

**CERTIFICATE ON
STATUS REPORT ON UTILIZATION
OF
PROCEEDS FROM PUBLIC OFFERING
OF
TAUFIKA FOODS AND
LOVELLO ICE-CREAM PLC
For the month of August 31, 2024**



PrimeGlobal

*An Association of
Independent Accounting Firms*

**AUDITOR'S CERTIFICATE REGARDING MONTHLY STATUS REPORT OF
TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC
FOR THE MONTH OF AUGUST 31, 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 August 31, 2024 is as follows:

Sl. No.	Purpose of Utilization	Allotment as per IPO (Tk.)	Total Utilization of Fund up to July 31, 2024	Fund utilized for the month of August 31, 2024	Total Utilization of Fund up to August 31, 2024	Unspent Balance (Taka)
1	Acquisition of plant & machinery	90,365,003	75,471,992	-	75,471,992	14,893,011
2	Freezer purchase	57,849,847	59,451,427	-	59,451,427	(1,601,580)
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	286,353,841	-	286,353,841	13,646,159
7	Interest income	-	2,327,912	-	2,327,912	2,327,912
8	Source Tax	-	(543,943)	-	(543,943)	(543,943)
9	Foreign exchange loss & Bank charges	-	(192,242)	-	(192,242)	(192,242)
	Total IPO Proceeds & Interest Income/ (Bank Charges)	300,000,000	287,945,569	-	287,945,569	15,237,886

Total unutilized fund excluding Interest Income/(Bank Charges) Taka 13,646,159/- (One Crore Thirty six Lac Forty Six Thousand One Hundred and Fifty Nine) only and including foreign exchange loss & Bank charges and Interest income Taka 15,237,886/- as on August 31, 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. There is no expenditure during the month of August 2024. 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 August 31, 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 August 31, 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 12,614,859 (EURO 95,240.00) to import Brand New Capital Machinery for Ice Cream Industry: 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.

During the month July 2024 the company has adjusted Tk.162,836 against Freezer purchase (LC No. 236124010053) from IPO Bank Account. However, the company may utilize Tk. 57,849,847 for freezer purchase according to the prospectus. But actual expenses are Tk. 59,451,427 where the management needs approval from BSEC for excess expenses by Taka 1,601,580.

- c) The management of Taufika Foods and Lovello Ice-Cream PLC has transferred Taka 9,146,752 for opening L/C to purchase Vehicles from Shimanto Bank Ltd. in Account No- 1001244000258 and Taka 3,895,000 has been spent for Local Vehicles purchase from different parties and also paid Taka 13,964,196 to NAJ Associates against the L/C and Exise duty up to the month of August 31, 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 August 31, 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 August 31, 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 August 31, 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 extension for 12 months up to January 31, 2024 and Company wants to utilize Tk. 65 (Sixty Five) lac in Vehicle purchase instead of Investment in depot but BSEC has not approved the rectification and extension of time till to date.
The company has applied to Bangladesh Securities and Exchange Commission (BSEC) for 2nd time, time extension 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 286,353,841- 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.

Dated: September 10, 2024

Place: Dhaka


FAMES & R
Chartered Accountants



Report on Utilization of IPO Proceeds for the month of August 31, 2024

Name of the Company : **Taufika Foods and Lovello Ice-Cream PLC**
 Amount (BDT) of Capital Raised Through IPO : **BDT. 300,000,000/-**
 This is to certify that **Taufika Foods and Lovello Ice-Cream PLC** has : **January 07, 2021**
 Proceeds Receiving Date : **January 17, 2021**
 Last Date of Full Utilization of Fund as per Proceeds : **January 31, 2023 (within 24 Months of obtaining IPO proceeds)**
 Extent Date of Full Utilization : **January 31, 2025 (Not Approved by BSEC)**

Annexure-A


Sl. No.	Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount as per prospectus	Fund utilized (Taka) up to the month of August 31, 2024	Total Utilized Amount	Utilized %	Total Un-utilized Amount	Un-utilized %	Remarks
1	Acquisition of plant & machinery	24 Months	90,365,003	75,471,992	75,471,992	83.52%	14,893,011	16.48%	
2	Freezer purchase	24 Months	57,849,847	59,451,427	59,451,427	102.77%	(1,601,580)	-2.77%	
3	Vehicles purchase	24 Months	20,564,250	27,005,948	27,005,948	131.32%	(6,441,698)	-31.32%	
4	Investment in depot to increase	24 Months	13,220,900	6,660,002	6,660,002	50.37%	6,560,898	49.63%	
5	To meet up IPO expenses	24 Months	28,090,000	27,764,472	27,764,472	99.16%	235,528	0.84%	
6	Bank loan repayment	24 Months	90,090,000	90,000,000	90,000,000	100.00%	-	0.00%	
Total IPO Proceeds				286,353,841	286,353,841		13,646,159		

* Taufika Foods and Lovello ice-Cream PLC has received an amount of Taka 1,434,000 as forfeit amount which has subsequently deposited to BSEC.

* Bank balance as on August 31, 2024 with Trust Bank Ltd. Millennium Branch, Jahangir Gate, Dhaka Cantonment, Dhaka (Account number 0022-0320000775) BDT. 15,248,406; 0022-580300016(POU) 00, 0022-580400014(EUR) 00, 0022-5802000018 (USD) \$ 237.58


Chairman


Managing Director


Company Secretary

Chief Financial Officer



Dated: September 10, 2024
Place: Dhaka