501,835
Addition during the year		-	578,000
Net Adjustment During the Year		(578,000)	(19,501,835)
Closing Balance		<u>-</u>	<u>578,000</u>



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2024

Particulars		Notes	Amount in Taka		
			30-Jun-24	30-Jun-23	
11.04	Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994				
	Advance, deposits & prepayments considered good & secured		230,081,742	218,879,582	
	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		230,081,742	218,879,582	
12.00	Cash and Cash Equivalents				
	Cash in Hand	12.01	78,599,596	90,216,211	
	Cash at Bank	12.02	80,980,034	54,874,457	
			159,579,630	145,090,668	
12.01	Cash in Hand				
	Factory Office		327,000	165,000	
	Corporate Office		5,356,321	4,929,639	
	Depot Office		72,916,275	85,121,572	
			78,599,596	90,216,211	
12.02	Cash at Bank				
	Trust Bank Ltd	CD	0022-0210012550	32,626	11,716
	Pubali Bank Ltd	CD	0565901028140	-	20,527
	Premier Bank Ltd	CD	010411100078610	-	-
	Prime Bank Ltd	CD	2132113001637	6,897	6,897
	Brac Bank Ltd	CD	1507203439665001	6,465,444	246,947
	Islami Bank Ltd	CD	20501770100435601	652,678	14,095
	Dutch Bangla Bank Ltd	CD	1031100033118	488,181	22,429
	Union Bank Ltd	CD	0291010001239	10,853,637	150,908
	Mercantile Bank Ltd	CD	111311118966001	10,216	6,836
	UCBL	CD	541101000005430	-	322,785
	City Bank Ltd	CD	1402538242001	11,921	10,035
	AB Bank Ltd	SND	4033-761383-430	-	42,164
	Trust Bank Ltd	SND	0022-0320000775	1,398	279,768
	National Bank Limited	CD	1106003604218	15,411,243	44,138,232
	Dutch Bangla Bank Ltd	CD	2811100002179	1,848,269	1,851,959
	Shimanto Bank Limited	CD	1001241001122	680	698,766
	NRB Bank	CD	1022010104230	16,465	17,500
	Shimanto Bank Limited	CD	1005241000030	17,124,552	2,360
	Shimanto Bank Limited	SND	1005441000036	5,000	-
	Trust Bank Ltd	CD	7022-0212003722	3,754	860,312
	Trust Bank Ltd	SND	0022-0320000962	4,442	10,774
	Trust Bank Ltd	CD	0022-0210023324	5,241,764	5,707,763
	Trust Bank Ltd	CD	0022-0210024154	4,503,823	451,688
	NRB Bank	CD	1022050129708	4,175,226	-
	NRB Bank	CD	1022210128408	39,059	-
	Standard Bank PLC	CD	02633100905	14,032,258	-
	Shahjalal Islami Bank Pl.	CD	401311100006166	16,167	-
			34,335	34,335	-
			80,980,034	54,874,457	

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

KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2024

Particulars		Notes	Amount in Taka		
			30-Jun-24	30-Jun-23	
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	
13.02 Issued, Subscribed and Paid-up					
85,000,000 shares of Tk.10 each			850,000,000	850,000,000	
Shareholding Position is as follows:					
SL. No.	Shareholders Group	Number of Shares		Percentage of holding Share	
		2023-24	2022-23	2023-24	2022-23
1	Sponsors	34,950,000	37,950,000	41.12	44.65
2	Foreign Investors		-	-	-
3	Financial and other Institutions	14,739,000	16,987,414	17.34	19.51
4	General Public	35,311,000	30,062,586	41.54	35.84
	Total	85,000,000	85,000,000	100.00	100.00
14.00 Retained Earnings					
	Opening Balance		249,653,011	246,389,086	
	Add: Profit During the Year		121,771,349	105,263,925	
	Less: Dividend for FY 2022-23		(85,000,000)	-	
	Less: Dividend for FY 2021-22		-	(102,000,000)	
	Less: Dividend for FY 2020-21		-	-	
	Closing Balance		286,424,360	249,653,011	
15.00 Deferred Tax Liability					
	Opening Balance		74,119,030	59,436,286	
	Add: During the Year		(7,309,558)	14,682,745	
	Closing Balance		66,809,472	74,119,030	
	As on 30 June 2022				
	WDV as per Accounts		1,237,651,976	1,214,013,838	
	WDV as per 3rd Schedule		903,604,616	843,418,687	
	Temporary Difference		334,047,360	370,595,151	
	Applicable Tax Rate		20.00%	20.00%	
	Deferred Tax Liability		66,809,472	74,119,030	
	Deferred Tax Liability		66,809,472	74,119,030	
16.00 Long-term Loan					
	Long-term Loan from Shimanto Bank Limited	16.01	456,949,423	404,981,841	
	Long-term Loan from Trust Bank Limited	16.02	496,519,464	469,885,148	
			953,468,887	874,866,988	
Current Portion Classification					
	Due within one year		211,881,974	194,414,886	
	Due after one year		741,586,912	680,452,103	
			953,468,887	874,866,988	



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2024

Particulars	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
16.01 Long-term Loan from Shimanto Bank Limited			
1001741000294	-		29,717,289
1001741000301	-		30,648,448
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	28,587,406	26,279,000	
1001741000454	30,131,290	27,699,000	
1001741000463	21,102,512	19,405,500	
1001741000472	80,980,160	74,430,948	
1001741000589	18,937,588	-	
1001741000543	29,632,196	-	
1001741000507	19,422,112	-	
1001741000598	29,491,524	-	
1001741000516	30,676,827	-	
1001741000534	31,024,892	-	
1001741000552	47,711,999	-	
1001741000525	51,957,201	-	
1001741000561	35,235,723	-	
1001741000490	2,057,995	-	
	456,949,423	404,981,841	

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	219,266,473	210,567,252
0022-0640000893	109,432,263	105,095,565
0022-0640000900	22,857,769	22,022,811
0022-0640000919	19,782,563	19,071,108
0022-0640000946	68,228,566	61,650,517
0022-0640000955	23,657,628	21,379,297
0022-0640000964	33,294,205	30,098,599
	496,519,464	469,885,148



Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2024

Particulars	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
17.00 Lease Liability			
Lease Loan from Lankabangla	17.01	326,425,635	308,199,083
Office Space	17.02	10,763,672	2,513,113
		<u>337,189,308</u>	<u>310,712,196</u>
Current Portion Classification			
Due within one year		90,436,094	83,334,782
Due after one year		246,753,213	227,377,414
		<u>337,189,308</u>	<u>310,712,196</u>
17.01 Lease Loan from Lankabangla			
0013 7140000025		16,078,094	15,360,375
0013 7140000026		38,784,728	36,994,888
0011 71400000131		154,649,239	144,319,649
0011 72200000070		116,913,574	111,524,170
		<u>326,425,635</u>	<u>308,199,083</u>

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 Fry Cycle, Ref. Van & Cold Store

17.02 Lease Liability (Office Space)			
Office Space		2,513,113	4,958,491
Add: Current year addition		10,897,101	-
Less: Adjustment for IFRS 16 for Current year		(2,646,542)	(2,445,378)
		<u>10,763,672</u>	<u>2,513,113</u>
Current Portion Classification			
Due within one year		1,709,136	2,513,113
Due after one year		9,054,537	-
		<u>10,763,672</u>	<u>2,513,113</u>
18.00 Short-term Loan			
Short-term Loan Shimanto Bank	18.01		13,901,325
		-	<u>13,901,325</u>

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, 2024

Particulars	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
18.01 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>
19.00 Trade & Other Payables			
Trade Payables	19.01	15,116,226	13,176,933
Others Payables	19.02	25,011,632	44,870,361
		<u>40,127,858</u>	<u>58,047,293</u>
19.01 Trade Payables			
Siam Chemical		-	206,994
ROTO PACK GLOBAL LTD.		411,280	184,480
JAMUNA AUTO PLAN PRINTING & PACKAGING LTD.		-	689,542
Daraz Bangladesh Limited		1,032,094	2,532,094
Pacific Trading		803,809	805,309
Victor Internationals		-	958,700
PremiaFlex Plastic Ltd.		740,890	840,890
International Television Channel LTD.		-	1,466,526
Maasranga Communications Ltd.		7,200	7,200
MMX advertising communication		548,654	548,654
RTR Traders		3,468,736	3,233,117
Opus Sign		1,253,928	1,262,182
Rivers Sign		1,068,367	441,246
Al Halal Trade International		358,181	-
Bnn Packaging		2,887,625	-
Danish Milk Bangladesh Limited		1,410,216	-
Isabab Plastic Industries Ltd.		1,065,544	-
M/S Habib Enterprise		59,702	-
		<u>15,116,226</u>	<u>13,176,933</u>

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

Ageing of Trade Payables			
Due for 3 months		12,848,792	11,200,393
Due for 3 to 6 months		1,511,623	1,317,693
Due for above 6 months		755,811	658,847
		<u>15,116,226</u>	<u>13,176,933</u>
19.02 Others Payables			
Payable for Freezer Rent		6,181,927	6,868,808
VAT payable		18,829,705	38,001,552
		<u>25,011,632</u>	<u>44,870,361</u>



KAZI ZAHIR KHAN & CO.
CHARTERED ACCOUNTANTS
Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the year ended June 30, 2024

Particulars	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
20.00 Liabilities for Expenses			
Statutory Audit Fees		400,000	350,000
Utilization and Corporate Governance Audit Fees		20,000	40,000
Electricity Bill Payable		7,146,599	7,081,393
Salary & Wages Payable		5,560,572	5,790,386
Payable for PF		7,187,969	9,692,132
TDS Payable		-	30,000
Regulatory Fees Payable		928,000	425,000
Remuneration Payable		150,000	150,000
		21,393,140	23,558,911

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

21.00 Provision for WPPF :			
Opening Balance		7,739,887	7,759,281
Add: Addition During the year		7,610,709	6,580,484
		15,350,596	14,339,765
Less: Paid During the year		(7,139,065)	(6,599,878)
Closing Balance		8,211,531	7,739,887

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

22.00 Provision for Income Tax			
Opening Balance		91,018,062	79,378,873
Current Year Provision		37,752,395	11,639,189
Total Current Year Provision		37,752,395	11,639,189
		128,770,457	91,018,062
Adjustment During the year		(525,148)	
Closing Balance		128,245,309	91,018,062

Tax Computation		
Business Income	137,326,625	118,019,151
Other Income	14,887,562	13,590,518
Total Income	152,214,186	131,609,669
Acc. Dep	137,223,029	135,182,107
Tax Dep	(100,675,238)	(208,595,830)
Total Taxable Income	188,761,977	58,195,946
Applicable tax Rate	20.00%	20.00%
Current Year Tax	37,752,395	11,639,189

Minimum TAX	0.60% on: Gross receipt	6,042,119	5,743,547
		6,042,119	5,743,547

Advance Income Tax considered for minimum TAX	4,066,152	10,366,052
	4,066,152	10,366,052

23.00 Undisbursed Dividend			
Opening		70,763,928.21	5,508,618.00
Add: Dividend for the FY 2020-21		-	-
Add: Dividend for the FY 2021-22		-	102,000,000
Add: Dividend for the FY 2022-23		85,000,000	-
Less: Disbursement during the period for the FY 2021-22 & 2022-23		(142,298,637)	(36,744,690)
Closing Balance		13,465,291	70,763,928



KAZI ZAHIR KAHN & CO.
CHARTERED ACCOUNTANTS

Particulars	Amount in Tk.	
	30-Jun-24	30-Jun-23
24.00 Sales		
Gross Sales	1,203,101,657	1,139,478,247
Less: (SD+VAT)	210,969,414	195,810,962
Net Sales	992,132,243	943,667,285

Quantity wise Sales Information:

Item	30-Jun-24	30-Jun-23
Lolly (All Kinds) 62 MI Ice Cream	9,993,596	9,505,416
Chocobar 72 MI	84,202,124	80,088,910
Hidden Heart Single 50 MI	131,497,691	125,074,122
Cruncy Bar Mega 82 MI	7,573,012	7,203,076
Cruncy Bar Mini 52 MI	34,706,802	33,011,399
Sheel & Core 62 MI	4,514,155	4,293,642
Malai Ice Cream 55 MI	12,434,235	11,826,831
Cup Regular 100 MI (All Flav.)	144,895,820	137,817,761
Cup Regular 50 MI (All Flav.)	5,314,598	5,054,984
1 Ltr. Container Ice Cream	44,756,547	42,570,222
750 MI Container Ice Cream	2,471,489	2,350,759
500 MI Container Ice Cream	53,761,128	51,134,935
250 MI Container Ice Cream	41,935,043	39,886,546
Hazel Beats 80 MI Ice Cream	4,637,673	4,411,126
Toffe Beats 80 MI Ice Cream	3,814,529	3,628,192
Chocoblast 100ML	8,919,680	8,483,960
Cone Maxi 121 MI (All Flav.)	136,224,579	129,570,105
Cone Mini 72 MI (All Flav.)	139,690,796	132,866,999
Round Shape Cake 1 Ltr.	1,481,444	1,409,077
Heart Shape Cake 1.5 Ltd.	298,172	283,606
Swirly Sundae 100 MI	3,996,424	3,801,201
Kulfi 50 MI Ice Cream	83,393,847	79,320,116
Double Sundy 1 Ltr. Ice Cream	10,204,696	9,706,203
Shahi Khajur Malai	3,270,114	3,110,372
Bulk Liter 9 per 1 Ltr	2,450,798	2,331,078
Lovello Swing Ball 100 ML Ice Cream	6,032,178	5,737,511
Lovello Ambrosia 1 Ltr. Ice Cream	258,002	245,399
Lovello Doi, Kheer Premium 1 Ltr Ice Cream	2,959,231	2,814,675
Lovello Shahi Shondesh, Black Forest Premium 1 Ltr.	824,125	783,867
Lovello Double Sundy Premium 500 ML Ice Cream	3,198,941	3,042,675
Lovello Doi, Kheer Premium 500 ML Ice Cream	2,420,772	2,302,519
Total	992,132,243	943,667,285

25.00 Cost of Goods Sold

Raw Materials Consumed: Note- 25.01	441,063,775	498,261,859
Add: Factory Overhead Charges Note- 25.02	154,606,934	154,910,424
Cost of Production	595,670,709	653,172,283
Add: Opening Work in Process	21,274,206	17,019,365
	616,944,915	670,191,648
Less: Closing Work in Process	(23,401,627)	(21,274,206)
Cost of Goods Manufactured	593,543,289	648,917,442
Add: Opening Stock of Finished Goods	312,161,841	222,174,678
Cost of Goods available for Sale	905,705,130	871,092,120
Less: Closing Stock of Finished Goods	(327,769,933)	(312,161,841)
Cost of Goods Sold	577,935,197	558,930,279

KAZI ZAHIR KAHN & CO.
CHARTERED ACCOUNTANTS

Particulars	Amount in Tk.	
	30-Jun-24	30-Jun-23
25.01 Raw Materials Consumed		
The break-up of the amount is given bellow:		
Opening Stock	148,961,318	125,733,318
Purchase During the year	442,553,388	521,489,859
Raw Materials available for Use	591,514,706	647,223,177
Less: Closing Stock	(150,450,931)	(148,961,318)
Raw Materials Consumed	441,063,775	498,261,859
25.02 Manufacturing Overhead		
Electricity Bill	44,401,550	38,736,831
Fuel & Lubricants	12,101,994	11,864,700
Wages & Salary	47,572,909	49,417,871
Festival Bonus	2,306,987	4,797,861
Overtime and Other Allowance	1,699,771	1,859,273
Tour and Travels	26,970	82,795
Pool Car Expenses	312,876	329,343
Telecommunication Expenses	65,268	62,160
Factory Supplies	914,888	943,184
Loading & Unloading Expenses	164,894	143,386
Postage & Courier	28,628	26,025
Printing & Stationary	418,433	464,926
Food and Entertainment	753,847	793,523
Repair & Maintenance	1,739,892	1,657,040
Spare Parts	3,381,959	3,450,978
Insurance Expenses	2,268,379	4,360,139
Licenses Renewal Fees	994,240	994,240
Depreciation	35,453,450	34,926,149
	154,606,934	154,910,424
26.00 Administrative Expenses		
Salary & Allowance	7,202,337	7,653,934
Festival Bonus	1,136,706	1,251,890
Meeting Allowance	130,000	125,000
Provident Fund Expenses	325,490	1,231,051
Utility Charge	540,000	559,790
Director Remuneration	1,800,000	1,800,000
Office Vehicles expense	565,341	513,946
Entertainment Expense	92,128	91,216
Vehicle Insurance & Others	177,340	175,584
Audit Fees	400,000	350,000
Utilization and Corporate Governance Audit Fees	258,333	225,004
Listing Fees	1,006,000	1,006,000
Telephone, Mobile & Internet Bill	225,448	230,049
Postage & Couriers	113,751	133,825
Printing & Stationery	157,400	174,889
Legal & Statutory Expenses	60,058	54,150
Repair Maintenance	267,185	242,675
Consultancy Fees	60,000	20,230
Depreciation	861,328	848,517
	15,378,844	16,687,750



KAZI ZAHIR KAHN & CO.
CHARTERED ACCOUNTANTS

Particulars	Amount in Tk.	
	30-Jun-24	30-Jun-23
27.00 Marketing & Selling Expenses		
Salary & Allowance	11,951,612	12,415,117
Festival Bonus	1,843,801	2,071,660
Provident Fund Expenses	533,881	1,196,385
Fuel & Toll for Vehicles	3,928,374	3,637,383
TA/DA and Other Allowances	1,305,078	1,359,456
Repair Maintenance & Others Vehicles Exp	1,196,868	1,221,294
Tour and Travles	768,945	784,638
Postage & Couriers	285,096	300,101
Incentive and Commision	234,024	292,530
Event Management Expenses	149,445	166,050
Business Promotion Expenses	25,000	50,000
Advertisement Expenses	2,525,302	3,694,780
Depreciation	100,908,252	99,407,440
	125,655,678	126,596,834
28.00 Finance Cost		
Bank Service Charges	1,405,500	1,243,559
Interest on Bank Loan	87,089,680	81,103,133
Interest on Lease Loan	39,496,553	34,096,474
Interest Expense on Office Space	233,458	434,622
	128,225,191	116,877,787

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

29.00 Others Income		
Scrap Sale	3,094,928	4,126,571
Rent Received against Freezer	10,220,319	8,516,932
Interest income	1,572,315	947,015
	14,887,562	13,590,518

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the period ended 30 June 2024

Particulars	Amount in Tk	
	30-Jun-24	30-Jun-23
30.00 Earning per Share (EPS)		
The Computation of EPS is given below:		
Earning attributable to the Shareholders (net profit after tax)	121,771,349	105,263,925
Total number of Shares	85,000,000	85,000,000
Adjusted/Basic Earnings per Share (EPS) (Per value Tk. 10)	1.43	1.24

For Current 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

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

During the FY 2023-24 Net profit after TAX has increased 16% compared to the last financial year. As a result, Earnings per Share (EPS) has also increased in comparison to the last Financial Year 2022-23.

31.00 Net Asset Value (NAV) per Share

The Computation of NAV is given below:

Net Assets	1,136,424,360	1,099,653,011
Total number of Shares	85,000,000	85,000,000
Net Asset Value (NAV) per Share	13.37	12.94
Total number of shares		
Paid-up-capital	850,000,000	850,000,000
Total	850,000,000	850,000,000
Number of shares (Per value Tk. 10)	85,000,000	85,000,000

During the FY 2023-24 Earnings per shares have increased 16% compared to the last financial year. As a result, Net Assets Value (NAV) has also increased in comparison to the last Financial Year 2022-23.

32.00 Net Operating Cash Flows per Share (NOCFPS)

The Computation of NOCFPS is given below:

Net Cash Generated from Operating Activities	353,854,133	179,693,788
Total number of Shares	85,000,000	85,000,000
Net Operating Cash Flows per Share (NOCFPS)	4.16	2.11

During the FY 2023-24 Net cash inflow/(outflow) from operating activities has increased 49% compared to the last financial year. As a result, Net Operating Cash Flows per Share (NOCFPS) has also increased in comparison to the last Financial Year 2022-23.

33.00 Reconciliation of Net Operating Cash Flow

Particulars	Amount in BDT	
	30-Jun-24	30-Jun-23
Net Profit after Tax	121,771,349	105,263,925
Adjustment to reconcile net cash provided by operating activities:		
Depreciations	137,223,029	135,182,107
Provision for Income Tax	37,752,395	11,639,189
Provision for WPPF	7,610,709	6,579,293
Deferred Tax	(7,309,558)	14,682,745
Loan Interest	128,225,191	116,577,787
Increase in Inventories	(19,225,126)	(117,470,004)
Increase in Trade & Other Receivables	(13,242,276)	(71,103,781)
Increase in Advance, Deposits & Prepayments	(11,202,160)	(45,818,175)
Increase/Decrease in Trade & Other Payables	(17,919,435)	28,439,116
Increase in Liabilities for Expenses	(2,165,772)	2,021,464
Adjustments for WPPF	(7,139,065)	(6,599,878)
Adjustments for TAX Liabilities	(525,148)	
Net cash inflow/(outflow) from operating activities	353,854,133	179,693,788



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/ Received	Closing Balance
1	Taufika Engineering Limited	Intercompany	Advance	7,950,000	122,688,579	122,688,579	8,520,579
2	Ms. Shamima Nargis Haque	Chairman	Meeting Allowance	-	25,000	-	-
3	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	-	-
5	Muhsinina Shauka Ekram	Director	Meeting Allowance	-	25,000	-	-
6	Ruhul Ameen M.Com, FCAM	Independent Director	Meeting Allowance	-	25,000	-	-
7	Sajed Ahammad Sami	Independent Director	Meeting Allowance	-	5,000	-	-

35.00 Attendance Status of Board Meeting of Directors

During the year ended 2023-24 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
Ms. Shamima Nargis Haque	Chairman	5	5
Md. Ekramul Haque	Managing Director	5	5
Muhsinina Taufika Ekram	Director	5	5
Muhsinina Shauka Ekram	Director	5	5
Ruhul Ameen M.Com, FCAM	Independent Director	5	5
Sajed Ahammad Sami	Independent Director	5	1

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 2023-2024 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, 2024:

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 2023-24
Ms. Shanima Nargis Haque	Chairman	25,000	-
Mr. Ekramul Haque	Managing Director	25,000	1,800,000
Muhsinna Taufika Ekram	Director	25,000	-
Muhsinna Sharika Ekram	Director	25,000	-
Ruhul Aneen M.Com. FCAM	Independent Director	25,000	-
Sajed Ahammed Sami	Independent Director	5,000	-

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:

- i. The company has been declared 10% cash and 10% stock dividend in this financial year (2023-2024)

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 far 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) Reserve 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, known 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:	
(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.	Complied



Taufika Foods and Lovello Ice-Cream PLC
Schedule of Property, Plant & Equipment
As at 30 June 2024

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down	
	Balance as on 01-07-2023	Addition during the year	Balance as on 30-06-2024		Balance as on 01-07-2023	Charged during the year	Balance as on 30-06-2024	Value as on 30-06-2024	Value as on 30-06-2024
Land & Land Development	84,361,490	738,960	85,100,450	0%	28,694,591	3,150,019	31,844,610	84,600,450	84,600,450
Building & Civil Works	91,694,971		91,694,971	5%	203,491,761	28,884,660	232,376,422	59,350,367	59,350,367
Plant and Machinery	492,338,366		492,338,366	10%	3,675,463	655,680	4,331,144	259,961,944	259,961,944
Furniture and Fixtures	10,035,203	394,115	10,429,318	10%	254,237,332	65,993,365	320,230,698	6,098,174	6,098,174
Freezer	839,615,687	149,110,600	988,726,287	10%	3,135,763	631,862	3,767,625	668,495,589	668,495,589
Office Equipment	9,382,212	144,350	9,526,562	10%	109,758,378	15,294,640	125,053,018	5,758,937	5,758,937
Motor Vehicles	186,231,578		186,231,578	20%	602,493,290	114,610,227	717,103,518	61,178,360	61,178,360
Total as on 30.06.2024	1,713,659,513	149,888,025	1,863,547,538					1,145,944,020	1,145,944,020
Total as on 30.06.2023	1,534,380,136	179,279,377	1,713,659,513		493,162,885	109,830,405	602,993,290	1,110,666,223	1,110,666,223

Right of Use Assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down	
	Balance as on 01-07-2023	Addition during the year	Balance as on 30-06-2024		Balance as on 01-07-2023	Charged during the year	Balance as on 30-06-2024	Value as on 30-06-2024	Value as on 30-06-2024
Plant and Machinery	4,079,499		4,079,499	10%	1,791,041	228,846	2,019,887	2,059,612	2,059,612
Freezer	324,745,500		324,745,500	10%	157,802,291	16,694,321	174,496,612	150,248,888	150,248,888
Motor Vehicles	67,662,134		67,662,134	20%	51,634,302	3,205,566	54,839,869	12,827,265	12,827,265
Office Space	10,897,101	10,897,101	21,794,203	20%	8,899,299	2,179,416	11,078,715	10,715,487	10,715,487
Total as on 30.06.2024	407,384,234	10,897,101	418,281,336		220,126,934	22,308,149	242,435,083	175,946,253	175,946,253
Total as on 30.06.2023	407,384,234	-	407,384,234		195,137,037	24,989,897	220,126,934	187,257,301	187,257,301

Intangible assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down	
	Balance as on 01-07-2023	Addition during the year	Balance as on 30-06-2024		Balance as on 01-07-2023	Charged during the year	Balance as on 30-06-2024	Value as on 30-06-2024	Value as on 30-06-2024
Computer Software	3,788,633	315,000	4,103,633	50%	3,336,828	304,653	3,641,481	462,153	462,153
Total as on 30.06.2024	3,788,633	315,000	4,103,633		3,336,828	304,653	3,641,481	462,153	462,153
Total as on 30.06.2023	3,608,633	180,000	3,788,633		2,975,023	361,805	3,336,828	451,805	451,805
Grand Total as on 30.06.2024	2,124,832,380	161,000,126	2,285,932,507	-	826,457,053	137,223,029	963,680,081	1,322,252,426	1,322,252,426
Total as on 30.06.2023	1,945,373,003	179,459,377	2,124,832,380	-	691,274,945	135,182,107	826,457,052	1,298,375,328	1,298,375,328

Amount in
Taka 30.06.2024

Manufacturing Overhead	35,453,450
Administrative Expenses	861,328
Marketing & Selling Expenses	100,908,252
Total	137,223,029



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

Property, Plant & Equipment										Annexure - A	
Particulars	Balance as on 01-07-2022	Cost Addition during the year	Balance as on 30-06-2023	Rate of Dep. (%)	Balance as on 01-07-2022	Depreciation Charged during the year	Balance as on 30-06-2023	Balance as on 30-06-2023	Written Down Value as on 30-06-2023		
Land & Land Development Building & Civil Works	84,361,490	-	84,361,490	0%	25,378,781	3,313,810	28,692,591	-	84,361,490		
Plant and Machinery	91,694,977	-	91,694,977	5%	171,454,863	32,036,898	203,491,761	-	63,000,386		
Furniture and Fixtures	491,309,326	1,029,040	492,338,366	10%	2,980,405	695,060	3,675,465	-	283,846,605		
Freezer	9,826,798	208,403	10,035,203	10%	198,134,348	56,102,984	254,237,332	-	6,359,738		
Office Equipment	678,712,687	160,903,000	839,615,687	10%	2,449,449	686,314	3,135,763	-	585,378,354		
Motor Vehicles	9,242,962	139,250	9,382,212	10%	92,765,039	16,993,340	109,758,378	-	6,246,449		
Total as on 30.06.2023	169,231,896	16,999,682	186,231,578	20%	493,162,885	109,830,405	602,993,290	-	76,473,200		
Total as on 30.06.2022	1,534,380,136	179,279,377	1,713,659,513		390,841,217	102,321,668	493,162,885	-	1,110,666,223		
Total as on 30.06.2022	1,377,424,500	156,955,635	1,534,380,136						1,041,217,250		
Right of Use Assets											
Particulars	Balance as on 01-07-2022	Cost Addition during the year	Balance as on 30-06-2023	Rate of Dep. (%)	Balance as on 01-07-2022	Depreciation Charged during the year	Balance as on 30-06-2023	Balance as on 30-06-2023	Written Down Value as on 30-06-2023		
Plant and Machinery	4,079,499	-	4,079,499	10%	1,536,768	254,273	1,791,041	-	2,288,458		
Freezer	324,745,500	-	324,745,500	10%	139,253,046	18,549,245	157,802,291	-	166,943,209		
Motor Vehicles	67,662,134	-	67,662,134	20%	47,627,345	4,006,958	51,634,302	-	16,027,832		
Office Space	10,897,101	-	10,897,101	20%	6,719,879	2,179,420	8,899,299	-	1,947,802		
Total as on 30.06.2023	407,384,234	-	407,384,234		195,137,037	24,989,897	220,126,934	-	187,257,301		
Total as on 30.06.2022	407,384,234	-	407,384,234		167,056,121	28,080,916	195,137,037	-	212,247,197		
Intangible assets											
Particulars	Balance as on 01-07-2022	Cost Addition during the year	Balance as on 30-06-2023	Rate of Dep. (%)	Balance as on 01-07-2022	Depreciation Charged during the year	Balance as on 30-06-2023	Balance as on 30-06-2023	Written Down Value as on 30-06-2023		
Computer Software	3,608,633	180,000	3,788,633	50%	2,975,023	361,805	3,336,828	-	451,805		
Total as on 30.06.2023	3,608,633	180,000	3,788,633		2,975,023	361,805	3,336,828	-	451,805		
Total as on 30.06.2022	3,323,633	285,000	3,608,633		2,483,913	491,110	2,975,023	-	633,610		
Grand Total as on 30.06.2023	1,945,373,003	179,459,377	2,124,832,380	-	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	1,945,373,003		560,381,251	130,893,694	691,274,945	-	1,254,098,057		

Allocation of depreciation

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

Amount in
Taka 30.06.2023

34,926,149
848,517
99,407,440
135,182,107



EVENT HIGHLIGHTS

LOVELLO Cup Armed Forces Day Golf Tournament 2024



LOVELLO Cup Armed Forces Day Golf Tournament 2024



Agreement signing between Taufika Foods and Lovello Ice-cream PLC & Moon Environment Technology Co. LTD.



12TH ANNUAL GENERAL MEETING (AGM)





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 13th Annual General Meeting (AGM) of the Company to be held on using Hybrid platform on Monday, Dec 30, 2024 at 11.30 AM

As witness I put my/our hand(s) this day of 2024

REVENUE
STAMP
TK. 20.00

1.

Signature of the PROXY

2.

Signature of the Shareholder

Signature of the Shareholder

Folio/BO ID No																	
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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 13th Annual General Meeting (AGM) being held on using Hybrid platform on Monday, Dec 30, 2024 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.



SCOOPS OF JOY
OF JOY
CREAMY
DELIGHTS
FROZEN
BLISS
SWEET
INDULGENCE
CHILL OUT
TREATS
DREAMY
CONFECTIONS
FROSTY
FANTASIES
COOL CREATIONS
SPOONFULS
OF HAPPINESS
FROZEN JOY
SWEET
TREATS
CREAMY
CREATIONS
INDULGE IN PURE BLISS
TASTE THE MAGIC



TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC

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