

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



Islam Quazi Shafique & Co.

Chartered Accountants

AUDITOR'S CERTIFICATE REGARDING MONTHLY STATUS REPORT OF TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC FOR THE MONTH OF SEPTEMBER, 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 September 30, 2024 is as follows:

Sl. No.	Purpose of Utilization	Allotment as per IPO (Tk.)	Total Utilization of Fund up to August 31, 2024	Fund utilized for the month of September 30, 2024	Total Utilization of Fund up to September 30, 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 September 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. There is no expenditure during the month of September 2024. Enclosed herewith the Status Report as Annexure-A for utilization of fund which has been prepared by the management.

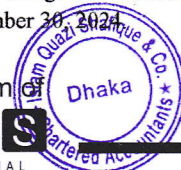
During the course of our certification, we have found that:

- 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 September 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 September 30, 2024.

Member firm



HEAD OFFICE

10th Floor,

10th Floor,

10th Floor,

UTTARA OFFICE

26, ABC Skyrise Tower (6th Floor)
6B Unit, Shahjalal Avenue Road.

PALTAN BRANCH UNIT-1

Paramount Heights (Level-5)
65/2/1, Box Culvert Road,

PALTAN BRANCH UNIT-2

Paramount Heights (Level-9)
65/2/1, Box Culvert Road,

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. But till now the management couldn't provide any approval letter from BSEC for exceeded expenditure.


During the month July 2024 the company has adjusted Tk.162,836 against Freezer purchase (LC No. 236124010053)

- 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 September 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 September 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 September 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 September 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 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: October 14, 2024
Place: Dhaka


Islam Quazi Shafique & Co.
Chartered Accountants



Report on Utilization of IPO Proceeds for the month of September 30, 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** is : **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	This Month	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	28,000,000	27,764,472	-	27,764,472	99.16%	235,528	0.84%	
6	Bank loan repayment	24 Months	90,000,000	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 September 30, 2024 with Trust Bank Ltd. Millennium Branch, Jahangir Gate, Dhaka Cantonment, Dhaka (Account number 0022-0320000775) BDT: 2,48,406; 0022-5803000016(POU) 00, 0022-5804000014(EUR) 00, 0022-5802000018 (USD) \$ 237.58

Chairman

Managing Director

Company Secretary

Chief Financial Officer

Dated: October 14, 2024

Place: Dhaka



CHAPTER - XXII USE OF PROCEEDS

a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

Sources of Fund:			
Sl. No.	Issue Size (Number of shares to be issued)	Issue price	Amount in Taka
1.	30,000,000 Shares	10.00	300,000,000
3.	Less: IPO Expenses		28,000,000
3.	Net IPO Proceeds		272,000,000

Use of the net proceeds from the IPO

Net proceeds from Initial Public Offering (IPO) will be used for the Expansion of Capacity and Bank Loan Repayment.

Sl. No.	Particulars	Amount in
1.	Expansion of Capacity:	
	Acquisition of Plant & Machinery	90,365,003
	Freezer Purchase	57,849,847
	Vehicles Purchase	20,564,250
	Investment in Depot to Increase	13,220,900
	Sub -Total	182,000,000
2.	Bank Loan Repayment	90,000,000
	Total	272,000,000

The details of which given below:

01. Acquisition of Plant & Machinery:

Sl. No.	Name of Supplier	Country of Origin	Description of Machine	Brand	Qty.	Total Price in USD/URO	Duty in BDT	Exchange Rate*	Total Amount in BDT
01	Cone baking Machine	China	Equipmentimes (Dalian) E-Commerce CO Ltd	China	2 Set	390,000	331,500	85	33,481,500
	Mix processing plant		Teknoice S.R.L		2 Set	318,620	299,502	94	30,249,782
	Extrusion line		Liaoning Mec Group Co., Ltd		2 Set	309,800	300,722	85	26,633,721
			Sub-Total						90,365,003
			Total						90,365,003

02. Freezer Purchase:

Sl. No.	Name of Supplier	Country of Origin	Description of Machine	Brand	Amount in USD	Qty.	BDT	Duty	Exchange Rate*	Total Amount in BDT
01	Twinstar Refrigeration Equipment Co., Limited	China	Ice Cream Freezer	China	437,586	2850	37,194,847	20,655,000	85.00	55,849,847
			Total							55,849,847

03. Vehicles Purchase:

Sl. No.	Name of Supplier	Country of Origin	Description of Machine	Brand	Amount in USD	Qty.	BDT	Duty in BDT	Exchange Rate*	Total Amount in BDT
01	Yantai High Link IMP. AND EXP.CO., Ltd	China	Vehicle Body	China	105,000	6	8,925,000	89,250	85.00	9,014,250
02	Nitol Motors Limited	India	Truck Chasses	China	135,882	6	11,550,000	-	85.00	11,550,000
			Total							20,564,250

04. Investment in Depot:

Sl. No.	Name of Supplier	Country of Origin	Description of Machine	Brand	Amount in USD	Qty.	BDT	Duty	Exchange Rate*	Total Amount in BDT
01	Yantai High Link Imp. And Exp. Co. Ltd.	China	Storage Box for Ice Cream	China	154,000	7	13,090,000	130,900	85.00	13,220,900
			Total							13,220,900



05. Long-term Loan Repayment

Sl. No.	Particulars	Amount in Tk.
01	AB Bank Limited	9,00,00,000

b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;

Indication of use of fund in the statement of cash flows:

Tk. 1,000,000 (Ten Lac), Tk. 5,300,000 (Fifty-Three Lac), Tk. 500,000 (Five Lac), Tk. 10,950,000 (One Crore Nine Lac Fifty Thousand), Tk. 484,550,000 (Forty-Eight Crore Forty-Five Lac Fifty Thousand) consideration in cash have been raised prior to the public issue on dated 07.08.2011, 03.05.2017, 03.06.2018, 15.11.2018, and 27.08.2019 respectively. This fund has already deployed by the issuer in the following manner:

Accounting Years	Particulars	Amount in BDT
2013-2014	Bank Loan repayment	500,000
	Working Capital	500,000
2016-2017	Working Capital	5,160,000
	Acquisition of Property	16,549,357
	Inter Company Loan Pay	2,000,000
2017-2018	Bank Loan Repayment	6,823,323
	Working Capital	44,368,323
	Acquisition of Property	31,124,377
	Bank Loan Repayment	1,177,943
2018-2019	Inter Company Loan Pay	64,200,000
	Working Capital	68,502,583
	Acquisition of Property	37,711,323
2019-2020	Bank Loan Repayment	56,832,771
	Working Capital	99,293,184
	Acquisition of Property	20,000,000
	Bank Loan Repayment	94,366,643
	Total	549,109,827

Remaining Tk.890,173.00 has been kept in the separate bank account of Shimanto Bank Limited A/C No. 1001441001020 Principal Branch, Dhaka. However, after scrutinizing the related documents, we observed that the Tk.890,173.00 has been utilized regarding the repayment of bank loan on August 10, 2020.

c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

The issuer has no objects to investment in a joint venture, a subsidiary, an associate or any acquisition.

d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds:

IPO proceeds are sufficient to complete the expansion.

e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

Particulars	Progress made so far	Approxim	Projected date of full
Acquisition of Plant & Machinery	will be started after receiving of IPO fund	Within 24 Months after receiving the IPO fund	After 06 months of the completion of the project
Acquisition of Freezer			
Vehicles Purchase			
Investment in Depot to Increase			
Bank Loan Repayment			N/A

Sd/-
Md. Ekramul Haque
Managing Director

Sd/-
Mustaque Ahmad
Chief Financial Officer

Sd/-
Ms Shamima Nargis Haque
Chairman

Place: Dhaka
Date: October 14, 2024