

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”

“Investment in capital market involves a certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

PROSPECTUS OF TAUFIKA FOODS AND AGRO INDUSTRIES LTD.

PROPOSED ISSUE SIZE

**PUBLIC ISSUE OF 30,000,000 ORDINARY SHARES OF TK.10.00 EACH AT PAR
TOTALING TK. 300,000,000.00**

Opening and Closing Date of Subscription

Opening date of subscription: January 03, 2021

Closing date of subscription: January 07, 2021

MANAGERS TO THE ISSUE



BANCO FINANCE AND INVESTMENT LIMITED



SANDHANI LIFE FINANCE LIMITED

ISSUE DATE OF THE PROSPECTUS: DECEMBER 02, 2020

PRELIMINARY INFORMATION AND DECLARATIONS

(i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue managers, underwriter(s), auditors, credit rating company and valuer, where applicable;

Name & Address	Contact Person	Telephone, Fax Number, E-mail & Web Address
ISSUER		
Taufika Foods and Agro Industries Limited Registered Office: Plot-01, Road-11, Block-G, Banani, Dhaka-1213. Corporate Office: House-80, Road-2, level-4A & 4B, Banani (Chairman Bari), Dhaka-1213	A.K.M Zakaria Hossain FCMA Company Secretary	Tel: 02-9841286-8 Fax: 02-9841289 Email: lovello@lovello.club Website: www.lovello.club
ISSUE MANAGERS		
Banco Finance And Investment Limited Shefali Complex (4 th Floor), 218/3, A, West Kafrul, Begum Rokeya Sharani, Taltola, Sher-e-Bangla Nagar, Dhaka-1207	Mohammad Hamdul Islam Managing Director & CEO	Tel: 02-55025169 Fax: 02-55025167 E-mail: banco.bd@gmail.com Website: www.bfilbd.org
Sandhani Life Finance Limited 16, Motijheel Commercial Area, (2 nd Floor), Dhaka – 1000	Muhammad Nazrul Islam FCMA Managing Director & CEO	Tel: 02-9551896 Tel: 02-9575903 Fax: 02-9554847 E-mail: info@slflbd.com Website: www.slflbd.com
UNDERWRITERS		
ICB Capital Management Limited Green City Edge (5 th & 6 th Floor) 89, Kakrail, Dhaka-1000, Bangladesh	Shukla Das Chief Executive Officer	Tel: 02-8300555 Tel: 02-8300367 Fax: 02-8300396 Website: www.icml.com.bd E-mail: icmlbd@gmail.com
MTB Capital Limited MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka-1000	Khairul Bashar Abu Taher Mohammed Chief Executive Officer & SEVP	Tel: 02-8321714 Fax: 02-8321543 Website: www.mtbcap.com Email: info.mtbcap@mutualtrustbank.com
Sandhani Life Finance Limited 16, Motijheel Commercial Area, (2 nd Floor), Dhaka – 1000	Muhammad Nazrul Islam FCMA Managing Director & CEO	Tel: 02-9551896 Tel: 02-9575903 Fax: 02-9554847 E-mail: info@slflbd.com Website: www.slflbd.com
AUDITORS		
Islam Quazi Shafique & Co. Chartered Accountants Al-Haj Shamsuddin Mansion (4 th Floor) 17, New Eskaton Road, Maghbazar, Dhaka-1000.	Quazi Shafiqul Islam FCA, FCS Partner	Tel: 02-8312349 Fax: 02-9571005 Email: qsi.esk@gmail.com Website: www.qsibd.com
CREDIT RATING COMPANY & VALUER		
The company has no involvement with valuer as well as credit rating is not applicable for the issuer.		

(ii) “A person interested to get a prospectus may obtain from the issuer and the issue manager(s).”

(iii) “If you have any query about this document, you may consult the issuer, issue manager and underwriter”

“এই প্রোসপেক্টাসে বর্ণিত তথ্য সম্পর্কিত যে কোন জিজ্ঞাসা আপনি প্রতিষ্ঠানটির উল্লেখিত ইস্যুয়ার, ইস্যু ব্যবস্থাপক এবং অবলেকের সাথে যোগাযোগ করে জেনে নিতে পারেন।”

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY)."

(v) 'Risks in relation to the First Issue'

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (Ten) and the issue price is Tk. 10.00 (Ten) i.e. the face value. The issue price has been determined and justified by the issuer and the issue manager as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) 'General Risk'

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 140-148"

(vii) Taufika Foods and Agro Industries Limited's Absolute Responsibility'

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

AVAILABILITY OF PROSPECTUS

(i) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;

The prospectus and abridged version of prospectus in hard and soft forms of Taufika Foods and Agro Industries Limited shall be obtained from the following addresses:

Name & Address	Contact Person	Telephone, Fax Number, E-mail & Web Address
ISSUER		
Taufika Foods and Agro Industries Limited Registered Office: Plot-01, Road-11, Block-G, Banani, Dhaka-1213. Corporate Office: House-80, Road-2, level-4A & 4B, Banani (Chairman Bari), Dhaka-1213	A.K.M Zakaria Hossain FCMA Company Secretary	Tel: 02-9841286-8 Fax: 02-9841289 Email: lovello@lovello.club Website: www.lovello.club
ISSUE MANAGERS		
Banco Finance And Investment Limited Shefali Complex (4 th Floor), 218/3, A, West Kafrul, Begum Rokeya Sharani, Taltola, Sher-e-Bangla Nagar, Dhaka-1207	Mohammad Hamdul Islam Managing Director & CEO	Tel: 02-55025169 Fax: 02-55025167 E-mail: banco.bd@gmail.com Website: www.bfilbd.org
Sandhani Life Finance Limited 16, Motijheel Commercial Area, (3rd Floor), Dhaka – 1000	Muhammad Nazrul Islam FCMA Managing Director & CEO	Tel: 02- 9515249, 02- 47118505 Fax: 02-9554847 E-mail: info@slflbd.com Website: www.slflbd.com
STOCK EXCHANGES		
Dhaka Stock Exchange Limited (DSE) DSE-Tower, Plot#46, Road#21, Nikunja-2, Dhaka-1229	Md. Rabiul Islam Senior Manager Listing Affairs	Tel: 02-9564601, Tel: 02-9576210-18 Fax: 02-9564727, 02-9569755 E-mail: rabiul@dsebd.org Website: www.dsebd.org
Chittagong Stock Exchange Limited (CSE) CSE Building, 1080, Sk. Mujib Road, Agrabad C/A Chittagong-4000 Dhaka Liaison Office Eunoos Trade Center (Level-15) 52-53 Dilkusha C/A, Dhaka-1000	Mohammad Monirul Haque Deputy General Manager Head of Listing	Tel: 31-720871-3, Tel: 31-714632-3 Fax: 31-714101 E-mail: monir@cse.com.bd Website: www.cse.com.bd

Prospectus would also be available on the web site of BSEC (www.sec.gov.bd), DSE (www.dsebd.org), CSE (www.csebd.com), Taufika Foods and Agro Industries Limited (www.lovello.club), Banco Finance and Investment Limited (www.bfilbd.org), Sandhani Life Finance Limited. (www.slflbd.com) and at the Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

ii) Names and dates of the newspaper where abridged version of Prospectus was published:

Sl. No.	Name of the Newspapers	Date of Publication
01	Bonik Barta	December 02, 2020
02	Bangladesh Pratidin	December 02, 2020
03	NewAge	December 02, 2020
04	The Financial Express	December 02, 2020

(iii) Definitions and Acronyms or Elaborations:

A	
“Articles” or “Articles of Association” or “AoA”	The Articles of Association of Taufika Foods and Agro Industries Limited, as amended
“Memorandum” or “Memorandum of Association” or “MoA”	The Memorandum of Association of Taufika Foods and Agro Industries Limited, as amended
AGM	Annual General Meeting
Allotment	Allotment of Shares
B	
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BFIL	Banco Finance And Investment Limited
BFRS	Bangladesh Financial Reporting Standards
BIDA	Bangladesh Investment Development Authority
BO A/C	Beneficiary Owner’s Account
BSEC	Bangladesh Securities and Exchange Commission
C	
CDBL	Central Depository Bangladesh Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Certificate	Share Certificate
CIB	Credit Information Bureau
Companies Act	Companies Act, 1994 (Act. No. XVIII of 1994)
Commission	Bangladesh Securities and Exchange Commission
CSE	Chittagong Stock Exchange Limited
CS	Company Secretary
D	
DSE	Dhaka Stock Exchange Limited
E	
EI	Eligible Investor
EPS	Earnings Per Share
Exchanges	Stock Exchanges
ETP	Effluent Treatment Plan
F	
FC Account	Foreign Currency Account
FI	Financial Institution
G	
GOB	Government of the People’s Republic of Bangladesh
GBP	Great Britain Pound
I	
IPO	Initial Public Offering
Issue	Public Issue of Shares
Issue Managers	Banco Finance and Investment Limited Sandhani Life Finance Limited
Issuer	Taufika Foods and Agro Industries Limited
L	
LC	Letter of Credit

M	
MD	Managing Director
MBA	Master of Business Administration
MA	Master of Arts
MCOM	Master of Commerce
N	
NAV	Net Asset Value
NBR	National Board of Revenue
NRB	Non-Resident Bangladeshi
NBFI	Non-Banking Financial Institution
NPAT	Net Profit After Tax
O	
Offering Price	Price of the Securities of Taufika Foods and Agro Industries Limited
Our Company	Taufika Foods and Agro Industries Limited
P	
PE	Price to Earnings
PDB	Power Development Board
R	
Registered Office	Registered Office of Taufika Foods and Agro Industries Limited
RJSC	Registrar of Joint Stock Companies and Firms
S	
SC	Share Certificate
Securities	Share of Taufika Foods and Agro Industries Limited
Sponsors	The Sponsor Shareholders of Taufika Foods and Agro Industries Limited
Stockholders	Shareholders
Subscription	Share Application Money
SLFL	Sandhani Life Finance Limited
T	
The Company	Taufika Foods and Agro Industries Limited
TFAIL	Taufika Foods and Agro Industries Limited
TIN	Tax Identification Number
Tk.	Taka
U	
USD	United States Dollar
UK	United Kingdom
V	
VAT	Value Added Tax
W	
WDV	Written Down Value
WPPF	Workers' Profit Participation Fund

TABLE OF CONTENTS

SL. NO.	PARTICULARS	PAGE NO.
CHAPTER (I)	EXECUTIVE SUMMARY	08-14
CHAPTER (II)	CONDITIONS IMPOSED BY THE COMMISSION	15-22
CHAPTER (III)	DECLARATION AND DUE DILIGENCE CERTIFICATES	23-29
CHAPTER (IV)	ABOUT THE ISSUER	30-32
CHAPTER (V)	CORPORATE DIRECTORY OF THE ISSUER	33-34
CHAPTER (VI)	DESCRIPTION OF THE ISSUER	35-83
CHAPTER (VII)	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION	84-88
CHAPTER (VIII)	DIRECTORS AND OFFICERS	89-94
CHAPTER (IX)	CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	95-97
CHAPTER (X)	EXECUTIVE COMPENSATION	98-99
CHAPTER (XI)	OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES	100-101
CHAPTER (XII)	TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM	102-103
CHAPTER (XIII)	OWNERSHIP OF THE COMPANY'S SECURITIES	104-109
CHAPTER (XIV)	CORPORATE GOVERNANCE	110-124
CHAPTER (XV)	VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGERS	125-128
CHAPTER (XVI)	DEBT SECURITIES	129-130
CHAPTER (XVII)	PARTIES INVOLVED AND THEIR RESPONSIBILITIES	131-132
CHAPTER (XVIII)	MATERIAL CONTRACTS	133-137
CHAPTER (XIX)	OUTSTANDING LITIGATIONS, FINE OR PENALTY	138-139
CHAPTER (XX)	RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS	140-148
CHAPTER (XXI)	DESCRIPTION OF THE ISSUE	149-150
CHAPTER (XXII)	USE OF PROCEEDS	151-155
CHAPTER (XXIII)	LOCK-IN	156-157
CHAPTER (XXIV)	MARKETS FOR THE SECURITIES BEING OFFERED	158-159
CHAPTER (XXV)	DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED	160-161
CHAPTER (XXVI)	FINANCIAL STATEMENTS	162-213
CHAPTER (XXVII)	CREDIT RATING REPORT	214-215
CHAPTER (XXVIII)	PUBLIC ISSUE APPLICATION PROCEDURE	216-220
CHAPTER (XXIX)	AUDITOR ADDITIONAL DISCLOSURES	221-227
CHAPTER (XXX)	MANAGEMENT ADDITIONAL DISCLOSURES	228-230
ANNEXURE (A)	FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020	231-273

CHAPTER - I

EXECUTIVE SUMMARY

CHAPTER (I): EXECUTIVE SUMMARY

(a) About the industry:

The ice-cream industry of Bangladesh is a fast-growing industry which is rising by 12% rate per year. However, it is anticipated that the growth rate to rise by additional 15% by the end of year 2019 and is expected to rise continuously as per market study. Overall worth of the ice cream market of Bangladesh is Tk.1200 crore. Ice-cream market of this great nation expanded because of addition of Bangladesh rural customer and rise in per capita income. Upon massive electrification throughout the country, particularly in rural Bangladesh, use of refrigerators in rural areas, led to a market development in suburbs and villages. Other than that, a development in the socio-economic front influenced food habits of millions, helped in expanding ice-cream market, which led to surpassing neighboring India, and even compete with global market in terms of market size. Compared with overall GDP, Bangladesh's ice-cream industry is at par with Europe and overall global market.

Currently 79% share of the country's Tk1, 200 crore ice-cream market are held by three out of six companies. Among them, branded ice creams is the most popular, occupying more than 85% of the total market share, while premium ice-creams which are expensive than those of branded ones account for nearly 15-20% of the market. The branded ice-cream market size is growing fast because marketing for branded ice cream is concentrated in the mega cities due to issues regarding electricity, cold chain, and rise in income level of the consumers. Other than that change in social structure and food habits boosted branded ice cream demand. Igloo and Polar are two established names in the industry who hold two-thirds (66%) of the market share and other four companies, combined, hold 79% of the total market share. Currently, Igloo is the market leader and holds 38% of the market share since it is the most popular impulse and take-home ice cream in Bangladesh and its available at 20,000 retail outlets. Other than that, growth of the country's ice cream market has also seen a boost in employment and contributing 0.064% of the gross domestic product (GDP). However tariffs on imported raw materials of ice-cream need to be rationalized.

Furthermore, the ice cream industry contributes 0.053% of the world GDP whose global market grew at the Compound Annual Growth Rate (CAGR) of around 6% during 2009-2016, reaching a volume of 19.7 million metric tons in 2016. In 2016, Europe dominated the global ice cream market with more than 40% share. On the other hand, China and Brazil account for two-fifths of the global ice cream sales. So if the Ice cream industry of Bangladesh is nurtured well then it can be a major player at the global stage too, very soon.

<https://www.dhakatribune.com/business/2018/11/28/ice-cream-industry-expanding-on-rural-demand>

(b) About the Issuer:

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 July 08, 2019. The Company started its commercial operation on January 02, 2016. Its Corporate Head Office located at Plot-80, Road-2, Banani (Chairman Bari), Dhaka-1213, Bangladesh, Registered office Plot-01, Road-11, Block-G, Banani, Dhaka-1213 and factory is located at Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh. The company is an Ice-cream manufacturer and supplier in Bangladesh.

Incorporation	August 07, 2011
Registration No.	C-94700/11
Converted into Public Limited Company	July 08, 2019
Commencement of Commercial Operation	January 02, 2016
Nature of Business	The company is an Ice-cream manufacturer and supplier in Bangladesh.

(c) Financial Information:

Major financial information of Taufika Foods and Agro Industries Limited is as follows:

In BDT

Sl.	Particulars	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
1	Sales	314,349,972	922,889,785	778,975,897	478,531,399	65,276,963	-
2	Gross Profit	128,996,609	385,384,869	323,833,504	162,256,438	20,423,128	-
3	Net Profit before tax	45,982,655	91,279,502	82,889,168	28,764,074	(16,938,640)	-
4	Net Profit after tax	29,888,726	61,645,286	42,548,150	2,500,498	(17,330,301)	-
5	Total Assets	1,861,897,535	1,627,830,362	1,589,286,528	1,093,939,116	861,561,478	292,922,888
6	Share Capital	550,000,000	65,450,000	54,500,000	54,000,000	1,000,000	1,000,000
7	Retained Earnings	119,252,358	89,363,632	27,718,346	(14,829,804)	(17,330,301)	-
8	No. of Shares	55,000,000	6,545,000	5,450,000	5,400,000	100,000	100,000
9	Face Value	10.00	10.00	10.00	10.00	10.00	10.00
10	NAV Per Share	12.17	64.91	64.63	7.25	(163.30)	10.00
11	Earnings Per Share	1.20	10.05	7.87	2.65	(173.30)	-

**Face value of company's share was BDT 100/- each and was converted into BDT 10/- Face value of shares on the above table was considered at BDT 10/-for better presentation.*

(d) Features of the issue and its objects:

Offer Price	BDT 10.00
Number of Shares	30,000,000 Ordinary Shares
Offer Size	BDT 300,000,000
Purpose of Raising Fund	Net Proceeds from initial public offering (IPO) would be used for Expansion of Capacity (payment of Bank Loan, acquisition of Plant and Machineries, Freezer Purchase, Vehicle Purchase, Investment in Depot to Increase)
Date of Implementation	Within 24 months after receiving IPO fund.

(e) Legal and other Information:

Particulars	License Issuer/Issuing Authority	Certificate/ License No.	Issue Date	Renew Date	Expiry Date
Certificate of Incorporation	Register of Joint Stock Companies and Firms, Bangladesh	C-94700/11	07.08.2011	N/A	N/A
TIN Certificate	National Board of Revenue	872426821762	18.05.2015	N/A	N/A
BIN Certificate	National Board of Revenue	001930298-0103	29.08.2019	N/A	N/A
Patent and Design	Department of Patents, Designs & Trademarks	014349	04.05.2015	N/A	N/A
Fire License	Bangladesh Fire Service and Civil Defense	AD/MO/948/13-14	01.07.2013	22.06.2020	30.06.2021
Environment License	Department of Environment	22.02.6100.142.71.068.15.41	27.05.2018	23.02.2020	26.05.2021
Boiler License	Ministry of Industries (Chief Boiler Inspector)	Ba. B 8422	05.05.2019	20.09.2020	20.02.2021
Trade License	Dhaka North City Corporation	161627	23.08.2011	14.06.2020	30.06.2021
Factory Trade License	6 No. Valuka Union Parishad, Valuka, Mymensingh	750	18.02.2014	02.07.2020	30.06.2021
Factory License	Department of Inspection for Factories and Establishments	1143/Mymensingh	11.10.2015	23.06.2020	30.06.2021
Import Registration Certificate	Controller of Import & Export, Government of Bangladesh	BA. 104616	10.11.2014	21.07.2020	30.06.2021
BSTI License	Bangladesh Standards and Testing Institution	19218/G-2/2016	03.01.2016	01.07.2018	30.06.2021
BIDA	Bangladesh Investment Development Authority	L-152012123290-H	09.12.2012	-	N/A
Halal Certificate	Islamic Foundation	Reg. No. 66, Sl. No. 0178	30.08.2019	Applied for Renewal as on 09.07.2020	
ISO 22000:2005	International Organization for Standardization	BD18/711041134	12.12.2018	-	19.06.2021
Good Manufacturing Process	SGS	BD19/711041199	13.11.2019	-	13.11.2022
HACCP Codex Alimentarius	SGS	BD19/711041200	13.11.2019	-	13.11.2022
Group Insurance	American Life Insurance Company	BGL-60762-L & BGL-60762-GPA	18.09.2019	-	18.09.2020
Factory Insurance	Karnaphuli Insurance Company Ltd.	KIC/MJB/FP-00191/06/2020	-	-	10.06.2021
Factory Insurance	Karnaphuli Insurance Company Ltd.	KIC/MJB/FP-00148/04/2020	-	-	05.04.2021

(f) Promoters' background:

Ms Shamima Nargis Haque
Chairman

Ms. Shamima Nargis Haque (born in 1970) is an entrepreneur and holds an academic degree in Economics. She has been involved with Taufika Foods and Agro Industries Limited as its Chairman. She plays vital role in the case of taking critical decision for the company.

Md. Ekramul Haque
Managing Director

Md. Ekramul Haque has completed his academic career in Civil Engineering from KUET. He has 24 years' experience in different business sector in Bangladesh. He is currently acting as a Chairman for Taufika Energy Co. Limited and Sharika Enterprise Ltd. and Chairman of Taufika Engineering Ltd. as well. He has visited many countries in connection with business and has gathered sufficient required knowledge to run a business smoothly and profitably.

(g) Capital structure and history of capital raising:

The company intends to issue 30,000,000 ordinary shares of BDT 10.00 each through Initial Public Offering (IPO) at an issue price of BDT 10.00 each at par totaling to BDT 300,000,000.00 subject to regulatory approvals.

Particulars	No. of Shares	Face Value (BDT)	Amount in BDT
Authorized Capital	100,000,000	10.00	1,000,000,000
Before IPO			
Paid-up Capital (A)	55,000,000	10.00	550,000,000
After IPO			
To be issued through IPO (B)	30,000,000	10.00	300,000,000
Paid up capital (Post IPO) (A+B)	85,000,000	10.00	850,000,000

The Company has raised its paid-up capital in following phases:

Allotment Date	Basis on Shares		Paid-up Capital In BDT
	No. of Shares In cash Consideration	No. of Shares Other than cash	
Subscription to the Memorandum & Articles of Association at the time of Incorporation	100,000	-	1,000,000
Issued as on May 03, 2017	5,300,000	-	53,000,000
Issued as on June 03, 2018	50,000	-	500,000
Issued as on November 15, 2018	1,095,000	-	10,950,000
Issued as on August 27, 2019	48,455,000	-	484,550,000
Total	55,000,000	-	550,000,000

**Face value of company's share was BDT 100/- each and was converted into BDT 10/- Face value of shares on the above table was considered at BDT 10/-for better presentation.*

(h) Summary of Valuation Report of securities:

Sl. No.	Valuation Methods	September 30, 2019 Fair Value BDT	June 30, 2020 Fair Value (BDT)
Method-1	Net Asset Value per share	12.17	12.75
Method-2	Earning-based value per share	10.39	18.41
Method-3	Average market price per share of similar stocks	21.25	21.25

Details Calculation available in page no. 125-128

Others

- (i) Declaration by the issuer as required by Rule 3 (2) (a) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015:

MANAGEMENT DECLARATION

We the management of **Taufika Foods and Agro Industries Limited** declare that our company has not made any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus.

Sd/-
Md. Ekramul Haque
Managing Director
Taufika Foods and Agro industries Limited

Sd/-
Ms Shamima Nargis Haque
Chairman
Taufika Foods and Agro industries Limited

- (ii) Declaration by the Issue Managers as required by Rule 3 (2) (b) of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015:

DECLARATION REGARDING THE ISSUE MANAGERS OR ANY OF ITS CONNECTED PERSONS IS IN NO WAY CONNECTED WITH THE ISSUER OR ANY OF ITS CONNECTED PERSON NOR DOES HOLD ANY SECURITIES THEREOF

We, the Issue Managers, declare that we do not have any connection with the Issuer, nor any connected persons of us are connected with the Issuer. Moreover, we do not have any connection with the connected persons of the Issuer nor hold any securities thereof.”

Sd/-
Mohammad Hamdul Islam
Managing Director & CEO
Banco Finance and Investment Limited.

Sd/-
Muhammad Nazrul Islam FCMA
Managing Director & CEO
Sandhani Life Finance Limited

- (iii) Declaration by the issuer as required by Rule 3 (2) (d) of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015:

STATEMENT REGARDING COST AUDIT

This is to inform you that Ministry of Commerce in its Gazette dated 12th January, 2003 ordered 5 companies from power sector and 6 companies from jute sector would be under Cost Audit Compliance. Later on, 3rd December 2009 Ministry of Commerce issued Gazette by which 42 companies from Garments and Textiles sector, 12 companies from Pharmaceutical sector and all the companies involved in manufacturing of Chemical Fertilizer would be under Cost Audit Compliance.

Since **Taufika Foods and Agro Industries Limited** is not bracketed in above mentioned companies, Cost Audit by Cost and Management Accountants is not applicable for “**Taufika Foods and Agro Industries Limited**”.

Sd/-
Md. Ekramul Haque
Managing Director
Taufika Foods and Agro industries Ltd.

Sd/-
Mohammad Hamdul Islam
Managing Director & CEO
Banco Finance And Investment Ltd.

Sd/-
Muhammad Nazrul Islam FCMA
Managing Director & CEO
Sandhani Life Finance Ltd.

(iv) **Declaration by the issuer as required by Rule 3 (2) (f) of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015:**

MANAGEMENT DECLARATION

We the management of **Taufika Foods and Agro Industries Limited** declare that our company is regular in holding of Annual General Meeting (AGM).

Sd/-
Md. Ekramul Haque
Managing Director
Taufika Foods and Agro industries Limited

Sd/-
Ms Shamima Nargis Haque
Chairman
Taufika Foods and Agro industries Limited

(v) **Declaration by the issuer as required by Rule 3 (2) (h) of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015:**

We, the management of **Taufika Foods and Agro Industries Limited** declare that our company is complied with the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015 while preparing prospectus

Sd/-
Md. Ekramul Haque
Managing Director
Taufika Foods and Agro industries Limited

Sd/-
Ms Shamima Nargis Haque
Chairman
Taufika Foods and Agro industries Limited

(vi) **Declaration by the issuer as required by Rule 4 (1) (d) (4) of the Bangladesh Securities & Exchange Commission (Public Issue) Rules, 2015:**

DECLARATION REGARDING CONSENT OF DIRECTORS TO SERVE AS DIRECTORS

We hereby agree that we have been serving as Directors of **Taufika Foods and Agro Industries Limited** and will continue to act as Directors of the Company.

Sd/-
Ms Shamima Nargis Haque
Chairman

Sd/-
Md. Ekramul Haque
Managing Director

Sd/-
Muhsinina Taufika Ekram
Director

Sd/-
Kawser Ahmed
Nominee Director
of
Taufika Engineering Ltd.

Sd/-
Imtiaz Lutful Baset FCMA, FCA
Independent Director

Place: Dhaka

Date: November 27, 2019

(vii) DECLARATION OF RESPONSIBILITIES OF BANCO FINANCE AND INVESTMENT LIMITED AND SANDHANI LIFE FINANCE LIMITED

Banco Finance and Investment Limited and Sandhani Life Finance Limited signed an agreement on October 23, 2019 to act as Issue Managers of Taufika Foods and Agro Industries Limited As per Annexure-G, section 10 of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, there will be allocation of responsibilities between the Issue Managers if the issue is managed by more than one Merchant Bank. In that case, there is no segregation of written responsibilities between us. We both have been jointly managing the Issue as Issue Managers.

Sd/-

Muhammad Nazrul Islam FCMA
Managing Director & CEO
Sandhani Life Finance Limited

Sd/-

Mohammad Hamdul Islam
Managing Director & CEO
Banco Finance And Investment Limited

CHAPTER – II

CONDITIONS IMPOSED BY THE COMMISSION

CHAPTER (II): CONDITIONS IMPOSED BY THE COMMISSION

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM:

As per provision of the Depository Act, 1999 and regulation made there under, shares will be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (rights/bonus) will be issued in dematerialized form only.

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969:

PART-A

1. The Company shall go for Initial Public Offer (IPO) for 30,000,000 ordinary shares of Tk. 10.00 each at par totaling to **Tk. 30,00,00,000.00 (Taka Thirty crore only)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **02 (two) working days** for the date of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue managers shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

"Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within **30 (thirty) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **30 (thirty) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money."

6. All applicants shall apply for minimum market lot of 500 shares worth Taka 5,000/- (Taka five thousand only) or its multiples.

7. The IPO shall stand cancelled in case of under-subscription collectively above 35%. In such an event, the issuer and issue manger shall inform the Commission within **2 (two) working days** and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. 20% of the securities reserved for general public excluding NRB shall be reserved for ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী. In case of under-subscription under any of sub-categories of eligible investors' category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. **In case of over subscription in the general public category, the issuer and the issue managers shall jointly conduct an open lottery.**
9. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications shall be treated as invalid and shall not be considered for allotment purpose. In addition, 15% (fifteen) of the application money shall be forfeited and deposited to the Commission and the balance amount shall be refunded to the applicant.**
10. **The applicants who have applied for more than two applications using same bank account, their applications shall not be considered for lottery. In addition, 15% of their subscription money shall be forfeited and deposited to the Commission. The balance amount shall be refunded to the applicants.**
11. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or sale proceeds of forfeited shares (unit) shall be deposited to the Commission. This is in addition to any other penalties as may be provided for by the law.**
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares, other than alternative investment funds, through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.
14. **If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.**
15. **The company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.**
16. **The company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.**
17. **The trading of securities in the platform of the Exchange(s) shall be started within 10 (ten) working days of lisitng approval.**
18. **Amon the eligible investors (EI) who intend to submit applications through Electronic Subscription System of the Exchanges(s) shall maintain a minimum investment of Tk 50,00,000.00 (Taka fifty lacs only) for approved pension funds and recognized provident funds and other EIs of Tk 1,00,00,000.00 (Taka one crore only) at market price in listed securities as on the end of a working day which is immediately preceded by 5 (five) working days from the first day of starting subscription as per Rule 2(1)(e) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. The CDBL shall send a rport to the Exchange regarding holding of EIs in listed securities and the Exchange shall ensure the compliance in this regard.**

19. **The Issuer shall not increase its paid – up capital within 4 (four) years from the first trading day at the exchanges.**

PART-B

Application Process

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account **and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD The applicant shall also submit the certificate with his/her application.** No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
 - c. **Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by the exchange(s).**

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
 - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of **next working day** of the cut-off date;
 - c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list

containing the draft (FDD) information against the respective applicant's particulars.

6. The Stockbroker/Merchant Banker shall prepare category-wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts (FDD) **and certificates** received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. On the **next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts (FDD) **and certificates** submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with the Exchange(s).

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the Issue Manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges. Provided that IPO lottery shall be conducted on the license digital platform made by any of the following institutions under the supervision of Central Depository Bangladesh Limited (CDBL):
 - (a) Bureau of Research Testing and Consultation (BRTC), BUET;
 - (b) Computer Science Department, Dhaka University; and
 - (c) Bangladesh Computer Council.
13. The Issuer and Issue Manager shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of lottery.
14. **Within 02 (two) working days** of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. On the **next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants, who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. On the **next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a. release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign), who are subject to penal provisions, to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (FC account which has been debited to apply by NRB or foreign applicants) through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager, Stockbrokers and Merchant Bankers and the Exchange shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts (FDD) sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the Exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. **The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.**
4. **While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:**
 - a. **Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;**
 - b. **Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;**
 - c. **Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;**
 - d. **Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and**
 - e. **The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.**
5. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers.
6. **Proceeds of the Initial Public offer shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in this respect of purpose and time must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a Board approved agenda thereon and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the Board of Directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information.**
7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any Exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 gazetted on 8 August 2018.

8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগীব্যবসানিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

1. As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL) and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

CHAPTER - III

DECLARATION AND DUE DILIGENCE CERTIFICATES AS PER ANNEXURE- A, B AND C

**DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF
TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED IN RESPECT OF THE PROSPECTUS**

[Rule 4 (1)(d)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-
Ms Shamima Nargis Haque
Chairman

Sd/-
Md. Ekramul Haque
Managing Director

Sd/-
Muhsinina Taufika Ekram
Director

Sd/-
Kawser Ahmed
Nominee Director
of
Taufika Engineering Ltd.

Sd/-
Imtiaz Lutful Baset FCMA, FCA
Independent Director

Place: Dhaka

Date: November 27, 2019

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER**(BANCO FINANCE AND INVESTMENT LIMITED)****[Rule 4 (1)(d)]**

To
The Bangladesh Securities and Exchange Commission

Sub: Public issue of 30,000,000 ordinary shares of BDT 10.00 at par totaling BDT 300,000,000.00 of Taufika Foods and Agro industries Limited

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Sl. No.	Name of the Issue	Issue Month/Year	Issue Price	Dividend Payment History		
				2019	2018	2017
01	IFAD Autos Limited	October 02, 2014	30.00	10% C	22% C, 10% B	21% C, 5% B
02	BBS Cables Ltd.	April 27, 2017	10.00	10% C, 10% B	10% C, 15% B	5% C, 15% B
03	Nahee Aluminum Composite Panel Ltd.	August 28, 2017	10.00	5% C, 10% B	7% C, 10% B	5% C, 10% B
04	New Line Clothings Limited	January 24, 2019	10.00	3% C, 7% B	N/A	
05	Sea Pearl Beach Resort & Spa Limited	March 28, 2019	10.00	5% B	N/A	

Place: Dhaka
Date: November 27, 2019

Sd/-
Mohammad Hamdul Islam
Managing Director & CEO
Banco Finance And Investment Limited

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER**(SANDHANI LIFE FINANCE LIMITED)****[Rule 4 (1)(d)]**

To
The Bangladesh Securities and Exchange Commission

Sub: Public issue of 30,000,000 ordinary shares of BDT 10.00 at par totaling BDT 300,000,000.00 of Taufika Foods and Agro industries Limited

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Sl. No.	Name of the Issue	Issue Month/Year	Issue Price	Dividend Payment History		
				2019	2018	2017
02.	New Line Clothings Limited	January 24, 2019	10.00	3% C, 7% B	N/A	

Place: Dhaka

Date: November 24, 2019

Sd/-

Muhammad Nazrul Islam FCMA
Managing Director & CEO
Sandhani Life Finance Limited

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER(S)
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 30,000,000 ordinary shares of BDT. 300,000,000.00 of Taufika Foods and Agro Industries Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 329.65 (Three hundred twenty-nine point sixty-five) crore only and we have the capacity to underwrite a total amount of Tk. 2,207.30 (Taka Two Thousand Two Hundred seven point three zero) crore as per relevant legal requirements. We have committed to underwrite for up to Tk. 15,000,000.00 (one crore fifty lac) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Amount of Underwritten (in BDT)
1	Delta Hospital Limited	8,000,000.00
2	Desh General Insurance Company Ltd.	5,600,000.00
3	Energypac Power Generation Ltd.	12,500,000.00
4	Ratanpur Steel Re- Rolling Mills Ltd.	37,500,000.00
5	AB Bank Limited	750,000,000.00
6	Mohammed Elias Brothers POY Manufacturing Limited	10,000,000.00
7	Dragon Sweater and Spinning Limited	381,666,660.00
8	eGeneration Limited	20,000,000.00
9	JMI Hospital Requisite Manufacturing Limited	51,250,000.00
10	Sonali Life Insurance Company Limited	66,500,000.00
11	Mir Akhter Hossain Limited	10,000,000.00
12	Infinity Technology International Limited	20,000,000.00
13	Omera Petroleum Limited	41,726,036.00
Total		1,414,742,696.00

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Md. Sydul Islam
Additional Chief Executive Officer

Place: Dhaka

Date: 28 November 2019

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by Taufika Foods and Agro Industries Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 308,990,000.00 (Taka thirty crore eighty-nine lac ninety thousand) and we have the capacity to underwrite a total amount of Tk. 1,544,950,000.00 (Taka one hundred fifty-four crore forty-nine lac fifty thousand) as per relevant legal requirements. We have committed to underwrite for up to Tk. 30,000,000.00 (Taka three crore) only for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (in BDT)
1	AB Bank Limited (Rights)	90,000,000
2	Ratanpur Steel Re-Rolling Mills Ltd. (Rights)	50,000,000
3	Electro Battery Com. Ltd. (IPO)	39,375,000
4	PEB Steel Alliance Limited (IPO)	22,500,000
5	Gardenia Wears Ltd. (IPO)	45,000,000
6	Pragati Life Insurance Ltd. (Rights)	90,000,000
7	Krishibid Feed Ltd. (IPO)	105,000,000
	Total	441,875,000

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Khairul Bashar A. T. Mohammed
 Chief Executive Officer & SEVP
 MTB Capital Ltd.

Place: Dhaka

Date: November 24, 2019

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 30,000,000 ordinary shares of BDT 300,000,000.00 of Taufika Foods And Agro Industries Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at BDT 250,000,000 (Taka Twenty-Five Crore only) and we have the capacity to underwrite a total amount of BDT 1,250,000,000 (Taka One Hundred and Twenty-Five Crore only) as per relevant legal requirements. We have committed to underwrite for up to BDT 60,000,000.00 (Taka Six Crore Only) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Underwritten amount in BDT
01	Shamsul Alamin Real Estate Limited	100,000,000
02	Ratanpur Steel Re-Rolling Mills Limited	75,000,000
03	Al-Faruque Bags Ltd.	35,000,000
04	S F Textiles Industries Ltd.	21,000,000
05	Hajj Finance Company Limited	15,750,000
06	Three Angel Marine Limited	62,000,000
07	Achia Sea Foods Limited	14,000,000
Total		322,750,000

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Muhammad Nazrul Islam FCMA
 Managing Director & CEO
 Sandhani Life Finance Limited

Place: Dhaka


Date: November 24, 2019

CHAPTER - IV

ABOUT THE ISSUER

CHAPTER (IV): ABOUT THE ISSUER

(a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;

Particulars	Description
Name of the Issuer	: Taufika Foods and Agro Industries Limited
Date of incorporation	: August 07, 2011
Commencement of its commercial operations	: January 02, 2016
Company Logo	: 
Registered Office	: Plot-01, Road-11, Block-G, Banani, Dhaka-1213.
Corporate Office	: House-80, Road-2, level-4A & 4B, Banani (Chairman Bari), Dhaka-1213.
Other offices(Depot)	: 816, North Nondipara, Rampura Staff Quarter Road, Khilgaon, Dhaka-1219
	: 372/5/1, Shahdat Hossain Road, West Jurain, Dhaka-1204
	: 20, Dhour Main Road, Turag, Dhaka-1230
	: House-8, Bosila Road, Mohammadpur, Dhaka.
	: 15, Nasirabad I/A Chottogram
	: Ahmed Nagar, Sadar Dokkhin, Cumilla
	: 2, Borhan Uddin Road, Naya Bazar Kushi Ghat, Sylhet-3100
	: 2, No, Custom Ghat, Khulna
	: 117, West Khabashpur, Faridpur-7800
	: 13, Isakathi, Kashipur Bazar, Brisal-8200
	: Karmichael Road, Sheuzgari, Bogura-5800
	: 59, R.K Road, Rangpur-5400
Plant(Factory)	: Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh.
Telephone Number	: 02-9841286-8
Fax Number	: 02-9841289
Contact Person	: A.K.M Zakaria Hossain FCMA Company Secretary
Website Address	: www.lovello.club
E-mail Address	: lovello@lovello.club

(b) The names of the sponsors and directors of the issuer;

Sl. No.	Name of the Sponsors	Present Status in the company
1	Ms. Shamima Nargis Haque	Chairman
2	Md. Ekramul Haque	Managing Director

Sl. No.	Name of the Directors	Position
1	Ms. Shamima Nargis Haque	Chairman
2	Md. Ekramul Haque	Managing Director
3	Muhsinina Taufika Ekram	Director
4	Taufika Engineering Ltd.(Represented by Kawser Ahmed)	Director
5	Imtiaz Lutful Baset FCMA, FCA	Independent Director



(c) The name, logo and address of the auditors and registrar to the issue, along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses;

About The Auditor:

Particulars		Description
Name	:	Islam Quazi Shafique & Co. Chartered Accountants
Logo	:	 ISLAM QUAZI SHAFIQUE & CO. Chartered Accountants
Address	:	Al-Haj Shamsuddin Mansion (4th Floor) 17, New Eskaton Road, Maghbazar, Dhaka-1000.
Telephone Number	:	02-48312349
Fax Number	:	02-9571005
Contact Person	:	Quazi Shafiqul Islam FCA, FCS Partner
Website address	:	www.qsibd.com
E-mail Address	:	qsi.esk@gmail.com

About the registrar to the issue: Under fixed price method registrar to the issue is not applicable.


(d) The name(s) of the stock exchanges where the specified securities are proposed to be listed.

Stock Exchanges	Dhaka Stock Exchange Limited (DSE) DSE-Tower, Plot#46, Road#21, Nikunja-2, Dhaka-1229		Tel: 02-9564601, 02-9576210-18 Fax: 02-9564727, 02-9569755
	CHITTAGONG STOCK EXCHANGE LTD. CSE Building, 1080, Sheikh Mujib Road, Chittagong 4100.		Tel: 02-9513911-15 Fax: 02-9513906

CHAPTER - V

CORPORATE DIRECTORY OF THE ISSUER

Corporate Directory of the Issuer:

Company Name	:	Taufika Foods and Agro Industries Limited
Logo	:	
Incorporation	:	August 07, 2011
Legal Status	:	Public Limited Company
Converted into Public Limited Company	:	July 08, 2019
Incorporation & Reg. No.	:	C-94700/11
Commencement of Commercial Production	:	January 02, 2016
Authorized Capital	:	Tk. 1,000,000,000 divided by 100,000,000 ordinary shares of Tk. 10.00 each
Paid up Capital	:	Tk. 550,000,000 divided by 55,000,000 ordinary shares of Tk. 10.00 each
Registered office	:	Plot-01, Road-11, Block-G, Banani, Dhaka-1213.
Registered Office Telephone & FAX	:	Telephone: 02-9841286-8, Fax: 02-9841289
Corporate Office	:	House-80, Road-2, level-4A & 4B, Banani (Chairman Bari), Dhaka-1213.
Corporate Office Telephone & FAX	:	Telephone: 02-9841286-8, Fax: 02-9841289
Project	:	Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh.
Factory/Project Telephone & FAX	:	Telephone: 01841102530, Fax: 02-9841289
Website	:	www.lovello.club
Email	:	lovello@lovello.club
Board of Directors	:	05 (Five) Persons
Auditor	:	Islam Quazi Shafique & Co. Chartered Accountants
Tax Consultant	:	Md. Kafil Uddin Mahmud
Legal Advisor	:	Md. Iftabul Kamal Ayan Advocate, Bangladesh Supreme Court
	:	Md. Humayun Kabir Advocate, Bangladesh Supreme Court
Banker for IPO	:	Trust Bank Ltd.
Banker of the Company	:	Pubali Bank Ltd.
	:	Trust Bank Ltd.
	:	Premier Bank Ltd.
	:	Prime Bank Ltd.
	:	Brac Bank Ltd.
	:	Mercantile Bank Ltd.
	:	Union Bank Ltd.
	:	United Commercial Bank Limited
	:	Shimanto Bank Limited
	:	City Bank Ltd.
	:	NRB Bank Ltd.
	:	Islami Bank Ltd.
	:	AB Bank Ltd.
	:	Dutch Bangla Bank Ltd.
Compliance officer	:	A.K.M Zakaria Hossain FCMA

CHAPTER - VI

DESCRIPTION OF THE ISSUER

(a) Summary:

(i) The summary of the industry and business environment of the Issuer:

The ice-cream industry of Bangladesh is a fast-growing industry which is rising by 12% rate per year. However, it is anticipated that the growth rate to rise by additional 15% by the end of year 2019 and is expected to rise continuously as per market study. Overall worth of the ice cream market of Bangladesh is Tk.1200 crore. Ice-cream market of this great nation expanded because of addition of Bangladesh rural customer and rise in per capita income. Upon massive electrification throughout the country, particularly in rural Bangladesh, use of refrigerators in rural areas, led to a market development in suburbs and villages. Other than that, a development in the socio-economic front influenced food habits of millions, helped in expanding ice-cream market, which led to surpassing neighboring India, and even compete with global market in terms of market size. Compared with overall GDP, Bangladesh's ice-cream industry is at par with Europe and overall global market.

Currently 79% share of the country's Tk1, 200 crore ice-cream market are held by three out of six companies. Among them, branded ice creams is the most popular, occupying more than 85% of the total market share, while premium ice-creams which are expensive than those of branded ones account for nearly 15-20% of the market. The branded ice-cream market size is growing fast because marketing for branded ice cream is concentrated in the megacities due to issues regarding electricity, cold chain, and rise in income level of the consumers. "Other than that change in social structure and food habits boosted branded ice cream demand. Igloo and Polar are two established names in the industry hold two-thirds (66%) of the market share and other four companies, combined, hold 79% of the total market share. Currently, Igloo is the market leader holds 38% of the market share since it is the most popular impulse and take-home ice cream in Bangladesh and it's available at 20,000 retail outlets. Other than that, growth of the country's ice cream market has also seen a boost in employment and contributing 0.064% of the gross domestic product (GDP)., however tariffs on imported raw materials of ice-cream need to be rationalized.

Furthermore, the ice cream industry contributes 0.053% of the world GDP whose global market grew at the Compound Annual Growth Rate (CAGR) of around 6% during 2009-2016, reaching a volume of 19.7 million metric tons in 2016. In 2016, Europe dominated the global ice cream market with more than 40% share. On the other hand, China and Brazil account for two-fifths of the global ice cream sales. So if the Ice cream industry of Bangladesh is nurtured well then it can be a major player at the global stage too, very soon.

<https://www.dhakatribune.com/business/2018/11/28/ice-cream-industry-expanding-on-rural-demand>

Business Environment

The issuer has good supply of raw materials and availability of affordable labour force in Bangladesh as a result Issuer's business environment is conducive in which it operates. Manpower has become skilled over the period. Moreover, favorable business environment makes this sector booming rapidly.

(ii) Summary of consolidated financial, operating and other information.

This information is not applicable for Taufika Foods and Agro Industries Limited since it has no subsidiary and associates company.

(b) General Information:

(i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer:

Registered Office				
Name	:	Taufika Foods and Agro Industries Limited		
Address	:	Plot-01, Road-11, Block-G, Banani, Dhaka-1213.		
Telephone Number	:	02-9841286-8		
Fax Number	:	02-9841289		
Corporate Head Office				
Name	:	Taufika Foods and Agro Industries Limited		
Address	:	House-80, Road-2, level-4A & 4B, Banani (Chairman Bari), Dhaka-1213.		
Telephone Number	:	02-9841286-8		
Fax Number	:	02-9841289		
Factory				
Name	:	Taufika Foods and Agro Industries Limited		
Address	:	Bashile, Po Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh.		
Telephone Number	:	01841102530		
Fax Number	:	02-9841289		
Other Offices				
Depot Name	Depot Address		Contact Person	Contact Persons Number
Dhaka East	816, North Nondipara, Rampura Staff Quarter Road, Khilgaon, Dhaka-1219		MD. Akash Ahmed	01841102295
Dhaka South	372/5/1, Shahdat Hossain Road, West Jurain, Dhaka-1204		MD. Rashduzzaman	01841102585
Dhaka North	20, Dhour Main Road, Turag, Dhaka-1230		MD. Shamim Hossain	01841102210
Dhaka West	House-8, Bosila Road, Mohammadpur, Dhaka.		MD. Arif Hossain	01844496715
Chottogram	15, Nasirabad I/A Chottogram		MD. Abdullah Ali Mamun	01841102636
Cumilla	Ahmed Nagar, Sadar Dokkhin, Cumilla		MD. Daulat Kamal	01841102298
Sylhet	2, Borhan Uddin Road, Naya Bazar Kushi Ghat, Sylhet-3100		MD. Gulam Wahid	01841102299
Khulna	2, No, Custom Ghat, Khulna		MD. Shamim Reza	01841102949
Faridpur	117, West Khabashpur, Faridpur-7800		MD. Shirazul Islam	01841102252
Borishal	13, Isakathi, Kashipur Bazar, Brisal-8200		MD. S K Shahrear	01841102238
Bogura	Karmichael Road, Sheuzgari, Bogura-5800		MD. A K M Rakibuzzaman	01841102201
Rangpur	59, R.K Road, Rangpur-5400		MD. Rezual Islam	01841102634

(ii) The board of directors of the issuer;

Sl. No.	Board of Directors	Designation
1	Md. Ekramul Haque	Managing Director
2	Ms. Shamima Nargis Haque	Chairman
3	Muhsinina Taufika Ekram	Director
4	Taufika Engineering Ltd.(Represented by Kawser Ahmed)	Director
5	Imtiaz Lutful Baset FCMA, FCA	Independent Director

(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer:

Sl. No.	Name	Designation	Address	Telephone, fax numbers & E-mail address
1	Md. Ekramul Haque	Managing Director	House # 5B, Plot # 45, Block # A, Basundhara Housing Society, Dhaka.	Telephone: 02-9841286-8 Fax: 02-9841289 Email: ekramulhaque@lovello.club
2	Ms. Shamima Nargis Haque	Chairman	House # 5B, Plot # 45, Block # A, Basundhara Housing Society, Dhaka.	Telephone: 02-9841286-8 Fax: 02-9841289 E-mail: shamimahaque@lovello.club
3	Muhsinina Taufika Ekram	Director	House # 5B, Plot # 45, Block # A, Basundhara Housing Society, Dhaka.	Telephone: 02-9841286-8 Fax: 02-9841289 E-mail: muhsininaekram@lovello.club
4	Taufika Engineering Ltd. (Represented by Kawser Ahmed)	Director	House # 7 (3 rd Floor), Road # 12/6, Mirpur 11/B, Pollobi, Dhaka.	Telephone: 02-9841286-8 Fax: 02-9841289 E-mail: kawsar_ahmed@lovello.club
5	Imtiaz Lutful Baset FCMA, FCA	Independent Director	13/A, Becharam Dewry Road, Dhaka-1100	Telephone: 02-5895 7389 E-mail: imtiaz.kindler@gmail.com

(iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer;

Sl. No.	Name	Position	Address	Telephone, fax numbers & E-mail address
1	Mustaque Ahmad	Chief Financial Officer	237, Ibrahimpur, Kafrul, Dhaka Cantonment Dhaka-1206	Tel: +880-2-9841286-8 Fax: +880-2-9841289 Email: mustaque_ahmad@lovello.club
2	A.K.M Zakaria Hossain FCMA	Company Secretary & compliance officer	177, East Kazipara, Kafrul, Dhaka-1216	Tel: +880-2-9841286-8 Fax: +880-2-9841289 Email: zakaria@lovello.club
3	Md. Iftabul Kamal Ayan Advocate, Bangladesh Supreme Court	Legal Advisor	5-B /15, Ground floor, Shahid Salimulla Road, Dhaka, Bangladesh.	Tel: +88 02 9104013 Fax: +88 02 8150556 Email: legalsolutions@woloraashfaq.com
	Md. Humayun Kabir Advocate, Bangladesh Supreme Court		Pritom Zaman Tower Suite No-702, Level-7 House No-37/2, Box Culvert Road, Purana Palton, Dhaka-1000	Mobile: +88-01711589768 E-mail: humayun@yahoo.com
4	Islam Quazi Shafique & Co. Chartered Accountants	Auditor	Al-Haj Shamsuddin Mansion, (4th Floor) 17, New Eskaton Road, Moghbazar, Dhaka-1000.	Tel: 02-8312349 Fax: 02-9571005 Email: qsi.esk@gmail.com Website: www.qsibd.com

(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc.;

Name & Address	Contact Person	Telephone & Fax Numbers	Website & E-mail Addresses
Banco Finance And Investment Limited Shefali Complex (4 th Floor), 218/3, A, West Kafrul, Begum Rokeya Sharani, Taltola, Sher-e-Bangla Nagar, Dhaka-1207	Mohammad Hamdul Islam Managing Director & CEO	Tel: 02-55025168 Tel: 02-55025169 Fax: 02-55025167	Website: www.bfilbd.org E-mail: banco.bd@gmail.com
Sandhani Life Finance Limited 16, Motijheel Commercial Area, (2 nd Floor), Dhaka – 1000	Muhammad Nazrul Islam FCMA Managing Director & CEO	Tel: 02-9551896 Tel: 02-9575903 Fax: 02-9554847	E-mail: info@sflbd.com Website: www.sflbd.com

Registrar to the issue: Under fixed price method registrar to the issue is not applicable as the company is issuing shares at par.

(vi) The following details of credit rating, where applicable:

As per Section 3 of Credit Ratings Companies Rules, 1996, no credit rating report is required for the Company as the company is issuing shares at par.

(vii) Following details of underwriting:

a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them;

Name & Address	Contact Person	Telephone, Fax Number, E-mail & Web Address	Underwritten Amount in BDT
ICB Capital Management Limited Green City Edge (5th & 6th Floor) 89, Kakrail, Dhaka-1000, Bangladesh	Shukla Das Chief executive Officer	Tel: 02-8300555 Tel: 02-8300367 Fax: 02-8300396 Website: www.icml.com.bd E-mail: icmlbd@gmail.com	15,000,000
MTB Capital Limited MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka-1000	Khairul Bashar Abu Taher Mohammed Chief Executive Officer & SEVP	Tel: +88-02-8321714 Fax: +88-02-8321543 Website: www.mtbcap.com Email: info.mtbcap@mutualtrustbank.com	30,000,000
Sandhani Life Finance Limited 16, Motijheel Commercial Area, (2 nd Floor), Dhaka – 1000	Muhammad Nazrul Islam FCMA Managing Director & CEO	Tel: 02- 9515249 Tel: 02- 47118505 Fax: 02-9554847 E-mail: info@slflbd.com Website: www.slflbd.com	60,000,000
Total			105,000,000

b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;

DECLARATION BY LIMITED

We are one of the underwriters to the Initial Public Offering (IPO) of Taufika Foods and Agro Industries Limited. We will underwrite totaling to BDT. 15,000,000.00 (one crore fifty lac) on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

For Underwriter

Place: Dhaka

Date: November 28, 2019

Sd/-

Md. Sydul Islam

Additional Chief Executive Officer
ICB Capital Management Limited

DECLARATION BY MTB CAPITAL LIMITED

We are one of the underwriters of the Initial Public Offering (IPO) of Taufika Foods and Agro Industries Limited. We will underwrite totaling to BDT 30,000,000 (Taka Three Crore) only on a firm commitment basis. In this connection, we hereby declare that:

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

Place: Dhaka

Date: November 24, 2019

Sd/-

Khairul Bashar Abu Taher Mohammed

Chief Executive Officer & SEVP

MTB Capital Limited

DECLARATION BY SANDHANI LIFE FINANCE LIMITED

We are one of the underwriters of the Initial Public Offering (IPO) of Taufika Foods and Agro Industries Limited. We will underwrite BDT 60,000,000 (Taka Six Crore) for the upcoming issue on a firm commitment basis.

In this connection, we hereby declare that: We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

Place: Dhaka

Date: November 24, 2019

Sd/-

Muhammad Nazrul Islam FCMA

Managing Director & CEO

Sandhani Life Finance Limited

c) Major terms and conditions of the underwriting agreements.

As per the guideline of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, 35% of Initial Public Offering (IPO) i.e. **10,500,000** ordinary shares of Tk. **10.00** per share totaling Tk. **105,000,000** shall have to be underwritten by the Underwriters, subject to the terms stated as follows:

- (i) In case of under-subscription in any category by up to 35% in an Initial Public Offer, the undersubscribed portion of securities shall be taken up by the underwriter.
- (ii) The Company shall issue **30,000,000** Ordinary Shares of Tk. **10.00** per share for public subscription through publishing a Prospectus in accordance with the consent of the Bangladesh Securities and Exchange Commission and the provision of this Agreement.
- (iii) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission **0.50%** (zero point five zero percent) on the amount underwritten.
- (iv) If and to the extent that the shares offered to the public by a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the Closing Date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriters in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not so subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within 15 (fifteen) days after being called upon to do so. The amount so received shall be credited to the share subscription account of the Company within the said period. If payment is made by Cheque/Bank Draft by the Underwriter, it will be deemed that the Underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's share subscription account credited.
- (v) In any case **within 7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the underwriters to the Commission. In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.
- (vi) Notwithstanding anything contained in this Agreement, in case of any inconsistency between the provision of this Agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, shall prevail.

(c) Capital Structure:

(i) Authorized, issued, subscribed and paid-up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);

Particulars	No. of shares	Class of securities	Nominal price	Issue price	Amount in BDT
Authorized Capital	100,000,000	Ordinary Shares	10.00	10.00	1,000,000,000
Issued, Subscribed and Paid-up Capital	55,000,000	Ordinary Shares	10.00	10.00	550,000,000

The Company has raised its paid-up capital in following phases:

Allotment Date	Basis on Shares		Paid-up Capital In BDT
	No. of Shares In cash consideration	No. of Shares Other than cash	
Subscription to the Memorandum & Articles of Association at the time of Incorporation	100,000	-	1,000,000
Issued as on May 03, 2017	5,300,000	-	53,000,000
Issued as on June 03, 2018	50,000	-	500,000
Issued as on November 15, 2018	1,095,000	-	10,950,000
Issued as on August 27, 2019	48,455,000	-	484,550,000
Total	55,000,000	-	550,000,000

**Face value of company's share was Tk. 100/- each and was converted into BDT. 10/- Face value of shares on the above table was considered at Tk.10/-for better presentation.*

(ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);

Description	Number of Securities to be Offered		Percentage	Break-up of Securities	Nominal value	Issue Amount in BDT
Offer price BDT 10.00 each at par, total size of fund to be raised BDT. 300,000,000	Eligible Investors (EIs)	Mutual Funds and CIS	10%	3,000,000	10.00	30,000,000
		EI excluding mutual funds and CIS	30%	9,000,000		90,000,000
	General Public (GP)	NRB	10%	3,000,000		30,000,000
		GP excluding NRB	50%	15,000,000		150,000,000
Total			100%	30,000,000	10.00	300,000,000

(iii) Paid-up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);

Particulars	No. of Securities	Issue Price	Amount in BDT
Paid-up capital before the present issue	55,000,000	10.00	550,000,000
Paid-up capital after the present issue	85,000,000	10.00	850,000,000
Paid-up capital after conversion of convertible instruments (if any)	N/A		
Share premium account before the present issue	N/A		
Share premium account after the present issue	N/A		

(iv) Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);

Sl. No.	Category of Shareholders		No of ordinary shares held		Percentage of Holding	
			Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Directors and Sponsors		49,500,000	49,500,000	90%	58.24%
2	Other Than Directors and Sponsors		5,500,000	5,500,000	10%	6.47%
3	Eligible Investors	Mutual Funds and CIS	-	3,000,000	-	3.53%
		EI excluding mutual funds and CIS	-	9,000,000	-	10.59%
4	General Public	NRB	-	3,000,000	-	3.53%
		GP excluding NRB	-	15,000,000	-	17.65%
Total			55,000,000	85,000,000	100.00%	100.00%

The Company has no convertible instrument.

(v) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;

No share has been issued for consideration in other than cash

(vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;

The company did not issue or allot any shares of any merger, amalgamation or acquisition scheme.

(vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;

The Company has not issued any equity shares under one or more employee's stock option scheme.

(viii) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;

There is no such transaction where the company has made any issue of specified securities at a price lower than the issue price during the preceding two years.

(ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;

The Company has no such decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

(x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;

Sl. No.	Name of Director and Sponsor	Position	Nature of Issue	Date of Allotment	No of Shares	Amount in BDT	Face Value/ Issue Price	Consideration	Date when the shares were made fully paid up	Total Amount BDT	No of Shares Total	Percentage (%)		*Lock-in Period
												Pre-IPO	Post IPO	
1	Md. Ekramul Haque	Managing Director	Ordinary Share	MoA	50,000	500,000	10.00	Cash	MoA	330,000,000	33,000,000	60.00%	38.82%	3 Years
				RoA (03/05/2017)	4,200,000	42,000,000			03/05/2017					
				RoA (27/08/2019)	28,750,000	287,500,000			27/08/2019					
2	Ms. Shamima Nargis Haque	Chairmen	Ordinary Share	MoA	50,000	500,000			MoA	29,000,000	2,900,000	5.27%	3.41%	3 Years
				RoA (03/05/2017)	1,100,000	11,000,000			03/05/2017					
				RoA (27/08/2019)	1,750,000	17,500,000			27/08/2019					
3	Muhsinina Taufika Ekram	Director	Ordinary Share	RoA (15/11/2018)	50,000	500,000			15/11/2018	20,500,000	2,050,000	3.73%	2.41%	3 Years
				RoA (27/08/2019)	2,000,000	2,000,000			27/08/2019					
4	Taufika Engineering Ltd.(Represented by Kawser Ahmed)	Director	Ordinary Share	RoA (03/06/2018)	50,000	500,000			03/06/2018	115,500,000	11,550,000	21.00%	13.59%	3 Years
				RoA (27/08/2019)	11,500,000	115,000,000			27/08/2019					
5.	Imtiaz Lutful Baset FCMA, FCA	Independent Director	N/A											

Note: There is no pledged shares

* Lock-in starts from the first trading day at the exchange

**Face value of company's share was BDT 100/- each and was converted into BDT 10/- Face value of shares on the above table was considered at BDT 10/-for better presentation.

(xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus;

No specific securities purchased or sold or otherwise transferred within six months immediate preceding the date of filling the prospectus by the sponsors and/or by the directors of the issuer and their related parties except the following newly issued ordinary shares:

Aggregate shareholding of the sponsors and directors:

Sl. No.	Name	Position	Date of Allotment	No of Shares	No of Shares Total	Percentage (%)	
						Pre-IPO	Post IPO
1	Md. Ekramul Haque	Sponsor and Managing Director	MoA	50,000	33,000,000	60.00%	38.82%
			RoA (03/05/2017)	42 00,000			
			ROA(27/08/2019)	28,750,000			
2	Ms. Shamima Nargis Haque	Sponsor and Chairman	MoA	50,000	2,900,000	5.27%	3.41%
			RoA (03/05/2017)	1,100,000			
			RoA (27/08/2019)	1,750,000			
3	Muhsinina Taufika Ekram	Director	RoA (15/11/2018)	50,000	2,050,000	3.73%	2.41%
			RoA(27/08/2019)	2,000,000			
4	Taufika Engineering Ltd.(Represented by Kawser Ahmed)	Director	RoA (03/06/2018)	50,000	11,550,000	21.00%	13.59%
			RoA (27/08/2019)	11,500,000			
5	Imtiaz Lutful Baset FCMA, FCA	Independent Director	N/A				
Total					49,500,000	90.00%	58.24%

No specific securities purchased or sold or otherwise transferred within six months immediate preceding the date of filling the prospectus by the sponsors and/or by the directors of the issuer and their related parties except the following newly issued ordinary shares through fresh subscription:

Sl. No.	Name of the Sponsors and Directors	Position	Date of acquisition	Newly Issued no. of Shares
1	Md. Ekramul Haque	Managing Director	27.08.2019	28,750,000
2	Ms. Shamima Nargis Haque	Chairman		1,750,000
3	Muhsinina Taufika Ekram	Director		2,000,000
4	Taufika Engineering Ltd.	Director		11,500,000
5	Kazi Amdadul Hoque	Shareholder		1,055,000
6	Rizvi Kawser	Shareholder		5,000
7	Tahmina Chowdhury	Shareholder		200,000
8	Hoana Ara Begum	Shareholder		1,090,000
9	Md Saiful Islam Helaly	Shareholder		1,040,000
10	Zakir Hossain	Shareholder		95,000
11	Masuma Khatun	Shareholder		250,000
12	Md. Abdus Sultan	Shareholder		720,000
	Total			48,455,000

(xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;

Sl. No.	Name of Shareholders	Address	Type of Ownership	Amount of Securities Owned	Shareholding by beneficially or of record ownership (%)
1	Md. Ekramul Haque	House # 5B, Plot # 45, Block # A, Basundhara Housing Society, Dhaka.	Director	330,000,000	60.00%
2	Ms. Shamima Nargis Haque	House # 5B, Plot # 45, Block # A, Basundhara Housing Society, Dhaka.	Director	2,900,000	5.27%
3	Taufika Engineering Ltd.(Represented by Kawser Ahmed)	House # 7 (3 rd Floor), Road # 12/6, Mirpur 11/B, Pollobi, Dhaka.	Director	115,500,000	21.00%

(xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.

There is no officer of Taufika Foods and Agro Industries Limited holding any securities of the Company.

(d) Description of Business:

(i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;

Particulars		Description
Date of Incorporation	:	August 07, 2011
Commencement of Commercial Operation	:	January 02, 2016.
Nature of Business	:	The Company is an Ice-cream manufacturer and supplier in Bangladesh.
Subsidiaries Company	:	The Company has no subsidiary company.

(ii) Location of the project;

The project is situated at Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh, Bangladesh.

(iii) Plant, machinery, technology, process, etc.

Taufika Foods and Agro Industries Ltd. was formed in the year 2013 with a view to serve the nation with some unique and quality food products. Keeping its initial motto in mind it has launched its first ever brand namely "Lovello ice cream" for its customers in Bangladesh in the year 2016. Taufika Foods has used state-of the-art Danish Technology to facilitate and support the quality products. For its excellence in Process, System, Approach and Production line it has been certified by BSTI, HACCP and ISO/FSSC 22000 from the very beginning. Lovello is catering its customers with a wide variety and ranges of products and also with some unique and noble items like Mini cone, Mini Chocobar and Kulfi. At the same time Lovello has positioned themselves at no. 3 in the market through their products and service in less than 3 years of time. Their products are made of using finest raw materials from Denmark and European sources along with some quality local supply.

To make its products available in the market it has established nationwide 12 Depots with modern facilities to enjoy a stock facility of more than 280000 Liters. From Factory to Depots to Dealer points are well equipped and under quality supervision to maintain the cold chain throughout its life cycle.

A team of experienced professionals are working to source raw materials to supply to production to distribution to retail. Total Quality Management (TQM) is ensured through its entire process.

(iv) Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;

Date of Incorporation:	As a private limited company on August 07, 2011 having a Vide Registration No. C-94700/11.
Conversion from Private into Public:	July 08, 2019
Capacity:	18,044,445 Liter yearly.
Break Even Production	5,158,875 Liter/Yearly.
Launching of Plant:	December 10, 2014
Launching of Products:	January 03, 2016
Launching of Marketing:	February 14, 2016
Change in Ownership/Key Management Personnel	1. On 14-02-2016 Md. Kamruzzaman has been appointed as Chief Operating Officer. 2. On 15.11.2018 Muhsinina Taufika Ekram has been appointed as director. 3. On 10.04.2019 Kawser Ahmed has been appointed as Nominee Director on behalf of Taufika Engineering Limited. 4. On 23.11.2019 Imtiaz Lutful Baset FCMA, FCA has been appointed as Independent Director on behalf of Taufika Foods and Agro Industries Limited. 5. On 13.02.2016 Mustaque Ahmad Has been appointed as a Chief Financial Officer. 6. On 24.10.2019 A.K.M Zakaria Hossain FCMA Has been appointed as a Company secretary.

(v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;

The principal services of Taufika Foods and Agro Industries Limited are Ice Cream Products.

Past trends and future prospects regarding exports (if applicable) and local market:

Past trends:

Particular	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Turnover(Local)	314,349,972	922,889,785	778,975,897	478,531,399	65,276,963	-

Future Prospects:

Our company believes in sustainable development by investing in the future of our people, our business, our society and our nation as a whole. Thus, we continuously explore ways to progress and elevate our practices, our standards and our expectations.

(vi) If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;

The Company has no product or service other than ice cream products that accounts for more than 10% of the Company's total revenues.

(vii) Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;

The Company has neither any associates/subsidiary nor it operates any holding company.

(viii) How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any;

Taufika Foods and Agro Industries Ltd.'s distribution starts from its own factory premises, Valuka, Maymensingh. Factory sends the finish product to its own distribution center (DEPO) through delivery van, located at different district in Bangladesh. DEPO receive the product and delivered to their distributor and distributor sale the product to final consumer.

Company uses different media like social media, TV Advertisement, attend fair to introduce the product to consumer. On the other hand, company has its own Sales team and Marketing team to provide the best service to final consumer.

Right now there is no export possibility and export obligation for this company.

(ix) Competitive conditions in business with names, percentage and volume of market shares of major competitors:

The Company operates in a highly competitive business. The major competitors of the Company are as follows:

SL. No.	Name of the Competitors
1	Abdul Monem Ltd. (Igloo Ice Cream)
2	Dhaka Ice Cream Industries Limited (Polar Ice Cream)
3	Kwality Ice Cream
4	Savoy Ice Cream
5	Bangladesh Milk Producers Co-operative Union Limited (Milk Vita)

Note: No market data regarding volume and market shares of the above-mentioned companies are available.

(X) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption:

The names of the Principal suppliers and address are mentioned below:

Sl. No	Name of Suppliers	Category of Supply	Address of Suppliers
1	A.K.S Printing & Packaging	Carton	79/D, North Jatrabari, Demra Road, Dhaka-1204
2	Bengal Flexi Pack Ltd.	Ice-Cream Wrapper	Bengal House, 75 Gulshan Avenue, Gulshan-1, Dhaka-1212
3	Bismillah Packaging and printing Industries	Carton	Ellal Chamber (8th Floor), 11, Motijheel C/A, Dhaka-1000, Bangladesh
4	Brothers Printing & Packaging	Carton	167/B, Motijheel Carcular Road,
5	Famous printing and packaging Ltd.	Ice-Cream Wrapper	Plot # 93, Tongi I/A, Gazipur. Bangladesh
6	FM Plastic Industries Ltd.	Ice-Cream Container	Satta Mosjid Road, Near Lohar Bridge, Ashrafabad,
7	Jahanara Plastics Products	Ice-Cream Container	F/15, Jahanara Plaza, Middle Badda, Gulshan, Dhaka-1212
8	Jarin Plastic Industries	Ice-Cream Container	Nekrojbag, Keranigonj Highway Rd, Dhaka
9	M M Plastic	Cone Ice-Cream Packing Supplier	263, Huzurpara, Ashrafabad, Kamrangirchar, Dhaka-1
10	Mais Industries Ltd.	Ice-Cream Cup Container	244/C, Tejgaon Industrial Area, Dhaka-1208, Bangladesh.
11	PremiaFlex Plastics Limited	Ice-Cream Wrapper	ACI Centre 245, Tejgaon Industrial Area. Dhaka-1200
12	R. M. Poly & Packaging	Ice-Cream Container	385, Mominbag, Kamrangirchar, Dhaka
13	RFL Plastics Ltd.	Ice-Cream Container and Ice-Cream Cup Container	PRAN-RFL Center, 105, Middle Badda, Dhaka.
14	Sazzad Printing & Packaging Ltd.	Carton	Della Bamoil, Demra, Dhaka-1361
15	Total Plas Industries Ltd.	Ice-Cream Container	123/1 Vagalpur, Savar, Dhaka
16	Brac Dairy & Food Project	Milk(SMP)	Kaderia Tower (2nd Floor), JA-28/8/B Mohakhali, Dhaka
17	City Sugar Industries Ltd.	Sugar	House # 6, Road # 51, Gulshan - 2, Dhaka - 1212
18	Danish Condense Milk BD Ltd.	Milk	Shanta Western Tower (Level-13).186, Dhaka.
19	Famous Iberchem Flavours & Fragrances Ltd.	Ice-Cream Flavours	12, Kunia, P.O.K.B. Bazar, Gazipur, Bangladesh.
20	Igloo Foods Ltd.	Mango Pulp	111, Bir Uttam C.R. Dutta Road Dhaka-1205, Bangladesh
21	Mohammad Ali Enterprise	Pea Nut	12/11, Raza Narayon Road, Dhaka
22	Noorani Agro & Food Complex Ltd.	Flour	277, Tejgaon Industrial area, Dhaka- 1208, Bangladesh
23	Siam Chemical	Ice-Cream Flavours	2/1, Rain Razzak Plaza, (8th floor) Eskaton Road. Bangladesh
24	Tuba Enterprise	Pea Nut	Vairab, Kisorganj Bangladesh

(xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;

Sl. No.	Description	Source	Current Requirement (Approx.)
1	Electricity	PDB (Govt. Power)	1500KVA
		Diesel Generator 01	800KVA
		Diesel Generator 02	400KVA
2	GAS	CNG	1550m3
3	Water	Underground Submersible Pump	10m3/h

Contingency Plan:**Contingency Plan in Case of Disruption of Utilities****Alternative Power Source:** 03 three diesel generator

Brand	Yanmar
Capacity in KVA	1000 KVA X 2 & 650KVA
Model	6GL, T240 & M200
Country of Origin	Japan
Fuel Consumption	65 Liter per hour per 1000 KVA & 45 Liter per hour per 650 KVA

xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products/services with amount and percentage thereof;

The company's products or services are sold to various customers. There is no single customer who provides 10% or more of the Company's total revenue.

(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof;

The company buy raw material from various suppliers. However, no single supplier provides 10% or more of its raw material/finished goods.

(xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there are not any of such contracts, a declaration is to be disclosed duly signed by CEO or MD, CFO and Chairman on behalf of Board of Directors;

The company has not entered into any contract with any of its suppliers or customers.

Declaration regarding contract with principal suppliers or customers

We, on behalf of the Board of Directors certify that the Taufika Foods and Agro Industries Limited did not enter into contract with its principal suppliers or customers.

Sd/-
Mustaque Ahmad
Chief Financial Officer

Sd/-
Md. Ekramul Haque
Managing Director

Sd/-
Ms Shamima Nargis Haque
Chairman

Place: Dhaka

Date: November 27, 2019

(xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;

Particulars	License Issuer/Issuing Authority	Certificate/ License No.	Issue Date	Renew Date	Expiry Date
Certificate of Incorporation	Register of Joint Stock Companies and Firms, Bangladesh	C-94700/11	07.08.2011	N/A	N/A
TIN Certificate	National Board of Revenue	872426821762	18.05.2015	N/A	N/A
BIN Certificate	National Board of Revenue	001930298-0103	29.08.2019	N/A	N/A
Patent and Design	Department of Patents, Designs & Trademarks	014349	04.05.2015	N/A	N/A
Fire License	Bangladesh Fire Service and Civil Defense	AD/MO/948/13-14	01.07.2013	22.06.2020	30.06.2021
Environment License	Department of Environment	22.02.6100.142.71.068.15.41	27.05.2018	23.02.2020	26.05.2021
Boiler License	Ministry of Industries (Chief Boiler Inspector)	Ba. B 8422	05.05.2019	20.09.2020	20.02.2021
Trade License	Dhaka North City Corporation	161627	23.08.2011	14.06.2020	30.06.2021
Factory Trade License	6 No. Valuka Union Parishad, Valuka, Mymensingh	750	18.02.2014	02.07.2020	30.06.2021
Factory License	Department of Inspection for Factories and Establishments	1143/Mymensingh	11.10.2015	23.06.2020	30.06.2021
Import Registration Certificate	Controller of Import & Export, Government of Bangladesh	BA. 104616	10.11.2014	21.07.2020	30.06.2021
BSTI License	Bangladesh Standards and Testing Institution	19218/G-2/2016	03.01.2016	01.07.2018	30.06.2021
BIDA	Bangladesh Investment Development Authority	L-152012123290-H	09.12.2012	-	N/A
Halal Certificate	Islamic Foundation	Reg. No. 66, Sl. No. 0178	30.08.2019	Applied for Renewal as on 09.07.2020	
ISO 22000:2005	International Organization for Standardization	BD18/711041134	12.12.2018	-	19.06.2021
Good Manufacturing Process	SGS	BD19/711041199	13.11.2019	-	13.11.2022
HACCP Codex Alimentarius	SGS	BD19/711041200	13.11.2019	-	13.11.2022
Group Insurance	American Life Insurance Company	BGL-60762-L & BGL-60762-GPA	18.09.2019	-	18.09.2020
Factory Insurance	Karnaphuli Insurance Company Ltd.	KIC/MJB/FP-00191/06/2020	-	-	10.06.2021
Factory Insurance	Karnaphuli Insurance Company Ltd.	KIC/MJB/FP-00148/04/2020	-	-	05.04.2021

(xvi) Description of any material patents, trademarks, licenses or royalty agreements;

The company obtained patent right and trademarks regarding the use of Logo but did not sign any royalty agreement with any party.

(xvii) Number of total employees and number of full-time employees;

The company has total 337 full-time permanent employees as on September 30, 2019 details are as follow:

Salary (Monthly)	Factory	Head Office	Sales & Marketing	Total Employees
Below BDT 3,000	-	-	-	-
Above BDT 3,000	262	28	47	337
Total	262	28	47	337

xviii) A brief description of business strategy;

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

(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.

Existing Capacity Utilization:

Products	Installed Capacity (Yearly) in Liter	Actual Production (Yearly) in Liter	Capacity Utilization (%)
	June 30, 2019	June 30, 2019	June 30, 2019
Ice Cream	18,044,445	10,826,667	60%

Projected Capacity Utilization:

Products	Installed Capacity(Yearly) In Liter			Capacity Utilization(Yearly) for this Products in Liter			Actual Capacity Utilization (%)		
	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2020	June 30, 2021	June 30, 2022
Ice Cream	18,044,445	21,5660,000	23,560,000	12,992,000	15,590,400	18,708,480	72%	72%	79%

Rationale to Achieve:

The Company has projected that the capacity utilization will be increased due to installation of new machineries as well as increase in market demand for ice cream industries. The company will have its remaining capacity to meet the additional market demand for products

(e) Description of Property:

The written down value of property, plant and equipment's owned by the company as per audited accounts as on September 30, 2019 are stated below:

Assets	Written Down Value as on September 30, 2019
Land & Land Development	84,361,490
Building & Civil Works	72,250,267
Plant and Machinery	252,409,373
Furniture & Fixtures	3,317,700
Freezer	334,970,441
Office Equipment	3,416,058
Motor Vehicles	73,353,958
Total (A)	824,079,286
Lease assets	
Plant and Machinery	3,400,772
Freezer	248,086,616
Motor Vehicles	37,173,926
Total (B)	288,661,314
Intangible assets	
Computer Software	885,171
Total (C)	885,171
Total Fixed Assets (A+B+C)	1,113,625,772

(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;

Sl. No	Particulars	Location and Area	Condition of the Property
01	Land & Land Development	Gazaria, Bashile, Meherbari. Gazipur, Mymensingh	Position hold by the company
02	Building & Civil Works	Factory-Bashile.	Building is in good condition
03	Plant and Machinery	Factory-Bashile, Mymensingh	Working in Good Condition
04	Furniture & Fixtures	H.O, Factory, Depot-East Tejgaon, Uttara, Mohammadpur, Chattogram, Cumilla, Sylhet, Bogra, Rangpur, Khulna, Barisal, Faridpur, Zatrabari, West Mohammadpur Basila	Working in Good Condition
05	Freezer	Factory, Depot-East Tejgaon, Uttara, Mohammadpur, Chattogram, Cumilla, Sylhet, Bogra, Rangpur, Khulna, Barisal, Faridpur, Zatrabari, West Mohammadpur Basila	Working in good condition
06	Office Equipment	H.O, Factory, Depot-East Tejgaon, Uttara, Mohammadpur Chattogram, Cumilla, Sylhet, Bogra, Rangpur, Khulna, Barisal, Faridpur, Zatrabari, West Mohammadpur Basila	Working in good condition
07	Motor Vehicles	H.O, Factory, Depot-East Tejgaon, Uttara, Mohammadpur, Chattogram, Cumilla, Sylhet, Bogra, Rangpur, Khulna, Barisal, Faridpur, Zatrabari, West Mohammadpur Basila	Running

(ii) Whether the property is owned by the company or taken on lease;

All the assets of the company are in its own holding other than the following assets value of Plant and Machinery, Freezer & vehicles belong to the lease assets.

Lease assets	
Plant and Machinery	3,400,772
Freezer	248,086,616
Motor Vehicles	37,173,926
Total	288,661,314

(iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;

Sl. No.	Location	Sale Deed No.	Reg. Date	Name of Seller	Land Purchase (Decimal)	Mutation completed (Decimal)	Last Payment Date of Rent	Mutation date	Deed Value in BDT	Current Use of Land
1	Gazaria, Gazipur	4187/14	15/04/2014	Md. Abdul Latif	26.25	26.25	1426	17/12/2014	16,00,000	Vacant
2	Bashile,Mymensingh	5066/14	16/06/2014	Red Bull power industries ltd	271.50	271.50		07/07/2014	75,00,000	Use for Factory Purposes
3	Meherabari, Mymensingh	5067/14	16/06/2014	Red Bull power industries ltd	81.00	81.00		07/07/2014	30,00,000	
4	Gazaria, Gazipur	15230	17/09/2012	Md.Amzad Hossain	26.50	26.50		08/07/2013	15,50,000	Vacant
5	Gazaria,Gazipur	9226/13	18/06/2013	Md. Ali Deyan	39.75	39.75		17/12/2014	41,00,000	
6	Bashile, Mymensingh	1808	02/03/2014	Md.Hasmot Ali Sheikh Md.Rafiqual Islam Sheikh	21.00	21.00		20/05/2014	7,00,000	
7	Meherabari, Mymensingh	1306	18/02/2015	Md.Abdul Barek Mia Md.Shahid Ali Md.Babul Mia Most.Shajeda Khatum Most.Tahmina Akter	33.00	33.00		28/09/2015	17,00,000	Use for Factory Purposes
8	Bashile, Gazipur	7325	06/09/2015	Kamruzzaman	107.50	107.50		17/11/2015	32,60,000	Vacant
9	Bashile, Gazipur	7327	06/09/2015	Kamruzzaman	448.00	448.00		24/01/2016	1,20,51,000	
10	Bashile, Gazipur	1521	18//02/2014	Alhaj Moh.Morshed Alom	121.00	121.00		15/04/2014	30,00,000	
11	Bashile, Gazipur	1519	18/02/2014	Alhaj Moh.Morshed Alom	100.00	100.00		16/07/2014	35,00,000	
12	Bashile, Gazipur	1520	18/02/2014	Alhaj Moh.Morshed Alom	176.25	176.25		15/04/2014	40,00,000	
13	Bashile, Gazipur	871	30/01/2014	Md.Abdul Aziz Most.Ferdoush Akter Most.Aunjuara Begum Most.Shahanaj Parvin Most.Rupa Akter Most.Rani Akter	42	42		15/04/2014	8,00,000	
14	Gazaria,Mymensingh	8699	22/05/2012	Md.Shorif Hossain	77	77		17/01/2013	45,00,000	
15	Bashile, Gazipur	5700	07/08/2014	Md.Musa(Afazuddin) Md.Shohidul Islam	21	21		11/08/2014	8,00,000	
	Total Deed Value				1591.75	1591.75			5,20,61,000	
	Add: Registration Cost & Land Development Cost								3,23,00,490	
	Total Cost of Land Asset								84,361,490	

(iv) The names of the persons from whom the lands has been acquired/proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;

Sl. No.	Location	Name of Seller	Cost of acquisition/Deed value	Seller's relation with sponsor/director
1	Gazaria, Gazipur	Md. Abdul Latif	16,00,000	Seller & Buyer
2	Bashile,Mymensingh	Red Bull power industries ltd	75,00,000	
3	Meherabari, Mymensingh	Red Bull power industries ltd	30,00,000	
4	Gazaria, Gazipur	Md.Amzad Hossain	15,50,000	
5	Gazaria,Gazipur	Md. Ali Deyan	41,00,000	
6	Bashile, Mymensingh	Md.Hasmot Ali Sheikh Md.Rafiqueal Islam Sheikh	7,00,000	
7	Meherabari, Mymensingh	Md.Abdul Barek Mia Md.Shahid Ali Md.Babul Mia Most.Shajeda Khatum Most.Tahmina Akter	17,00,000	
8	Bashile, Gazipur	Kamruzzaman	32,60,000	
9	Bashile, Gazipur	Kamruzzaman	1,20,51,000	
10	Bashile, Gazipur	Alhaj Moh.Morshed Alom	30,00,000	
11	Bashile, Gazipur	Alhaj Moh.Morshed Alom	35,00,000	
12	Bashile, Gazipur	Alhaj Moh.Morshed Alom	40,00,000	
13	Bashile, Gazipur	Md.Abdul Aziz Most.Ferdoush Akter Most.Aunjuara Begum Most.Shahanaj Parvin Most.Rupa Akter Most.Rani Akter	8,00,000	
14	Gazaria,Mymensingh	Md.Shorif Hossain	45,00,000	
15	Bashile, Gazipur	Md.Musa(Afazuddin) Md.Shohidul Islam	8,00,000	
Total			5,20,61,000	

(v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required;

The Company has received all the approvals pertaining to use of the land from 6 No. Valuka Union Porishad Karjaloy.

(vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;

Name of Mortgagee	Deed No.	Area in Decimal	Date	Location
AB Bank Limited	5067	271.50	December 07, 2015	Mouza & Vill: Bashile, PS: Valuka, Dist.: Mymensingh
	1306	33.00		Mouza: Meher abari, PS: Valuka, Dist.: Mymensingh
	7325	107.50		Mouza: Meherabari, PS: Valuka, Dist.: Mymensingh
Total		412.00		

(vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;

All the assets of the company are in its own holding other than the following assets value of Plant and Machinery, Freezer & vehicles which belongs to the lease assets.

Lessor	Purpose of Lease	Period of Lease	Lease Amount (BDT)	Monthly Rental Amount (BDT)	Effective date	Expiration date
Plant and Machinery	To Procure Glass Top Deep Freezer and Try Cycle, Ref. Van & Cold Store	60 months	3,400,772	4,321,286	June, 2017	June, 2022
Freezer			248,086,616			
Motor Vehicles			37,173,926			

Principal Terms and Conditions of the Lease Agreements:

Particulars	Details
Name of Bank & Financial Institute	Lanka Bangla Finance Limited
Type of Facility	Lease Finance
Limit	BDT 460,010,930
Repayment	Quarterly
Interest Rate	11.00%
Period of Loan	60 months
Expiry Date	June, 2022
Renewal Status	N/A
Securities	i. Subsequent Charges/Hypothecation on all the Fixed Assets of TFAIL ii. Ownership of Leased Assets iii. Personal Guarantee of Directors iv. Corporate Guarantee of Taufika Engineering Limited (TEL)
Purpose	To procure Glass Top Deep Freezer and Try Cycle, Ref. Van & Cold Store

(viii) Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;

SL No	Date of purchase	Year	Seller Name	Address	Machineries Name	Quantity	Yare of Sale	Condition When Purchased	Country of Origin	Useful Economic Life at Purchase	Remaining Economic Life	Purchase Price BDT
01	29.11.14	2014	Hurst Boiler And Welding Co	U.S.A	Steam Boiler	01 Unit	Not Sale	New	U.S.A	10 Year	5 .5Years	1,535,361
02	20.08.14	2014	Hurst Boiler And Welding Co	U.S.A	Steam Boiler	01 Unit	Not Sale	New	U.S.A	10 Year	5 .9Year	2,0471
03	20.08.14	2014	Hurst Boiler And Welding Co	U.S.A	Steam Boiler	01 Unit	Not Sale	New	U.S.A	10 Year	5.9 Year	1,555,833.70
04	12.05.14	2014	Guangzhou Animal By-Product Import And Export Corporation	CHINA	Cone Backing Machine	01 Unit	Not Sale	New	CHINA	10Year	5Year	14,732,495.82
05	02.07.15	2015	Yantai Moon Co.Ltd	CHINA	Cold Storage for Depot Set Up	04 unit	Not Sale	New	CHINA	10 Year	6 Year	7,795,326.46
06	02.07.15	2015	Yantai Moon Co.Ltd	CHINA	Cooling Tower	01 unit	Not Sale	New	CHINA	10 Year	6 Year	442,916.28
07	20.01.15	2015	Yantai Moon Co.Ltd	CHINA	Cold Storage	01 unit	Not Sale	New	CHINA	10 Year	6 Year	36,988,474
08	20.01.15	2015	Yantai Moon Co.Ltd	CHINA	Cold Storage	01 unit	Not Sale	New	CHINA	10 YEAR	6 Year	5,536,327
09	18.01.15	2015	Gardener Denver	U.A.E	Cold Storage	01 unit	Not Sale	New	U.A.E	10 Year	6 Year	1,409,641
10	30.06.15	2015	Tetra Pak South East Asia pte Ltd.	Singapore	Centrifugal Pump	01 pcs	Not Sale	New	Singapore	10 Year	6 Year	968,650
11	07.06.15	2015	Tetra Pak South East Asia pte Ltd.	Singapore	Cone Filling Machine	01 pcs	Not Sale	New	Singapore	10 Year	6 Year	1,319,021
12	12.02.15	2015	Tetra Pak South East Asia pte Ltd.	Singapore	Tetra pac	03 Pcs	Not Sale	New	Singapore	10 Year	6 Year	11,011,265
13	12.02.15	2015	Tetra Pak South East Asia pte Ltd.	Singapore	Tetra pac	03 Pcs	Not Sale	New	Singapore	10 Year	6 Year	2,815,221
14	23.02.15	2015	Tetra Pak South East Asia pte Ltd.	Singapore	Tetra pac	03 Pcs	Not Sale	New	Singapore	10 Year	6 Year	31,437,858
15	04.02.15	2015	Tetra Pak South East Asia pte Ltd.	Singapore	Ageing Vats(Tank)	01 Pcs	Not Sale	New	Singapore	10 Year	6 Year	4,665,084
16	04.02.15	2015	Tetra Pak South East Asia pte Ltd	Singapore	Tetra pac	01 Pcs	Not Sale	New	Singapore	10 Year	6 Year	18,785,518
17	04.02.15	2015	Tetra Pak South East Asia pte Ltd	Singapore	Tetra pac	01 Pcs	Not Sale	New	Singapore	10 Year	6 Year	1,725,092
18	12.02.15	2015	Tetra Pak South East Asia pte Ltd	Singapore	Tetra pac	02 PCs	Not Sale	New	Singapore	10 Year	6 Year	4,694,400
19	12.02.15	2015	Tetra Pak South East Asia pte Ltd	Singapore	Tetra pac	02 Pcs	Not Sale	New	Singapore	10 Year	6 Year	17,738,787
20	12.02.15	2015	Tetra Pak South East Asia pte Ltd	Singapore	Tetra pac	02 Pcs	Not Sale	New	Singapore	10 Year	6 Year	10,925,274
21	12.02.15	2015	Tetra Pak South East Asia pte Ltd	Singapore	Tetra pac	02 Pcs	Not Sale	New	Singapore	10 Year	6 Year	34,727,001
22	24.12.15	2015	Jani Trading and Engineering	Bangladesh	Ice cream parlar	01 Pcs	Not Sale	New	Bangladesh	10 Years	6 years	3,00,000
23	07.05.16	2016	Sajin Engineering Works	Bangladesh	Nut Cutter	01 Unit	Not Sale	New	Bangladesh	10 Year	7 Years	23,000
24	19.04.16	2016	Steel Tech Engineering	Bangladesh	S.S Sheet	01 Unit	Not Sale	New	Bangladesh	10 Year	7 Years	105,000
25	18.5.16	2016	Master Engineering	Bangladesh	Palitiner	01 Unit	Not Sale	New	Bangladesh	10 Year	7 Years	425,000
26	07.5.16	2016	M/S. S.A. Engineering	Bangladesh	ETP	01 Unit	Not Sale	New	Bangladesh	10 YEAR	7 Years	1,050,000
27	18.5.16	2016	M/S. S.A. Engineering	Bangladesh	Palitner	01 Unit	Not Sale	New	Bangladesh	10 Year	7 Years	850,000
28	30.11.15	2015	Bangla Yeancheng Plate Making Co.	Bangladesh	Cylinder Bill	01 Unit	Not Sale	New	Bangladesh	10 Year	7 Years	182,000

29	7.1.16	2016	Bangla Yeancheng Plate Making Co.	Bangladesh	Cylinder Bill	01 Unit	Not Sale	New	Bangladesh	10 Year	7 Years	559,000
30	7.1.16	2016	Master Engineering	Bangladesh	Palitiner	01 Unit	Not Sale	New	Bangladesh	10 Year	7 Years	475,000
31	24.5.16	2016	Electro Power Machinery	Bangladesh	Opentype Engine	01 Unit	Not Sale	New	Bangladesh	10 Year	7 Years	650,000
32	12.5.16	2016	Electro Power Machinery	Bangladesh	Opentype Engine	01 Unit	Not Sale	New	Bangladesh	10 Year	7 Years	650,000
33	12.5.16	2016	Emkay Enterprise	Bangladesh	Date Coding Machine	01 Unit	Not Sale	New	Bangladesh	10 Year	8 Years	1,758,750
34	19.11.15	2015	Master Engineering	Bangladesh	Indusrtrial Rack	01 Unit	Not Sale	New	Bangladesh	10 Year	8 Years	360,000
35	7.4.16	2016	Mikro Tik	Bangladesh	Power Cable	01 Unit	Not Sale	New	Bangladesh	10 Year	8 Years	29,000
36	20.6.16	2016	AS Power & Distribution	Bangladesh	Electric Equipment	01 Unit	Not Sale	New	Bangladesh	10 Year	8 Years	66,030
37	9.2.16	2016	RFL Plastic	Bangladesh	Plastic Pallet	01 Unit	Not Sale	New	Bangladesh	10 Year	8 Years	23,280
38	27.2.16	2016	RFL Plastic	Bangladesh	Plastic Pallet	01 Unit	Not Sale	New	Bangladesh	10 Year	8 Years	232,800
39	3.2.16	2016	Expressions Ltd	Bangladesh	Cylinder	01 Unit	Not Sale	New	Bangladesh	10 Year	8 Years	327,750
40	30.3.16	2016	BBS Cable	Bangladesh	Cable	01 Unit	Not Sale	New	Bangladesh	10 Years	8 Years	29,000
41	23.4.16	2016	Salina Metal	Bangladesh	SS Table	01 Unit	Not Sale	New	Bangladesh	10 Years	8 Years	12,000
42	22.11.15	2015	NHAT TINH Environment Technologies Solution Corp	Vietnam	ETP	01 Unit	Not Sale	New	Vietnam	10 Year	6.5 Year	5,598,190
43	12.12.15	2015	Noveltek Industrial Manufacturing	Taiwan	Forklift	02 Pcs	Not Sale	New	Taiwan	10 Year	6.5 Year	2,088,279
44	12.12.15	2015	Noveltek Industrial Manufacturing	Taiwan	Hand pallet Truck	02 Pcs	Not Sale	New	Taiwan	10 Year	6.5 Year	86,730
45	12.12.15	2015	Noveltek Industrial Manufacturing	Taiwan	Forklift	02 Pcs	Not Sale	New	Taiwan	10 Year	6.5 Year	166,804
46	12.12.15	2015	Noveltek Industrial Manufacturing	Taiwan	Oil Tank truck	01 Pcs	Not Sale	New	Taiwan	10 Year	6 Year	50,593
47	12.12.15	2015	Noveltek Industrial Manufacturing	Taiwan	Oil Tank truck	01 Pcs	Not Sale	New	Taiwan	10 Year	6.5 Year	13,631
48	12.12.15	2015	Noveltek Industrial Manufacturing	Taiwan	Oil Tank Rotating Staker	01 Pcs	Not Sale	New	Taiwan	10 Year	6.5Year	167,169
49	12.12.15	2015	Noveltek Industrial Manufacturing	Taiwan	Oil Tank Rotating Staker	01 Pcs	Not Sale	New	Taiwan	10 Year	6.5 Year	3,952
50	20.10.15	2015	Energypac Power Generation Ltd	Bangladesh	Sub-Station	01 Unit	Not Sale	New	Bangladesh	10 Year	6.5Year	5,837,806
51	07.11.15	2015	Navana CNG Limited	Bangladesh	PRS System	01 Unit	Not Sale	New	Bangladesh	10 Year	6.5 Year	1,549,875
52	07.11.15	2015	Navana CNG Limited	Bangladesh	PRS System	01 Unit	Not Sale	New	Bangladesh	10 Year	6.5 Year	2,953,125
53	4.10.15	2015	BRB Cable Industries Ltd	Bangladesh	Electric Cable	01 Unit	Not Sale	New	Bangladesh	10 Year	6 Year	4,965,037
54	8.11.15	2015	Pedrollo	Bangladesh	Pump Control Machinery	01 Unit	Not Sale	New	Bangladesh	10 Year	6.5 Year	84,400
55	9.12.15	2015	TAJ Engineering Works	Bangladesh	Pipe, Elbow, Tee, Reducer	01 Unit	Not Sale	New	Bangladesh	10 Year	6.5 Year	213,228

56	9.11.15	2015	Fortuna Trading & Engineering Service	Bangladesh	Data Coading Machine	01 Unit	Not Sale	New	Bangladesh	10 Year	6.5 Year	90,000
57	24.07.15	2015	FG WILSON ASIA PTE LTD	Singapore	Diesel Generator	01 Unit	Not Sale	New	Singapore	10 Year	6 Year	12,384,284
58	05.12.15	2015	Nova Builders	Bangladesh	Diesel Generator	01 Unit	Not Sale	New	Bangladesh	10 Year	6 Year	80,000
59	20.12.15	2015	Total plas Industries Ltd	Bangladesh	Mould	01 Unit	Not Sale	New	Bangladesh	10 Year	6 .5Year	700,000
60	17.08.15	2015	Total plas Industries Ltd	Bangladesh	Mould	01 Unit	Not Sale	New	Bangladesh	10 Year	6 .5Year	
61	20.12.15	2015	Tota lplas Industries Ltd	Bangladesh	Mould	01 Unit	Not Sale	New	Bangladesh	10 Year	6.5 Year	800,000
62	05.12.15	2015	Star Engineering	Bangladesh	Mould	01 Unit	Not Sale	New	Bangladesh	10 Year	6.5 Year	40,000
63	15.10.15	2015	Steel Tech Engineering	Bangladesh	CIP Unit	01 Unit	Not Sale	New	Bangladesh	10 Year	6.5 Year	1,100,000
64	28.12.16	2016	Bangla-Yuncheng plate making Co.	Bangladesh	Cylinder Bill	01 Unit	Not Sale	New	Bangladesh	10 Year	7.4Year	48,000
65	05.01.17	2017	Bangla-Yuncheng plate making Co.	Bangladesh	Cylinder Bill	01 Unit	Not Sale	New	Bangladesh	10 Year	7.5 Year	48,800
66	25.02.17	2017	Power Pool Engineering	Bangladesh	PFI Plant	01 Unit	Not Sale	New	Bangladesh	10 Year	7.6 Year	45,000
67	31.07.16	2016	Power Pool Engineering	Bangladesh	PFI Plant	01 Unit	Not Sale	New	Bangladesh	10 Year	7.1 Year	40,000
68	16.10.16	2016	CNS Technologies Ltd	Bangladesh	UPS	01 Unit	Not Sale	New	Bangladesh	10 Year	7.2 Year	1,500,000
69	06.04.16	2016	Rupyan Jantralaya	Bangladesh	Pedrollo Centsifuyal water Pump	01 Unit	Not Sale	New	Bangladesh	10 Year	6.8 year	24,700
70	06.04.16	2016	Hossain Enterprise	Bangladesh	Shera Tank	01 Unit	Not Sale	New	Bangladesh	10 Year	6.8 Year	34,500
71	11.06.16	2016	Jihad Banijalay	Bangladesh	Caret	01 Unit	Not Sale	New	Bangladesh	10 Year	7 Year	58,400
72	24.03.16	2016	Jihad Banijalay	Bangladesh	Caret	01 Unit	Not Sale	New	Bangladesh	10 Year	6.7 Year	46,900
73	21.03.16	2016	Jihad Banijalay	Bangladesh	Caret	01 Unit	Not Sale	New	Bangladesh	10 Year	6.7 Year	46,900
74	16.03.16	2016	Jihad Banijalay	Bangladesh	Caret	01 Unit	Not Sale	New	Bangladesh	10 Year	6.7 Year	46,900
75	02.03.16	2016	Jihad Banijalay	Bangladesh	Caret	01 Unit	Not Sale	New	Bangladesh	10 Year	6.7 Year	66,000
76	24.03.16	2016	Jihad Banijalay	Bangladesh	Caret	01 Unit	Not Sale	New	Bangladesh	10 Year	6.7 Year	40,800
77	10.02.16	2016	Jihad Banijalay	Bangladesh	Caret	01 Unit	Not Sale	New	Bangladesh	10 Year	6.8 Year	49,000
78	11.06.17	2017	Dongguan Hongli Trading Company	China	Paper Cups Customized Logo	1 pcs	Not Sale	New	China	10 Year	8 Year	84,000
79	18.07.17	2017	Smart Solution	Bangladesh	Showcase,Ice maker Machine,Cone Baker,Tube,Door,Chiller,Glass,Wa sher	9 Pcs	Not sale	New	Bangladesh	10 Year	8 Year	4,585,000

80	31.07.17	2017	Aziz Trade & Engineering Ltd	Bangladesh	Bitzer Condensing Units	1 pcs	Not sale	New	Bangladesh	10 Year	8 Year	360,000
81	01.08.17	2017	Aziz Trade & Engineering Ltd	Bangladesh	Compressor	1 pcs	Not sale	New	Bangladesh	10 Year	8 Year	270,000
82	26.08.17	2017	Nababgonj Agro Machineries Ins.Ltd	Bangladesh	Milk Ageing Vat	1 Pcs	Not sale	New	Bangladesh	10 Year	7.11 Year	250,000
83	12.09.17	2017	Energypac Power Generation Ltd.	Bangladesh	Automatic Voltage Stabilizer	1 Pcs	Not sale	New	Bangladesh	10 Year	7.10 Year	2,300,000
84	17.09.17	2017	Thermokoll Refrigeration System	China	Bitzer Compressor	3 Pcs	Not sale	New	China	10 Year	7.09 Year	4,079,499
85	06.12.17	2017	DB Technologies	Bangladesh	Inkjet data & Coding Machine	1 pcs	Not sale	New	Bangladesh	10 year	8.6 Year	475,000
86	18.01.18	2018	Comfort Engineering Co.	Bangladesh	Water Heating Merry	1 Pcs	Not sale	New	Bangladesh	10 year	8.5 Year	45,000
87	25.03.18	2018	Electro Power Machinery	Bangladesh	Diesel Generator	1 Pcs	Not sale	New	Bangladesh	10 year	8.7 Year	660,000
88	28.05.18	2018	Nababgonj Agro Machineries Ins.Ltd	Bangladesh	Storage Ageing Tank	1 Pcs	Not sale	New	Bangladesh	10 Year	8.11 Year	350,000
89	04.06.18	2018	Electro Power Machinery	Bangladesh	Diesel Generator	1 Pcs	Not sale	New	Bangladesh	10 Year	9 Year	540,000
90	06.06.18	2018	Electro Power Machinery	Bangladesh	Diesel Generator	1 Pcs	Not sale	New	Bangladesh	10 Year	9 Year	540,000
91	19.11.18	2018	SA Scientific Store	Bangladesh	Digital Hot Air Oven	1 Pcs	Not sale	New	Bangladesh	10 Year	9 Year	166,000
92	25.11.18	2018	Yantai high link imp and Exp.Co.Ltd	China	Storage Box	04 Unit	Not Sale	New	China	10 year	9 Year	9,098,785
93	04.04.19	2019	Micro Industries Pvt.Ltd	India	Cone Fil;ling Machine	01 Set	Not Sale	New	India	10 Year	9.5 Year	1,754,353
94	16.06.19	2019	Teknoice	Italy	Continious Freezer	02 Pcs	Not Sale	New	Italy	10 Year	10 Year	9,711,715
95	31.05.19	2019	Yantai high link imp and Exp.Co.Ltd	China	Ice Cream Hardeaning Machine	01 Pcs	Not Sale	New	China	10 year	10 year	24,836,656
96	12.06.19	2019	Fusia Electronics	Bangladesh	Online UPS	01 Pcs	Not Sale	New	Turkey	10 Year	10 Year	1,653,750
97	09.11.18	2018	Power Pole Engineering	Bangladesh	Automatic Voltage Regulator	02 pcs	Not Sale	New	Bangladesh	10 Year	9.5 Year	170,000
98	19.06.19	2019	Power Pole Engineering	Bangladesh	Automatic Voltage Regulator	03 pcs	Not Sale	New	Bangladesh	10 Year	10 Year	405,000
99	19.05.19	2019	DB Technologies	Bangladesh	Injet data & Coding Machine	01 pcs	Not Sale	New	Bangladesh	10 Year	10 Year	540,000
100	9.03.19	2019	Nababgonj Agro Machineries	Bangladesh	Milk Ageing Machine	01 pcs	Not Sale	New	Bangladesh	10 Year	9.75 Year	360,000
101	21.07.19	2019	Aziz Trade & Engineering Ltd	Bangladesh	Bitzer Compressor	01 Pcs	Not Sale	New	Bangladesh	10 Year	10 Year	150,000
102	04.09.19	2019	Teknoice	Italy	Cone filling Machine	01 Pcs	Not Sale	New	Italy	10 Year	10 Year	20,968,545
103	24.07.2019	2019	Sonali Traders	Bangladesh	Ammonia Plant	166 pcs	Not Sale	New	Korea	10 year	10 year	221,321
104	03.09.2019	2019	Sonali Traders	Bangladesh	Ammonia Plant	176 Pcs	Not Sale	New	Thailand	10 year	10 year	147,605
105	15.09.2019	2019	Sonali Traders	Bangladesh	Ammonia Plant	1 Pcs	Not Sale	New	Bangladesh	10 year	10 year	94,994
								Total				344,523,853.3
								Less: Accumulated Depreciation				92,114,480
								Written Down Value				252,409,373

(ix) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.

The company has plan to import machinery which are as follows:

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

(x) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;

There are no such machineries which are yet to be delivered.

(xi) If plant is purchased in brand new condition then it should be mentioned;

DECLARATION RELATED TO MACHINERIES BEING BRAND NEW

We do hereby declare that all the plants and machineries of the Taufika Foods and Agro Industries Limited as on September 30, 2019 were purchased in brand new condition. There are no re-conditioned or second-hand machineries installed in the Company.

Place: Dhaka

Date: November 03, 2019

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

(xii) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;

The company uses no re-conditioned or second hand plant & machinery. It has also no proposal to buy second hand or reconditioned machineries.

(xiii) A physical verification report by the issue manager regarding the properties as submitted to the Commission;

**PHYSICAL VERIFICATION REPORT BY THE ISSUE MANAGERS OF
TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED**

This is to certify that we have visited the Registered and Corporate office of Taufika Foods and Agro Industries Limited on November 20, 2019. We also visited the Factory of Taufika Foods and Agro Industries Limited on November 23, 2019.

Purpose of Visit :

As a part of Issue Managers due diligence process, “Banco Finance and Investment Limited” and “Sandhani Life Finance Limited” have visited Registered office, Corporate office as well as Factory of Taufika Foods and Agro Industries Limited in order to verify operational status and existing assets of the Company.

Details are given below:

Particulars	Name & Designation	Company
Visited by	: Mohammad Hamdul Islam Managing Director & CEO	Banco Finance and Investment Limited
	: Mohammad Nuruzzaman ACS Manager	
	: Syed Muhammad Rezaul Hoque Assistant Manager	
	: Md. Iftekharul Alam Farazi Management Trainee	
	: Muhammad Nazrul Islam FCMA Managing Director & CEO	Sandhani Life Finance Limited.
	: Md. Hedayet Ullah Executive	
Accompanied by	: Md. Ekramul Haque Managing Director	Taufika Foods and Agro Industries Limited
	: Mustaque Ahmad Chief Financial Officer	
	: A.K.M Zakaria Hossain FCMA Company Secretary	
Registered Office	: Plot-01, Road-11, Block-G, Banani, Dhaka-1213.	
Corporate Office	: House-80, Road-2, level-4A & 4B, Banani (Chairman Bari), Dhaka-1213.	
Factory	: Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh.	
Nature of Business	: The Company is an Ice-cream manufacturer and supplier in Bangladesh.	
Products	: Ice Cream Products.	
Employees	: We have found 255 nos. of employees are present at the time of our visit, 7 nos. of employees were in leave as per attendance record at Factory site.	

Description of Property :

We have identified the properties of Taufika Foods and Agro Industries Limited are as follows:

Land:

1. Project Office, Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh.

Area of Land : 1591.75 Decimal

Location : Valuka, Mymensingh

Date of Visit : November 23, 2019

Building & Civil Work :

Details of the building status is discussed below :

No. of Buildings	Building Description	Types (Brick/Tin/Prefabricated Steel)	Total Building Area	Usage (Sft.)
Factory Building	1 storied building.	RCC-Grade, RCC-Floor Slab, RCC-Pillar With Steel Structure, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Glass in window, & Grill in Window. Rooftop With Strong Concrete.	27000 sft.	27000 sft.
Dormitory Building	4 storied building.	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Glass in Window, & Grill in Window.	5000 sft	5000 sft

Floor wise Details:

Floor No.	Particulars	Floor Occupied
Ground Floor	Equipment Store	Officer's Dining Room, QC Room, Accounts Room
1 st Floor	Accommodation Structure	Staff accommodation
2 nd Floor	Accommodation Structure	Staff accommodation
3 rd Floor	Accommodation Structure	Staff accommodation

Plant & Machinery :

Name of Machineries	Qty. (Sets)	Condition When Purchased	Brand	Country of Origin
Machineries				
Steam Boiler	03 Unit	Brand New	U.S.A	U.S.A
Cone Backing Machine	01 Unit	Brand New	CHINA	CHINA
Cold Storage for Depot Set Up	04 Unit	Brand New	CHINA	CHINA
Cooling Tower	01 Unit	Brand New	CHINA	CHINA
Cold Storage	03 Unit	Brand New	CHINA	CHINA
Cold Storage			CHINA	CHINA
Cold Storage			U.A.E	U.A.E
Centrifugal Pump	01 Pcs	Brand New	Singapore	Singapore
Cone Filling Machine	01 Pcs	Brand New	Singapore	Singapore
Tetra pac	19 Pcs	Brand New	Singapore	Singapore
Tetra pac			Singapore	Singapore
Tetra pac			Singapore	Singapore
Tetra pac			Singapore	Singapore
Tetra pac			Singapore	Singapore
Tetra pac			Singapore	Singapore
Tetra pac			Singapore	Singapore
Tetra pac			Singapore	Singapore
Tetra pac			Singapore	Singapore
Ageing Vats (Tank)	01 Pcs	Brand New	Singapore	Singapore
ETP	01 Unit	Brand New	Vietnam	Vietnam
Forklift	04 Pcs	Brand New	Taiwan	Taiwan
Forklift		Brand New	Taiwan	Taiwan
Hand Pallet Truck	02 Pcs	Brand New	Taiwan	Taiwan
Oil Tank truck	02 Pcs	Brand New	Taiwan	Taiwan
Oil Tank truck			Taiwan	Taiwan
Oil Tank Rotating Staker	02 Pcs	Brand New	Taiwan	Taiwan
Oil Tank Rotating Staker			Taiwan	Taiwan
Sub-Station	01 Unit	Brand New	Bangladesh	Bangladesh
PRS System	02 Unit	Brand New	Bangladesh	Bangladesh

PRS System			Bangladesh	Bangladesh
Electric Cable	01 Unit	Brand New	Bangladesh	Bangladesh
Pump Control Machinery	01 Unit	Brand New	Bangladesh	Bangladesh
Data Coding Machine	01 Unit	Brand New	Bangladesh	Bangladesh
Diesel Generator	01 Unit	Brand New	Singapore	Singapore
Diesel Generator			Bangladesh	Bangladesh
Mould	04 Unit	Brand New	Bangladesh	Bangladesh
Mould			Bangladesh	Bangladesh
Mould			Bangladesh	Bangladesh
Mould			Bangladesh	Bangladesh
CIP Unit	01 Unit	Brand New	Bangladesh	Bangladesh
Paper Cups Customized Logo	01 Pcs	Brand New	China	China
Showcase,Ice maker Machine,Cone Baker,Tube,Door,Chiller,Glass,Washer	09 Pcs	Brand New	Bangladesh	Bangladesh
Bitzer Condensing Units	01 Pcs	Brand New	Bangladesh	Bangladesh
Compressor	01 Pcs	Brand New	Bangladesh	Bangladesh
Milk Ageing Vat	01 Pcs	Brand New	Bangladesh	Bangladesh
Automatic Voltage Stabilizer	01 Pcs	Brand New	Bangladesh	Bangladesh
Bitzer Compressor	03 Pcs	Brand New	China	China
Inkjet Data & Coding Machine	01 Pcs	Brand New	Bangladesh	Bangladesh
Water Heating Merry	01 Pcs	Brand New	Bangladesh	Bangladesh
Diesel Generator	03 Pcs	Brand New	Bangladesh	Bangladesh
Diesel Generator		Brand New	Bangladesh	Bangladesh
Diesel Generator			Bangladesh	Bangladesh
Storage Ageing Tank	01 Pcs	Brand New	Bangladesh	Bangladesh
Storage Box	04 Unit	Brand New	China	China
Cone Filling Machine	01 Set	Brand New	India	India
Continuous Freezer	02 Pcs	Brand New	Italy	Italy
Online UPS	01 Pcs	Brand New	China	China
Automatic Voltage Regulator	01 Pcs	Brand New	Turkey	Turkey
Automatic Voltage Regulator	02 Pcs			
Injet Data & Coding Machine	03 Pcs	Brand New	Italy	Italy
Milk Ageing Machine	01 Pcs	Brand New	Korea	Korea
Bitzer Compressor	01 Pcs	Brand New	Thailand	Thailand
Cone Filling Machine	01 Pcs	Brand New		
Ammonia Plant	343 Pcs	Brand New	Italy	Italy
Ammonia Plant	166 Pcs		Korea	Korea
Ammonia Plant	176 Pcs		Thailand	Thailand

Furniture and Fixtures:

Sl. No.	Particulars	Quantity in Pcs
01	Chair	235
02	Table	105
03	Almirah	02
04	Office File Cabinet	17
05	Plastic Rack	13
06	Sofa	04
07	Iron Key	02
08	Writing Board	09
09	Plastic Rack	13
Total		400

Freezer:

Sl. No.	Particulars	Quantity in Pcs
01	Super Electronics	914
02	Victor International	8799
03	UGUR	816
04	HRS Trade International	336
Total		10865

Motor Vehicles:

Sl. No.	Brand Name	Country of Origin	Type of Vehicles	Capacity (CC)	Quantity
01	Isuzu Nkr-2f 2015	Japan	Delivery Van	2771	11
02	Isuzu Nkr-2f 2016		Delivery Van	2771	03
03	Isuzu Nkr-2f 2016	Thailand	Delivery Van	2771	1
04	Jac-Hfc21k- 2018	China	Delivery Van	2771	03
05	Jack-Hfc 2015	China	Pick up	2771	06
06	Chongqing Shane Ltd		Pick up	998	01
07	Ashok Ley Land 1613	India	Haulage Van	5759	05
08	Tata-1109-Ex2		Haulage Van	3783	03
09	Mahindra big bolero		Delivery Van	2523	02
10	Isuzu D-Max 2015	Thailand	Delivery Van	2499	08
11	Toyota-Hilux		Delivery Van	2393	04
12	Maximo Plus	India	Pick up	909	04

Besides these assets, we have also found other assets like Land and Land Development, Office Equipment and Capital Work in Progress as well.

Details of capital work in progress are as follows:

Sl. No.	Brand Name	Country of origin	Type of storage	Capacity (Ltr)	Temperature	Quantity	Amount in Tk
01	Thermokooll	Bangladesh	Cold storage	20,000	-30°C	3	7,635,000
Carrying Cost							140,021
Total						3	7,775,021

Above said cold storages were in good condition and not available for use as per management intention or not installed while we were visiting factory site.

It is mentionable here that, during our visit, we have checked inventory register and roster (Workers' duty register) and found satisfactory and all machineries are in good condition and running well. We also noticed that they have vehicle-parking zone, emergency light, Effluent Treatment Plant and Separate gents & ladies' toilet.

Signboard:

The signboard of the Company is well displayed at the Factory premises and all other offices and there is no other signboard of any other company/project within the said Factory and offices.

Sd/-

Mohammad Hamdul Islam
Managing Director & CEO
Banco Finance and Investment Limited

Sd/-

Muhammad Nazrul Islam FCMA
Managing Director & CEO
Sandhani Life Finance Limited

Place: Dhaka

Dated: August 13, 2020

(xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;

The Company has intangible asset details are given below:

Intangible assets	Written Down Value as on September 30, 2019
Computer Software	885,171
Total	885,171

(xv) Full description of other properties of the issuer.

Details Break up of Capital work – in progress are as follows:

Sl. No.	Brand Name	Country of origin	Type of storage	Capacity (Ltr)	Temperature	Quantity	Amount in Tk
01	Thermokooll	Bangladesh	Cold storage	20,000	-30°C	3	7,635,000
Carrying Cost							140,021
Total						3	7,775,021

Three cold storages under the head of Plant and Machinery were shown in Capital Work in Progress (note # 5). Development works of the above cold storages have been started in the financial year 2018 - 2019. Installation of cold storage is a complex procedure that's why it takes long time to be involved with the main stream of the business. To get maximum economic benefit, it requires to install the storage perfectly as it has some sensitive factors.

(f) Plan of Operation and Discussion of Financial Condition:

(i) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include:

This is not applicable for this Issue.

(ii) If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:

The Company's Revenues and Results from Operations, Statement of Financial Position, Statement of Changes in Financial Position and Cash Flows for the last five years are mentioned below:

REVENUE AND RESULTS FROM OPERATIONS:

Particulars	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
(A) Sales	314,349,972	922,889,785	778,975,897	478,531,399	65,276,963	-
(B) Cost of Goods Sold	185,353,363	537,504,916	455,142,393	316,274,962	44,853,835	-
(C) Gross Profit (A-B)	128,996,609	385,384,869	323,833,504	162,256,438	20,423,128	-
(D) Operating Expenses	40,574,675	134,508,705	115,779,050	42,222,390	21,543,987	
Administrative Expenses	9,332,403	13,564,960	9,185,457	3,185,906	21,543,987	
Marketing Expenses	31,242,272	120,943,746	106,593,593	39,036,484	-	
(E) Operating Income (C-D)	88,421,935	250,876,164	208,054,454	120,034,048	(1,120,859)	
(F) Financial Expenses	40,693,839	161,134,907	126,213,752	94,448,658	15,817,781	
(G) Profit Before Other Income (E-F)	47,728,096	89,741,257	81,840,702	25,585,389	-	
(H) Other Income	553,692	6,102,220	5,192,925	3,178,685	-	
(I) Net Profit Before WPPF	48,281,788	95,843,477	87,033,627	28,764,074	(16,938,640)	
(J) Provision for WPPF	2,299,133	4,563,975	4,144,458	-	-	
(K) Net Profit Before Tax (I-J)	45,982,655	91,279,502	82,889,168	28,764,074	(16,938,640)	
(L) Income Tax Expense	16,093,929	29,634,215	40,341,018	26,263,576	391,662	
Current Tax	15,304,007	23,173,852	8,748,255	1,433,783	391,662	
Deferred Tax	789,922	6,460,363	31,592,763	24,829,793	-	
(M) Net Profit After Tax (K-L)	29,888,726	61,645,286	42,548,150	2,500,498	(17,330,301)	

CHANGES IN FINANCIAL POSITIONS:

Particulars	Amount in Taka					
	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Non-Current Assets	1,133,400,792	1,075,014,606	1,021,333,944	884,376,996	696,664,952	244,415,427
Current Assets	728,496,742	552,815,755	567,952,583	209,562,120	164,896,525	48,507,461
Total Assets	1,861,897,535	1,627,830,362	1,589,286,528	1,093,939,116	861,561,478	292,922,888
Shareholder's Equity	669,252,358	424,813,632	352,218,346	39,170,196	(16,330,301)	1,000,000
Non-current Liabilities	888,267,424	782,307,889	706,023,292	652,622,422	586,799,447	280,792,668
Current Liabilities	313,842,790	427,624,422	531,044,890	402,146,498	291,092,333	11,130,220
Total Equity & Liabilities	1,861,897,535	1,627,830,362	1,589,286,528	1,093,939,116	861,561,478	292,922,888

CHANGES IN CASH FLOWS:

Particulars	Amount in Taka					
	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Net cash inflow/ (outflow) from operating activities	54,171,958	247,496,174	146,667,137	143,385,069	-	-
Net cash inflow/ (outflow) in investing activities	(85,822,934)	(163,322,367)	(231,710,295)	(267,946,543)	-	-
Net cash inflow/ (outflow) in financing activities	134,276,638	(247,157,892)	280,288,223	135,541,085	-	-

a) Internal and external sources of cash;

Particulars	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2016
Internal Source of Cash						
Share Capital	550,000,000	65,450,000	54,500,000	54,000,000	1,000,000	1,000,000
Retained Earnings	119,252,358	89,363,632	27,718,346	-14,829,804	-17,330,301	-
Inter Company Loan	-	-	381,678	77,581,678	101,461,778	-
Loan From Director					14,215,728	14,215,728
Sub Total	669,252,358	154,813,632	82,600,024	116,751,874	99,347,205	15,215,728
External Sources of Cash						
Long-term Borrowing	612,297,845	604,882,332	531,670,389	756,360,127	572,583,719	266,576,940
Short-term Borrowing	130,665,543	123,426,553	344,486,201	166,539,257	135,230,094	5,832,652
Lease Loan	259,277,141	248,960,934	259,944,770			
Sub Total	1,002,240,529	977,269,819	1,136,101,360	922,899,384	707,813,813	272,409,592
Grand Total	1,671,492,887	1,132,083,451	1,218,701,384	1,039,651,258	807,161,018	287,625,320

b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;

Taufika Foods and Agro Industries Limited has no other material commitments for capital expenditures except for those mentioned in the Utilization of IPO proceeds in this prospectus.

c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;

The Company's revenue and other income as well as operating expenses and net income have continued to change due to increasing business volume.

Particulars	September 30, 2019	% of change	June 30, 2019	% of change	June 30, 2018	% of change	June 30, 2017
Revenue	314,349,972	18.47	922,889,785	62.78	778,975,897	633.08	478,531,399
Cost of goods sold	185,353,363	18.09	537,504,916	43.91	455,142,393	605.12	316,274,962
Operating Expenses	40,574,675	16.17	134,508,705	174.21	115,779,050	95.98	42,222,390
Net Income	29,888,726	44.88	61,645,286	1,601.58	42,548,150	(114.43)	2,500,498

Causes for any changes from period to period-in revenues, cost of goods sold, other operating expenses and net income are as under :

Particulars	September 30,2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Sales	Quarter Sales declined by 66% than previous year as we compared a quarter sales figure with a year. However, sales improved if we compare sales of quarter (July to Sept) with quarter (April to May) ,2019. Sales rose of quarter (July to Sept) by 2.2% from quarte (April to May) 2019 and this happened because company incurred more operating expense in this quarter than last quarter which includes selling expense to boost sales.	Sales increased by 18.5% than previous year because company incurred about 13.5% more as selling expense to boost sales and its distribution than previous year. Other than that, plant and machinery about 46.4% were more acquired to support the production of goods for more sales.	Sales increased by 62.7 % because company incurred about 78.5% more as selling expense to boost sales and its distribution than previous year. Other than that, 25.5% more plant and machinery were acquired to support the production of goods for more sales.	Sales increased by 633% because company incurred selling expenses for the first time to boost its sales and its distribution. Before that company didn't incurred any selling expenditure. Other than that, 17.8% more plant and machinery were acquired to support the production of goods for more sales.	Sales increased by Tk. 65,276,963 from last year as there was no sales in the previous year. Sales in 2016 was the first year, the company actually made sales without incurring any selling expenses by marketing through word of mouth. Other than that, more plant and machinery were acquired to support the production of goods for more sales.	There were no sale and a year before. So no change in sales %.
Cost of Goods Sold	Cost of goods sold decreased by -65.5% from last year. But Cost of goods sold rose by 38% as per comparison of figure of quarter (July to Sept), 2019 with quarter (April to May) 19. as more plant and machinery, were added for more production and to support sales. Other than that Company already had big quantity inventory ready product in the beginning of the quarter (July-Sept) 2019 than quarter (April-June) 2019, to support increase in market share and sales that led to increase in cost of sales.	Cost of sales rose by 18% than last year as more plant and machinery, about 46.4% were added for more production and to support sales. Other than that Company already had big quantity inventory ready product in the beginning of the year than last year to support increase in market share led, to increase in cost of sales.	Cost of sales rose by 44% than last year as more plant and machinery, about 25.5 % were added for more production and to support sales. Other than that Company already had big quantity inventory ready product in the beginning of the year than last year to support increase in market share led, to increase in cost of sales.	Cost of sales rose by 559% than last year as more plant and machinery, about 17.8 % were added for more production and to support sales. Other than that Company already had big quantity inventory ready in the beginning of the year than last year to support increase in market share , led	Cost of sales rose by Tk.44,853,835 than last year as there were no cost of sales in its previous year. Other than that, more plant and machinery, about 188 % were added for more production and to support more sales.	It was company first year of operation with no sales and so no cost of goods sold.
Operating Expenses	Operating expenses decreased by -69.8% from period (1 st July 2018 /30, June 2019 to qtr) to qtr (July to Sept) 2019. But Operating expenses of qtr (July to Sept) 2019 rose by 21% than previous qtr (April-June) 2019 because company spend more to support its increase of sales this quarter than previous quarter.	Operating expenses rose by 16% than previous year because company spend more to support its increase of sales this year than previous year.	Operating expenses rose by 83.77% than previous year because company spend more to support its increase of sales this year than previous year.	Operating expenses rose by 192% than previous year because company spend more to support its increase of sales this year than previous year.	Operating expenses rose by Tk. 21,543,987 than previous year because company had no operating expenses in previous year. Other than that, it was the first year it spend for operation purposes to support its sales.	Operating expenses is connected with sales and business operations. There were no sales, administration and hence no sales expenses in the year. So, no operating expenses.
Net Income	Net Profit after tax declined by -51.5% of qtr (July-September) 19 from period of (July 18/June 19). However Net Profit after tax of qtr (July-Sept) 2019 increased by 94 % if compared to qtr (April-June) 2019 due to increase in sales.	Net Profit after tax increased by 45 % due to increase in sales.	Net Profit after tax increased by 94% due to increase in sales.	Net Profit after tax achieved Tk 2500,498 from previous year loss of Tk. 17330,301. This happened due to high increase in sales achieved this year.	Net loss achieved of Tk. 17,330,301 this year. It happened for inadequate sales achieved, failed to cover high cost of goods sold , high operating and financial expenses	There is no Net profit before tax mainly because of no operation

d) Any Seasonal Aspects of The Issuer's Business

The nature of business is associated with season. The maximum revenue is generated in summer season.

e) Any Known Trends, The events Or Uncertainties that may have material effect on the issuer's future business;

There are no known trends or events that may have material effect of the company's future business. But the company's operation may be hampered by the following uncertainties:

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

f) Any assets of the company used to pay off any liabilities;

No asset of the Company has been used to pay off the liabilities.

g) Any Loan taken from or given to any related party or connected person of the issuer with details of the same;

There is no related party transaction except the followings.

Related Parties	Relationship	Nature of Transaction	Amount in BDT					
			September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Taufika Engineering Limited (Represented by Kawser Ahmed)	Director	Loan Taken	7,130,000	4,820,000	-		-	-
		Loan Given	-	-	381,678	77,581,678	101,461,778	-
Md. Ekramul Haque	Managing Director	Loan Taken	-	-	-	14,215,728	-	-

h) Any future contractual Liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;

The company neither has any future contractual liabilities nor has any plan to enter into any contractual liabilities other than normal course of business within next one year that would impact the financial fundamentals of the company.

i) The estimated amount, where applicable, of future capital expenditure;

The Company has not any plan to make any capital expenditure except for those mentioned in the 'Use of Proceeds' Chapter in this prospectus.

j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;

Value Added Tax (VAT): The Company has VAT registration number 000442862. It pays VAT in time and submitted return accordingly and therefore the Company has no outstanding VAT as on September 30, 2019. Year wise VAT status of the Company is as under:

Year	Amount in Tk.
30 Sep-2019	49,510,121
2018-2019	138,433,468
2017-2018	116,846,385
2016-2017	71,779,710
2015-2016	9,791,544

Income Tax: Taufika Foods and Industries Limited having its TIN No. 872426821762 and regularly pays income taxes. Following is the summary of income taxes of the company:

Accounting Year	Assessment Year	Assessment Status
2018-2019	2019-2020	Income Tax Return has been submitted.
2017-2018	2018-2019	As per tax authority, assessment has been completed and demand notice issued. In accordance with demand notice tax Tk. 1, 87,609 (One lac eighty seven thousands six hundred nine) has been imposed on the assessee and it has been paid off by the assessee to the Govt. treasury.
2016-2017	2017-2018	As per tax authority, Assessment has been completed and demand notice issued. In accordance with demand notice tax Tk. 17, 02,834 (Seventeen lac two thousands eight hundred thirty four) has been imposed on the assessee and it has been paid off by the assessee to the Govt. treasury.
2015-2016	2016-2017	As per tax authority, assessment has been completed and demand notice issued. In accordance with demand notice tax authority did not impose any tax on the assessee.
2014-2015	2015-2016	As per tax authority, Assessment has been completed and demand notice issued. In accordance with demand notice tax authority did not impose any tax on the assessee.

Customs Duty:

There is no customs duty liability of the Company as on September 30, 2019

Contingent Liability: There is no situation involving TFAIL for which any liability for the company is most likely to occur or which may create any possibility of company's liability in the near future.

k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected;

The Company's financial commitments and lease obligation over the last five years as follows:

Financial Commitment (Long-term):

Name of Institutions	Type of Loan	Total Amount Sanctioned	Rate of Interest	Outstanding Balance as on September 30, 2019
AB Bank Limited	Long-term Loan	BDT 741,100,000	15.00%	612,297,845

Financial commitment (Short-term):

Name of Institutions	Type of Loan	Total Amount Sanctioned	Rate of Interest	Outstanding Balance as on September 30, 2019
AB Bank Limited	Short-term Loan	BDT 30,000,000	15.00%	16,104,390
Trust Bank Limited	Short-term Loan	BDT 140,000,000	13.00%	75,857,830
Shimanto Bank Limited	Short-term Loan	BDT 90,000,000	12.00%	38,703,322

Lease commitment:

1. Finance Lease

Name of Institutions	Type of Loan	Total Amount Sanctioned	Rate of Interest	Outstanding Balance as on September 30, 2019
Lanka Bangla Finance Limited	Lease Finance	BDT 460,010,930	11.00%	259,277,142

2. Operating Lease (Office Rent)

For September 2019

Particulars	Square Ft.	Per Square ft.	Period	Total in Tk
Registered Office	1029	77.75	From June 01, 2019 to May 31, 2024	258,963
Corporate Office	13254	42.25		1,793,787

l) Details of all personnel related schemes for which the company has to make provision for in future years;

The company considers its human resources as the most valuable assets and the profitability of the company largely depends on the effective and efficient use of human resources. The company provides various benefit packages to its employees in addition to monthly benefit of salary, wages and allowances. Lists of benefits provided for the employees are as follows:

Festival Bonus	:	The Company pays two festival bonus @ 100% of gross salary
Yearly Increment/Promotions	:	Employees are awarded with a minimum increment of at least 10-20% of salary and promotion for extra ordinary performances.
Contribution to Workers' Profit Participation and Welfare Funds	:	The company makes a regular allocation of 5% on net profit after charging such contribution but before tax to this fund as per provision of Bangladesh Labour Law, 2006 and The company will transfer the fund to the trustee board and the trustee of the fund will take decision of disbursement and investment within the stipulated time.
Group Insurance	:	Employees of Taufika Food and Agro Industries Ltd. receive group insurance facility Metlife Insurance for any kind of injury during the course of their service in the company.

m) Break down of all expenses related to the public issue;

The following amount paid to the Issue Managers, Underwriters and other costs are as follows:

Sl. No.	Particulars	Nature of Expenditure	Amount in BDT
A.	ISSUE MANAGEMENT FEES		6,900,000
	Managers to the Issue Fee	Maximum 2% (two percent) of the public offer amount.	6,000,000
	VAT against Issue Management Fees	15% on Issue Management Fees	900,000
B.	LISTING RELATED EXPENSES		4,100,000
	Application fee Stock Exchanges (DSE & CSE)	Tk. 50,000 for each exchanges	100,000
	Listing Fees for Stock Exchanges (DSE & CSE)	0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid up capital; (minimum Tk. 50,000 and maximum Tk. 10,000,000 for each exchanges)	2,750,000
	Annual Fees for DSE & CSE	0.05% on Tk. 100 Crore of paid up capital and 0.02% on the rest amount of paid up capital; (minimum Tk. 50,000 and maximum Tk. 600,000 for each exchanges)	850,000
	Data Transmission fee for Stock Exchanges (DSE & CSE)	Tk.200,000 for each exchanges	400,000
C.	BANGLADESH SECURITIES AND EXCHANGE COMMISSION		1,250,000
	Application Fees	-	50,000
	Consent Fees	0.40% on the public offering amount	1,200,000
D.	IPO RELATED FEES		903,750
	Underwriting Commission	0.50% on underwritten amount	525,000
	VAT against Underwriting commission	15% on underwriting commission	78,750
	Auditor Certification Fees	At Actual	300,000
E.	CDBL FEES AND EXPENSES		736,000
	Security Deposit	At Actual	500,000
	Documentation Fees	At Actual	2,500
	Annual Fees	At Actual	100,000
	Connection Fees	Tk. 500 per month (12*500)	6,000
	IPO Fees	0.015% on total paid up capital after IPO	127,500
F.	PRINTING AND POST IPO EXPENSES		14,100,000
	Publication of Prospectus (About 4,000 copies)	Estimated (to be paid at actual)	1,000,000
	Abridged version of Prospectus and Notice in 4 daily newspaper	Estimated (to be paid at actual)	800,000
	Notice for Prospectus, Lottery, Refund etc. in 4 daily newspaper	Estimated (to be paid at actual)	400,000
	Lottery Conducting Expenses & BUET Fee	Estimated (to be paid at actual)	1,000,000
	Data Processing and Share Software Charge	Estimated (to be paid at actual)	10,500,000
	Courier Expenses	Estimated (to be paid at actual)	210,250
	Administrative & Stationary Expense	Estimated (to be paid at actual)	200,000
GRAND TOTAL (A+B+C+D+E+F)			28,000,000

Note: Actual Cost will vary if above mentioned estimates differs and will be adjusted accordingly.

n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

Taufika Foods and Agro Industries Limited did not revalue its fixed assets and does not have any plan to revalue its fixed assets.

o) Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;

The Company has neither any subsidiary nor it operates under any holding company.

p) Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

As there are no companies under common ownership more than 50%, this section is not applicable for Taufika Foods and Agro Industries Limited.

q) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer;

Taufika Foods and Agro Industries Limited follows all the rules and regulations for operating the core business.

Declaration regarding adhering to all relevant laws and regulatory requirements

We, on behalf of the Board of Directors of Taufika Foods and Agro Industries Limited in full conscience declare that we have met all relevant laws and fulfill other regulatory requirements for operating the core business of Taufika Foods and Agro Industries Limited.

Sd/-
MS Shamima Nargis Haque
Chairman

Sd/-
Md. Ekramul Haque
Managing Director

Sd/-
Muhsinina Taufika Ekram
Director

Sd/-
Kawser Ahmed
Nominee Director
of
Taufika Engineering Ltd.

Sd/-
Imtiaz Lutful Baset FCMA, FCA
Independent Director

Place: Dhaka
Date: November 27, 2019

r) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;

After due verification, we certify that the Taufika Foods and Agro Industries Limited did not issue any shares to any person for any consideration otherwise than cash as on September 30, 2019 which are as follows:

Allotment Date	Basis on Shares		Paid-up Capital
	No. of Shares In Cash Consideration	No. of Shares Other than Cash	
Subscription to the Memorandum & Articles of Association at the time of Incorporation	100,000	-	1,000,000
Issued as on May 03, 2017	5,300,000	-	53,000,000
Issued as on June 03, 2018	50,000	-	500,000
Issued as on November 15, 2018	1,095,000	-	10,950,000
Issued as on August 27, 2019	48,455,000	-	484,550,000
Total	55,000,000	-	550,000,000

Place: Dhaka

Date: August 13, 2020

Sd/-

Islam Quazi Shafique & Co.

Chartered Accountants

s) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public;

There is no such material information is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

t) Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary;

Taufika Foods and Agro Industries Limited started its commercial operation on January 02, 2016. As such the above requirements are not applicable for the company.

u) Discussion on the results of operations shall inter alia contain the following:

1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;

Summary of the results and operations are presented below:

Particulars	Amount in Taka					
	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Non-Current Assets	1,133,400,792	1,075,014,606	1,021,333,944	884,376,996	696,664,952	244,415,427
Current Assets	728,496,742	552,815,755	567,952,583	209,562,120	164,896,525	48,507,461
Shareholder's equity	669,252,358	424,813,632	352,218,346	39,170,196	(16,330,301)	1,000,000
Non-current liabilities	888,267,424	782,307,889	706,023,292	652,622,422	586,799,447	280,792,668
Current Liabilities	313,842,790	427,624,422	531,044,890	402,146,498	291,092,333	11,130,220
Turnover	314,349,972	922,889,785	778,975,897	478,531,399	65,276,963	-
Gross Profit	128,996,609	385,384,869	323,833,504	162,256,438	20,423,128	-
Net profit before tax	45,982,655	91,279,502	82,889,168	28,764,074	(16,938,640)	-
Net Profit after tax	29,888,726	61,645,286	42,548,150	2,500,498	(17,330,301)	-

2) A summary of major items of income and expenditure;

Major items of income:

Particulars	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Sales	314,349,972	922,889,785	778,975,897	478,531,399	65,276,963	-
Gross Profit	128,996,609	385,384,869	323,833,504	162,256,438	20,423,128	-
Net profit before tax	45,982,655	91,279,502	82,889,168	28,764,074	(16,938,640)	-
Net Profit after tax	29,888,726	61,645,286	42,548,150	2,500,498	(17,330,301)	-

Major items of expenditure:

Particulars	30 September, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Cost of Goods Sold	185,353,363	537,504,916	455,142,393	316,274,962	44,853,835	-
Administrative Expenses	9,332,403	13,564,960	9,185,457	3,185,906	21,543,987	-
Marketing Expenses	31,242,272	120,943,746	106,593,593	39,036,484	-	-
Financial Expenses	40,693,839	161,134,907	126,213,752	94,448,658	15,817,781	-
Income tax expense	16,093,929	29,634,215	40,341,018	26,263,576	391,662	-

3) The income and sales on account of major products or services;

Ice Cream is the only product of Taufika Foods and Agro Industries Ltd. Under the brand name of Lovello, the Company operates its business by manufacturing and selling deferent flavors of ice Cream. The income and sales on account are as follows.

Amount (BDT in million)

Name of the Item	Sep 30, 2019		June 30, 2019		June 30, 2018		June 30, 2017		June 30, 2016	
	Sales	Income	Sales	Income	Sales	Income	Sales	Income	Sales	Income
Lovello Ice Cream	314.34	29.88	922.88	61.64	778.97	42.54	478.53	2.50	65.27	(17.33)

4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;

The Company has no other income which constitutes more than 10% of the total income from the inception of the business.

5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;

The Company's income is not dependent upon a single customer or a few major customers nor foreign customers.

6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed;

The Company has not followed any unorthodox procedure for recording sales and revenues.

v) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

REVENUE AND RESULTS FROM OPERATIONS:

Particulars	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
(A) Sales	314,349,972	922,889,785	778,975,897	478,531,399	65,276,963	-
(B) Cost of Goods Sold	185,353,363	537,504,916	455,142,393	316,274,962	44,853,835	-
(C) Gross Profit (A-B)	128,996,609	385,384,869	323,833,504	162,256,438	20,423,128	-
(D) Operating Expenses	40,574,675	134,508,705	115,779,050	42,222,390	21,543,987	-
Administrative Expenses	9,332,403	13,564,960	9,185,457	3,185,906	21,543,987	-
Marketing Expenses	31,242,272	120,943,746	106,593,593	39,036,484	-	-
(E) Operating Income (C-D)	88,421,935	250,876,164	208,054,454	120,034,048	(1,120,859)	-
(F) Financial Expenses	40,693,839	161,134,907	126,213,752	94,448,658	15,817,781	-
(G) Profit Before Other Income (E-F)	47,728,096	89,741,257	81,840,702	25,585,389	-	-
(H) Other Income	553,692	6,102,220	5,192,925	3,178,685	-	-
(I) Net Profit Before WPPF	48,281,788	95,843,477	87,033,627	28,764,074	(16,938,640)	-
(J) Provision for WPPF	2,299,133	4,563,975	4,144,458	-	-	-
(K) Net Profit Before Tax (I-J)	45,982,655	91,279,502	82,889,168	28,764,074	(16,938,640)	-
(L) Income Tax Expense	16,093,929	29,634,215	40,341,018	26,263,576	391,662	-
Current Tax	15,304,007	23,173,852	8,748,255	1,433,783	391,662	-
Deferred Tax	789,922	6,460,363	31,592,763	24,829,793	-	-
(M) Net Profit After Tax (K-L)	29,888,726	61,645,286	42,548,150	2,500,498	(17,330,301)	-

Analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

Year	Total Revenue	Cost of goods sold	Gross Profit	Operating expenses	Operating Profit	Net Profit before Tax	Net Profit after Tax
September 30, 2019	Quarter Sales declined by 66% than previous year as we compared a quarter sales figure with a year. However, sales improved if we compare sales of quarter (July to Sept) with quarter (April to May), 2019. Sales rose by 2.2% from quarter (April to May) 2019 and this happened because company incurred more operating expense in this quarter than last quarter which includes selling expense to boost sales.	Cost of goods sold rose by 38% as per comparison of figure of quarter (July to Sept), 2019 with quarter (April to May) 19 as more plant and machinery were added for more production and to support sales. Other than that Company already had big quantity inventory ready product in the beginning of the quarter (July-Sept) 2019 than quarter (April-June) 2019, to support increase in market share and sales that led to increase in cost of sales.	Gross profit increased by 33.8% as per qtr (July-Sept) 2019 compare to previous qtr (April-June) 2019 mainly due to sales increase	Operating expenses of qtr (July to Sept) 2019 rose by 21% than previous qtr (April-June) 2019 because company spend more to support its increase of sales this quarter than previous quarter.	Operating profit rose by 41 % from previous quarter as sales increased by 2.2% from the previous quarter (April-June) 2019.	Net profit before tax of qtr (July-Sept) 2019 mainly increased due to increase in sales.	Net Profit after tax of qtr (July-Sept) 2019 increased by 94 % due to increase in sales.
June 30, 2019	Sales increased by 18.5% than previous year because company incurred about 13.5% more as selling expense to boost sales and its distribution than previous year. Other than that, plant and machinery about 46.4% were more acquired to support the production of goods for more sales.	Cost of sales rose by 18% than last year as more plant and machinery, about 46.4% were added for more production and to support sales. Other than that Company already had big quantity inventory ready product in the beginning of the year than last year to support increase in market share led, to	Gross profit increased by 19% from previous year mainly due to sales increase.	Operating expenses rose by 16% than previous year because company spend more to support its increase of sales this year than previous year.	Operating profit rose by 20.6% from previous year as sales increased by 18.5% during the year.	Net profit before tax mainly increased due to increase in sales.	Net Profit after tax increased by 45% due to increase in sales.

		increase in cost of sales.					
June 30, 2018	Sales increased by 62.7 % because company incurred about 78.5% more as selling expense to boost sales and its distribution than previous year. Other than that, 25.5% more plant and machinery were acquired to support the production of goods for more sales.	Cost of sales rose by 54% than last year as more plant and machinery, about 25.5 % were added for more production and to support sales. Other than that Company already had big quantity inventory ready product in the beginning of the year than last year to support increase in market share led, to increase in cost of sales.	Gross profit increased by 99.5% from previous year mainly due to significant sales increase than previous year.	Operating expenses rose by 83.77% than previous year because company spend more to support its increase of sales this year than previous year.	Operating profit rose by 73.3% from previous year as sales increased by 62.7% during the year.	Net profit before tax mainly increased due to increase in sales.	Net Profit after tax increased by 94% due to increase in sales.
June 30, 2017	Sales increased by 633% because company incurred selling expenses for the first time to boost its sales and its distribution. Before that company didn't incurred any selling expenditure. Other than that, 17.8% more plant and machinery were acquired to support the production of goods for more sales.	Cost of sales rose by 559% than last year as more plant and machinery, about 17.8 % were added for more production and to support sales. Other than that Company already had big quantity inventory ready in the beginning of the year than last year to support increase in market share , led to increase in cost of sales	Gross profit increased by 796 % from previous year mainly due to significant sales increase than previous year.	Operating expenses rose by 192% than previous year because company spend more to support its increase of sales this year than previous year.	Operating profit rose to Tk 120,034,048 from previous year loss Tk (1,120,859) as sales increased by 633% during the year.	Net profit before tax mainly increased due to increase in sales.	Net Profit after tax achieved Tk 2500,498 from previous year loss of Tk. 17330,301. This happened due to high increase in sales achieved this year.
June 30, 2016	Sales increased by Tk. 65,276,963 from last year as there was no sales in the previous year. Sales in 2016 was the first year, the company actually made sales without incurring any selling expenses by marketing through word of mouth. Other than that, more plant and machinery were acquired to support the production of goods for more sales.	Cost of sales rose by Tk. 44,853,835 than last year as there were no cost of sales in its previous year. Other than that, more plant and machinery, about 188 % were added for more production and to support more sales.	Gross profit increased by amount Tk.20,423,128 from previous year mainly due to significant sales increase than previous year where actually in previous year no sales actually occurred or generated.	Operating expenses rose by Tk. 21,543,987 than previous year because company had no operating expenses in previous year. Other than that, it was the first year it spend for operation purposes to support its sales.	There have been an operating loss Tk (1,120,859) mainly due to high cost of sales, administration expense and low sales.	Net loss before tax achieved mainly i due to inadequate sales achieved.	Net loss achieved of Tk. 17,330,301 this year. It happened for inadequate sales achieved, failed to cover high cost of goods sold ,high operating and financial expenses
June 30, 2015	There were no sale and a year before. So no change in sales %.	It was company first year of operation with no sales and so no cost of goods sold.	It was company first year of operation with no sales and so no cost of goods sold and so	Operating expenses is connected with sales and business operations. There were no sales,	There haven no operation during the year and hence no operating	There is no Net profit before tax mainly because of no operation.	There is no Net profit before tax mainly because of no operation.

			no gross profit.	administration and hence no sales expenses in the year. So no operating expenses.	profit or loss.		
--	--	--	------------------	---	-----------------	--	--

1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

There are no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

2) Significant economic changes that materially affect or are likely to affect income from continuing operations;

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;

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

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

4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;

The management is aware of the fact that future is always uncertain that affects business and plan as well. So, in future labor price or material price may change. However, revenue is always adjusted and follows the trend in line with production cost. Hence, any change in cost will be reflected in sales price.

5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;

There is no material increase in sales volume or revenue due to increased sales volume, introduction of new products or services or increased sales prices.

6) Total turnover of each major industry segment in which the issuer operated

It is not applicable for this company as there is no turnover of major industry segment.

7) Status of any publicly announced new products or business segment;

The company did not announce new products or business segment.

8) The extent to which the business is seasonal.

The maximum revenue is generated in summer season.

w) Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company;

The Company has rescheduled loans availed from AB bank Ltd. and Lanka Bangla Finance Limited based on negotiation at the moment of loan top up and it has not converted any of its loan into equity during the history of operation of the company.

x) Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;

There were no changes in the activities of the Company during the last five years and had not any material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

y) Injunction or restraining order, if any, with possible implications;

The company never faces any injunction or restraining order from any court of law or from any competent authority.

z) Technology, market, managerial competence and capacity built-up;

Technology:

TFAIL is leveraging digitization to modernize its cold chain. Melting ice cream and stockouts are only some of the issues that it hopes to tackle through this initiative.

Market:

National ice cream market is worth around TK 6.5 billion, of which 85% constitutes the branded ice cream makers and the rest of the 15% are the non-branded producers. With the massive electrification in the country, particularly in rural Bangladesh, ice-cream found its huge market beyond cities as use of refrigerators marked a significant leap in suburbs and villages.

Managerial competence:

Our company prioritizes to nurture and provide them with the opportunities to achieve their maximum competence. We also express our preeminent desire to serve the needs of our valued customers, business partners and the society in general by being responsible in creating and delivering our valuable products, services and business practices.

Capacity built-up

The company commenced its operation on January 02, 2016. Existing Capacity is 18,044,445 Liter. 60% of this capacity has been utilized. Due to more order more capacity is requiring to meet the demands. So company always have maintained capacity to meet demands and likely to continue to do so for the foreseeable future.

aa) Changes in accounting policies in the last three years;

The company did not make any changes in accounting policies in the last three years

bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months;

STATEMENT REGARDING SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

This is to certify that in our opinion there have not arisen any circumstances since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or is likely to affect the trading or profitability of the Taufika Foods and Agro Industries Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-
Ms Shamima Nargis Haque
Chairman

Sd/-
Md. Ekramul Haque
Managing Director

Sd/-
Muhsinina Taufika Ekram
Director

Sd/-
Kawser Ahmed
Nominee Director
of
Taufika Engineering Ltd.

Sd/-
Imtiaz Lutful Baset FCMA, FCA
Independent Director

Place: Dhaka

Date: November 27, 2019

cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;

There is no unaudited accounts that would be pertained in the prospectus. The Issuer has incorporated Financial Statements for the year ended June 30, 2020 in the prospectus.

dd) Factors that may affect the results of operations.

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

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

CHAPTER - VII

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

a) Overview of business and strategies:

Overview of business:

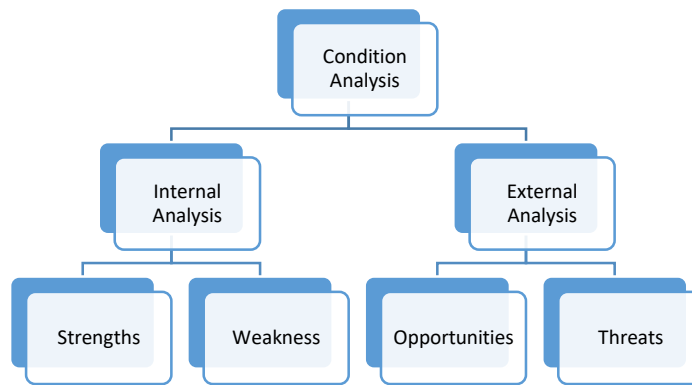
Taufika Foods and Agro Industries Limited was incorporated in Bangladesh as a Private Limited Company under The Companies Act, 1994 vide Registration No. C-94700/11 dated August 07, 2011. Subsequently, the Company was converted into a public limited Company dated 22 August, 2019. The Company started its commercial operation on January 02, 2016. Its Corporate Head Office located at Plot-80, Road-2, Banani (Chairman Bari), Dhaka-1213, Bangladesh and Factory is located at Bashile, Kathali, 6 No. Valuka Union Parishad Valuka, Mymensingh. The Company is an Ice-cream manufacturer and supplier in Bangladesh.

Business Strategy;

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

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

b) SWOT ANALYSIS:



Strengths:

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

Weaknesses:

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

Opportunities:

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

Threats:

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

(c) 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	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Sales	314,349,972	922,889,785	778,975,897	478,531,399	65,276,963	-
Other Income	553,692	6,102,220	5,192,925	3,178,685	-	-
Total Income	314,903,664	928,992,005	784,168,822	481,710,084	65,276,963	-
Cost of Material	185,353,363	537,504,916	455,142,393	316,274,962	44,853,835	-
Finance Cost	40,693,839	161,134,907	126,213,752	94,448,658	15,817,781	-
Depreciation Expenses	27,436,748	109,641,705	94,753,347	80,234,499	29,358,588	-
Amortization Expense	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Inventory	241,724,547	218,927,157	171,287,614	112,781,720	86,656,489	-
Net profit before tax	45,982,655	91,279,502	82,889,168	28,764,074	-16,938,640	-
Net Profit after tax	29,888,726	61,645,286	42,548,150	2,500,498	-17,330,301	-
Earnings per Share (EPS)	1.20	10.05	7.87	2.61	(173.30)	-

Reason of Fluctuation:

Revenue

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

Other Income

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

Total Income

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

Cost of Material

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

Finance Cost

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

Depreciation & Amortization expenses

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

Other Expenses:

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

Change in Inventory

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

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

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

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

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

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

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

(e) Trends or expected fluctuations in liquidity;

There are no trends of expected fluctuations in liquidity.

(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

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

CHAPTER - VIII

DIRECTORS AND OFFICERS

CHAPTER (VIII): DIRECTORS AND OFFICERS

(a) Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him;

Name of Directors	Father's Name	Age (Years)	Residential Address	Educational Qualification	Experience	Position	Period of Nomination	Name of Nominated Organization
Md. Ekramul Haque	Md. Mozammel Haque	53	Park Parairie Apartment, House # 35/A, Flat # A-5, Gulshan-2, Dhaka-1212	B.Sc. Engineer	24 Years	Managing Director	N/A	N/A
Ms. Shamima Nargis Haque	Md. Shamsul Haque	50	Park Parairie Apartment, House # 35/A, Flat # A-5, Gulshan-2, Dhaka-1212	Masters of Social Science (Economics)	20 Years	Chairman	N/A	N/A
Muhsinina Taufika Ekram	Md. Ekramul Haque	20	Park Parairie Apartment, House # 35/A, Flat # A-5, Gulshan-2, Dhaka-1212	Studying in Life science	-	Director	N/A	N/A
Taufika Engineering Ltd.(Represented by Kawser Ahmed)	A H M Mohibullah	49	House-7, Road-12, Section-11, Block-B, Mirpur, Pallabi, Dhaka-1216	B.Sc. Engineer	16 Years	Director	3 Years	Taufika Engineering Ltd.
Imtiaz Lutful Baset FCMA, FCA	A.Q.M.Baset	61	13/A, BecharamDewry Road, Dhaka-1100	M. Com FCMA,FCA	25 Years	Independent Director	3 Years	N/A

b) Date on which he first become a director and the date on which his current term of office shall expire:

Sl. No.	Name of the Director	Position	Date of first Directorship	Date of Expiration of Current term
1	Md. Ekramul Haque	Managing Director	Mom & AoA	Next AGM
2	Ms. Shamima Nargis Haque	Chairman	Mom & AoA	Next AGM
3	Muhsinina Taufika Ekram	Director	15.11.2018	Next AGM
4	Taufika Engineering Ltd.(Represented by Kawser Ahmed)	Director	10.04.2019	In 2022 AGM
5	Imtiaz Lutful Baset FCMA, FCA	Independent Director	23.11.2019	In 2022 AGM

c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations;

Name	Designation	Directorship/Sponsorship	Type of Business	Position
		Ownership with other organization		
Ms Shamima Nargis Haque	Chairman	Taufika Energy Co. Ltd.	Mobile Phone & Electronic goods Importer, sales & Distribution.	Managing Director
		Taufika Engineering Ltd.	Engineering and Construction	Chairman
		Sharika Enterprise Limited	Import, Export, sale, Distribution & Consultancy Firm	Managing Director
Md. Ekramul Haque	Managing Director	Taufika Energy Co. Ltd.	Mobile Phone & Electronic goods Importer, sales & Distribution.	Chairman
		Taufika Engineering Ltd.	Engineering and Construction	Director
		Sharika Enterprise Limited	Import, Export, sale, Distribution & Consultancy Firm	Chairman

(d) Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer Company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer;

Any of the directors of the Company are neither involve in securities market in any manner nor is a director of the Issuer company of other listed securities during last three years.

(e) Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers

Family relationship among directors:

Sl. No.	Name	Designation	Relationships
1	Md. Ekramul Haque	Managing Director	Husband of Ms. Shamima Nargis Haque and father of Muhsinina Taufika Ekram
2	Ms. Shamima Nargis Haque	Chairman	Wife of Md. Ekramul Haque and mother of Muhsinina Taufika Ekram
3	Muhsinina Taufika Ekram	Director	Daughter of Md. Ekramul Haque and Ms. Shamima Nargis Haque
4	Taufika Engineering Ltd. (Represented by Kawser Ahmed)	Director	No Family Relationship
5	Imtiaz Lutful Baset FCMA, FCA	Independent Director	No Family Relationship

Family relationship among directors and top five officers of the Company:

There is no family relationship among the directors and top five officials of the company.

(f) A very brief description of other businesses of the directors;

Md. Ekramul Haque (Managing Director)

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital	Position
1	Taufika Energy Co. Ltd.	13/04/2008	Mobile Phone & Electronic goods Importer, sales & Distribution.	Private Limited Company	2,000,000	Chairman
2	Taufika Engineering Ltd.	20/08/2013	Engineering & Construction firm	Private Limited Company	1,000,000	Chairman
3	Sharika Enterprise Ltd.	15/12/2016	Import, Export, sale, Distribution & Consultancy Firm	Private Limited Company	10,000,000	Chairman

Ms Shamima Nargis Haque (Chairman)

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital	Position
1	Taufika Energy Co. Ltd.	13/04/2008	Mobile Phone & Electronic goods Importer, sales & Distribution.	Private Limited Company	2,000,000	Managing Director
2	Taufika Engineering Ltd.	20/08/2013	Engineering & Construction firm	Private Limited Company	1,000,000	Managing Director
3	Sharika Enterprise Ltd.	15/12/2016	Import, Export, sale, Distribution & Consultancy Firm	Private Limited Company	10,000,000	Managing Director

(g) Short bio-data of each director:

**Ms Shamima Nargis Haque
Chairman**

Ms. Shamima Nargis Haque is an entrepreneur and holds an academic degree in Economics She has been involved with Taufika Foods and Agro Industries Limited as its Chairman. She plays a vital role in the case of taking critical decision for the company.

**Md. Ekramul Haque
Managing Director**

Md. Ekramul Haque has completed his academic career in Civil Engineering from KUET. He has 24 years' experience in different business sector in Bangladesh. He is currently acting as a Chairman for Taufika Energy Co. Limited and Sharika Enterprise Ltd. and Chairman of Taufika Engineering Ltd. as well. He has visited many countries in connection with business and has gathered sufficient required knowledge to run a business smoothly and profitably.

Kawser Ahmed
Nominee Director of Taufika Engineering Ltd.

Engineer Kawser Ahmed aged 48, is a B. Sc. (Civil) Engineering - Bangladesh Institute of Technology (B I T). His fellowship in Professional Societies: Institution of Engineers, Bangladesh (F-7176). He is a High-powered Professional Manager: MBO & Decision Making – bdjobs.com Training. 16 years of experiences with consultancy and construction works as a team of local and expatriates. Experience in urban and rural infrastructure development project – Flyover, Bridge/Culvert, Road, Buildings, Water supply & Sanitation/Drainage system and Water Treatment Plant. Responsible for planning, design, cost analysis, preparation of bidding documents, computer aided design (CAD & CAM) and model making as well as supervision and quality control of construction works.

Imtiaz Lutful Baset FCMA, FCA
Independent Director

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

Ms Muhsinina Taufika Ekram
Director

Ms Mohsinina Taufika Ekram, aged 20 is having dual citizenship of Canada and Banngladesh is the elder daughter of Md. Ekramul Haque. She is now pursuing her graduation degree in the field of life Science at the University of Toronto (Uoft), Canada.

h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:

Neither the Company nor any of its Directors or shareholders who hold 10% or more shares in the paid up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

(i) Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included;

Sl. No.	Name of Employees	Position	Educational Qualification	Age	Date of Joining	Overall Experience	Name of Previous Organization	Salary paid for the period ended September 30, 2019
1	Md. Ekramul Haque	Managing Director	B.Sc.Engr.	53	03.08.2011	24	BEL Constrution Sdn Bsd	1,500,000
2	Mustaque Ahmad	Chief Financial Officer	MSS	51	15-01-2012	25	Daiyyan Knitwear Ltd	342,500
3	AKM Zakaria Hossain FCMA	Company Secretary	M com, FCMA	42	01-01-2015	20	Dhaka Ice Cream Ind Ltd	375,000
4	Md. Kamruzzaman	Chief Operating Officer	MBA in Marketing	55	13-02-2016	28	Dhaka Ice Cream Ind Ltd	450,000
5	Muhammad Razib Hasan	Chief Strategic Officer	MBA, Management Science	44	01-02-2012	20	Taufika Energy Limited	705,000
6	Pillagoda W. Gunapala	Head of Operations	B.Sc.	72	01-01-2015	50	Northern Dairy Limited (Nigeria)	936,000
7	Mohammad Didarul Alam FCMA	Head of Internal Audit	M.Com Accounting, FCMA	41	03-12-2017	14	Partex Beverage Limited	225,000
8	S.M. Momtazul Islam	Head of R & D	MSS in Sociology	56	01-05-2015	31	Kazi Food Industries Limited	450,000
9	B.M. Rabbany	Manager, HR & Admin	MBA(HRM) DSC	34	21-01-2016	11	Metrocem Cement Limited	150,000
10	Abu Ahmed Majumder	National Sales Manager	M.Com (Management)	54	15-07-2014	27	Kazi Food Industries Limited	150,000

(j) Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed;

No key management persons have been changed during the last three years other than Mohammad Didarul Alam who is appointed to Head of Internal Audit on behalf of Taufika Foods and Agro Industries Limited in December 03, 2017.

(k) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position;

Name	Father's Name	Age (years)	Personal address	Educational Qualification	Experience in Years	Position/Post		Other venture of each sponsor	Present position
						Present	Past		
Ms Shamima Nargis Haque	Md. Mozammel Haque	50	Park Parairie Apartment, House # 35/A, Flat # A-5, Gulshan-2, Dhaka-1212	Masters of Social Science (Economics)	20	Chairman	Director	Taufika Energy Co. Ltd.	Mnaging Director
								Taufika Engineering Ltd	Mnaging Director
								Sharika Enterprise	Managing Director
Md. Ekramul Haque	Md. Shamsul Haque	53	Park Parairie Apartment, House # 35/A, Flat # A-5, Gulshan-2, Dhaka-1212	BSc Engineer & MBA	24	Managing Director	Managing Director	Taufika Energy Co. Ltd.	Chairman
								Taufika Engineering Ltd	Chairman
								Sharika Enterprise	Chairman

l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.

Name of Directors	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration of Such Acquisition
Muhsinina Taufika Ekram	Director	15.11.2018	No terms of acquisition	Cash
Taufika Engineering Ltd.(Represented by Kawser Ahmed)	Director	03.06.2018	No terms of acquisition	Cash
Imtiaz Lutful Baset FCMA, FCA	Independent Director	23.11.2019	N/A	N/A

(m) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed;

It is not applicable here as issuer did not mentioned any new proposed line of business which required experience to handle.

(n) Interest of the key management persons;

There is no other interest of the key management except that remuneration/salary and allowances paid to them as stated in serial (i) of this section.

(o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary;

Interest and facilities enjoyed by a director are as follows:

Particulars	Position	Nature of Transaction	From 1.07.2019 to 30.09.2019
Md. Ekramul Haque	Managing Director	Remuneration	1,500,000
		Board Meeting	10,000
Ms. Shamima Nargis Haque	Director & Chairman	Remuneration	-
		Board Meeting	10,000
Muhsinina Taufika Ekram	Director	Remuneration	-
		Board Meeting	10,000

p) Number of shares held and percentage of shareholding (pre issue):

Sl. No.	Name	Position	No of Shares Total	Percentage of Pre-IPO
1	Md. Ekramul Haque	Managing Director	33,000,000	60%
2	Ms. Shamima Nargis Haque	Chairman	2,900,000	5.27%
3	Muhsinina Taufika Ekram	Director	2,050,000	3.73%
4	Taufika Engineering Ltd.(Represented by Kawser Ahmed)	Director	11,550,000	21%
5	Imtiaz Lutful Baset FCMA, FCA	Independent Director	-	-
	Total		49,500,000	90%

q) Change in board of directors during last three years:

Sl. No.	Name of Directors	Date of Joining	Date of Retirement	Present Status
1	Muhsinina Taufika Ekram	15.11.2018	In Next General Meeting	Director
2	Taufika Engineering Ltd.(Represented by Kawser Ahmed)	03.06.2018	In 2022 General Meeting	Director
3	Imtiaz Lutful Baset FCMA, FCA	23.11.2019	In 2022 General Meeting	Independent Director

(r) Director's engagement with similar business.

There is no engagement of any Directors of Taufika Foods and Agro Industries Limited with similar business.

CHAPTER - IX

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

CHAPTER (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely:-

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

TO WHOM IT MAY CONCERN

This is to certify that the company does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons:

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

Except the transactions described in the following table:

Related Parties	Relationship	Nature of Transaction	Amount in BDT					
			September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Md. Ekramul Haque	Managing Director	Remuneration	1,500,000	500,000	-	-	-	-
		Meeting Allowance	10,000	10,000	-	-	-	-
		Loan Re Payment	-	-	-	14,215,728	-	-
Ms. Shamima Nargis Haque	Director	Meeting Allowance	10,000	5,000	-	-	-	-
Muhsinina Taufika Ekram	Director	Meeting Allowance	10,000	5,000	-	-	-	-

Related Parties	Relationship	Nature of Transaction	Amount in BDT					
			September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Kawser Ahmed Nominee Director of Taufika Engineering Limited	Nominee Director	Loan given to TEL	7,130,000	4,820,000	-	-	-	-
		Loan Repayment	-	-	-	-	-	-
		Loan given to Taufika Foods and Agro Industries Ltd.	-	381,678	77,200,000	23,880,100	-	-

Place: Dhaka
Date: October 04, 2020

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

(b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in CHAPTER (IX) (a).

(c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.

There were no loans either taken or given from or to any director or any person connected with the director except as mentioned in CHAPTER (IX) (a).

CHAPTER - X

EXECUTIVE COMPENSATION

CHAPTER (X): EXECUTIVE COMPENSATION

(a) The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting Year and the name and designation of each such officer;

Sl. No.	Name	Designation	Salaries for the Period ended September 30,2019 (BDT)
1	Md. Ekramul Haque	Managing Director	1,500,000
2	Pillagoda W. Gunapala	Head of Operation	936,000
3	Muhammad Razib Hasan	Chief Strategic Officer	705,000
4	Md. Kamruzzaman	Chief Operating Officer	450,000
5	S.M. Momtazul Islam	Head of R & D	450,000

(b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year;

Sl. No.	Particulars	Nature of Payments	Salaries for the Period ended September 30,2019 (BDT)
1	Directors	Remuneration & Allowances	1,510,000
2	Officers	Salary & Allowances	17,393,650

(c) If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year;

Name of Directors	Designation	Salaries for the Period ended September 30,2019 (BDT)	AGM or EGM
Md. Ekramul Haque	Managing Director	1,500,000	15.05 2019

(d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM;

Name of Directors	Designation	Meeting Allowance for the Period ended September 30,2019 (Taka)	AGM or EGM
Md. Ekramul Haque	Managing Director	10,000	15.05 2019
Ms. Shamima Nargis Haque	Director	10,000	15.05 2019
Muhsinina Taufika Ekram	Director	10,000	15.05 2019

(e) Any contract with any director or officer providing for the payment of future compensation;

The Company has not entered into any contract with any of its Directors or Officers for any future compensation packages.

(f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto;

The Company has no plan for substantially increasing remuneration to its directors or officers except for those that are paid as annual increment to their salaries.

(g) Any other benefit or facility provided to the above persons during the last accounting year.

No other benefit/facility provided to the above persons during the last accounting year.

CHAPTER - XI

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

CHAPTER (XI): OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Taufika Foods and Agro Industries Limited did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

CHAPTER - XII

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

CHAPTER (XII): TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

(a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received:

Benefits from the Company received during last five years:

The Directors and subscribers to the memorandum have not received any benefits except the following, as mentioned below:

Related Parties	Relationship	Nature of Transaction	Amount in BDT					
			September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Md. Ekramul Haque	Managing Director	Remuneration	1,500,000	500,000	-	-	-	-
		Meeting Allowance	10,000	10,000	-	-	-	-
		Loan Repayment	-	-	-	14,215,728	-	-
Ms. Shamima Nargis Haque	Director	Meeting Allowance	10,000	5,000	-	-	-	-
Muhsinina Taufika Ekram	Director	Meeting Allowance	10,000	5,000	-	-	-	-

Others:

Related Parties	Relationship	Nature of Transaction	Amount in BDT					
			September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Kawser Ahmed Nominee Director of Taufika Engineering Limited	Nominee Director	Loan given to TEL	7,130,000	4,820,000	-	-	-	-
		Loan Repayment	-	-	-	-	-	-
		Loan given to Taufika Foods and Agro Industries Ltd.	-	381,678	77,200,000	23,880,100	-	-

(b) If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.

Directors and subscribers to the memorandum have not transferred any asset to the Company in the last five years. Besides, in the last five years the issuer Company has not received any assets or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

CHAPTER - XIII

OWNERSHIP OF THE COMPANY'S SECURITIES

CHAPTER (XIII): OWNERSHIP OF THE COMPANY'S SECURITIES

(a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form;

Sl. No.	Name	Position	Address	BO ID	No of Shares Total	Percentage (%)	
						Pre-IPO	Post IPO
1	Md. Ekramul Haque	Managing Director	House No.5B, Plot No..45Block-A Basundhara Housing Society, Dhaka	1605570068821919	33,000,000	60.00%	38.82%
2	Ms. Shamima Nargis Haque	Chairman	House No.5B, Plot No.45Block-A Basundhara Housing Society, Dhaka	1605570068821943	2,900,000	5.27%	3.41%
3	Muhsinina Taufika Ekram	Director	House Number 29, Road Number 35A, Gulshan 2, Dhaka	1605570068821927	2,050,000	3.73%	2.41%
4	Taufika Engineering Limited (Represented by Kawser Ahmed)	Director	House-7 (3 rd Floor), Road-12/6, Mirpur 11/B, Pollobi, Dhaka	1605570068821860	11,550,000	21.00%	13.59%
5	Abu Taher Mohammad Amanullah	Shareholder	House-60, Road: 4/A, Old DOHS, Bnani, Dhaka-1212.	1605570068821951	1,000,000	1.82%	1.18%
6	Md. Abdus sultan	Shareholder	Vill: Khorkoria, Post: Nandina, Jamalpur.	1605570058021241	725,000	1.32%	0.85%
7	Zakir Hossain	Shareholder	44/A/2, Azimpur Road, Dhaka	1605610066500080	100,000	0.18%	0.12%
8	Kazi Amdadul Haque	Shareholder	149/A, Wabda Road, West Rampura Dhaka	1605570062732560	1,060,000	1.93%	1.25%
9	Rizvi Kaiser	Shareholder	House 2, Road 14, Baridhara, Dhaka	1605610064083452	10,000	0.02%	0.01%
10	Md. Saiful Islam Helaly	Shareholder	117/Ka, Azimpur Road, Dhaka	1605570062874115	1,045,000	1.90%	1.23%
11	Mizanur Rahman	Shareholder	234/ 1, Ibrahimpur, Dhaka	1204240059807235	5,000	0.01%	0.006%
12	Tahmina Chowdhury	Shareholder	Nurun Nahar Villa 129 South Kamlapur, Dhaka	1204240059807237	205,000	0.37%	0.24%
13	Masuma Khatun	Shareholder	Village & Post: Gobindashi, Ps: Bhuapur, Tangail	1204240059807236	255,000	0.46%	0.30%
14	Hosne Ara Begum	Shareholder	149/A, Wabda Road, West Rampura Dhaka	1605570063001842	1,095,000	1.99%	1.29%
	Total				55,000,000	100%	64.71%

(b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue;

Sl. No.	Name of Director	Address	Age (Years)	Experience	BO ID	E-TIN No.	No of Shares Total	Pre-IPO	position held in other companies in other companies	
									Other companies	position
1	Md. Ekramul Haque	House No.5B, Plot No..45Block-A Basundhara Housing Society, Dhaka	53	24 Years	1605570068821919	756466608335	33,000,000	60.00%	Taufika Energy Co. Ltd.	Chairman
									Taufika Engineering Ltd.	Chairman
									Sharika Enterprise Ltd.	Chairman
2	Ms. Shamima Nargis Haque	House No.5B, Plot No.45Block-A Basundhara Housing Society, Dhaka	50	20 Years	1605570068821943	170461500851	2,900,000	5.27%	Taufika Energy Co. Ltd.	Managing Director
									Taufika Engineering Ltd.	Managing Director
									Sharika Enterprise Ltd.	Managing Director
3	Muhsinina Taufika Ekram	House Number 29, Road Number 35A, Gulshan 2, Dhaka	20	-	1605570068821927	349670723504	2,050,000	3.73%	-	-
4	Taufika Engineering Limited (Represented by Kawser Ahmed)	House-7 (3 rd Floor), Road-12/6, Mirpur 11/B, Pollobi, Dhaka	49	5 Years	1605570068821860	655655159567	11,500,000	21.00%	-	-
5	Imtiaz Lutful Baset FCMA, FCA	13/A,BecharamDewry Road, Dhaka-1100	61	34 Years	-	556240741443	-	-	-	-

(c) The average cost of acquisition of equity shares by the directors certified by the auditors;

Auditors' Certificate regarding Average Cost of Acquisition of Equity Shares by the Directors

This is to certify that the shares in the equity of **Taufika Foods and Agro Industries Limited** have been allotted at face value in cash and other than cash and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Name wise shareholdings position, allotment date and consideration are given below

Name	Position	Date of Allotment	No of Shares	No of Shares Total	Consideration	Face value of Share (Tk.)
Md. Ekramul Haque	Managing Director	MOA	50,000	33,000,000	Cash	10
		ROA (03/05/2017)	42 00,000			
		ROA (27/08/2019)	28,750,000			
Ms. Shamima Nargis Haque	Chairman	MOA	50,000	2,900,000		
		ROA (03/05/2017)	1,100,000			
		ROA (27/08/2019)	1,750,000			
Muhsinina Taufika Ekram	Director	ROA (15/11/2018)	50,000	2,050,000		
		ROA (27/08/2019)	2,000,000			
Taufika Engineering Ltd.(Represented by Kawser Ahmed)	Director	ROA (03/06/2018)	50,000	11,550,000		
		ROA (27/08/2019)	11,500,000			
Imtiaz Lutful Baset FCMA, FCA	Independent Director	N/A				

**Face value of company's share was BDT 100/- each and was converted into BDT 10/- Face value of shares on the above table was considered at BDT 10/-for better presentation.*

Place: Dhaka

Date: November 03, 2019

Sd/-

Islam Quazi Shafique & Co.
Chartered Accountants

(d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors or directors. In this connection, a statement to be included:-

Name of Director and Sponsor	Nature of Issue	Date of allotment	No of Shares	Amount in Tk.	Face Value/Issue Price	Price/Acquisition Price/Transfer Price	Consideration	Date when the shares were made fully paid up	Total Amount TK	No of Shares Total	Percentage (%)		Sources of fund
											Pre-IPO	Post IPO	
Md. Ekramul Haque	Ordinary Share	MOA	50,000	500,000	10.00	10.00	Cash	MOA	330,000,000	33,000,000	60.00%	38.82%	Own Source
		ROA (03/05/2017)	42 00,000	42,000,000				03/05/2017					
		ROA (27/08/2019)	28,750,000	287,500,000				27/08/2019					
Ms. Shamima Nargis Haque		MOA	50,000	500,000				MOA	29,000,000	2,900,000	5.27%	3.41%	
		ROA (03/05/2017)	1,100,000	11,000,000				03/05/2017					
		ROA (27/08/2019)	1,750,000	17,500,000				27/08/2019					
Muhsinina Taufika Ekram		ROA (15/11/2018)	50,000	500,000				15/11/2018	25,000,000	2,500,000	3.73%	2.41%	
		ROA (27/08/2019)	2,000,000	2,000,000				27/08/2019					
Taufika Engineering Ltd.(Represented by Kawser Ahmed)		ROA (03/06/2018)	50,000	500,000				03/06/2018	115,550,000	11,550,000	21.00%	13.59%	
		ROA (27/08/2019)	11,500,000	115,000,000				(27/08/2019					
Imtiaz Lutful Baset FCMA, FCA	N/A												

**Face value of company's share was BDT 100/- each and was converted into BDT 10/- Face value of shares on the above table was considered at BDT 10/-for better presentation.*

(e) Detail of shares issued by the company at a price lower than the issue price:

All the shares are issued by the Company at face value of Tk. 10.00 before this issue.

(f) History of significant (5% or more) changes in ownership of securities from inception:

There is no history accompanied by the company which indicates significant (5% or more) changes in ownership of securities from inception.

CHAPTER - XIV

CORPORATE GOVERNANCE

CHAPTER (XIV): CORPORATE GOVERNANCE

(a) Management disclosure regarding compliance with the requirements of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC);

The Company declares that, it has complied with the requirements of the applicable regulations of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) and accordingly constitutes several committees under the board for good governance. A certificate of compliance from competent authority has been incorporated accordingly.

Place: Dhaka

Date: November 27, 2019

Sd/-

Md. Ekramul Haque
Managing Director

(b) A compliance report of Corporate Governance requirements certified by competent authority;

COMPLIANCE ON THE CORPORATE GOVERNANCE CODE OF TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED

We have examined the compliance status to the Corporate Governance Code by Taufika Foods and Agro Industries Limited as on 30 October, 2019. 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: December 30, 2019

Sd/-

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

TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED
COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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).	√		The Taufika Foods and Agro Industries Limited Board is comprised of 05 Directors.
1 (2)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-			
1 (2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		The number of independent director of the company is 01 (one)
1 (2) (b)	For the purpose of this clause "independent director" means a director-			
1 (2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up 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);	√		Appointed by the Board of Directors will be placed to next AGM for approval.
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)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive .-			
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;	√		Due to business expansion dividend has not been declared
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;	√	-	Md. Ekramul Haque does not hold any executive post in any other company. He has resigned from Taufika Engineering Ltd dated 30/10/2019
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;	√		
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	-	-	N/A
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 sub-committee 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 circumstance 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)	<p>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:</p> <p>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:</p> <p>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.</p>	-	-	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)	<p>Reporting to the Authorities</p> <p>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.</p>	-	-	N/A
5 (6) (7)	<p>Reporting to the Shareholders and General Investors</p> <p>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.</p>	√		
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 (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;	√		
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: 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.	√		

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

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

Audit Committee Members Name

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

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

Nomination and Remuneration Committee (NRC) Members Name

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

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

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

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

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

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

CHAPTER - XV

VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGERS

VALUATION UNDER DIFFERENT METHODS AS PRESCRIBED IN CLAUSE NO. ANNEXURE-E (B) (14) OF BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015

The valuation report of securities offered of Taufika Foods and Agro Industries Limited prepared by Issue managers (Banco Finance and Investment Limited and Sandhani Life Finance Limited) based on financial and all other pertinent to the issue.

Qualitative and Quantitative factors for valuation:

Qualitative Justification:

- 1. Quality Products:** The Company has to maintain producing quality products that increase sales volume over the years.
- 2. Market Share:** Taufika Foods and Agro Industries Limited market share has been increasing rapidly.
- 3. Management:** Management is highly experience in their arena.

Quantitative Justification:

Primary Valuation method for the Company is considered on the basis of Net Assets Value based valuation and Earnings based valuation per share.

The fair value is determined under different valuation methods referred in Clause No. Annexure-E (B) (14) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. The following table illustrates the calculation of fair value of Taufika Foods and Agro Industries Limited under different methods:

Sl. No.	Valuation Methods	September 30, 2019 Fair Value BDT	June 30, 2020 Fair Value (BDT)
Method-1	Net Asset Value per share	12.17	12.75
Method-2	Earning-based value per share	10.39	18.41
Method-3	Average market price per share of similar stocks	21.25	21.25

The detailed valuation workings under the above-mentioned methods are furnished under the head of “**Valuation under different methods as prescribed in clause no. Annexure-E(B)(14) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015**” described in this section.

**VALUATION UNDER DIFFERENT METHODS AS PRESCRIBED IN CLAUSE NO. ANNEXURE-E(B)(14)
OF BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015**

Valuation Method	September 30, 2019 Offer Price BDT	June 30, 2020 Offer Price BDT
Method 1: Net Asset value (NAV) at historical cost per share	12.17	12.75
Method 2: Historical Earning based Value	10.39	18.41
Method 3: Average market price per share of similar stocks	21.25	21.25

Offer Price:

Based on the above-mentioned valuation methodologies as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the management of the company in consultation with the Issue Managers has set the issue price at BDT 10.00 each at par value.

Method 1: Net Asset Value (NAV) at historical cost per share

Sl. No.	Particulars	September 30, 2019 Amount (in TK.)	June 30, 2020 Amount (in TK.)
a)	Share Capital	550,000,000	550,000,000
b)	Retained Earnings	119,252,358	151,050,672
Total Shareholder's Equity		669,252,358	701,050,672
Number of Shares		55,000,000	55,000,000
Net Asset Value per share as per Audited Report		12.17	12.75

Method 2: Earning-based-value calculated on the basis of weighted average of net profit after tax for immediate preceding five years or such shorter period during which the issuer was in commercial operation;

As per September 30, 2019

Period	No. of Shares	Net Profit After Tax	Weight of No. of Shares	Weighted Average of Net Profit after tax
30-Jun-16	100,000	-17,330,301	0.0014	-23,906
30-Jun-17	5,400,000	2,500,498	0.0745	186,257
30-Jun-18	5,450,000	42,548,150	0.0752	3,198,668
30-Jun-19	6,545,000	61,645,286	0.0903	5,565,465
30-Sep-19**	55,000,000	29,888,726	0.7587	22,675,770
Total	72,495,000	119,252,359	1.0000	31,602,254
No of Shares outstanding before IPO				55,000,000
EPS based on weighted Average of Net Profit After Tax				0.5746
Six months average sector P/E				18.08
Earnings based value per share (0.5746x18.08)				10.39

** Three months' profit has been considered.

As per June 30, 2020

Period	No. of Shares	Net Profit After Tax	Weight of No. of Shares	Weighted Average of Net Profit after tax
30-Jun-16	100,000	-17,330,301	0.0014	-23,906
30-Jun-17	5,400,000	2,500,498	0.0745	186,257
30-Jun-18	5,450,000	42,548,150	0.0752	3,198,668
30-Jun-19	6,545,000	61,645,286	0.0903	5,565,465
30-Jun-20	55,000,000	62,053,062	0.7587	47,077,983
Total	72,495,000	119,252,359	1.0000	56,004,467
No of Shares outstanding before IPO				55,000,000
EPS based on weighted Average of Net Profit After Tax				1.0183
Six months average sector P/E				18.08
Earnings based value per share (1.0183x18.08)				18.41

Average Price Earnings of Sector P/E	
Month	Sector
November, 2019	19.56
December, 2019	17.45
January, 2020	19.5
February, 2020	18.2
March, 2020	16.36
June, 2020	17.43
Average	18.08

Source: DSE Monthly Review.

Method 3: Average market price per share of similar stocks for the last one year immediately prior to the offer for common stocks with reference and explanation of the similarities or in case of repeat public offering, market price per share of common stock of the issuer for the aforesaid period.

Last One Year (Month ended) Closing Share Price of Similar Stocks:

Sl. No.	Date	Golden Harvest Agro Industries Ltd.
01	July 31, 2019	30.10
02	August 29, 2019	29.00
03	September 30, 2019	31.00
04	October 31, 2019	19.20
05	November 28, 2019	21.30
06	December 30, 2019	19.20
07	January 30, 2020	16.20
08	February 27, 2020	21.60
09	March 25, 2020	16.70
10	May 31, 2020	16.70
11	June 30, 2020	16.70
12	July 30, 2020	17.30
Average		21.25

Sources of Information:

1. Monthly review published by Dhaka Stock Exchange Ltd.

Reference and explanation of similarities:

In Food & Allied sector, total companies are 17, but we considering **Golden Harvest Agro Industries Ltd.** because this company's nature of business is similar to us. Golden Harvest Agro Industries Ltd. is the listed company engaged in manufacturing & marketing of various food products (Frozen Foods) including Ice Cream and the business nature of Taufika Foods and Agro Industries Ltd. is very much closer to this said company. Thus, we have considered this company to calculate average market price.

Sd/-

Mohammad Hamdul Islam
Managing Director & CEO
Banco Finance and Investment Limited

Sd/-

Muhammad Nazrul Islam FCMA
Managing Director & CEO
Sandhani Life Finance Limited

CHAPTER - XVI

DEBT SECURITIES

CHAPTER (XV): DEBT SECURITIES

- (a) The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer against such securities and any other rights the holders of such securities may have;**

The Company has not issued or is planning to issue any debt security within six months.

- (b) All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios;**

The Company has not issue any debt security.

- (c) Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders;**

The Company has not issue any debt security. Therefore, there is no trustee for this issue.

- (d) Repayment or redemption or conversion status of such securities.**

The Company has not issue any debt security. Therefore, there is no repayment or redemption or conversion status of such securities.

CHAPTER - XVII

PARTIES INVOLVED AND THEIR RESPONSIBILITIES

CHAPTER (XV): PARTIES INVOLVED AND THEIR RESPONSIBILITIES

(a) Issue managers;

Sl. No.	Name of the Issue Managers	Responsibilities of the Issue Managers
1	Banco Finance And Investment Limited	The Issue Managers will act as the manager to the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
2	Sandhani Life Finance Limited	

(b) Underwriters;

Sl. No.	Name of the Underwriters	Responsibilities of the Underwriters
1	ICB Capital Management Limited	The Underwriter(s) is responsible to underwrite the public offering on a firm- commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015. In case of under-subscription in any category by up to 35% in an initial public offer, the unsubscribed portion of securities shall be taken up by the underwriter(s).
2	MTB Capital Limited	
3	Sandhani Life Finance Limited	

(c) Statutory Auditor;

Sl. No.	Name of the Auditor	Responsibilities of the Auditor
1	Islam Quazi Shafique & Co. Chartered Accounts	Auditor's responsibility is to express an opinion on the financial statements based on their audit. An Auditor will conduct the audit in accordance with International Standards on Auditing (ISA) is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud and error. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs.

(d) Cost Auditor;

The cost and management accountant is not applicable for this issue.

(e) Valuer;

Not applicable for the companies.

(f) Credit rating Company.

The credit rating is not applicable for the Issuer.

CHAPTER - XVIII

MATERIAL CONTRACTS

CHAPTER (XVIII): MATERIAL CONTRACTS

(a) Major agreements entered into by the issuer;

- i) Underwriting Agreement between the Company and the Underwriters.
- ii) Issue Management Agreement between the Company and the Managers to the Issue.

(b) Material parts of the agreements;

Issue Managers:

Contract	Material parts of the agreements	
Issue Management Agreement with: 1. Banco Finance And Investment Limited 2. Sandhani Life Finance Limited	Signing Date:	October 23, 2019
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.
	Principal Terms and Condition:	<p>1. ISSUE MANAGERS</p> <p>1.1 Subject to the terms and conditions hereunder, the ISSUER upon undertaking the PUBLIC ISSUE shall engage the ISSUE MANAGERS for rendering the services to be performed under this agreement.</p> <p>1.2 That the ISSUE MANAGERS shall act as the Manager to the Issue and render financial consultancy services to the PUBLIC ISSUE as described hereunder in Clause 2.</p> <p>2. SCOPE OF SERVICES</p> <p>The scope of the services to be rendered by the ISSUE MANAGERS to the ISSUER under this agreement shall be as detailed hereunder:</p> <p>2.1 ISSUE MANAGEMENT SERVICES</p> <p>2.1.1 Regulatory Compliance</p> <ul style="list-style-type: none"> a) Collect all necessary documents/information from the issuer as required by the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015; b) Preparing the Red-Herring Prospectus as required by the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015; c) Assist the Issuer for conducting the Road Show to facilitate Eligible Investors (EIs) to know about the company and all aspect of offering; d) Finalization of the Red-herring Prospectus based on the observations by the EIs; e) Assist the Issuer to prepare all related necessary documents for submission and filing of application of the PUBLIC ISSUE to the Bangladesh Securities and Exchange Commission (BSEC) and Stock Exchanges; f) Incorporation of modification suggested by BSEC and Stock Exchanges; g) Assist the Issuer in obtaining approval from the BSEC to commence bidding by the EIs; h) Assist Registrar to the Issue in the bidding process along with the Stock Exchanges and EIs; i) Assist the Issuer to determine the Cut-off price for EIs and Public Offering Price for General Public; j) Submission of draft Prospectus to BSEC and Stock Exchanges along with the cut-off Price, public offering price, total issue size and necessary documents after completion of bidding;

	<ul style="list-style-type: none"> k) Assist the Issuer in obtaining approval from the BSEC; l) Assist Registrar to the Issue in conducting lottery if there is any over-subscription; m) Prepare the abridged version of the approved Prospectus. <p>2.1.2 Underwriting Co-operation</p> <ul style="list-style-type: none"> a) Preparation of Information Memorandum for the Underwriters b) Documentation/preparation of underwriting agreement etc. c) Placing of underwriting proposals d) Selection of Underwriter(s) in consultation with the ISSUER <p>2.1.3 Issue Arrangements</p> <ul style="list-style-type: none"> a) Selection of Lead Banker for IPO in consultation with the ISSUER b) Filing of application for listing on Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited c) Filing of the BSEC approved Prospectus with Registrar of Joint Stock Companies and Firms (RJSC&F) <p>2.1 The ISSUE MANAGERS shall assist the Registrar to the Issue in taking such steps as are necessary to ensure completion of allotment and dispatch of letters of allotment and refund warrants to the applicants according to the basis of allotment approved by the Bangladesh Securities and Exchange Commission. The ISSUER undertakes to bear all the PUBLIC ISSUE related expenses including road show, share application processing, lottery conduction, allotment and dispatch of letters of allotment and refund warrant. The ISSUER shall also bear all expenses related to printing and issuance of share certificate and connected government stamps and hologram expenses.</p> <p>2.2 The ISSUE MANAGERS will also co-operate the Registrar to the Issue.</p> <p>2.3 Notwithstanding the above, if any other services required but not listed herein above for the effective PUBLIC ISSUE shall perform the same.</p>
--	--

Underwriter:

Contract	Material parts of the agreements	
<p>Underwriting agreements with:</p> <ol style="list-style-type: none"> 1. ICB Capital Management Limited 2. MTB Capital Limited 3. Sandhani Life Finance Limited 	Signing Date:	November 11, 2019
	Tenure:	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.
	Principal Terms and Condition:	<ol style="list-style-type: none"> 1. The Company shall issue 30,000,000 ordinary shares of BDT 10.00 at par totaling BDT 300,000,000.00 through General Public subscription through publishing a prospectus in accordance with the consent of the Bangladesh Securities and Exchange Commission (BSEC) and the provision of this Agreement. 2. Prior to the publication of the Prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in No. 1 terms and condition and provide for payment of initial underwriting commission not exceeding 0.5% (Zero Point Five Percent) on the amount underwritten. 3. The Company shall make media campaign and publicity of the offer for subscription to the extent as may be reasonably requested by the Issue Managers prior to opening and during offer period of subscription list with publicity material as approved by the BSEC. 4. The Company shall comply with any other formalities required under law of the land, for raising fund publicly. If and to the extent that the shares offered to the public by a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the Closing Date of subscription, the Company shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within 15 (Fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account credited. In any case within 7 (seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission. <p>In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed.</p> <p>In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/issuer will be under no obligation to pay any underwriting commission under this</p>

		<p>Agreement.</p> <p>In the case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.</p> <p>5. That the signatories to this Agreement have duly been authorised by the Board of Directors of both the Company and the underwriter to execute and give effect to this Agreement from the date written herein above.</p> <p>6. The liability of the underwriter under this clause shall be in proportion to but not exceeding the shares agreed to be underwritten by it; provided that the aforementioned request of the Company shall be supported by official certificates and other documents of subscription obtained from the Stockbrokers and Merchant Bankers and a declaration of the Company as to the final result of the Public subscription.</p> <p>7. The Company shall pay to the underwriter an underwriting commission at the rate of 0.5% of the amount underwritten hereby agreed to be underwritten by it.</p>
--	--	---

(c) Fees payable to different parties.

(i) Commission for Underwriters:

The Company shall pay to the underwriters an underwriting commission at the rate of **0.5%** of 35% of the total IPO amount (i.e. Tk. 105,000,000) of the issue value of shares underwritten by them.

(ii) Fees for the issue management services:

Sl. No.	Name of Issue Managers	Amount in BDT
1	Banco Finance And Investment Limited	3,600,000
2	Sandhani Life Finance Limited	2,400,000

CHAPTER - XIX

LITIGATIONS, FINE OR PENALTY

CHAPTER (XIX): LITIGATIONS, FINE OR PENALTY

a) The following litigations including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:

The Issuer or directors of Taufika Foods and Agro Industries Limited were not involved in any of the following types of legal proceedings mentioned below:

(i) Litigation involving Civil Laws	:	There is no conviction of the Issuer or director(s) in a civil proceeding
(ii) Litigation involving Criminal Laws	:	There is no conviction of the Issuer or director(s) in a criminal proceeding
(iii) Litigation involving Securities, Finance and Economic Laws	:	There is no order, judgment or decree of any court of competent jurisdiction against the Issuer or director(s) permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director(s) or officer in any type of Securities, Finance and Economic Laws
(iv) Litigation involving Labor Laws	:	There is no conviction of the Issuer or director(s) in connection to applicable Labor Laws
(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties)	:	There is no litigation involving Taxation.
(vi) Litigation involving any other Laws	:	There is no litigation involving any other Laws.

b) Outstanding cases filed by the company or any of its directors:

There are no outstanding cases filed by the Issuer or any of its directors to any of the following types of legal proceedings mentioned below.

(i) Litigation involving Civil Laws	:	There is no litigation involving Civil Laws
(ii) Litigation involving Criminal Laws	:	There is no litigation involving Criminal Laws
(iii) Litigation involving Securities, Finance and Economic Laws	:	There is no litigation involving Securities, Finance and Economic Laws
(iv) Litigation involving Labor Laws	:	There is no litigation involving Labor Laws
(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties)	:	There is no litigation involving Taxation.
(vi) Litigation involving any other Laws	:	There is no litigation involving any other Laws

CHAPTER - XX

RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

The disclosures of risk factors shall include, where applicable, the followings:

- (i) Internal risk factors;
- (ii) External risk factors.

(i) Internal risk factors;

Internal risk factors may include, among others:

(a) Credit Risk;

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

Management's Perception

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

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

(b) Liquidity Risk;

Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or make the required profit. It arises from the mismatch of maturities of assets and liabilities.

Management's Perception

Management mitigates liquidity risk by careful cash flow management including optimizing working capital and by maintaining unused, committed financing facilities or a liquidity buffer. These allow the business to easily meet its future requirements or contingencies. The way to recover liquidity crisis, Management deals with accounts payable, inventory and accounts receivable efficiently. The company ensures of having sufficient cash and cash equivalents to meet expected operational expenses including financial obligations through preparation of forecasted cash flow with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient fund to make the expected payment with due date.

(c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates;

This risk may arise when the Issuer Company has any Subsidiaries, Joint Ventures and Associates.

Management's Perception

The Issuer Company has no subsidiary, Joint Ventures and Associates. So, there exist no risk associated with the Company's interest in subsidiaries, Joint Ventures and Associates.

(d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;

There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

Management's Perception

Taufika Foods and Agro Industries Limited (TFAIL) produces ice cream for consumption of mass people. So, this risk can be said to be mitigated.

(e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely;

There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

Management's Perception

The Company's list of Suppliers of raw materials is quite big, which provides competitive advantage over other and thus ensures smooth procurement of raw materials for the ice cream plant of the Company.

(f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary;

Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

Management's Perception

The Issuer's revenue is generated from the business operation of the Company itself. Other sister concerns of the Company are operated separately and independently. So, there is no dependency risk.

(g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;

Management's Perception

The Company does not have any negative earnings and declining turnover or profitability since start of its commercial operation.

(h) Loss making associate or subsidiary or group companies of the issuer;

Subsidiary/group companies of the issuer are loss making, it affects the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

Management's Perception

The Company doesn't have any loss making associates/ subsidiary/ group company. So, this risk is mitigated.

(i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates;

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

Management's Perception

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

(j) Decline in value of any investment;

The value of any type of investment may decline.

Management's Perception

The Company doesn't have any kind of other investment at the moment.

(k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned;

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

Management's Perception

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

(l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may be recalled;

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

Management's Perception

Dealings with intercompany to operate business becomes the part of this competitive era. Taufika Foods and Agro Industries Ltd. is used to taking and giving loan from and to intercompany since the inception of the business and during this period both were not habituated to charge interest. Management has decided to charge interest from the financial year 2019 -2020 and it would be reflected in the financial statement for the financial year ended June 30, 2020.

As paying off and taking loan is the continuous process in the process of business it shall not have adverse effect on future cash flow.

(m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more Ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors;

In these cases, there is high chance of compromise among the related companies because of conflict of Interest.

Management's Perception

There is common management with one or more sister concerns but business ventures are quite different. No supplier of raw materials is associated with any Sponsor or Director of the Company. So, this risk is fully mitigated.

(n) Related party transactions entered into by the company those may adversely affect competitive edge;

Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

Management's Perception

TFAIL doesn't uphold the idea of related party transaction.

(o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities;

All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in threat.

Management's Perception

The Company has executed Agreement with Bank(s) for taking credit facilities for its ice cream project in the ordinary course of business. The terms and conditions of the Agreement(s) are quite regular and there doesn't exist any restrictive covenants that might go against the potential investors.

(p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;

In such case, company's business operation will be hampered.

Management's Perception

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

(q) Seasonality of the business of the issuer;

It is the risk involving that company is not doing business round the year.

Management's Perception

The business of the Company has a seasonal impact. Peak season is considered from mid of February to mid of November and off peak season is considered from mid of November to mid of February in a year. Business / sales target is set accordingly, keeping in mind the seasonal impact and thus the risk is abated.

(r) Expiry of any revenue generating contract that may adversely affect the business;

This is the risk of losing customers affecting future sales.

Management's Perception

TFAIL has no long term revenue generating contract with any customer.

(s) Excessive dependence on debt financing which may adversely affect the cash flow;

Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

Management's Perception

TFAIL is giving more emphasis in equity financing and thus reducing dependency on debt. The Company has raised up its capital recently, and have paid substantial amount of bank loan. Further bank loan will be adjusted in future from sales proceeds and it will continue to relieve the Company from debt burden.

(t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance;

Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

Management's Perception

TFAIL has been running its business over a long time with reputation. It practices strong human resources management and corporate governance principles. The Company is being run very professionally. As such, there is little possibility of any adverse effect on Issuer's business performance in case of absence of any key management personnel at any particular time.

(u) Enforcement of contingent liabilities which may adversely affect financial condition;

It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

Management's Perception

Contingent liabilities of the Company are basically, created due to transaction related to import of raw materials or capital machinery for the business purpose. However, the said contingent liabilities are always secured/ substantiated by collateral security either in the form of liquid or fixed assets.

(v) Insurance coverage not adequately protect against certain risks of damages;

Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

Management's Perception

Adequate insurance coverage is maintained by TFAIL on its plant and machinery as well as group Insurance coverage is obtained for the manpower of the Company for any uncertain future material loss.

(w) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;

Directors run the company with the accumulated finance from public and other financing source. If directors discontinue running the business, there will be negative impact on business and share price as well.

Management's Perception

The Directors of the Company are engaged in the business with massive equity participation. So, there is very less possibility that, the Directors will discontinue running business after expiry of lock in period.

(x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure;

Dividend payment is highly dependent on company's ability to generate positive cash flow from operating profit of the business. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

Management's Perception

The profit margin of the Company is on the increase along the years since start of business. As the Company is having continual sales growth every year so the Company is confident to pay dividends from its operating cash flow in future.

(y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors;

Feeble operational management of the company is pointed to history of non-operation. Negative cash flow, incurring losses and bankruptcy case situation are led by non-operation.

Management's Perception

Since start of the commercial operation the Company has no history of non operation till now. The Company is run by a professional team and its sponsors possess adequate business experience, knowledge and acumen.

(z) Risks related to engagement in new type of business, if any;

As this business is existed earlier no risk is related to engagement in new type of business.

Management's Perception

The present business of the Company is not new. For more than last 04 years TFAIL is running the business smoothly and have secured a good position in the market. There is no new project.

(aa) Risk in investing the securities being offered with comparison to other available investment options;

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

Management's Perception

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

(bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law;

It creates a negative impression on the issuer.

Management's Perception

No penalty or action taken by ay regulatory authorities for non compliance with provisions of any law.

(cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial Implications and the status of the case;

If any kind of Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case.

Management's Perception

The Company did not have any litigation relating to Tax, VAT or other government claims against TFAIL.

(dd) Registered office or factory building or place of operation is not owned by the issuer;

Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

Management's Perception

The factory building is owned by the Company. But the registered office is rented.

(ee) Lack of renewal of existing regulatory permissions or licenses;

In this case company is not following the law to renew its all licenses.

Management's Perception

Renewal of existing regulatory permissions or licenses are always maintained properly, by a dedicated team under Commercial department of the company.

(ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates;

Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

Management's Perception

TFAIL has no listed securities or does not have any subsidiaries or associates. Hence this risk is not applicable for TFAIL.

(gg) Issuances of securities at lower than the IPO offer price within one year;

The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

Management's Perception

The Company has no record of issuance of securities at lower than the IPO price within one year.

(hh) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission;

If any refusal happened in the above cases, it will create negative impression to the issuer.

Management's Perception

There is no instance/ record of any refusal of application for public issue of any of the securities of the Issuer so far. On the other hand, TFAIL does not have subsidiaries or associates.

(ii) Any significant impact of Covid-19 pandemic on profitability or material change in operation of the company

Management's Perception

Since the inception of commercial operation in January 02, 2016, the growth of the company has been in its growing stage. Based on the previous sales growth, forecasted sales were around Tk. 120 crore for the financial year ended June 30, 2020. The company has fulfilled its targeted sales each quarter except the last one due to the impact of COVID-19 pandemic and at the end, achievement of targeted sales was Tk. 94.29 crore in the financial year ended June 30, 2020. During the pandemic, global economy has resumed its down trend and worldwide no industry is in exception. In accordance with global financial analyst, the way to financial recovery would be longer and bumpy as well. But in the perspective of our country, we are lucky enough as the pandemic did not hit our country massively. As a result, the operation of the industries in our country have been resumed gradually and hopping this operation might get back to its normal trend soon. Though, it will depend on early invention of vaccine. In this case, a beacon of hope has been explored by the invention of vaccine in many other countries. If it becomes matched well with human body whole world will get relief from this pandemic soon and Bangladesh is no exception in this regard. In addition, auto immunity system has grown up in the people of our country and Bangladesh Govt. has been trying eagerly to cope with this drastic environment and get to early economic benefit as well.

So, if everything goes in line with our expectation the operation of Taufika Foods and Agro Industries Ltd. would not be hampered in near future by this pandemic.

External risk factors may include among others:

a) Interest rate risks;

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

Management's Perception

TFAIL have taken loan from Banks having fixed interest rate. The Company have been repaying their bank loan on a continuous basis which reduces the interest rate risk.

(b) Exchange rate risks;

Foreign Exchange risk arises when an institution holds assets or liabilities in foreign currencies and impacts the earnings and capital of institution due to the fluctuations in the exchange rates. Institution cannot predict what the exchange rate will be in the next period, it can move in either upward or downward direction regardless of what the estimates and predictions were. This uncertain movement poses a threat to the earnings and capital of any institute, if such a movement is in undesired and unanticipated direction.

Management's Perception

TFAIL does not hold any assets in foreign currencies. However, it sometimes carries liabilities in foreign currencies so far import of raw materials from abroad is concerned for production of ice cream purpose. But, the said liabilities against import are primarily, meant for a short term. So, the possibility of adverse effect of fluctuations in the exchange rates is limited.

(c) Industry risks;

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

Management's Perception

The present established market size for ice cream industry in Bangladesh is for Tk.2000.00 Crore among which only Tk.1200.00 crore has been covered by mainly 05 (five) existing companies. So, the existing gap in the ice cream market is for around Tk.800.00 crore. Besides, there is an increasing demand of ice cream of 20% per year.

No abnormal competition among the individual organization, be it either local or foreign, is found in the present ice cream industry. Besides, no individual organization will dare to lower the price of its products drastically, much beyond the average market price with an intention to secure more market share, because it will then become a threat for that particular company to survive.

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

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

(d) Economic and Political Risks

Bangladesh is prone to serious unrest in the political condition which produces Hartal, Road-blockade and many other barriers to the business. This could also propel the cost of the products upwards.

Management's Perception

Stable political condition is prevailing now, in our country and expected that, it will continue in future also.

(e) Market and Technology-related Risks:

Market Risks

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

Management's Perception

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

Technology Related Risks

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

Management's Perception

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

(f) Potential or existing government regulations;

The Company operates under Company's Act 1994 and other related regulation, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax and Supplementary Duty Act, 2012 and Value Added Tax and Supplementary Duty Rules, 2016. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

Management's Perception

Ice cream industry is growing, steadily like other industrial sectors, due to the blessings of the investment friendly policy of the government of Bangladesh. So, possibility of any abrupt changes of the policies by the regulatory authorities is less.

(g) Potential or existing changes in global or national policies;

Risk related to potential changes in global or national policies determine the political instability and the associated deterioration of law and order stand in the way of timely implementation of the projects. Changes in existing global or national policies can have either positive or negative impacts for the Institutions. The performance of the institute will be hindered to unavoidable circumstance both in Bangladesh and worldwide like political turmoil.

Management's Perception

The Company is well aware and is prepared to address any kind of potential changes in global or national policies determining the political instability or unrest. TFAIL shall respond timely and rightly, to the changes in order to mitigate relevant risks.

(h) Statutory clearances and approvals those are yet to be received by the issuer;

If any kind of statutory clearances and approvals those are yet to be received by the issuer.

Management's Perception

All the required statutory approvals to run the business are obtained in the meanwhile.

(i) Competitive condition of the business;

TFAIL is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

Management's Perception

The Company is spreading its sales and distribution network all over the country gradually but very smartly. The brand name of ice cream of the Company is LOVELLO, the visibility of which is unfolding fast. The position of LOVELLO in the market is very strong and pragmatic. The popularity of LOVELLO is increasing day by day as the Company has come out with a variety of extra ordinary mouthwatering ice creams of different design and flavors considering the demand and taste of the consumers of all classes and segments. LOVELLO aspires to become the heart beats of everyone. It is spreading love and connecting the people through its excellent products with the belief that, one day LOVELLO will be the beats of Bangladesh.

(j) Complementary and supplementary products or services which may have an impact on business of the issuer.

If any kind of complementary and supplementary products or services which may have an impact on business of the issuer.

Management's Perception

At the moment there is no complementary and supplementary products of the Company. However, in future complementary or supplementary products might be introduced by the Company to gain a competitive edge over others.

CHAPTER - XXI

DESCRIPTION OF THE ISSUE

CHAPTER (XXI): DESCRIPTION OF THE ISSUE

(a) Issue Size:

Total issue size of 30,000,000 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 300,000,000.00

(b) Number of securities to be issued;

Sl. No.	No. of Shares	Face Value	Amount in BDT
1	30,000,000	10.00	300,000,000

Public Offering of 30,000,000 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 300,000,000.00

(c) Authorized capital and paid-up capital;

Sl. No.	Particulars	Amount in BDT
1	Authorized Capital	1,000,000,000
2	Paid-up Capital	550,000,000

(d) Face value, premium and offer price per unit of securities;

Sl. No.	Particulars	Amount in BDT
1	Face Value of securities	10.00
2	Premium of securities	N/A
3	Offer Price per unit of securities	10.00

(e) Number of securities to be entitled for each category of applicants;

Description	Number of Securities to be Offered		Percentage	Break-up of Securities	Nominal value	Issue Amount in BDT
Offer price BDT 10.00 each at par, total size of fund to be raised BDT. 300,000,000	Eligible Investors (EIs)	Mutual Funds and CIS	10%	3,000,000	10.00	30,000,000
		EI excluding mutual funds and CIS	30%	9,000,000		90,000,000
	General Public (GP)	NRB	10%	3,000,000		30,000,000
		GP excluding NRB	50%	15,000,000		150,000,000
Total			100%	30,000,000	10.00	300,000,000

(f) Holding structure of different classes of securities before and after the issue;

The company has issued only ordinary shares. Holding structure of different classes of securities before and after the issue are as follows:

Sl. No.	Category of Shareholders		No of ordinary shares held		Percentage of Holding	
			Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Directors and Sponsors	Individual	49,500,000	49,500,000	90%	58.24%
2	Other Than Directors and Sponsors		5,500,000	5,500,000	10%	6.47%
3	Eligible Investors	Mutual Funds and CIS	-	3,000,000	-	3.53%
		EI excluding mutual funds and CIS	-	9,000,000	-	10.59%
4	General Public	NRB	-	3,000,000	-	3.53%
		GP excluding NRB	-	15,000,000	-	17.65%
Total			55,000,000	85,000,000	100.00%	100.00%

(g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital:

Net proceeds from Initial Public Offering (IPO) will be used to Bank Loan Repayment, Acquisition of Plant and Machineries, Freezer purchase, Vehicles purchase and Investment in depot to increase. Summary of feasibility report is not applicable here as IPO proceeds would not be used to new project.

CHAPTER - XXII

USE OF PROCEEDS

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 Taka
01.	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
02.	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										57,849,847

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
	Bank Loan Repayment	6,823,323
2017-2018	Working Capital	44,368,323
	Acquisition of Property	31,124,377
	Bank Loan Repayment	1,177,943
	Inter Company Loan Pay	64,200,000
2018-2019	Working Capital	68,502,583

	Acquisition of Property	37,711,323
	Bank Loan Repayment	56,832,771
2019-2020	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	Approximated date of completion of project	Projected date of full commercial operation
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: November 27, 2019

f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus:

There is no such contract yet to be engaged by the company.

g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection:

No objects of the issue are utilization of the issue proceeds for working capital.

h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be:

The company has a plan to implement the expansion by using IPO proceeds, which have been mentioned in use of IPO proceeds and project implementation schedule.

i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented:

The company has a plan to implement the expansion by using IPO proceeds, which have been mentioned in use of IPO proceeds and project implementation schedule.

j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies:

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

(k) Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue managers and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.

Feasibility report is not applicable here as used of net proceeds of initial public offer will not be utilized for any new project.

CHAPTER – XXIII

LOCK – IN

CHAPTER (XXIII): LOCK-IN

(a) Provisions for lock in as per these Rules;

Lock-in : Ordinary shares of the issuer, at the time of according consent to the public issue, shall be subject to lock-in, from the first trading day at the exchange in the following manner

- shares held by sponsors, directors and shareholders holding 10% (ten percent) or more, for 03 (three) years;
- in case, any existing sponsor or director of the issuer transfers any share to any person, those transferred shares, for 03 (three) years;
- shares allotted to any person, before 4 (four) years or more of according consent to the public issue, other than the persons mentioned in clause (a) and (b), for 01 (one) year;
- shares held by alternative investment funds, for 01 (one) year;
- shares held by any person, other than the shares mentioned in clause (a), (b), (c) and (d) above, for 02 (two) years:

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above.

(b) Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked-in.

The following table indicates the Lock-In status of the shareholders of Taufika Foods and Agro Industries Limited:

Sl. No.	Name	BO ID Number	Position	No of Shares Total	Pre-IPO	Lock in Period
01	Md. Ekramul Haque	1605570068821919	Managing Director	33,000,000	60.00%	3 Years
02	Ms. Shamima Nargis Haque	1605570068821943	Chairmen	2,900,000	5.27%	3 Years
03	Muhsinina Taufika Ekram	1605570068821927	Director	2,050,000	3.73%	3 Years
04	Taufika Engineering Ltd.(Represented by Kawser Ahmed)	1605570068821860	Director	11,550,000	21.00%	3 Years
05	Abu Taher Mohammad Amanullah	1605570068821951	Shareholder	1,000,000	1.82%	2 Years
06	Md. Abdus sultan	1605570058021241	Shareholder	725,000	1.32%	2 Years
07	Zakir Hossain	1605610066500080	Shareholder	100,000	0.18%	2 Years
08	Kazi Amdadul Haque	1605570062732560	Shareholder	1,060,000	1.93%	2 Years
09	Rizvi Kaiser	1605610064083452	Shareholder	10,000	0.02%	2 Years
10	Md. Saiful Islam Helaly	1605570062874115	Shareholder	1,045,000	1.90%	2 Years
11	Mizanur Rahman	1204240059807235	Shareholder	5,000	0.01%	2 Years
12	Tahmina Chowdhury	1204240059807237	Shareholder	205,000	0.37%	2 Years
13	Masuma Khatun	1204240059807236	Shareholder	255,000	0.46%	2 Years
14	Hosne Ara Begum	1605570063001842	Shareholder	1,095,000	1.99%	2 Years
	Total			55,000,000	100%	

CHAPTER – XXIV

MARKETS FOR THE SECURITIES BEING OFFERED

CHAPTER (XXIV): MARKETS FOR THE SECURITIES BEING OFFERED

The issuer shall apply to all the relevant exchanges in Bangladesh within seven working days from the date of consent for public offer accorded by the Commission.

The issuer will apply at:



Dhaka Stock Exchange Limited (DSE)

DSE-Tower, Plot#46, Road#21, Nikunja-2, Dhaka-1229

And



Chittagong Stock Exchange Limited (CSE)

CSE Building, 1080, Sk. Mujib Road, Agrabad C/A Chittagong-4000

Declaration about Listing of Shares with Stock Exchanges:

None of the Stock Exchanges, if for any reason, grant listing within 30(thirty) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 30 (thirty) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

Trading and Settlement;

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN "N" CATEGORY

CHAPTER – XXV

DESCRIPTION OF SECURITIES BEING OFFERED

CHAPTER (XXV): DESCRIPTION OF SECURITIES BEING OFFERED

(a) Dividend, Voting, and Preemption Rights;

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

(b) Conversion and Liquidation Rights;

If the Company at any time issues convertible preference shares or debenture with the consent of BSEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health

I Dividend Policy;

- i. The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the Shares held by them respectively.
- ii. No larger dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net Profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other Rights of the securities holders.

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

CHAPTER – XXVI

FINANCIAL STATEMENTS

CHAPTER (XXVI): FINANCIAL STATEMENTS

(a) The latest financial statements prepared and audited by any of the Commission's panel of auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the কোম্পানি আইন, 1994, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable;

AUDITORS' REPORT

&

AUDITED FINANCIAL STATEMENTS

OF

TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED

House- 80, Road-2, level-4A & 4B,
Banani (Chairman Bari), Dhaka-1213.

FOR THE PERIOD ENDED SEPTEMBER 30, 2019.

ISLAM QUAZI SHAFIQ & CO.

Chartered Accountants
Al-Haj Shamsuddin Mansion
Room# C (4th Floor)
17, New Eskaton Road
Moghbar, Dhaka-1000.
Phone: 02-48312349
Website: www.qsibd.com
Email: qsi.esk@gmail.com

**Independent Auditor's Report
To the Shareholders of
Taufika Foods and Agro Industries Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Taufika Foods and Agro Industries Limited (the "company"), which comprise the Statement of Financial position as at 30 September 2019 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 01 July 2019 to 30 September 2019, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 September 2019, and of its financial performance and its cash flows for the period then ended 30 September 2019 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.L.	Key Audit Report	How our audit addressed the key audit matter
1.	<p>Valuation of Inventories</p> <p>Refer to note 07 to the financial statements.</p> <p>Inventories represent BDT 241,724,547 which is about 13.30% of the total assets of the Company; inventories are thus a material item to the Financial statements.</p> <p>As described in the accounting policy note 2.16 to the financial statements, inventors are valued at the lower of cost or net realizable values. As such, management is required to make judgments in determining whether inventories are being appropriately valued.</p> <p>Volume of inventories being held by the company at the reporting date and the complexities involved in the accounting and presentation thereof, Inventories has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> • Tested the operating effectiveness of key controls over Inventories; including observing the process of management's period end inventory count. • Verified a sample basis the net realizable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items. • Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period. • Reviewed the historical accuracy of inventory provisions and the level of write-downs.

2.	<p>Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.</p> <p>Refer to note 24 to the financial statements.</p> <p>As described in accounting policy note 2.14 to the financial statements, the Company recognizes revenue upon transfer of control as per the newly adopted IFRS 15: Revenue from Contracts with Customers. The Company has reported total revenue of BDT 314,349,972.</p> <p>The Company's primary customers are its corporate customer and dealers who are also entitled to get wholesale rate of goods invoiced.</p> <p>Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> Assessed the environment of the measurement as well as other relevant systems supporting the accounting or revenue. Assessed manual as well as application controls supporting revenue recognition. Assessed the invoicing and measurement systems up to entries in the general ledger. Examined customer invoices and receipts of payment on a test basis. Assessed the design of the processes set up to account for the transactions in accordance with the new standard. Assessed whether the sufficiency of disclosures as required by the new standard have been met. Assessed whether the sufficiency of disclosures as required to be made to opening balances due to the adoption of the new standard.
----	---	---

Reporting on other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they Could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audits 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 circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Report on the other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the securities and Exchanges Rules 1987, we also report that:

- (i) we have obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- (iv) The expenditures incurred were for the purpose of the Company's business.

Dated: Dhaka
November 03, 2019

Sd/
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Agro Industries Limited
Statement of Financial Position
As at 30 September 2019

PARTICULARS	NOTES	Amount in Taka	
		30-Sep-19	30 June, 2019
ASSETS:			
A. Non-current Assets		1,133,400,792	1,075,014,606
Property, Plant & Equipments	3.00	1,112,740,600	1,062,410,969
Intangible Assets	4.00	885,171	1,011,625
Capital Work-in-progress	5.00	7,775,021	11,592,013
Investment	6.00	12,000,000	-
B. Current Assets		728,496,742	552,815,755
Inventories	7.00	241,724,547	218,927,157
Trade & Other Receivables	8.00	267,634,791	220,208,469
Inter-company Receivables	9.00	7,130,000	4,820,000
Advance, Deposits & Prepayments	10.00	50,550,740	50,029,126
Cash and Cash Equivalents	11.00	161,456,665	58,831,003
TOTAL ASSETS (A+B)		<u>1,861,897,535</u>	<u>1,627,830,362</u>
EQUITIES & LIABILITIES:			
C. Shareholders' Equity		669,252,358	424,813,632
Share Capital	12.00	550,000,000	65,450,000
Share Money Deposit	13.00	-	270,000,000
Retained Earnings	14.00	119,252,358	89,363,632
D. Non-current Liabilities		888,267,424	782,307,889
Deferred Tax Liability	15.00	63,672,842	62,882,919
Long-term Loan	16.00	578,281,298	470,464,036
Lease Loan	17.00	246,313,284	248,960,934
E. Current Liabilities		304,377,753	420,708,841
Current Portion of Long-term Loan	16.00	34,016,547	134,418,296
Current Portion of Lease Loan	17.00	12,963,857	62,240,233
Short-Term Loan	18.00	130,665,543	123,426,553
Trade & Other Payables	19.00	18,292,538	19,233,306
Liabilities for Expenses	20.00	56,640,232	47,194,556
Provision for WPPF	21.00	11,007,566	8,708,433
Provision for Income Tax	22.00	40,791,469	25,487,463
Total Equity & Liabilities:		<u>1,861,897,535</u>	<u>1,627,830,362</u>
Net Assets Value Per Share	30.00	12.17	649

The annexed notes from 1 to 36 form an integral part of these Financial Statements

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

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

Place: Dhaka
Dated: November 03, 2019

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Agro Industries Limited
Statement of Profit or Loss and other Comprehensive Income
For the period from 1 July 2019 to 30 September 2019

PARTICULARS	NOTES	Amount in Taka	
		1 July 2019 to 30 September 2019	1 July 2018 to 30 September 2018
Sales	23.00	314,349,972	233,065,159
Less: Cost of Goods Sold	24.00	185,353,363	135,813,663
Gross Profit		<u>128,996,609</u>	<u>97,251,496</u>
Operating Expenses:		40,574,675	35,163,429
Administrative Expenses	25.00	9,332,403	4,034,088
Marketing Expenses	26.00	31,242,272	31,129,341
Operating income		<u>88,421,935</u>	<u>62,088,068</u>
Financial Expenses		40,693,839	40,757,629
Bank Interest	27.00	40,693,839	40,757,629
Profit before other income		<u>47,728,096</u>	<u>21,330,438</u>
Other Income	28.00	553,692	1,298,231
Net profit before WPPF		48,281,788	22,628,670
Provision for WPPF	21.00	2,299,133	1,077,556
Net Profit Before Tax		45,982,655	21,551,114
Income tax expense		16,093,929	7,542,890
Current Tax	22.00	15,304,007	5,950,825
Deferred Tax	15.00	789,922	1,592,065
Net Profit after Tax		<u>29,888,726</u>	<u>14,008,224</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>29,888,726</u>	<u>14,008,224</u>
Earnings per Share (Per value Tk. 10)	29.00	<u>1.20</u>	<u>25.70</u>

The annexed notes from 1 to 36 form an integral part of these Financial Statements

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

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

Place: Dhaka
Dated: November 03, 2019

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Agro Industries Limited
Statement of Changes in Equity
For the period from 1 July 2019 to 30 September 2019

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2019	65,450,000		89,363,632	154,813,632
Share Capital	484,550,000			484,550,000
Share Money Deposit				
Net Income for the year			29,888,726	29,888,726
Balance as on Sep 30, 2019	550,000,000		119,252,358	669,252,358

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2018	54,500,000	270,000,000	42,548,150	367,048,150
Share Capital	10,950,000			10,950,000
Share Money Deposit				
Net Income for the year			14,008,224	14,008,224
Balance as on September 30, 2018	65,450,000	270,000,000	56,556,374	392,006,374

The annexed notes from 1 to 36 form an integral part of these Financial Statements

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

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

Place: Dhaka
Dated: November 03, 2019

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Agro Industries Limited
Statement of Cash Flows
For the period from 1 July 2019 to 30 September 2019

PARTICULARS	Note	Amount in Taka	
		1 July 2019 to 30 September 2019	1 July 2018 to 30 September 2018
A. Cash Flows from Operating Activities:			
Cash Received from Customers		266,923,650	225,657,884
Cash Received from other Sources		553,692	1,298,231
Cash Paid to Suppliers and Creditors		(198,532,320)	(155,668,893)
Cash Paid for Operating Expenses		(11,015,801)	11,193,631
Cash paid for Income Taxes		(3,757,265)	(2,564,857)
Net cash inflow/(outflow) from operating activities		<u>54,171,958</u>	<u>79,915,997</u>
B. Cash flow from Investing Activities:			
Acquisition of Property, Plant & Equipment		(73,822,934)	(156,407,801)
Increase Investment		(12,000,000)	
Capital Work in Progress		-	(3,405,860)
Net cash inflow/ (outflow) in Investing Activities		<u>(85,822,934)</u>	<u>(159,813,661)</u>
C. Cash flow from Financing Activities:			
Paid up capital		214,550,000	
Bank Loan		(37,269,523)	(31,832,931)
Inter Company Receivable		(2,310,000)	(4,820,000)
Finance Expense		(40,693,839)	(40,757,629)
Net cash inflow/(outflow) in financing activities		<u>134,276,638</u>	<u>(77,410,560)</u>
D. Increase (Decrease) in Cash and Cash Equivalent (A+B+C)		<u>102,625,662</u>	<u>(157,308,224)</u>
E. Opening of Cash and Cash Equivalent		<u>58,831,003</u>	<u>221,815,089</u>
F. Ending Cash and Cash Equivalent (D+E)		<u>161,456,665</u>	<u>64,506,865</u>
Net Operating Cash Flow Per Share (NOCFPS)		<u>2.17</u>	<u>146.63</u>

The annexed notes from 1 to 36 form an integral part of these Financial Statements

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

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

Place: Dhaka
Dated: November 03, 2019

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

1.00 Corporate History of the Reporting Entity

1.01 Legal Status of the Entity

Taufika Foods and Agro Industries Limited (The Company) was incorporated in Bangladesh as a Private Limited Company under The Companies Act, 1994 vide Registration No. C-94700/11 dated August 07, 2011. Subsequently, the Company was converted into a public limited Company dated 08 July 2019.

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

1.02 Corporate Business

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

2.00 Basis of preparation, presentation and disclosures of financial statements

2.01 Statement of Compliance

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

2.02 Other regulatory compliances

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

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 1991

The Value Added Tax Rules, 1991

The Value Added Tax (Amendment) Act, 2012

The Value Added Tax (Amendment) Rules, 2012

The Customs Act 1969

The Company Act 1994

The Bangladesh Labour Act 2006, and

Bangladesh Labour (Amendment) Act 2013

2.03 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.

2.04 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.

2.05 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.

2.06 Reporting Period

The period of the financial statements covers period from July 01, 2019 to September 30, 2019.

2.07 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.

2.08 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 that are not adjusting events are disclosed in the notes when material.

2.09 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.

2.10 Comparative Information and Rearrangement Thereof

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

2.11 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 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets,
IAS 39	Financial Instruments: Recognition and Measurement
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

2.12 Property, Plant & Equipment (PPE)

i) Recognition of Property, Plant & Equipment

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

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

ii) Depreciation

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

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 Sep 2019	30 June 2019
Land & Land Development	0%	0%
Building & Civil Works	5%	5%
Plant and Machinery	10%	10%
Furniture and Fixtures	10%	10%
Office Equipment	10%	10%
Motor Vehicles	20%	20%
Licence & Patent	50%	50%

iii) Impairment of assets

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the period and for this reason no provision has been made for Impairment of assets.

2.13 Revenue Recognition

Revenue are Recognized when goods are delivered from the factory go down, delivery Challan is issued and ownership risks and rewards are transferred as per IFRS-15.

2.14 Accrued Expenses and Other Payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services.

2.15 Inventories

Inventories comprises of Raw Materials, Work-in-Process, Finished goods and Stores & Spares. Raw materials and Stores and Spares have been valued at lower of cost or net realisable value. Work-in-Process have been valued at prime cost basis as required by IAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at cost of material and other production Overheads attributable to bringing the goods to the state of sale under the convention of IAS-2.

2.16 Income Tax:

Income tax expense comprised of current and deferred tax. Income tax expense is recognised in the statement of comprehensive income and accounted for in accordance with requirement of IAS-12 " Income Taxes".

i) Current Tax

A provision has been made during the period applying the rate as per Income Tax Ordinance, 1984

ii) Deferred Tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted at the reporting date. Deferred tax asset or liability does not create a legal recovery / liability from or to the income tax authority.

2.17 Cash and Cash Equivalents

According to IAS 7 "Statement of Cash Flows " cash comprises cash in hand and bank deposit and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of IAS 7 and IAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

2.18 Cash Flow Statement

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method.

2.19 Borrowing Costs

Financial Expenses (Borrowing Costs) incurred during the period was recognized as revenue expenses in accordance with IAS-23 "Borrowing Costs".

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

		Amount in Taka	
		30-Sep-19	2019
3.00	Property, Plant & Equipment		
	At Cost:		
	Opening Balance	978,537,603	821,180,449
	Addition During the period	77,639,926	157,357,154
	Closing balance	1,056,177,529	978,537,603
	Accumulated Depreciation:		
	Opening Balance	213,192,865	142,602,428
	Addition During the period	18,905,378	70,590,437
	Closing Balance	232,098,243	213,192,865
	Written Down Value	824,079,286	765,344,738
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
3.01	Lease Assets		
	At Cost:		
	Opening Balance	396,487,133	396,487,133
	Addition During the period		
	Closing balance	396,487,133	396,487,133
	Accumulated Depreciation:		
	Opening Balance	99,420,902	60,978,759
	Addition During the period	8,404,917	38,442,143
	Closing Balance	107,825,819	99,420,902
	Written Down Value	288,661,314	297,066,231
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
4.00	Intangible Assets		
	At Cost:		
	Opening Balance	2,385,996	1,580,996
	Addition During the period		805,000
	Closing Balance	2,385,996	2,385,996
	Accumulated Depreciation:		
	Opening Balance	1,374,372	765,247
	Addition During the period	126,453	609,125
	Closing Balance	1,500,825	1,374,372
	Written Down Value	885,171	1,011,625
	(Details Intangible Assets are provided in the Annexure-A)		

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

				Amount in Taka	
				30-Sep-19	2019
5.00	Capital Work in Progress				
	Storage Box				
	Plant & Machinery			7,775,021	11,592,013
	Freezer				
				<u>7,775,021</u>	<u>11,592,013</u>
	Previous year's capital work in progress TK 11,592,013 adjusted with plant and machinery in addition of this period.				
6.00	Investment				
	FDR Investment	6.01		<u>12,000,000</u>	
				<u>12,000,000</u>	
6.01	FDR Investment				
	Name of Bank	FDR No.	Tenure		
	Trust Bank	0022-0330059006	26.09.2020	10,000,000	
	Shimanto Bank	1001-343000092	17.01.2020	2,000,000	
				<u>12,000,000</u>	
7.00	Inventories				
	Raw Materials			163,706,180	145,175,926
	Work in Progress			6,779,723	4,587,500
	Finished Goods			71,238,643	69,163,731
				<u>241,724,547</u>	<u>218,927,157</u>
	At the end of the year physical verification of Inventories were carried out. (Details of Inventories are provided in the Annexures)				
8.00	Trade & Other Receivables				
	Trade Receivables		8.01	267,605,655	220,208,469
	Other Receivables		8.02	29,136	
				<u>267,634,791</u>	<u>220,208,469</u>
8.01	Trade Receivables				
	TFAIL Bogra			20,359,032	18,363,536
	TFAIL Khulna			2,785,629	2,532,374
	TFAIL Barisal			5,887,503	5,310,438
	TFAIL Rangpur			15,131,707	10,040,630
	TFAIL Chittagong			34,758,374	22,791,782
	TFAIL Cumilla			25,150,883	22,685,713
	TFAIL Uttara			31,877,909	28,753,387
	TFAIL Tejgaon			54,054,460	48,756,298
	TFAIL Jatrabari			10,502,755	4,963,401
	TFAIL Sylhet			13,052,044	11,772,744
	TFAIL Faridpur			10,774,105	5,208,155
	TFAIL Bosilla			43,271,253	39,030,010
				<u>267,605,655</u>	<u>220,208,469</u>

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

Amount in Taka	
30-Sep-19	2019

Ageing of Trade receivables

Due for 3 months	72,081,731	59,314,919
Due for 3 to 6 months	182,998,549	150,586,618
Due for above 6 months	12,525,374	10,306,932
	267,605,655	220,208,469

- 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.

8.02 Other Receivables

FDR Interest	8.02.01	29,136	-
		29,136	-

8.02.01 FDR Interest

Trust bank	11,644	-
Shimanto bank	17,492	-
	29,136	-

9.00 Inter-company Receivables

Taufika Engineering Limited (TEL)	7,130,000	4,820,000
	7,130,000	4,820,000

This represent temporary advance and short term in nature, and repayable on demand. It also 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.

10.00 Advance, Deposits & Pre-payments

Advance	10.01	36,439,174	29,558,198
Deposit	10.02	13,275,645	19,007,104
Pre-payments	10.03	835,921	1,463,824
		50,550,740	50,029,126

10.01 Advance

AIT & Source Tax	10.01.01	21,141,963	17,384,698
Advance to BSTI License		1,512,809	1,023,500
Advance for Office Rent		1,150,000	1,150,000
Advance to Supplier		12,634,402	10,000,000
		36,439,174	29,558,198

10.02 Deposit

L/C margin	10.02.01	13,238,578	18,750,747
VAT Current Accounts		37,067	256,357
		13,275,645	19,007,104

10.03 Pre-payments

Pre-paid Insurance to Karnaphuli	493,811	1,463,824
Pre-paid Insurance to Metlife	342,110	-
	835,921	1,463,824

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

		Amount in Taka	
		30-Sep-19	2019
10.01.01	AIT & Source Tax		
	Opening Balance	17,384,698	13,494,919
	Addition During the period	3,757,265	10,259,426
		21,141,963	23,754,345
	Adjustment During the period	-	(6,369,647)
	Closing Balance	21,141,963	17,384,698
10.02.01	L/C margin		
	Opening Balance	18,750,747	17,937,768
	Addition during the year	13,238,578	18,750,747
	Net Adjustment During the period	(18,750,747)	(17,937,768)
	Closing Balance	13,238,578	18,750,747
10.04	Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994		
	Advance, deposits & prepayments considered good & secured	50,550,740	50,029,126
	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	50,550,740	50,029,126
10.05	The company has no pending current liability for VAT. VAT current account showed positive balance (advance payment) as on 30 September, 2019.		
11.00	Cash and Cash Equivalents		
	Cash in Hand	11.01 12,451,491	17,826,350
	Cash at Bank	11.02 149,005,174	41,004,653
		161,456,665	58,831,003
11.01	Cash in Hand		
	Factory Office	6,890,298	6,250,700
	Corporate Office	1,445,149	11,575,650
	Depot Office	4,116,044	-
		12,451,491	17,826,350

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

				Amount in Taka	
				30-Sep-19	2019
11.02	Cash at Bank				
	Trust Bank Ltd	CD	0022-0210012550	51,754,770	99,194
	Pubali Bank Ltd	CD	0565901028140	4,546,680	10,057,925
	Premier Bank Ltd	CD	010411100078610	1,651,127	2,453,800
	Prime Bank Ltd	CD	2132113001637	5,058,652	5,799,713
	Brac Bank Ltd	CD	1507203439665001	1,414,834	2,907,246
	Islami Bank Ltd	CD	20501770100435601	4,799,231	6,040,921
	Dutch Bangla Bank Ltd	CD	1031100033118	1,778,966	1,715,235
	Union Bank Ltd	CD	0291010001239	843,322	1,933,552
	Mercantile Bank Ltd	CD	111311118966001	1,713,580	93,972
	UCBL	CD	541101000005430	556,643	780,638
	NRB Bank	CD	1022070063031	8,067,959	7,047,295
	Shimanto Bank Limited	CD	1001241000258	12,135,467	90,113
	City Bank Ltd	CD	1402538242001	9,450	9,450
	AB Bank Ltd	SND	4033-761383-430	3,917,828	1,975,599
	Shimanto Bank Limited	SND	1001441001020	50,756,665	-
				<u>149,005,174</u>	<u>41,004,653</u>

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

12.00 Share Capital

12.01 Authorized Capital

(100,000,000 Ordinary shares of Tk.10 each) **1,000,000,000** **1,000,000,000**

12.02 Issued, Subscribed and Paid-up

55,000,000 shares of Tk.10 each **550,000,000** **65,450,000**

Shareholding Position is as follows:

Sl. No.	Name of shareholders	Percentage of Shareholdings		Number of Shares	
		30-Sep-19	30-Jun-19	30-Sep-19	30-Jun-19
1	Md. Ekramul Haque	60.00%	77.98%	33,000,000	425,000
2	Ms Shamima Nargis Haque	5.27%	21.10%	2,900,000	115,000
3	Taufika Engeneering Limited	21.00%	0.92%	11,550,000	5,000
4	Muhsinina Taufika Ekram	3.73%	0.00%	2,050,000	5,000
5	Abu Taher Muhammed Amanullah	1.82%	0.00%	1,000,000	100,000
6	Md. Abdus Sultan	1.32%	0.00%	725,000	500
7	Zakir Hossain	0.18%	0.00%	100,000	500
8	Kazi Amdadul Haque	1.93%	0.00%	1,060,000	500
9	Rizvi Kaiser	0.02%	0.00%	10,000	500
10	Md. Saiful Islam Helaly	1.90%	0.00%	1,045,000	500
11	Md. Mizanur Rahman	0.01%	0.00%	5,000	500
12	Tahmina Chowdhury	0.37%	0.00%	205,000	500
13	Masuma Khatun	0.46%	0.00%	255,000	500
14	Hosne Ara Begum	1.99%	0.00%	1,095,000	500
Total		100%	100%	55,000,000	654,500

13.00 Share Money Deposit

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

Share money deposit TK 27,00,00,000 are adjusted as share capital addition in this period

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

		Amount in Taka	
		30-Sep-19	2019
14.00	Retained Earnings		
	Opening Balance	89,363,632	27,718,346
	Add: Profit During the Period	29,888,726	61,645,286
	Closing Balance	119,252,358	89,363,632
15.00	Deferred Tax Liability		
	Opening Balance	62,882,919	56,422,556
	Add: During the period	789,922	6,460,363
	Closing Balance	63,672,842	62,882,919
	As on 30 September 2019		
	WDV as per Accounts	1,029,264,282	979,061,103
	WDV as per 3rd Schedule	847,341,877	799,395,620
	Temporary Difference	181,922,405	179,665,484
	Applicable Tax Rate	35.00%	35.00%
	Deferred Tax Liability	63,672,842	62,882,919
16.00	Long -term Loan		
	Long-term Loan from AB Bank Limited	16.01 612,297,845	604,882,332
		612,297,845	604,882,332
	Current Portion Classification		
	Due within one year	34,016,547	134,418,296
	Due after one year	578,281,298	470,464,036
		612,297,845	604,882,332

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

Amount in Taka	
30-Sep-19	2019

16.01 Loan from AB Bank Limited

A/C: 4005-788707-463,464	612,297,845	604,882,332
	<u>612,297,845</u>	<u>604,882,332</u>

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial Institute	AB Bank Limited
Type of Facility	Long Term Loan
Limit	BDT 741,100,000
Repayment	Monthly
Interest Rate	15.00%
Period of Loan	54 months
Expiry Date	Sunday, January 15, 2023
Renewal Status	Renewed
Securities	i. 271.50 decimal Project Land and Buildings ii. Personal guarantee of the directors
Purpose	To retire import documents of L/Cs to import brand new capital machinery

17.00 Lease Loan

Lease Loan from Lanka bangla	17.01	259,277,142	311,201,167
		<u>259,277,142</u>	<u>311,201,167</u>

Current Portion Classification

Due within one year	12,963,857	62,240,233
Due after one year	246,313,284	248,960,934
	<u>259,277,142</u>	<u>311,201,167</u>

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

Amount in Taka	
30-Sep-19	2019

17.01 Lease Loan from Lankabangla

0013 71400000004	-	129,023
0013 71400000006	10,123,639	12,528,248
0013 71400000007	1,197,395	1,497,392
0013 71400000009	1,720,692	2,120,923
0013 71400000010	1,410,114	6,896,461
0013 71400000011	737,103	984,775
0013 71400000013	3,942,908	9,140,327
0013 71400000014	5,308,862	12,486,841
0013 71400000015	354,497	438,869
0013 71400000016	2,174,417	4,153,165
0013 71400000018	3,436,765	3,957,937
0013 71400000019	3,544,712	4,062,203
0013 71400000020	993,495	1,230,593
0013 71400000021	2,928,688	3,362,049
0013 71400000022	2,349,030	2,667,004
0013 71400000023	833,496	973,600
0013 71400000024	15,159,868	16,800,446
0011 71400000052	33,101,703	37,685,205
0011 71400000054	7,553,438	8,616,358
0011 71400000056	7,439,997	8,442,220
0011 71400000059	1,599,734	1,812,296
0011 71400000073	32,033,916	35,886,755
0011 71400000086	39,521,918	44,109,811
001172200000061	81,810,754	91,218,665
	<u>259,277,142</u>	<u>311,201,167</u>

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial Institute	Lanka Bangla Finance Limited
Type of Facility	Lease Finance
Limit	BDT 460,010,930
Repayment	Quarterly
Interest Rate	11.00%
Period of Loan	60 months
Expiry Date	June, 2022
Renewal Status	N/A
Securities	i. Subsequent Charges/Hypothecation on all the Fixed Assets of TFAIL ii. Ownership of Leased Assets iii. Personal Guarantee of Directors iv. Corporate Guarantee of Taufika Engineering Limited (TEL)
Purpose	To procure Glass Top Deep Freezer and Try Cycle, Ref. Van & Cold Store

18.00 Short-term Loan

Short-term Loan AB Bank	18.01	16,104,390	15,323,885
Short-term Loan Trust Bank	18.02	75,857,830	108,102,668
Short-term Loan Shimanto Bank	18.03	38,703,322	-
		<u>130,665,543</u>	<u>123,426,553</u>

These loans are taken to finance import materials value and LC related expenses. The average tenure of these facilities are normally 06 months with renewal option. The rate of interest/profit against these facilities range from 13% to 15%.

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

		Amount in Taka	
		30-Sep-19	2019
18.01	Short-term Loan AB Bank		
	SOD	-	15,323,885
	TR & BLC	2,241,276	-
	SDB Time Loan	-	-
	Rev Time Loan	-	-
	Over draft	13,863,113	-
		<u>16,104,390</u>	<u>15,323,885</u>
18.02	Short-term Loan Trust Bank		
	Loan Against Trust Receipt (LTR)	62,562,661	58,241,600
	Overdraft (Working Capital)	79,734	10,291,606
	Time Loan	13,215,435	39,569,462
		<u>75,857,830</u>	<u>108,102,668</u>
18.03	Short-term Loan Shimanto Bank		
	1001741000052	20,246,885	-
	1001741000061	2,772,460	-
	1001741000070	3,597,286	-
	1001741000089	7,390,639	-
	1001741000098	2,496,052	-
	10017410000105	2,200,000	-
		<u>38,703,322</u>	<u>-</u>

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

		Amount in Taka	
		30-Sep-19	2019
19.00	Trade & Other Payables		
	Bengal Flexipak	659,442	2,465,669
	Bismillah Packaging & Printing	957,357	1,602,636
	Brother's Printing & Packaging	293,899	240,637
	Siam Chemical	244,267	200,000
	Noorani Agro & Food Complex Ltd	281,949	252,843
	Danish Condense Milk Ltd	244,267	200,000
	R M Poly & Packaging	369,393	302,450
	Jahanara Plastis Product	1,457,539	693,397
	A K S Printing & Packaging	283,501	369,675
	Emkay Enterprise	159,244	130,385
	Famous Iberchem	180,930	148,141
	Famous Printing & Packaging Ltd	537,122	1,258,558
	MM Plastic	1,203,969	985,780
	Mais Industries Ltd	717,962	587,850
	PremiaFlex Plastic Ltd	793,868	650,000
	International Television Channel LTD.	1,125,217	921,300
	East West Media Group Ltd	176,827	144,782
	Maasranga Communications Ltd.	252,817	207,000
	mmx advertising communication	42,277	34,615
	Totalplus Industries Ltd	1,105,291	1,314,752
	Payable to retailers (Freezer)	7,205,400	6,522,836
		<u>18,292,538</u>	<u>19,233,306</u>

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

Ageing of Trade Payables

Due for 3 months	15,451,176	16,348,310
Due for 3 to 6 months	1,932,470	2,044,674
Due for above 6 months	908,893	961,665
	<u>18,292,538</u>	<u>19,354,649</u>

20.00 Liabilities for Expenses

Audit Fees	230,000	115,000
Electricity Bill Payable	1,951,121	2,351,717
Salary & Wages Payable	4,813,040	5,801,086
Tax Payable	-	1,870,347
Payable for PF	3,251,510	2,025,734
Interest Payable	1,165,256	765,820
Rent Payable	684,250	684,250
Upas-EBL Payable	43,890,014	33,050,852
TDS Payable	155,041	29,750
Remuneration Payable	500,000	500,000
	<u>56,640,232</u>	<u>47,194,556</u>

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

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

		Amount in Taka	
		30-Sep-19	2019
21.00	Provision for WPPF		
	Opening Balance	8,708,433	4,144,458
	Add: Addition During the period	2,299,133	4,563,975
		<u>11,007,566</u>	<u>8,708,433</u>
	Less: Paid During the period	-	-
	Closing Balance	<u>11,007,566</u>	<u>8,708,433</u>

The management of Taufika Foods and Agro Industries Limited have already taken all necessary steps to maintain all regulatory compliance for WPPF and they take decision to deposit all amounts within one year.

22.00	Provision for Income Tax		
	Opening Balance	25,487,463	10,573,700
	Current Year Provision	15,304,007	25,487,463
	Previous Year Provision adj. AY 2016-2017 & 2017-2018	-	1,311,172
	Previous Year Provision adj. AY 2018-2019	-	(3,624,782)
	Total Current Year Provision	<u>15,304,007</u>	<u>23,173,852</u>
		<u>40,791,469</u>	<u>33,747,553</u>
	Adjustment During the period	-	(8,260,090)
	Closing Balance	<u>40,791,469</u>	<u>25,487,463</u>

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

23.00 Sales

	Amount in Taka	
	30-Sep-19	30-Sep-18
Net Sales	314,349,972	233,065,159
	<u>314,349,972</u>	<u>233,065,159</u>

Quantity wise Sales Information:

Item	Quantity	30-Sep-19	30-Sep-18
Lovello Lolly Ice Cream	21,510	2,642,719	1,959,363
Lovello Chocobar Regular Ice Cream	78,667	25,929,430	19,224,582
Lovello Hidden Heart - Single Ice Cream	249,950	49,667,565	36,824,494
Lovello Kulfi /Shahi Kulfi Ice Cream 50 ml	128,031	21,082,865	15,631,244
Lovello Malai Ice Cream	15,682	3,103,781	2,301,204
Lovello Shell & Core Ice Cream	7,244	1,499,798	1,111,979
Lovello Crunchy Bar Mega Ice Cream	7,680	1,755,418	1,301,501
Lovello Crunchy Bar Mini Ice Cream	83,320	17,457,206	12,943,111
Lovello Hazel Beats Ice Cream	1,520	407,846	302,385
Lovello CHOCO BLAST Ice Cream	4,913	1,619,963	1,201,072
Lovello Cup Reglur Ice Cream	227,988	45,207,741	33,517,895
Lovello Swirly Sundae 100 ml Ice Cream	11,215	2,767,974	2,052,230
Lovello Swing Ball Ice Cream	8,375	1,848,865	10,874
Lovello Shahi Khejur Malai / Black Forest / Shahi Shondesh Cup Ice Cream	11,359	2,508,408	1,859,782
Lovello Ice Cream 1 Ltr Container Regular	123,470	12,942,125	9,595,542
Lovello Ice Cream 500 ml Container Regular	219,444	12,100,142	8,971,280
Lovello Ice Cream 250 ml Container Regular	373,803	9,610,475	7,125,392
Lovello Cone Maxi Ice Cream	142,326	42,108,570	31,220,110
Lovello Cone Mini Ice Cream	156,550	51,664,631	38,305,158
Lovello Double Sundae Premium Ice Cream 1 Ltr. Container	21,441	2,950,710	2,187,714
Lovello Shahi Khejur Malai Premium Ice Cream 1 Ltr. Container	3,290	508,404	376,940
Lovello Ambrosia Premium Ice Cream Per Container 1 Ltr.	1,046	173,249	128,450
Lovello Kheer / Doi Premium Ice Cream Per Container 1 Ltr.	7,185	990,739	734,553
Lovello Shahi Shondesh / Black Forest Premium Ice Cream Per Container 1 Ltr.	2,932	484,425	359,162
Lovello Double Sundae Premium Ice Cream 500 ml Container	21,266	1,584,317	2,534,553
Lovello Doi / Kheer Premium Ice Cream 500 ml Container	8,325	620,129	459,776
Lovello Round Shape Cake Ice Cream 1 Ltrs.	2,227	322,737	239,283
Lovello Heart Shape Cake Ice Cream 1.5 Ltrs.	175	34,783	25,789
Lovello Bulk Liter Ice Cream	8,046	754,956	559,739
Total	<u>1,948,980</u>	<u>314,349,972</u>	<u>233,065,159</u>

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

		Amount in Taka	
		30-Sep-19	30-Sep-18
24.00	Cost of Goods Sold		
	Raw Materials Consumed: Note- 24.01	156,093,877	147,016,683
	Add: Factory Overhead Charges Note- 24.02	33,526,620	29,898,218
	Cost of Production	189,620,498	176,914,901
	Add: Opening Work in Process	4,587,500	732,580
		194,207,998	177,647,481
	Less: Closing Work in Process	(6,779,723)	(6,587,500)
	Cost of Goods Manufactured	187,428,275	171,059,981
	Add: Opening Stock of Finished Goods	69,163,731	41,917,413
	Cost of Goods available for Sale	256,592,006	212,977,394
	Less: Closing Stock of Finished Goods	(71,238,643)	(77,163,731)
	Cost of Goods Sold	<u>185,353,363</u>	<u>135,813,663</u>
24.01	Raw Materials Consumed		
	The break-up of the amount is given bellow:		
	Opening Stock	145,175,926	128,637,621
	Purchase During the period	174,624,132	132,446,491
	Raw Materials available for Use	319,800,058	261,084,112
	Less: Closing Stock	(163,706,180)	(114,067,429)
	Raw Materials Consumed	<u>156,093,877</u>	<u>147,016,683</u>
24.02	Manufacturing Overhead		
	Electricity Bill	6,901,179	7,395,751
	Fuel & Lubricants	3,605,309	2,771,246
	Wages & Salary	9,126,543	8,499,582
	Festival Bonus	2,211,967	1,718,565
	Overtime and Other Allowance	529,421	466,315
	Tour and Travles	470,688	68,894
	Pool Car Expenses	58,959	63,800
	Telecommunication Expenses(Tracking)	196,138	48,285
	Factory Supplies	360,111	311,741
	Loading & Unloading Expenses	51,460	38,662
	Postage & Courier	2,350	1,875
	Printing & Stationary	275,297	94,022
	Food and Entertaient	174,467	74,030
	Repair & Maintenance	739,006	538,836
	Spare Parts	1,029,803	475,776
	Insurance Expense	470,372	233,248
	Depreciation	7,323,550	7,097,592
		<u>33,526,620</u>	<u>29,898,218</u>

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period from 1 July 2019 to 30 September 2019

		Amount in Taka	
		30-Sep-19	30-Sep-18
25.00	Administrative Expenses		
	Salary & Allowance	2,011,151	2,627,274
	Festival Bonus	680,416	620,356
	Meeting Allowance	30,000	-
	Provident Fund Expenses	241,984	-
	Office rent	2,052,750	-
	Director Remuneration	1,500,000	-
	Office Vehicles expense	132,925	110,276
	Entertainment Expense	59,223	44,024
	Vehicle Insurance & Others	602,100	131,388
	Audit Fees	115,000	17,250
	Telephone, Mobile & Internet Bill	366,125	120,726
	Postage & Couriers	334,130	26,108
	Printing & Stationery	239,649	138,049
	Legal & Statutory Expenses	338,467	13,750
	Repair Maintenance of Head office	140,822	29,894
	BSTI Certificate Fees	320,983	-
	Depreciation	166,677	154,994
		<u>9,332,403</u>	<u>4,034,088</u>
26.00	Marketing & Selling Expenses		
	Salary & Allowance	3,301,425	2,924,660
	Festival Bonus	949,259	872,356
	Provident Fund Expenses	370,904	-
	Fuel & Toll for Vehicles	1,071,890	1,486,211
	TA/DA and Other Allowances	496,850	493,950
	Repair Maintenance & Others Vehicles Exp	393,163	443,904
	Tour and Travles	412,685	160,422
	Postage & Couriers	166,839	60,895
	Incentive and Commission	221,598	671,445
	Event Management Expenses	235,921	328,691
	Advertisement Expenses	3,675,218	3,550,897
	Depreciation	19,946,520	20,135,911
		<u>31,242,272</u>	<u>31,129,341</u>
27.00	Bank Interest		
	Bank Service Charges	233,500	447,825
	Interest on Bank Loan	40,460,339	40,309,804
		<u>40,693,839</u>	<u>40,757,629</u>
	Consistent with prior periods banks charges and others bank loan interest expenses are included as finance costs		
28.00	Other Income		
	Scrap Sale	362,751	320,856
	Rent Received against Freezer	127,605	941,375
	Rent income from Robi Tower	34,200	36,000
	Interest from FDR	29,136	-
		<u>553,692</u>	<u>1,298,231</u>

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period ended 30 September 2019

29.00 Earning per Share (EPS)

The Computation of EPS is given below:

	Amount in Taka	
	30-Sep-19	30-Sep-18
Earning attributable to the Shareholders (net profit after tax)	29,888,726	14,008,224
Weighted average number of Shares	24,978,967	545,000
Adjusted/Basic Earnings per Share (EPS)(Per value Tk. 10)	1.20	25.70

30.00 Net Asset Value (NAV) per Share

The Computation of NAV is given below:

	Amount in Taka	
	30-Sep-19	30-Sep-18
Net Assets	669,252,358	366,226,570
Total number of Shares	55,000,000	545,000
Net Asset Value (NAV) per Share	12.17	671.98

31.00 Net Operating Cash Flows per Share (NOCFPS)

The Computation of NOCFPS is given below:

	Amount in Taka	
	30-Sep-19	30-Sep-18
Net Cash Generated from Operating Activities	54,171,958	79,915,997
Weighted average number of Shares	24,978,967	545,000
Net Operating Cash Flows per Share (NOCFPS)	2.17	146.63

32.00 Related Party Transactions:

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

Related party transactions are as follows:

Name of the Related Party	Amount In Tk.	Notes No.	Purpose
Taufika Engineering Limited (TEL)	7,130,000	9.00	Advance to TEL
Md. Ekramul Haque	1,510,000	25.00	Remuneration & Meeting Allowance
Ms. Shamima Nargis Haque	10,000	25.00	Meeting Allowance
Muhsinina Taufika Ekram	10,000	25.00	Meeting Allowance

33.00 Attendance Status of Board Meeting of Directors

During the period ended 30 September, 2019 there were two 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	2	2
Md. Ekramul Haque	Managing Director	2	2
Taufika Engineering Limited	Director	2	2
Muhsinina Taufika Ekram	Director	2	2

34.00 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 2018-2019 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.

35.00 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 September, 2019:

Salary (Monthly)	Factory	Head Office	Sales & Marketing	Total Employees
Below BDT 3,000	-	-	-	-
Above BDT 3,000	262	28	47	337
Total	262	28	47	337

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

Name of Directors	Designation	Total Remuneration for the period ended 30-Sep-2019
Ms. Shamima Nargis Haque	Chairman	-
Md. Ekramul Haque	Managing Director	1,500,000
Taufika Engeneering Limited	Director	-
Muhsinina Taufika Ekram	Director	-

36.00 Events after Reporting Period:

There is no other significant event that has occurred between the Financial Position date and the date when the Financial Statements were authorised for issue by the Board of Directors.

Taufika Foods and Agro Industries Limited
Schedule of Property, Plant & Equipment
For the period 1 July 2019 to September 2019

Property, Plant & Equipment

Schedule - A

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-09-19
	Balance as on 01-07-19	Addition	Balance as on 30-09-19		Balance as on 01-07-19	Charged during year	Balance as on 30-09-19	
Land & Land Development	84,361,490	-	84,361,490	0%	-	-	-	84,361,490
Building & Civil Works	87,619,117	-	87,619,117	5%	14,454,290	914,560	15,368,850	72,250,267
Plant and Machinery	322,941,438	21,582,415	344,523,853	10%	85,919,143	6,195,338	92,114,480	252,409,373
Furniture and Fixtures	4,523,478	23,425	4,546,903	10%	1,144,434	84,769	1,229,203	3,317,700
Freezer	359,260,070	47,572,098	406,832,168	10%	63,882,640	7,979,087	71,861,727	334,970,441
Office Equipment	3,659,662	443,270	4,102,932	10%	604,966	81,908	686,874	3,416,058
Motor Vehicles	116,172,349	8,018,718	124,191,067	20%	47,187,393	3,649,716	50,837,109	73,353,958
Total as on 30.09.2019	978,537,603	77,639,926	1,056,177,529		213,192,865	18,905,378	232,098,243	824,079,286

Lease Assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-09-19
	Balance as on 01-07-19	Addition	Balance as on 30-09-19		Balance as on 01-07-19	Charged during year	Balance as on 30-09-19	
Plant and Machinery	4,079,499		4,079,499	10.00%	591,527	87,199	678,727	3,400,772
Freezer	324,745,500		324,745,500	10.00%	70,297,689	6,361,195	76,658,884	248,086,616
Motor Vehicles	67,662,134		67,662,134	20.00%	28,531,686	1,956,522	30,488,208	37,173,926
Total as on 30.09.2019	396,487,133	-	396,487,133		99,420,902	8,404,917	107,825,819	288,661,314

Intangible assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-09-19
	Balance as on 01-07-19	Addition	Balance as on 30-09-19		Balance as on 01-07-19	Charged during year	Balance as on 30-09-19	
Computer Software	2,385,996		2,385,996	50.00%	1,374,372	126,453	1,500,825	885,171
Total as on 30.09.2019	2,385,996		2,385,996		1,374,372	126,453	1,500,825	885,171

Grand Total as on 30.09.2019	1,377,410,732	77,639,926	1,455,050,658	-	313,988,139	27,436,748	341,424,887	1,113,625,772
-------------------------------------	----------------------	-------------------	----------------------	----------	--------------------	-------------------	--------------------	----------------------

Allocation of depreciation

	<u>Amount in Taka</u> <u>30.09.2019</u>	<u>Amount in Taka</u> <u>30.06.2019</u>
Manufacturing Overhead	7,323,550	28,478,087
Administrative Expenses	166,677	619,976
Marketing & Selling Expenses	19,946,520	80,543,643
Total	27,436,748	109,641,705

Taufika Foods and Agro Industries Limited
Schedule of Property, Plant & Equipment
For the period 1 July 2018 to September 2018

Property, Plant & Equipment

Schedule - A

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-09-18
	Balance as on 01-07-18	Addition	Balance as on 30-09-18		Balance as on 01-07-18	Charged during year	Balance as on 30-09-18	
Land & Land Development	84,218,500	142,990	84,361,490	0.00%	-	-	-	84,361,490
Building & Civil Works	87,619,117		87,619,117	5.00%	10,603,509	962,695	11,566,204	76,052,913
Plant and Machinery	274,248,179	46,938,906	321,187,085	10.00%	62,288,513	5,885,728	68,174,241	253,012,844
Furniture and Fixtures	3,806,805	716,673	4,523,478	10.00%	808,800	83,909	892,709	3,630,769
Freezer	276,104,070	83,156,000	359,260,070	10.00%	35,682,703	7,049,984	42,732,687	316,527,382
Office Equipment	2,668,422	991,240	3,659,662	10.00%	320,624	71,085	391,709	3,267,953
Motor Vehicles	92,515,356	23,656,993	116,172,349	20.00%	32,898,278	3,572,279	36,470,557	79,701,792
Total as on 30.09.2018	821,180,449	155,602,801	976,783,250		142,602,428	17,625,680	160,228,108	816,555,142

Lease Assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-09-18
	Balance as on 01-07-18	Addition	Balance as on 30-09-18		Balance as on 01-07-18	Charged during year	Balance as on 30-09-18	
Plant and Machinery	4,079,499		4,079,499	10.00%	203,975	96,888	300,863	3,778,636
Freezer	324,745,500		324,745,500	10.00%	42,025,710	7,067,995	49,093,705	275,651,795
Motor Vehicles	67,662,134		67,662,134	20.00%	18,749,074	2,445,653	21,194,727	46,467,407
Total as on 30.09.2018	396,487,133	-	396,487,133		60,978,759	9,610,536	70,589,295	325,897,838

Intangible assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-09-18
	Balance as on 01-07-18	Addition	Balance as on 30-06-18		Balance as on 01-07-18	Charged during year	Balance as on 30-06-18	
Licence & Patent	1,580,996	805,000	2,385,996	50.00%	765,247	152,281	917,528	1,468,468
Total as on 30.09.2018	1,580,996	805,000	2,385,996		765,247	152,281	917,528	1,468,468
Total as on 30.09.2018	1,219,248,578	156,407,801	1,375,656,379		204,346,434	27,388,497	231,734,930	1,143,921,449

Allocation of depreciation

	<u>Amount in Taka</u> <u>30.09.2018</u>	<u>Amount in Taka</u> <u>30.06.2018</u>
Manufacturing Overhead	7,097,592	27,617,143
Administrative Expenses	154,994	517,025
Marketing & Selling Expenses	20,135,911	66,619,179
Total	27,388,497	94,753,347

Taufika Foods and Agro Industries Limited
Statement of Ratio Analysis
For the year from 01 July 2014 to September 30, 2019

The following ratios has been computed from the audited financial statements of **Taufika Foods and Agro Industries Limited** for the first quarter ended September 30, 2019 and for the year ended June 30, 2019, 2018, 2017, 2016, and 2015:

Name of ratio		30.09.2019	30.06.2019	30.06.2018	30.06.2017	30.06.2016	30.06.2015
I Liquidity Ratios:							
(i)	Current Ratio	2.39	1.31	1.07	0.48	0.40	4.36
(ii)	Quick Ratio	1.60	0.79	0.75	0.22	0.19	3.71
Operating Efficiency Ratios:							
(i)	Accounts Receivables Turnover Ratio	1.29	5.12	8.18	13.24	5.85	-
(ii)	Inventory Turnover Ratio	0.80	2.75	3.20	2.96	0.96	-
(iii)	Asset Turnover Ratio	0.18	0.57	0.58	0.49	0.11	-
III Profitability Ratios:							
(i)	Gross Margin Ratio	41.04	41.76	41.57	38.25	31.29	-
(ii)	Operating Profit Ratio	28.13	27.18	26.71	25.08	(1.72)	-
(iii)	Net Profit Ratio	9.51	6.68	5.46	0.52	(26.55)	-
(iv)	Return on Assets Ratio	1.71	3.83	3.17	0.26	(3.00)	-
(v)	Return on Equity Ratio	5.46	15.87	21.74	21.90	226.09	-
(vi)	Earnings Per Share (EPS) Basic	1.20	10.05	7.87	2.61	(173.30)	-
(vii)	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) Margin	0.37	0.39	0.39	0.42	0.43	-
IV Solvency Ratios:							
(i)	Debt to Total Assets Ratio	0.64	0.74	0.78	0.96	1.02	1.00
(ii)	Debt to Equity Ratio	1.78	2.83	3.51	26.93	(53.76)	291.92
(iii)	Times Interest Earned Ratio	2.13	1.57	1.66	1.30	(0.07)	-
(iv)	Debt Service Coverage Ratio	0.09	0.24	0.18	0.13	(0.00)	-
V Cash Flow Ratio:							
(i)	Net Operating Cash Flow Per Share (NOCFPS)	2.17	40.37	27.14	149.87	(221.81)	-
(ii)	NOCFPS to EPS Ratio	1.81	4.01	3.45	57.34	(1.28)	-

Place: Dhaka
Date: December 18, 2019

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

Industry Average Compare with Taufika Foods and Agro Industries Ltd.

Financial Ratio	TFAIL	Industry Average	Remark/Explanation
	June 30, 2019 (Ratio)	June 30, 2019 (Ratio)	
<u>I. Liquidity Ratios</u>			
(i) Current Ratio	1.31	1.32	TFAIL's ratio is satisfactory in terms of the industry ratio.
(ii) Quick Ratio	0.79	0.92	TFAIL's ratio is satisfactory in terms of the industry ratio.
<u>II. Operating Ratios</u>			
(i) Accounts Receivable Turnover Ratio (Times)	5.12	2.01	Accounts receivable ratio is higher than the industry ratio due to credit sale to capture potential market.
(ii) Inventory Turnover Ratio (Times)	2.75	1.64	Inventory turnover ratio is higher than industry ratio due to preserving sufficient raw materials.
(iii) Asset Turnover Ratio	0.57	0.49	TFAIL's ratio is satisfactory in terms of the industry ratio.
<u>III. Profitability Ratios</u>			
(i) Gross Margin Ratio	41.76	45.13	TFAIL's ratio is lower in term of the industry ratio as it has a huge infrastructure and facilities to maintain the business.
(ii) Operating income Ratio	27.18	30.87	TFAIL's ratio is lower in term of the industry ratio as it has a huge infrastructure and facilities to maintain the business.
(iii) Net income Ratio	6.68	10.84	TFAIL's ratio is lower in term of the industry ratio as it has a huge infrastructure and facilities to maintain the business.
(iv) Return on Assets Ratio	3.83	3.38	TFAIL's ratio is satisfactory in terms of the industry ratio.
(v) Return on Equity Ratio	15.87	7.49	TFAIL's ratio is satisfactory in terms of the industry ratio.
(vi) Earnings per Share (EPS)	10.05	2.03	TFAIL's ratio is satisfactory in terms of the industry ratio.
(vii) EBITDA Margin	39.00	40.19	TFAIL's ratio is satisfactory in terms of the industry ratio.
<u>IV. Solvency Ratios</u>			
(i) Debt to total Assets Ratio	0.74	0.58	TFAIL's ratio is satisfactory in terms of the industry ratio.
(ii) Debt to Equity Ratio	2.83	1.39	TFAIL's ratio is satisfactory in terms of the industry ratio.
(iii) Times Interest Earned Ratio (Times)	1.57	1.76	TFAIL's ratio is satisfactory in terms of the industry ratio.
(iv) Debt to Service Coverage Ratio	0.24	0.20	TFAIL's ratio is satisfactory in terms of the industry ratio.
<u>V. Cash Flow</u>			
(iii) Net Operating Cash Flow per Share	40.37	3.49	TFAIL's ratio is satisfactory in terms of the industry ratio.
(iv) Net Operating Cash Flow per Share/EPS	4.01	1.72	TFAIL's ratio is higher than industry ratio as it had a huge collection from customers and others sources during this year

Financial Ratio	TFAIL	Industry Average	Remark/Explanation
	June 30, 2018 (Ratio)	June 30, 2018 (Ratio)	
<u>I. Liquidity Ratios</u>			
(i) Current Ratio	1.07	1.18	TFAIL's ratio is satisfactory in terms of the industry ratio.
(ii) Quick Ratio	0.75	0.86	TFAIL's ratio is satisfactory in terms of the industry ratio.
<u>II. Operating Ratios</u>			
(i) Accounts Receivable Turnover Ratio (Times)	8.18	1.62	Accounts receivable ratio is higher than the industry ratio due to credit sale to capture potential market.
(ii) Inventory Turnover Ratio (Times)	3.20	1.98	Inventory turnover ratio is higher than industry ratio due to preserving sufficient raw materials.
(iii) Asset Turnover Ratio	0.58	0.45	TFAIL's ratio is satisfactory in terms of the industry ratio.
<u>III. Profitability Ratios</u>			
(i) Gross Margin Ratio	41.57	44.72	TFAIL's ratio is lower in term with the industry ratio as it has a huge infrastructure and facilities to maintain the business.
(ii) Operating income Ratio	26.71	30.93	TFAIL's ratio is lower in terms of the industry ratio as it has a huge infrastructure and facilities to maintain the business.
(iii) Net income Ratio	5.46	11.91	TFAIL's ratio is lower in term with the industry ratio as it has a huge infrastructure and facilities to maintain the business.
(iv) Return on Assets Ratio	3.17	3.54	TFAIL's ratio is satisfactory in terms of the industry ratio.
(v) Return on Equity Ratio	21.74	9.14	TFAIL's ratio is satisfactory in terms of the industry ratio.
(vi) Earnings per Share (EPS)	7.87	1.86	TFAIL's ratio is satisfactory in terms of the industry ratio.
(vii) EBITDA Margin	39.00	39.57	TFAIL's ratio is satisfactory in terms of the industry ratio.
<u>IV. Solvency Ratios</u>			
(i) Debt to total Assets Ratio	0.78	0.63	TFAIL's ratio is satisfactory in terms of the industry ratio.
(ii) Debt to Equity Ratio	3.51	1.71	TFAIL's ratio is satisfactory in terms of the industry ratio.
(iii) Times Interest Earned Ratio (Times)	1.66	2.10	TFAIL's ratio is satisfactory in terms of the industry ratio.
(iv) Debt to Service Coverage Ratio	0.18	0.18	TFAIL's ratio is satisfactory in terms of the industry ratio.
<u>V. Cash Flow</u>			
(iii) Net Operating Cash Flow per Share	27.14	3.92	TFAIL's ratio is satisfactory in terms of the industry ratio.
(iv) Net Operating Cash Flow per Share/EPS	3.45	2.11	TFAIL's ratio is satisfactory in terms of the industry ratio.

Financial Ratio	TFAIL	Industry Average	Remark/Explanation
	June 30, 2017 (Ratio)	June 30, 2017 (Ratio)	
<u>I. Liquidity Ratios</u>			
(i) Current Ratio	0.48	0.99	TFAIL's ratio is satisfactory in terms of the industry ratio as it was a new company.
(ii) Quick Ratio	0.22	0.77	TFAIL's ratio is satisfactory in terms of the industry ratio as it was a new company.
<u>II. Operating Ratios</u>			
(i) Accounts Receivable Turnover Ratio (Times)	13.24	1.72	Accounts receivable ratio is higher than the industry ratio due to credit sale to capture potential market.
(ii) Inventory Turnover Ratio (Times)	2.96	2.15	Inventory turnover ratio is higher than industry ratio due to preserving sufficient raw materials.
(iii) Asset Turnover Ratio	0.49	0.40	TFAIL's ratio is satisfactory in terms of the industry ratio.
<u>III. Profitability Ratios</u>			
(i) Gross Margin Ratio	38.25	45.69	TFAIL's ratio is lower in terms of the industry ratio as it has a huge infrastructure and facilities to maintain the business and it was a new company then.
(ii) Operating income Ratio	25.08	30.82	TFAIL's ratio is lower in terms of the industry ratio as it has a huge infrastructure and facilities to maintain the business and it was a new company then.
(iii) Net income Ratio	0.52	12.25	TFAIL's ratio is lower in terms of the industry ratio as it has a huge infrastructure and facilities to maintain the business and it was a new company then.
(iv) Return on Assets Ratio	0.26	3.39	TFAIL's ratio is satisfactory in terms of the industry ratio as it was a new company.
(v) Return on Equity Ratio	21.90	8.48	TFAIL's ratio is satisfactory in terms of the industry ratio.
(vi) Earnings per Share (EPS)	2.61	1.89	TFAIL's ratio is satisfactory in terms of the industry ratio.
(vii) EBITDA Margin	42.00	40.90	TFAIL's ratio is satisfactory in terms of the industry ratio.
<u>IV. Solvency Ratios</u>			
(i) Debt to total Assets Ratio	0.96	0.63	TFAIL's ratio is satisfactory in terms of the industry ratio.
(ii) Debt to Equity Ratio	26.93	1.71	TFAIL maintained huge working capital loan as a new company so the ratio is higher than the industry average.
(iii) Times Interest Earned Ratio (Times)	1.30	1.91	TFAIL's ratio is satisfactory in terms of the industry ratio.
(iv) Debt to Service Coverage Ratio	0.13	0.15	TFAIL's ratio is satisfactory in terms of the industry ratio.
<u>V. Cash Flow</u>			
(iii) Net Operating Cash Flow per Share	149.87	3.47	TFAIL's ratio is satisfactory in terms of the industry ratio.
(iv) Net Operating Cash Flow per Share/EPS	57.34	1.84	TFAIL's ratio is higher than industry ratio as it had a huge collection from customers and others sources during this year in term of EPS.

Financial Ratio	TFAIL	Industry Average	Remark/Explanation
	June 30, 2016 (Ratio)	June 30, 2016 (Ratio)	
<u>I. Liquidity Ratios</u>			TFAIL's ratio is satisfactory in terms of the industry ratio as a newly established company. The ratio of TFAIL is calculated on 06 months Financial statements whereas in case of industry ratio is calculated on full year Financial Statements.
(i) Current Ratio	0.40	0.86	
(ii) Quick Ratio	0.19	0.67	
<u>II. Operating Ratios</u>			
(i) Accounts Receivable Turnover Ratio (Times)	5.85	3.35	
(ii) Inventory Turnover Ratio (Times)	0.96	2.70	
(iii) Asset Turnover Ratio	0.11	0.45	
<u>III. Profitability Ratios</u>			
(i) Gross Margin Ratio	31.29	45.85	
(ii) Operating income Ratio	(1.72)	29.38	
(iii) Net income Ratio	(26.55)	12.52	
(iv) Return on Assets Ratio	(3.00)	3.95	
(v) Return on Equity Ratio	226.09	8.85	
(vi) Earnings per Share (EPS)	(173.30)	1.80	
(vii) EBITDA Margin	0.43	38.79	
<u>IV. Solvency Ratios</u>			
(i) Debt to total Assets Ratio	1.02	0.60	
(ii) Debt to Equity Ratio	(53.76)	1.50	
(iii) Times Interest Earned Ratio (Times)	(0.07)	1.91	
(iv) Debt to Service Coverage Ratio	0.00	0.19	
<u>V. Cash Flow</u>			
(iii) Net Operating Cash Flow per Share	(221.81)	4.48	
(iv) Net Operating Cash Flow per Share/EPS	(1.28)	2.48	

Reference and explanation of similarities:

In Food & Allied sector, total companies are 17, but we are considering **Golden Harvest Agro Industries Ltd.** because this company's nature of business is similar to us. Golden Harvest Agro Industries Ltd. is the listed company engaged in manufacturing & marketing of various food products (Frozen Foods) including Ice Cream and the business nature of Taufika Foods and Agro Industries Ltd. is very much closer to this said company. Thus, we have considered this company to calculate Industry average ratio.

(d) Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the কোম্পানি আইন, 1994. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;

**AUDITOR'S REPORT
OF
TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED**

Under section 135(1) under Para 24(1) (3) of part – II of the Third Schedule of Companies Act 1994

We, as the auditors of the above company, having examined the Financial Statements of Taufika Foods and Agro Industries Limited for the first quarter ended September 30, 2019 and also for the year ended June 30, 2019 which were audited by Islam Quazi Shafique & Co. Chartered Accountants. and the figures extracted from the Financial Statements for the remaining years ended June 30, 2018, 2017, 2016 and 2015 which were audited by Mahfel Huq & Co, Chartered Accountants.

The presentation of these financial statements is the responsibility of the Company's management.

Our responsibility is to review the relevant audited financial statements and confirm that the related information has been correctly extracted from those audited financial statements. We have reviewed the relevant audited financial statements and confirm that the related information has been correctly extracted from those audited financial statements.

- a. Taufika Foods and Agro Industries Limited (hereinafter referred to as "The Company") was incorporated on August 07, 2011 registration no C-94700/11 as a private limited company in Bangladesh under the companies act 1994. It has started its commercial operation on January 02, 2016. On July 08, 2019 the Company converted itself as a public Limited Company under the Companies Act 1994.
- b. The share of the Company was denominated from Tk. 100 to Tk. 10 per share as on July 08, 2019
- c. The Company has no subsidiaries
- d. Dividend declared

Years	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Stock Dividend (Bonus) %	-	-	-	-	-	-
Cash Dividend	-	-	-	-	-	-

- e. No proceeds or part of proceeds of the issue of shares shall be applied directly or indirectly by the Company in the Purchase of any other business;

f. Enclosures:

- I. The statement of operating results of the company for the first quarter ended September 30, 2019. and for immediately preceding five years (Annexure – A).
- II. The Statement of Assets and Liabilities of the company as at September 30, 2019 and for immediately preceding five years. (Annexure -B).

Place: Dhaka
Date: October 04, 2020

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

The Statement of operating results of the Company for the 1st quarter ended September 30, 2019 and for immediately preceding five years
Taufika Foods and Agro Industries Limited

The statement of operating results of the company

Particulars	Amount in Taka					
	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Sales	314,349,972	922,889,785	778,975,897	478,531,399	65,276,963	-
Less: Cost of Sales	185,353,363	537,504,916	455,142,393	295,494,192	44,853,835	-
Gross Profit	128,996,609	385,384,869	323,833,504	183,037,208	20,423,128	-
Operating expenses:	40,574,675	134,508,705	115,779,050	63,003,160	21,543,987	-
Administrative expenses	9,332,403	13,564,960	9,185,457	3,185,906	21,543,987	-
Marketing expenses	31,242,272	120,943,746	106,593,593	59,817,254	-	-
Operating Income	88,421,934	250,876,164	208,054,454	120,034,048	(1,120,859)	-
Financial Expenses	40,693,839	161,134,907	126,213,752	94,448,658	15,817,781	-
Bank Interest	40,693,839	161,134,907	126,213,752	94,448,658	15,817,781	-
Profit Before other income	47,728,095	89,741,257	81,840,702	25,585,390	(16,938,640)	-
Other Income	553,692	6,102,220	5,192,925	3,178,685	-	-
Net Profit Before WPPF	48,281,788	95,843,477	87,033,627	28,764,074	(16,938,640)	-
Provision for WPPF	2,299,133	4,563,975	4,144,458	-	--	-
Net Profit Before Tax	45,982,654	91,279,503	82,889,168	28,764,074	(16,938,640)	-
Income Tax Expenses	16,093,929	29,634,215	40,341,018	26,263,576	391,662	-
Current Tax	15,304,007	23,173,852	8,748,255	1,433,783	391,662	-
Deferred Tax	789,922	6,460,363	31,592,763	24,829,793	-	-
Profit After Tax	29,888,725	61,645,286	42,548,150	2,500,498	(17,330,301)	-
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	29,888,725	61,645,286	42,548,150	2,500,498	(17,330,301)	-
Basic Earnings Per Share (EPS)	1.20	10.05	7.87	2.65	(173.30)	-
Diluted EPS	-	-	-	-	-	-

Place: Dhaka

Date: October 04, 2020

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

Annexure-B

The Statement of Assets and Liabilities of the Company as at September 30, 2019 and for immediately preceding five years

Taufika Foods and Agro Industries Limited

The Statement of Assets and Liabilities of the company

Particulars	Amount in Taka					
	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
NON-CURRENT ASSETS						
Property, plant and equipment	1,112,740,600	1,062,410,969	1,014,086,395	808,235,799	696,664,952	242,648,115
Intangible Assets	885,171	1,011,625	815,749	369,998	-	-
Capital Work in Progress	7,775,021	11,592,013	6,431,800	75,771,199	-	-
Preliminary Expenditure	-	-	-	-	-	45,000
Un-allocated Revenue Expenditure	-	-	-	-	-	1,722,312
Investment	12,000,000	-	-	-	-	-
Total Non-Current Assets	1,133,400,792	1,075,014,606	1,021,333,944	884,376,996	696,664,952	244,415,427
CURRENT ASSETS						
Inventories	241,724,547	218,927,157	171,287,614	112,781,720	86,656,489	7,256,259
Trade & Other Receivables	267,634,791	220,208,469	140,551,909	49,989,435	22,311,964	-
L/C Margin					11,291,187	3,634,629
Inter-company Receivable	7,130,000	4,820,000	-	-	-	-
Advance, Deposits & Prepayments	50,550,740	50,029,126	34,297,972	20,220,940	29,046,471	37,517,859
Cash and Cash Equivalent	161,456,665	58,831,003	221,815,089	26,570,025	15,590,414	98,714
Total Current assets	728,496,742	552,815,755	567,952,584	209,562,120	164,896,525	48,507,461
TOTAL ASSETS	1,861,897,535	1,627,830,362	1,589,286,528	1,093,939,115	861,561,478	292,922,888
EQUITY & LIABILITIES						
Equity attributable to share holders						
Share Capital	550,000,000	65,450,000	54,500,000	54,000,000	1,000,000	1,000,000
Retained earnings	119,252,358	89,363,632	27,718,346	(14,829,804)	(17,330,301)	-
Total Shareholder's Equity	669,252,358	154,813,632	82,218,346	39,170,196	-16,330,301	1,000,000
NON-CURRENT LIABILITIES						
Deferred Tax Liability	63,672,842	62,882,919	56,422,556	24,829,793	-	-
Loan from Director	-	-	-	-	14,215,728	14,215,728
Long-Term Loan	578,281,298	470,464,036	389,655,966	385,268,978	351,248,846	266,576,940
Lease Loan	246,313,284	248,960,934	259,944,770	204,336,340	96,782,448	-
Total Non-Current Liabilities	888,267,424	782,307,889	706,023,292	614,435,112	462,247,022	280,792,668
CURRENT LIABILITIES						
Current Portion of Long-term Loan	34,016,547	134,418,296	85,185,813	84,010,553	100,356,813	-
Current Portion of Lease Loan	12,963,857	62,240,233	56,828,609	44,556,945	24,195,612	-
Short-Term Loan	130,665,543	123,426,553	344,486,201	204,726,568	135,230,094	5,832,652
Inter Company Loan	-	-	381,678	77,581,678	101,461,778	-
Trade & Other Payables	18,292,538	19,233,306	21,078,996	27,563,619	38,527,216	4,325,853
Liabilities for Expenses	56,640,232	47,194,556	8,365,434	69,000	15,481,582	971,715
Share Money Deposit	-	270,000,000	270,000,000	-	-	-
Provision for WPPF	11,007,566	8,708,433	4,144,458	-	-	-
Provision for Income Tax	40,791,469	25,487,463	10,573,700	1,825,445	391,662	-
Total Current Liabilities	304,377,752	690,708,840	801,044,889	440,333,808	415,644,757	11,130,220
Total Liabilities	1,192,645,176	1,473,016,729	1,507,068,181	1,054,768,919	877,891,779	291,922,888
Total EQUITY & LIABILITIES	1,861,897,534	1,627,830,361	1,589,286,527	1,093,939,115	861,561,478	292,922,888
NAV PER SHARE	12.17	23.65	15.09	7.25	-163.30	10.00
Auditor's report under section 135(1) of the Companies Act, 1994 has been prepared on the basis of latest financial statements.						

Place: Dhaka

Date: October 04, 2020

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

(e) Financial spread sheet analysis for the latest audited financial statements;

Taufika Foods and Agro Industries Limited
Statement of Financial Position
As at September 30, 2019

Particulars	As at September 30, 2019	Percentage (%)	Grand Total
ASSETS			
NON-CURRENT ASSETS	1,133,400,792	60.87%	60.87%
Property, Plant & Equipments	1,112,740,600.21	59.76%	
Intangible Assets	885,171.44	0.05%	
Capital Work-in-progress	7,775,020.80	0.42%	
Investment	12,000,000.00	0.64%	
CURRENT ASSETS	728,496,742	39.13%	39.16%
Inventories	241,724,547	12.98%	
Trade & Other Receivables	267,634,791	14.37%	
Inter-company Receivables	7,130,000	0.38%	
Advance, Deposits & Prepayments	50,550,740	2.72%	
Cash and Cash Equivalents	161,456,665	8.67%	
TOTAL ASSETS	1,861,897,535	100%	100.00%
SHAREHOLDERS' EQUITY	669,252,358	35.94%	35.95%
Share Capital	550,000,000	29.54%	
Retained Earnings	119,252,358	6.40%	
NON-CURRENT LIABILITIES	888,267,424	47.20%	47.20%
Deferred Tax Liability	63,672,842	3.42%	
Long-term Loan	585,858,231	31.47%	
Lease Loan	229,271,314	12.31%	
CURRENT LIABILITIES	304,377,753	16.86%	16.86%
Current Portion of Long-term Loan	26,439,614	1.42%	
Current Portion of Lease Loan	30,005,827	1.61%	
Short-Term Loan	130,665,543	7.02%	
Trade & Other Payables	18,292,538	0.98%	
Liabilities for Expenses	56,640,232	3.04%	
Provision for WPPF	11,007,566	0.59%	
Provision for Income Tax	40,791,469	2.19%	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,861,897,535	100.00%	100.00%

Taufika Foods and Agro Industries Limited
Statement of Profit and Loss and Other Comprehensive Income
For the Period from 1 July 2019 to September 30, 2019

Particulars	Period Ended September 30, 2019	Percentage on Total Turnover	Grand Percentage
Operating Revenues	314,349,972		100.000%
Cost of Goods Sold	185,353,363		58.964%
Gross profit	128,996,609		41.036%
Operating Expenses	40,574,675		12.907%
Administrative Expenses	9,332,403	2.97%	
Marketing Expenses	31,242,272	9.94%	
Operating Income	88,421,935		28.129%
Financial Expenses	40,693,839	12.95%	
Other Income	553,692	0.18%	
Net profit before WPPF	48,281,788		15.359%
Provision for WPPF	2,299,133	0.73%	
Net Profit Before Tax	45,982,655		14.628%
Current Tax	15,304,007	4.87%	
Deferred Tax	789,922	0.25%	
Net Profit/(Loss) for the year	29,888,726		9.508%

- (f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;

As per audited statement as at September 30, 2019

Particulars	Amount in BDT
Net profit after Tax	29,888,726
Total existing number of Share before IPO	55,000,000
Weighted Average number of Share	24,978,967
Earnings per Share (EPS) fully diluted basis	0.54
Earnings per Share (EPS) Weighted average number of Share basis	1.20

- (g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings per Share;

As per audited statement as at September 30, 2019

Particulars	Amount in BDT
Net Profit before Contribution to WPPF with other income	48,281,788
Less: Other Income	553,692
Profit before Liabilities for WPPF except Other Income	47,728,096
Less: Liabilities for WPPF	2,299,133
Profit before Income Tax	45,428,963
Less: Income Tax Expenses	16,093,929
Net Profit after Tax	29,335,034
Total existing number of Share	55,000,000
Weighted average number of Share	24,978,967
Earnings per Share (EPS) fully diluted basis	0.53
Earnings per Share (EPS) Weighted average number of Share basis	1.17

- (h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS;

This information is not applicable for us.

- (i) Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

As per audited statement as at September 30, 2019

Particulars	Amount in BDT
Share Capital	550,000,000
Retained Earnings	119,252,358
Total Shareholders' Equity	669,252,358
Total Number of Ordinary Share	55,000,000
Net Assets Value (NAV) at BDT 10.00 per share	12.17

- (j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.

If the situation raised to re-audit from Bangladesh Securities and Exchange Commission, company will bear the cost.

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:

(i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;

CERTIFICATION ON STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS INCLUDING BORROWING FROM RELATED PARTY OR CONNECTED PERSONS WITH RATE OF INTEREST PAID OR ACCRUED

After due verification, we certify that the Long Term and Short Term Borrowing Including Borrowing from related party or connected persons of **Taufika Foods and Agro Industries Limited** from July 01, 2014 to September 30, 2019 are as follows:

For the Period ended September 30, 2019:

Name of the Parties	Nature of the Relationship	Nature of Borrowings	Balance as on September 30, 2019	Interest Rate %	Interest Paid (BDT)	Interest Accrued
AB Bank Limited	Lender	Long Term Loan-Non-Current Portion	578,281,298	15.00%	-	-
AB Bank Limited	Lender	Long Term Loan - Current Portion	34,016,547	15.00%	20,783,097	1,165,256
AB Bank Limited	Lender	Short Term	16,104,390	15.00%	702,900	-
Trust Bank Limited	Lender	Short Term	75,857,830	13.00%	3,724,679	-
Shimanto Bank Limited	Lender	Short Term	38,703,322	12.00%	2,109,745	-
Lankabangla Finance Limited	Lender	Finance Lease-Non-Current Portion	246,313,284	(11%-15%)	-	-
Lankabangla Finance Limited	Lender	Finance Lease-Current Portion	12,963,857	(11%-15%)	11,974,663	-

For the year ended 30 June, 2019:

Name of the Parties	Nature of the Relationship	Nature of Borrowings	Balance as on 30 June, 2019	Interest Rate %	Interest Paid(BDT)	Interest Accrued
AB Bank Limited	Lender	Long Term loan-Non Current portion	470,464,036	15.00%	-	-
AB Bank Limited	Lender	Long Term Loan - Current Portion	134,418,296	15.00%	72,923,007	765,820
AB Bank Limited	Lender	Short Term	15,323,885	15.00%	14,836,402	-
Trust Bank Limited	Lender	Short Term	108,102,668	13.00%	16,433,034	-
Lankabangla Finance Limited	Lender	Finance Lease-Non-Current Portion	248,960,934	(11%-15%)	-	-
Lankabangla Finance Limited	Lender	Finance Lease-Current Portion	62,240,233	(11%-15%)	55,674,194	-

For the year ended 30 June, 2018:

Name of the Parties	Nature of the Relationship	Nature of Borrowings	Balance as on 30 June, 2018	Interest Rate %	Interest Paid(BDT)	Interest Accrued
AB Bank Limited	Lender	Long Term Loan-Non-Current portion	389,655,966	15.00%	-	-
AB Bank Limited	Lender	Long Term Loan - Current Portion	85,185,813	15.00%	55,813,200	-
AB Bank Limited	Lender	Short Term	120,293,615	15.00%	14,981,412	-
Trust Bank	Lender	Short Term	121,509,808	11%-13%	7,419,814	-
Lankabangla Finance Limited	Lender	Short Term	102,682,778	11.00%	11,023,791	-
Lankabangla Finance Limited	Lender	Finance Lease-Non-Current Portion	259,944,770	(11%-15%)	-	-
Lankabangla Finance Limited	Lender	Finance Lease-Current Portion	56,828,609	(11%-15%)	35,184,236	-

For the year ended 30 June, 2017:

Name of the Parties	Nature of the Relationship	Nature of Borrowings	Balance as on 30 June, 2017	Interest Rate %	Interest Paid(BDT)	Interest Accrued
AB Bank Limited	Lender	Long Term loan-Non Current portion	385,268,978	13.00%	-	-
AB Bank Limited	Lender	Long Term Loan - Current Portion	84,010,553	13.00%	54,824,774	-
AB Bank Limited	Lender	Short Term	124,589,409	10.50%	17,097,066	-
Trust Bank Limited	Lender	Short Term	41,949,849	11.00%	653,369	-
Lankabangla Finance Limited	Lender	Short Term	38,187,310	11.00%	168,811	-
Lankabangla Finance Limited	Lender	Finance Lease-Non Current Portion	204,336,340	(11%-15%)	-	-
Lankabangla Finance Limited	Lender	Finance Lease-Current Portion	44,556,945	(11%-15%)	20,453,543	-

For the year ended 30 June, 2016:

Name of the Parties	Nature of the Relationship	Nature of Borrowings	Balance as on 30 June, 2016	Interest Rate %	Interest Paid(BDT)	Interest Accrued
AB Bank Limited	Lender	Long Term loan-Non Current portion	351,248,846	13.00%	-	-
AB Bank Limited	Lender	Long Term Loan - Current Portion	100,356,813	13.00%	-	9,845,795
AB Bank Limited	Lender	Short Term	135,230,094	13.00%	308,186	2,948,253
Lankabangla Finance Limited	Lender	Finance Lease-Non Current Portion	96,782,448	(11%-15%)	-	-
Lankabangla Finance Limited	Lender	Finance Lease-Current Portion	24,195,612	(11%-15%)	-	2,637,534

For the year ended 30 June, 2015:

Name of the Parties	Nature of the Relationship	Nature of Borrowings	Balance as on 30 June, 2015	Interest Rate %	Interest Paid(BDT)	Interest Accrued
AB Bank Limited	Lender	Long Term loan-Non Current portion	218,593,091	13.00%	-	-
AB Bank Limited	Lender	Long Term Loan - Current Portion	47,983,849	13.00%	-	-
AB Bank Limited	Lender	Short Term Loan	5,832,652	13.00%	-	-

Place: Dhaka

Date: November 03, 2019

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

(ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;

After due verification, we certify that principal terms of secured loans and assets on which charge have been created against those loans with names lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status of Taufika Foods and Agro Industries Limited from July 01, 2014 to September 30, 2019 were as follows

AB Bank Limited: (Term Loan & Short Term Loan):

Particulars	From July 01, 2019 to September 30, 2019	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Purpose	To retire import documents of L/Cs to import brand new capital machinery	To retire import documents of L/Cs to import brand new capital machinery	To retire import documents of L/Cs to import brand new capital machinery	To retire import documents of L/Cs to import brand new capital machinery	To retire import documents of L/Cs to import brand new capital machinery	To retire import documents of L/Cs to import brand new capital machinery
Primary Security, Collateral / Other Security	1. 271.50 decimal Project land and Buildings. 2. 33 decimal land. 3. 107 decimals land. 4. 116 decimals land. 5. personal guarantee of the directors	1. 271.50 decimal Project land and Buildings. 2. 33 decimal land. 3. 107 decimals land. 4. 116 decimals land. 5. personal guarantee of the directors	1. 271.50 decimal Project land and Buildings. 2. 33 decimal land. 3. 107 decimals land. 4. personal guarantee of the directors	1. 271.50 decimal Project land and Buildings. 2. 33 decimal land. 3. 107 decimals land. 4. personal guarantee of the directors	1. 271.50 decimal Project land and Buildings. 2. 33 decimal land. 3. 107 decimals land. 4. personal guarantee of the directors	1. 271.50 decimal Project land and Buildings. 2. 33 decimal land. 3. 107 decimals land. 4. personal guarantee of the directors
Sanctioned Amount (Tk.)	Combine Limit: 741,100,000	Combine Limit: 741,100,000	Long Term Loan: 470,872,000 & Short Term Loan: 339,253,000	Long Term Loan: 470,872,000 & Short Term Loan: 339,253,000	Long Term Loan: 470,872,000 & Short Term Loan: 125,000,000	Long Term Loan: 470,872,000
Rate of Interest	10.50%-15%	10.50%-15%	10.50%-15%	10.50%-15%	10.50%-15%	10.50%-15%
Re-payment schedule	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Status (Outstanding balance Tk.)	Long Term Loan: 612,297,845 & Short Term Loan: 16,104,390	Long Term Loan: 604,882,332 & Short Term Loan: 15,323,885	Long Term Loan: 474,841,779 & Short Term Loan: 120,293,615	Long Term Loan: 469,279,531 & Short Term Loan: 339,253,000	Long Term Loan: 470,872,000 & Short Term Loan: 125,000,000	Long term Loan: 266,576,940 & Short Term Loan: 5,832,652

Lanka Bangla Finance Limited: (Lease):

Particulars	From July 31, 2019 to September 30, 2019	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Purpose	1.To procure Glass Top Deep Freezer for Retailers as well as for Distributors and Try Cycle, Ref. Van, Cold Store and brand new or reconditioned vehicles (pickup, Tusker Super, Refrigerator Chassis etc). 2. To import/procure raw material/spare parts/consumables items/packaging materials through L/C, to retire the import bills/L/C	1.To procure Glass Top Deep Freezer for Retailers as well as for Distributors and Try Cycle, Ref. Van, Cold Store and brand new or reconditioned vehicles (pickup, Tusker Super, Refrigerator Chassis etc). 2. To import/procure raw material/spare parts/consumables items/packaging materials through L/C, to retire the import bills/L/C	1.To procure Glass Top Deep Freezer for Retailers as well as for Distributors and Try Cycle, Ref. Van, Cold Store and brand new or reconditioned vehicles (pickup, Tusker Super, Refrigerator Chassis etc). 2. To import/procure raw material/spare parts/consumables items/packaging materials through L/C, to retire the import bills/L/C	1.To procure Glass Top Deep Freezer for Retailers as well as for Distributors and Try Cycle, Ref. Van, Cold Store and brand new or reconditioned vehicles (pickup, Tusker Super, Refrigerator Chassis etc). 2. To import/procure raw material/spare parts/consumables items/packaging materials through L/C, to retire the import bills/L/C	1.To procure Glass Top Deep Freezer for Retailers as well as for Distributors and Try Cycle, Ref. Van, Cold Store and brand new or reconditioned vehicles (pickup, Tusker Super, Refrigerator Chassis etc). 2. To import/procure raw material/spare parts/consumables items/packaging materials through L/C, to retire the import bills/L/C	
Primary Security, Collateral / Other Security	1. Subsequent Charges/Hypothecation on all the Fixed assets of TFAIL. 2. Ownership of Leased Assets. 3. Personal Guarantee of Directors. 4. Corporate Guarantee of Taufika Engineering Limited (TFL) 5. 36nos of postdated cheques.	1. Subsequent Charges/Hypothecation on all the Fixed assets of TFAIL. 2. Ownership of Leased Assets. 3. Personal Guarantee of Directors. 4. Corporate Guarantee of Taufika Engineering Limited (TFL) 5. 36nos of postdated cheques.	1. Subsequent Charges/Hypothecation on all the Fixed assets of TFAIL. 2. Ownership of Leased Assets. 3. Personal Guarantee of Directors. 4. Corporate Guarantee of Taufika Engineering Limited (TFL) 5. 36nos of postdated cheques.	1. Subsequent Charges/Hypothecation on all the Fixed assets of TFAIL. 2. Ownership of Leased Assets. 3. Personal Guarantee of Directors. 4. Corporate Guarantee of Taufika Engineering Limited (TFL) 5. 36nos of postdated cheques.	1. Subsequent Charges/Hypothecation on all the Fixed assets of TFAIL. 2. Ownership of Leased Assets. 3. Personal Guarantee of Directors. 4. Corporate Guarantee of Taufika Engineering Limited (TFL) 5. 36nos of postdated cheques.	
Sanctioned Amount (Tk.)	Lease Finance: 450,000,000	Lease Finance: 450,000,000	Lease Finance: 450,000,000 & Short Term Loan: 100,000,000	Lease Finance: 450,000,000 & Short Term Loan: 100,000,000	Lease Finance: 147,200,000	
Rate of Interest	11%-15%	11%-15%	11%-15%	11%-15%	11%-15%	
Re-payment schedule	1. Interest will be paid on quarterly basis on the outstanding amount.	1. Interest will be paid on quarterly basis on the outstanding amount.	1. Interest will be paid on quarterly basis on the outstanding amount.	1. Interest will be paid on quarterly basis on the outstanding amount.	1. Interest will be paid on quarterly basis on the outstanding amount.	

	2. Principle will be paid in full at the end of 120 days for each draw down.	2. Principle will be paid in full at the end of 120 days for each draw down.	2. Principle will be paid in full at the end of 120 days for each draw down.	2. Principle will be paid in full at the end of 120 days for each draw down.	2. Principle will be paid in full at the end of 120 days for each draw down.	
Status (Outstanding balance Tk.)	Lease Finance: 259,277,142	Lease Finance: 311,201,167	Lease Finance: 316,773,379 & Short Term Loan:102,682,778	Lease Finance: 248,893,285 & Short Term Loan: 38,187,310	Lease Finance: 120,978,060	

Trust Bank Limited: (Short Term Loan):

Particulars	From July 01, 2019 to September 30, 2019	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Purpose	To retire import/locally procure raw materials and packing materials and to meet working capital requirements	To retire import/locally procure raw materials and packing materials and to meet working capital requirements	To retire import/locally procure raw materials and packing materials and to meet working capital requirements	To retire import/locally procure raw materials and packing materials and to meet working capital requirements		
Primary Security, Collateral / Other Security	1.Hypothecation along with IGPA to sell the hypothecated goods stored/to be stored in your warehouse duty insured covering the total credit facilities of Taufika Foods & Agro Industries Ltd. Under banks mortgage clause. 2. RM with IGPA to sell the 2141 sft flat along with 02 car parking spaces with proportionate share of land being flat no. P, (8th floor West side) of an storied building located at Plot No.80, Road No.2 Banani, Dhaka-1213. The property stands in the name of Mr. Md. Ekramul Haque, MD. of the borrowing concern. 3. 1st charge on floating assets (present & future) of the company with RJSC along with IGPA to sell the assets on pari passu basis with AB Bank Ltd. (Charge Created BDT 150.00 m and BDT 653.82 m with the following banks Trust Bank Ltd. and AB Bank Ltd. respectively.) 4. Personal Guarantee of all the Directors of the company to be provided in our prescribed formal. 5. Undated/ post dated cheque (s) covering each facility with up to date interest to be provided. 6. Usual set of charge documents.	1.Hypothecation along with IGPA to sell the hypothecated goods stored/to be stored in your warehouse duty insured covering the total credit facilities of Taufika Foods & Agro Industries Ltd. Under banks mortgage clause. 2. RM with IGPA to sell the 2141 sft flat along with 02 car parking spaces with proportionate share of land being flat no. P, (8th floor West side) of a storied building located at Plot No.80, Road No.2 Banani, Dhaka-1213. The property stands in the name of Mr. Md. Ekramul Haque, MD. of the borrowing concern. 3. 1st charge on floating assets (present & future) of the company with RJSC along with IGPA to sell the assets on pari passu basis with AB Bank Ltd. (Charge Created BDT 150.00 m and BDT 653.82 m with the following banks Trust Bank Ltd. and AB Bank Ltd. respectively.) 4. Personal Guarantee of all the Directors of the company to be provided in our prescribed formal. 5. Undated/ post dated cheque (s) covering each facility with up to date interest to be provided. 6. Usual set of charge documents.	1.Hypothecation along with IGPA to sell the hypothecated goods stored/to be stored in your warehouse duty insured covering the total credit facilities of Taufika Foods & Agro Industries Ltd. Under banks mortgage clause. 2. RM with IGPA to sell the 2141 sft flat along with 02 car parking spaces with proportionate share of land being flat no. P, (8th floor West side) of a storied building located at Plot No.80, Road No.2 Banani, Dhaka-1213. The property stands in the name of Mr. Md. Ekramul Haque, MD. of the borrowing concern. 3. 1st charge on floating assets (present & future) of the company with RJSC along with IGPA to sell the assets on pari passu basis with AB Bank Ltd. (Charge Created BDT 150.00 m and BDT 653.82 m with the following banks Trust Bank Ltd. and AB Bank Ltd. respectively.) 4. Personal Guarantee of all the Directors of the company to be provided in our prescribed formal. 5. Undated/ post dated cheque (s) covering each facility with up to date interest to be provided. 6. Usual set of charge documents.	1.Hypothecation along with IGPA to sell the hypothecated goods stored/to be stored in your warehouse duty insured covering the total credit facilities of Taufika Foods & Agro Industries Ltd. Under banks mortgage clause. 2. RM with IGPA to sell the 2141 sft flat along with 02 car parking spaces with proportionate share of land being flat no. P, (8th floor West side) of a storied building located at Plot No.80, Road No.2 Banani, Dhaka-1213. The property stands in the name of Mr. Md. Ekramul Haque, MD. of the borrowing concern. 3. 1st charge on floating assets (present & future) of the company with RJSC along with IGPA to sell the assets on pari passu basis with AB Bank Ltd. (Charge Created BDT 150.00 m and BDT 653.82 m with the following banks Trust Bank Ltd. and AB Bank Ltd. respectively.) 4. Personal Guarantee of all the Directors of the company to be provided in our prescribed formal. 5. Undated/ post dated cheque (s) covering each facility with up to date interest to be provided. 6. Usual set of charge documents.		
Sanctioned Amount (Tk.)	Short Term Loan: 254,000,000	Short Term Loan: 254,000,000	Short Term Loan: 254,000,000	Short Term Loan: 254,000,000		
Rate of Interest	13%	13%	13%	13%		
Re-payment schedule	Quarterly	Quarterly	Quarterly	Quarterly		
Status (Outstanding balance Tk.)	Short Term Loan: 75,857,830	Short Term Loan: 108,102,668	Short Term Loan: 121,509,808	Short Term Loan: 41,949,849		

Shimanto Bank Limited: (Short term Loan):

Particulars	From July 01, 2019 to September 30, 2019	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Purpose	To meet up urgent fund requirement	-	-	-	-	-
Primary Security, Collateral / Other Security	1. One postdated cheque covering One Off Short Term Loan limit duly signed by you with irrevocable letter of authority. 2. Others as mentioned as Collateral Security: I. Ranking Charge Creation by way of hypothecation with RJSC& F on fixed and floating assets of Taufika Foods & Agro Industries Ltd. (Present & Future) II. Lien of FDR Valuing Tk. 20.00 Lac Duly discharged by the owner with letter of authority to encash the instrument in case of requirement. III. Corporate Guarantee of Taufika Engineering Ltd. IV. Personal Guarantee of all Directors supported by personal net worth statement. V. Usual Charge Documents.	-	-	-	-	-
Sanctioned Amount (Tk.)	Tk. 9.00 Crore	-	-	-	-	-
Rate of Interest	12% p.a	-	-	-	-	-
Re-payment schedule	By depositing daily sale proceeds or cash from customer own sources within the validity period	-	-	-	-	-
Status (Outstanding balance Tk.)	Short Term Loan: 38,703,322	-	-	-	-	-

Place: Dhaka

Date: November 03, 2019

Sd/-
Islam Quazi Shafique & Co.
 Chartered Accountants

(iii) Statement of unsecured loans with terms & conditions;

**CERTIFICATION ON UNSECURED LOAN WITH TERMS AND CONDITIONS OF
TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED**

After due verification, we certify that **Taufika Foods and Agro Industries Limited** has taken unsecured loan from Taufika Engineering Limited from July 01, 2014 to September 30, 2019 which are as follows:

Particulars	Amount in BDT					
	From July 01, 2019 to September 30, 2019	30-06-2019	30-06-2018	30-06-2017	30-06-2016	30-06-2015
Loan From Directors	-	-	-	-	14,215,728	14,215,728
Total	-	-	-	-	14,215,728	14,215,728

Place: Dhaka

Date: November 03, 2019

Sd/-

Islam Quazi Shafique & Co.
Chartered Accountants

(iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;

CERTIFICATION ON STATEMENT OF INVENTORIES RAW MATERIAL, STOCK-IN PROCESS AND FINISHED GOODS;

After due verification, we certify that the statement of inventories showing amount of Raw Materials, Stock- in-process and finished goods of **Taufika Foods and Agro Industries Limited** from July 01, 2014 to September 30, 2019 are as follows:

Particulars of Inventory	Amount in BDT					
	From July 01, 2019 to September 30, 2019	30-06-2019	30-06-2018	30-06-2017	30-06-2016	30-06-2015
Raw Materials	163,706,180	145,175,926	128,637,621	93,544,249	55,250,126	-
Stock - In - Process	6,779,723	4,587,500	732,580	528,776	565,000	-
Finished Goods	71,238,643	69,163,731	41,917,413	18,708,695	30,841,363	-
Total	241,724,546	218,927,157	171,287,614	112,781,720	86,656,489	-

Place: Dhaka

Date: November 03, 2019

Sd/-

Islam Quazi Shafique & Co.
Chartered Accountants

(v) Statement of trade receivables showing receivable from related party and connected persons;

**CERTIFICATION ON STATEMENT OF TRADE RECEIVABLES SHOWING RECEIVABLE FROM RELATED PARTY AND
CONNECTED PERSONS OF TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED**

After due verification, we certify that the statement of trade receivable showing receivable from related party and connected persons of **Taufika Foods and Agro Industries Limited** from July 01, 2014 to September 30, 2019 are as follows:

Particulars	Amount in BDT					
	From July 01, 2019 to September 30, 2019	30-06-2019	30-06-2018	30-06-2017	30-06-2016	30-06-2015
General	267,634,791	220,208,469	140,551,909	49,989,435	22,311,964	-
From Related Party	-	-	-	-	-	-
From Connected persons	-	-	-	-	-	-
Total	267,634,791	220,208,469	140,551,909	49,989,435	22,311,964	-

Place: Dhaka

Date: November 03, 2019

Sd/-

Islam Quazi Shafique & Co.
Chartered Accountants

(vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued;

**CERTIFICATION ON STATEMENT OF ANY LOAN GIVEN BY THE ISSUER INCLUDING LOAN TO RELATED PARTY OR CONNECTED PERSONS WITH RATE OF INTEREST AND INTEREST REALIZED/ACCRUED
BY THE TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED**

After due verification, we certify that **Taufika Foods and Agro Industries Limited** has given loan to Taufika Engineering Limited from July 01, 2014 to September 30, 2019. Which are as follows:

Particulars	Amount in BDT					
	From July 01, 2019 to September 30, 2019	30-06-2019	30-06-2018	30-06-2017	30-06-2016	30-06-2015
Loan to Taufika Engineering Limited	7,130,000	4,820,000	-	-	-	-
Total	7,130,000	4,820,000	-	-	-	-

Place: Dhaka
Date: October 04, 2020

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

(vii) Statement of other income showing interest income, dividend income, discount received, other non-operating income;

CERTIFICATION ON STATEMENT OF OTHER INCOME SHOWING INTEREST INCOME, DIVIDEND INCOME, DISCOUNT RECEIVED, OTHER NON-OPERATING INCOME OF TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED

After due verification, we certify that the other income showing other income of **Taufika Foods and Agro Industries Limited** for the period from July 01, 2014 to September 30, 2019 are as follows:

Particulars Of Income	Amount in BDT					
	From July 01, 2019 to September 30, 2019	30-06-2019	30-06-2018	30-06-2017	30-06-2016	30-06-2015
Interest income	29,136	-	-	-	-	-
Dividend income	-	-	-	-	-	-
Discount received	-	-	-	-	-	-
Other non-operating income	524,556	6,102,220	5,192,925	3,178,685	-	-
Total	553,692	6,102,220	5,192,925	3,178,685	-	-

Place: Dhaka
Date: November 03, 2019

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

(viii) Statement of turnover showing separately in cash and through banking channel;

**CERTIFICATION ON STATEMENT OF TURNOVER SHOWING SEPARATELY IN CASH AND THROUGH BANKING CHANNEL
OF TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED**

After due verification, we certify that the turnover showing separately in cash and through banking channel of **Taufika Foods and Agro Industries Limited** for the period from July 01, 2014 to September 30, 2019 are as follows:

Particulars of turnover	Amount in BDT					
	From July 01, 2019 to September 30, 2019	30-06-2019	30-06-2018	30-06-2017	30-06-2016	30-06-2015
In cash	-	-	-	-	-	-
Through banking channel	266,923,650	843,233,225	688,413,423	22,311,964	42,964,999	-
Total	266,923,650	843,233,225	688,413,423	22,311,964	42,964,999	-

Place: Dhaka

Date: November 03, 2019

Sd/-

Islam Quazi Shafique & Co.
Chartered Accountants

(ix) Statement of related party transaction;

**CERTIFICATION ON STATEMENT OF RELATED PARTY TRANSACTION OF
TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED**

After due verification, we certify that the statement of related party transactions of **Taufika Foods and Agro Industries Limited** for the period from July 01, 2014 to September 30, 2019 are as follows:

(i) Director Remuneration and Benefits:

Related Parties	Relationship	Nature of Transaction	Amount in BDT					
			September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Md. Ekramul Haque	Managing Director	Remuneration	1,500,000	500,000	-	-	-	-
		Meeting Allowance	10,000	10,000	-	-	-	-
		Loan Repayment	-	-	-	14,215,728	-	-
Ms. Shamima Nargis Haque	Director	Meeting Allowance	10,000	5,000	-	-	-	-
Muhsinina Taufika Ekram	Director	Meeting Allowance	10,000	5,000	-	-	-	-

(ii) Other Transaction

Related Parties	Relationship	Nature of Transaction	Amount in BDT					
			September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Kawser Ahmed Nominee Director of Taufika Engineering Limited	Nominee Director	Loan given to TEL	7,130,000	4,820,000	-	-	-	-
		Loan Repayment	-	-	-	-	-	-
		Loan given to Taufika Foods and Agro Industries Ltd.	-	381,678	77,200,000	23,880,100	-	-

Place: Dhaka

Date: October 04, 2020

Sd/-

Islam Quazi Shafique & Co.
Chartered Accountants

(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;

Auditor's certificate regarding reconciliation of business income shown in Tax Return with net income shown in audited Financial Statements

Based on our review of the audited financial statements and related income tax return of Taufika Foods and Agro Industries Limited. which have been prepared by management of the Company and provided to us for our checking, we certify that the following reconciliation of business income as shown in income tax return to net income (profit) as shown in audited financial statements of the Company during the last five years have been extracted from those documents:

Particulars	Amount in BDT					
	September 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Net Profit before tax	45,982,655	91,279,502	82,889,168	28,764,074	(16,938,640)	
Add: Accounting Depreciation	27,436,748	109,641,705	94,753,347	80,234,499	29,358,588	
Less: Depreciation Tax Base	29,693,669	128,099,885	183,209,258	152,985,891	152,985,891	
Income Shown on Tax Return	43,725,734	72,821,322	(5,566,743)	(43,987,318)	(140,565,943)	

Place: Dhaka

Date: November 03, 2019

Sd/-

Islam Quazi Shafique & Co.
Chartered Accountants

(xi) Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;

CERTIFICATION ON RECEIPTS AND PAYMENTS ABOVE TK. 500,000 (FIVE LAC) WERE MADE THROUGH BANKING CHANNEL OF TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED

After due verification we confirm that all receipts and payments above Tk.500,000/- (five lac) were made through banking channel by **Taufika Foods and Agro Industries Limited** for the period from July 01, 2014 to September 30, 2019.

Place: Dhaka

Date: November 03, 2019

Sd/-

Islam Quazi Shafique & Co.
Chartered Accountants

(xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

CERTIFICATION ON BOOKS OF ACCOUNTS OF TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED ARE IN CONFORMITY WITH BANK STATEMENTS

After due verification, we confirm that the bank statements of **Taufika Foods and Agro Industries Limited** are in conformity with its books of accounts for the period from July 01, 2014 to September 30, 2019.

Place: Dhaka

Date: November 03, 2019

Sd/-

Islam Quazi Shafique & Co.
Chartered Accountants

(xiii) Statement of payment status of TAX, VAT and other taxes/duties;

**CERTIFICATION ON STATUS OF PAYMENT OF TAX, VAT AND OTHER TAXES/DUTIES OF
TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED**

Particulars	Amount in BDT					
	From July 01, 2019 to September 30, 2019	30-06-2019	30-06-2018	30-06-2017	30-06-2016	30-06-2015
TAX	3,757,265	12,149,869	8,748,255	1,433,783	3,312,881	-
VAT	49,510,121	138,433,468	116,846,385	71,779,710	9,791,544	-
Total	53,267,386	150,583,337	125,594,640	73,213,493	13,104,425	-

Place: Dhaka

Date: November 03, 2019

Sd/-

Islam Quazi Shafique & Co.
Chartered Accountants

CHAPTER – XXVII

CREDIT RATING REPORT

CHAPTER (XXVII): CREDIT RATING REPORT

CREDIT RATING REPORT

The company is issuing share at par. Thus, Credit rating report is not required.

CHAPTER - XXVIII

PUBLIC ISSUE APPLICATION PROCEDURE

CHAPTER (XXVIII): PUBLIC ISSUE APPLICATION PROCEDURE

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application. No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.
 - c) Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by the exchange(s).

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of next working day of the cut-off date;
 - c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category-wise lists of the applicants containing Customer ID,

Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts and certificates received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

7. On the next working day, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts and certificates submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. On the next working day, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges within 10 (ten) working days from the date of receiving information from the Exchanges.
12. The Issuer and the issue managers shall conduct category wise lottery with the valid applications within 03 (three) working days from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue managers shall arrange posting the lottery result on their websites within 06 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of lottery.
14. Within 02 (two) working days of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. On the next working day, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;

16. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. Simultaneously, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (FC account which has been debited to apply by NRB or foreign applicants) through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Managers, Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

The IPO subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purposes are as follows:

Sl. No	Name of the A/C	Account No.	Currency	Bank & Branch
1	Taufika Foods and Agro Industries Limited	0022-0320000775	BDT	Trust Bank Limited Millenium Corporate Branch
2		0022-5802000018	USD	
3		0022-5804000014	EURO	
4		0022-5803000016	GBP	

Application form

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”



APPLICATION FOR PUBLIC ISSUE

Date	:																			
Name of applicant	:																			
Client Code	:																			
BO ID No.	:	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																		
Category of applicant	:																			
Name of the Company	:																			
Number of Shares	:Shares of Tk. each																		
Total amount in Tk.	:																			
Amount in word	:																			

Applicants

Authorized Officer

CHAPTER (XXIX): AUDITOR ADDITIONAL DISCLOSURES

Query 01:

Name of audit engagement partners of the statutory auditors of F/S for the year ended on 30 September 2019 was not included in the said F/S as per the requirements of ISA-700 (Revised);

Response:

Mr. Quazi Shafiqul Islam, FCA is the engagement partner of the statutory auditor of financial statement(s) of Taufika Foods and Agro Industries Ltd for the period ended September 30, 2019. Mr. Islam is one of the partners of Islam Quazi Shafique & Co. Chartered Accountants.

Query 02:

Information regarding 'trade receivables' for the period ended 30th September 2019 have not been disclosed as per the requirements of the Para 4 Part-1, Schedule XI of the Companies Act, 1994;

Response:

Full information as per requirements of the Para 4 Part I, schedule XI, of the Companies Act, 1994 regarding Trade receivables as on September 30, 2019 are as follows:

Sl. No.	Particulars	September 30, 2019	June, 30 2019
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.	267,605,655	220,208,469
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.	-	-
Total		267,605,655	220,208,469

Full information as per requirements of the Para 6 Part I, schedule XI, of the Companies Act, 1994 regarding Intercompany loan as on September 30, 2019 are as follows:

Sl. No.	Particulars	September 30, 2019	June, 30 2019
i.	Intercompany loan considered good in respect of which the company is fully secured.	-	-
ii.	Intercompany loan considered good in respect of which the company holds no security other than the agreement.	7,130,000	4,820,000
iii.	Intercompany loan considered doubtful or bad.	-	-
iv.	Intercompany loan 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.	Intercompany loan due by companies under the same management to be disclosed with the names of the companies;	-	-
vi.	The maximum amount of Intercompany loan due by any director or other officer of the company at any time during the year to be shown by way of a note.	-	-
Total		7,130,000	4,820,000

Query 03:

Disclosure requirements under IFRS 16 regarding financial lease required;

Response:

Accounting treatments regarding lease of Taufika Foods and Agro Industries Ltd have been shown in line with IAS 17. Retrospective method was not followed to adjust IFRS 16 from IAS 17 for the 1st quarter ended September 30, 2019 of the financial year 2019 -2020. As per commitment of the issuer, the application of IFRS 16 shall be shown in the financial statement for the year ended June 30, 2020.

Query 04:

It is required to disclose a detailed information regarding long outstanding, among others, in respect of 'Plant & Machinery' under the head of 'Capital Work –in-progress' (note No. 5.00);

Response:

Details Break up of Capital work – in progress are as follows:

Sl. No.	Brand Name	Country of origin	Type of storage	Capacity (Ltr)	Temperature	Quantity	Amount in Tk
01	Thermokool	Bangladesh	Cold storage	20,000	-30°C	3	7,635,000
Carrying Cost							140,021
Total						3	7,775,021

Three cold storages under the head of Plant and Machinery were shown in Capital Work in Progress (note # 5). Development works of the above cold storages have been started in the financial year 2018 - 2019. Installation of cold storage is a complex procedure that's why it takes long time to be involved with the main stream of the business. To get maximum economic benefit, it requires to install the storage perfectly as it has some sensitive factors.

Query 05:

Disclosure regarding 'trade receivable' under note No. 8,01 was not shown as per requirements of Para 4, Part-1, Schedule XI of the Companies Act,1994. As such, it is required to clarify the matter;

Response:

Full information as per requirements of the Para 4 Part I, schedule XI, of the Companies Act, 1994 regarding Trade receivables as on September 30, 2019 are as follows:

Sl. No.	Particulars	September 30, 2019	June, 30 2019
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.	267,605,655	220,208,469
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.	-	-
Total		267,605,655	220,208,469

Query 06:

Cash at Banks amounting Tk. 14.90 crore have been shown at note No. 11.02. As such, it is required to certify whether balances of bank accounts had been confirmed vide balance confirmation letter sent to banks;

Response:

During the course of our audit, we have verified online balances of all bank accounts of the company. To execute this verification processes, online access has been provided by the accounts department of the company. After due verification from all corner it is certified that total cash at bank amounting Tk. 14.90 crore is correct and that was shown in note No. 11.02 of the financial statement for the period ended 30 September, 2019.

Query 07:

It is required to clarify the matter of decrease in 'current portion of long term' against increase in 'long term loan' (note No. 16.00). If it is found that it was not shown properly, it is also required to disclose its effect on current and quick ratios;

Response:

Current portion of long term loan amounting Tk. 34,016,547 has been charged only for the 1st quarter of the financial year 2019-2020 i.e. three months' amount was charged. Current portion of long-term loan for full financial year 2019- 2020 is Tk. 136,066,188. Effect of the amount and revised current and quick ratios are shown in the following table.

Particulars	September 30, 2019	June 30, 2019
Long term loan	Tk. 476,231,657	Tk. 470,464,036
Current portion of long term loan	Tk. 136,066,188	Tk. 134,418,296
Current Ratio	1.64	1.31
Quick Ratio	1.09	0.79

Query 08:

It is required to clarify the matter of sharp decrease in 'current portion' of lease loan' (note No.17.00). If it is found that it was not shown properly, it is also required to disclose its effect on current and quick ratios;

Response:

Current portion of lease loan amounting Tk. 12,963,857 has been charged only for the 1st quarter of the financial year 2019 -2020 i.e. three months' amount was charged. Current portion of long-term loan for full financial year 2019- 2020 is Tk. 51,855,428. Effect of the amount and revised current and quick ratios are shown in the following table.

Particulars	September 30, 2019	June 30, 2019
Lease Loan	Tk. 207,421,713.00	Tk. 248,960,934.00
Current Portion of Lease Loan	Tk. 51,855,428.00	Tk. 62,240,233.00
Current Ratio	1.64	1.31
Quick Ratio	1.09	0.79

Query 09:

Interest expense on 'financial lease' was not presented separately in the Statement of Profit or Loss and other Comprehensive Income as per the requirements of PARA 49 of IFRS-16. The same was not presented separate in the Statement of Cash Flow as per the requirements of PARA 49 of IFRS-16. As such, the matter is required to be clarified;

Response:

Accounting treatments regarding lease of Taufika Foods and Agro Industries Ltd have been shown in line with IAS 17. Retrospective method was not followed to adjust IFRS 16 from IAS 17 for the 1st quarter ended September 30, 2019 of the financial year 2019 -2020. As per commitment of the issuer, the application of IFRS 16 shall be shown in the financial statement for the year ended June 30, 2020.

Query 10:

Disclosures regarding 'financial lease' incorporated in the note No. 17 and 27 are not in line with the requirements of Para 51 to 53 of IFRS-16. It is required to clarify the matter;

Response:

Accounting treatments regarding lease of Taufika Foods and Agro Industries Ltd have been shown in line with IAS 17. Retrospective method was not followed to adjust IFRS 16 from IAS 17 for the 1st quarter ended September 30, 2019 of the financial year 2019 -2020. As per commitment of the issuer, the application of IFRS 16 shall be shown in the financial statement for the year ended June 30, 2020.

Query 11:

It appears that 'net sales' have been shown at note 23.00 though 'gross sales' have not been shown. It is required to clarify the matter;

Response:

Though, there is no impact in income statement either net sales or gross sales is measured. Here, Gross sales and net sales have been shown in the following manner:

Particulars	September 30, 2019	June 30, 2019
Gross sales	361,502,468	1,061,323,253
Vat	47,152,496	138,433,468
Net sales	314,349,972	922,889,785

Query 12:

Compensation of Managing Director is not disclosed at the note as per requirement of the Para-4, Part-II Schedule-XI of the Companies Act,1994;

Response:

We have reviewed the related documents regarding Compensation of Managing Director. No compensation of Managing Director has been paid by the company except as disclosed in the note No. 32.00 and 35.00 of notes to the financial statements for the period ended September 30, 2019.

Query 13:

Detailed breakup of 'cash paid to suppliers and creditors', 'cash paid for operating expenses as shown in cash flow statement are required to be disclosed.

Response:

Detailed breakup of Cash Paid to suppliers and creditors are as follows.

Cash paid to suppliers and Creditors	30-Sep-19
Cost of goods sold	(185,353,363)
Increase/(Decrease) in Inventory	(22,797,390)
(Increase)/Decrease in Accounts Payable	(940,768)
Adjustments of Advance, Deposit & Pre-payments (Without AIT)	3,235,651
Depreciation Expense	7,323,550
Cash paid to suppliers and Creditors	(198,532,320)

Cash paid for operating expenses	30-Sep-19
Administrative Expenses	(9,332,403)
Selling Expenses	(31,242,272)
(Increase)/Decrease in other accrued liabilities/Provisions	9,445,676
Depreciation Expense	20,113,198
Cash paid for operating expenses	(11,015,801)

Place: Dhaka

Date: August 13, 2020

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

14. Installed capacity and utilization of the capacity is required to incorporate in note to F/S as per the requirements of the Companies Act, 1994;

Response:

According to the requirements of schedule XI, part II, Para 7 of the Companies Act, 1994, the Information regarding Installed and utilization of the production capacity has been incorporated in the note No. 36.00 of notes to the financial statements for the year ended June 30, 2020 as under:

Quantitative information of production capacity for the year ended 30 June 2020 as per requirement of schedule XI, part II, Para 7

Particulars	Installed Capacity (Liter)	Actual Production (Liter)	Capacity Utilization in % June 30, 2020	Capacity Utilization in % June 30, 2019
Annual Production Capacity	18,044,445	11,133,423	61.70%	60.00%

15. In response to the query regarding decrease in 'current portion of long-term loan' against increase in 'long-term loan', it has been stated that current portion of long-term loan has been charged only for a quarter. But it is required to charge the same for a year as per the requirement of Para 69(c) of IFRS-1. As such, the matter is required to explain;

Response:

Current portion of long-term loan amounting Tk. 34,016,547 has been charged only for the 1st quarter ended September 30, 2019 i.e. three months' amount was charged. It was an unintentional mistake. Which has been rectified in the financial statements for the year ended June 30, 2020 in line with the requirement of Para 69(c) of IFRS-1.

16. In response to the query regarding sharp decrease in 'current portion of lease loan', it has been stated that current portion of lease loan has been charged only for a quarter. But it is required to charge the same for a year as per the requirement of Para 69(c) of IFRS-1. As such, the matter is required to explain;

Response:

Current portion of lease loan amounting Tk. 12,963,857 has been charged only for the 1st quarter ended September 30, 2019 i.e. three months' amount was charged. It was an unintentional mistake. Which has been rectified in the financial statements for the year ended June 30, 2020 in line with the requirement of Para 69(c) of IFRS-1.

17. It appears from note No. 2.12 to the audited F/S that the Company has been charging 50% depreciation on 'Patent & License'. But such asset was not found in the Schedule-A for the period ended on 30th September 2019. On the other hand, it appears from the Schedule-A for the period ended on 30th September 2019 that the Company is charging 50% depreciation on Software which was not mentioned in note No. 2.12. The matter is required to explain;

Response:

It was a clerical mistake. Please read as 'Computer Software' instead of 'Patent & License', which has already been rectified in the audited financial statements for the year ended June 30, 2020.

18. In spite of comparative figures having been rearranged as mentioned at note No. 2.10 to the audited F/S, such information were not disclosed as the requirement of Para 28 & 29 of IAS -8;

Response:

It was an unintentional mistake. No rearranged has been made during the year, it's a general policy of the company, please read as 'will be' instead of 'have been'.

19. Disclosures regarding related party transactions as presented in note No. 32 to the audited F/S were not presented as the requirements of Paragraph 18 of IAS 24. It is required to be presented the same with detailed information as per the said requirement for clear understanding and legitimate disclosure;

Response:

Disclosures regarding related party transactions such as the nature of the related party relationship as well as information about those transactions and outstanding balances as per the requirements of Paragraph 18 of IAS 24 have been incorporated in the note No. 33 of notes to financial statements for the year ended June 30, 2020.

20. Key management personnel compensation were not disclosed as per the requirement of Paragraph 17 of IAS - 24;

Response:

Key management personnel compensation in total and for each of the categories such as short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits, and share-based payments have been incorporated in the note No. 37 of notes to financial statements for the year ended June 30, 2020 in line with the paragraph 17 of IAS 24.

Place: Dhaka

Date: October 04, 2020

Sd/-

Islam Quazi Shafique & Co.

Chartered Accountants

Auditors' certification regarding list of persons other than existing shareholders to whom any shares has been transferred by any existing sponsors or director of the issuer,

After due verification, it is certified that there is no share has been transferred to any list of persons by any existing sponsors director or director of the issuer other than the following one:

Date of Transferred/Received	Particulars	Name	No of shares Transferred/Received
16.05.2012	Transferor	Shamima Nargis Haque	50,000
	Transferee	Firoza Haque	50,000
31.08.2014	Transferor	Firoza Haque	50,000
	Transferee	Shamima Nargis Haque	50,000

* Face value of shares on the above table was considered at BDT 10/-.

Place: Dhaka

Date: August 13, 2020

Sd/-

Islam Quazi Shafique & Co.

Chartered Accountants

Auditor's Certificate regarding rectifying key audit matters of Inventory

Key Audit Matters of Taufika Foods and Agro Industries Limited of Financial Statements for period ended September, 2019 the inventory in respect of total asset is about 13.30%, In this regards please read as the Inventory represent 12.98% on total assets instead of 13.30%.

Place: Dhaka

Date: August 13, 2020

Sd/-

Islam Quazi Shafique & Co.

Chartered Accountants

CHAPTER (XXX): MANAGEMENT ADDITIONAL DISCLOSURES

Clarification regarding cash at bank amounting Tk. 14.90 crore

According to the business policy, company is used to collecting cash from the end of dealer's point at the end of each quarter. Based on this policy, huge cash inflow is occurred at bank of the company. Due to the said reason, amounting Tk. 14.90 crore including unused capital 3.78 crore raised previously is available at bank and reflected in the financial statement for the period ended September 30, 2019.

It is mentionable here that the aforesaid unutilized fund has been utilized in the subsequent months which has been reflected in the next quarter financial statement. In this regard we have also submitted an auditors' certificate.

Sd/-

Md. Ekramul Haque
Managing Director

Clarification regarding the key audit matters in respect of huge inventory registering 13.3% of total assets

Raw materials are purchased in line with forecasted budgeted sales as per company policy. The business of the company is in growing stage and immediate preceding last 5(five) years, it has been shown in the statement of profit or loss and other comprehensive income which are as follows.

Particulars	Sep 30, 2019	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Sales	314,349,972	922,889,785	778,975,897	478,531,399	65,276,963
Sales Growth %	34.87%	18.5%	62.78%	633.08%	-
Inventory	241,724,547	218,927,157	171,287,614	112,781,720	86,656,489
Increase %	10.41%	27.81%	51.88%	30.15%	-
Total Asset	1,861,897,535	1,627,830,362	1,589,286,528	1,093,939,115	861,561,478
Inventory % on Total asset	12.98%	13.45%	10.78%	10.31%	10.06%

To cope with the business growth and according to the budgeted sales restoring early inventory is the strategy of the company. In addition, from the above tabular format it is clear that based on sales growth inventory registering 13.3% of total asset is not huge.

Sd/-

Md. Ekramul Haque
Managing Director

Explanation regarding estimated expenses on account of data processing and share software charge' under the head of IPO expenses

Data processing and share software charge have been calculated Tk. 7per BO account. At the moment of calculation Data processing and share software charge, the number of BO accounts were more than 12(twelve) lac. As BO accounts number have been increasing gradually that's why we have counted 15(fifteen) lac BO accounts to calculate data processing and share software charge which is Tk. 10,500,000 (15 lacX7).

Sd/-

Md. Ekramul Haque
Managing Director

Management Declaration regarding IAS 33 not mandatory for the private limited company

We have considered weighted average number of shares for calculating EPS for the year ended June 30, 2019 and for the period ended September 30, 2019 as well. The company has converted into Public Limited Company on July 08, 2019. Before that we perform as a private limited company. That's why we did not calculate EPS maintaining weighted average number of shares as per IAS 33 para 2(a) (i). However, for your kind concern, considering weighted average number of shares for calculating EPS are shown in the following manner for the period ended 30 September 2019 and preceding five years:

NET PROFIT FOR PERIOD ENDED SEPTEMBER 30, 2019			29,888,726
For period ended September 30, 2019	Share utilized	Time Factor	W. average no of shares
From 01 July 2019 to 30 September 2019	6,545,000	1	6,545,000
From 27 August 2019 to 30 September 2019	48,455,000	0.38	18,433,967
Total			24,978,967
EPS FOR PERIOD ENDED SEPTEMBER 30, 2019			1.20

NET PROFIT FOR THE YEAR ENDED JUNE 30, 2019			61,645,286
2018 - 2019	Share utilized	Time Factor	W. average no of shares
From 31, July 2018 to 30 June 2019	5,450,000	1	5,450,000
From 15 November 2018 to 30 June 2019	1,095,000	0.62	684,000
Total			6,134,000
EPS FOR THE YEAR ENDED JUNE 30, 2019			10.05

NET PROFIT FOR THE YEAR ENDED JUNE 30, 2018			42,548,150
2017 - 2018	Share utilized	Time Factor	W. average no of shares
From 31, July 2017 to 30 June 2018	5,400,000	1	5,400,000
From 03 June to 30 June 2018	50,000	0.08	3,836
Total			5,403,836
EPS FOR THE YEAR ENDED JUNE 30, 2018			7.87

NET PROFIT FOR THE YEAR ENDED JUNE 30, 2017			2,500,498
2016 - 2017	Share utilized	Time Factor	W. average no of shares
From 31, July 2016 to 30 June 2017	100,000	1	100,000
From 03 MAY to 30 June 2017	5,300,000	0.16	842,192
Total			942,192
EPS FOR THE YEAR ENDED JUNE 30, 2017			2.65

NET PROFIT FOR THE YEAR ENDED JUNE 30, 2016			(17,330,301)
2015 - 2016	Share utilized	Time Factor	W. average no of shares
From 31, July 2015 to 30 June 2016	100,000	1	100,000
Total			100,000
EPS FOR THE YEAR ENDED JUNE 30, 2016			(173.30)

Sd/-
Md. Ekramul Haque
 Managing Director
 Taufika Foods and Agro Industries Ltd.

Sd/-
Mustaque Ahmad
 Chief Financial Officer
 Taufika Foods and Agro Industries Ltd.

Explanation regarding Account receivable turnover ratio

Accounts Receivable Turnover Ratio is more than higher compare to industry average as because after being started commercial operation in January 02, 2016, management offers credit facilities to the dealers to get the product penetrated into the competitive market for achieving more and more market shares gradually as the company is in its raising states. On the flip side, as per company policy cash collection process from dealer's end is accomplished at the end of each quarter of the income year.

Sd/-

Md. Ekramul Haque

Managing Director

Explanation Regarding Current Status of Workers Profit Participation Fund (WPPF)

The payment of Workers Profit Participation fund (WPPF) has been disbursed as per section 242 of the labor Act, 2006 which has been shown in the note No 22 of Notes to the financial statements for the year ended June 30, 2020.

Sd/-

Md. Ekramul Haque

Managing Director

Regarding short-term loan provided to Taufika Engineering Limited

Taufika Foods and Agro Industries Limited was used to lending loan to Taufika Engineering Limited from 2018 and it becomes the common phenomena of the business. Though earlier interest against any lending to Taufika Engineering Limited was not charged. However, The board of directors of Taufika Foods and Agro Industries Limited have decided to settle all given loan to related party and accordingly loan given to related party has been settled during the financial year ended June 30, 2020 as well as it has been shown in the note No 10 of Notes to the financial statements for the year ended June 30, 2020.

Sd/-

Md. Ekramul Haque

Managing Director

AUDITORS' REPORT
&
AUDITED FINANCIAL STATEMENTS
OF
TAUFIKA FOODS AND AGRO INDUSTRIES LIMITED

House- 80, Road-2, level-4A & 4B,
Banani (Chairman Bari), Dhaka-1213.

FOR THE YEAR ENDED JUNE 30, 2020

ISLAM QUAZI SHAFIQ & CO.

Chartered Accountants
Al-Haj Shamsuddin Mansion
Room# C (4th Floor)
17, New Eskaton Road
Moghbazar, Dhaka-1000.
Phone: 02-48312349
Website: www.qsibd.com
Email: qsi.esk@gmail.com

Independent Auditor's Report To the Shareholders of Taufika Foods and Agro Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Taufika Foods and Agro Industries Limited (the "company"), which comprise the Statement of Financial position as at 30 June 2020 and Statement of Profit of Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended 30 June 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the year then ended 30 June 2020 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.L.	Key Audit Report	How our audit addressed the key audit matter
1	Valuation of Inventories Refer to note 08 to the financial statements. Inventories represent BDT 264,612,631 which is about 14.06% of the total assets of the company; inventories are thus a material item to the Financial statements. As described in the accounting policy note 3.09 to the financial statements, inventors are valued at the lower of cost or net realizable values. As such, management is required to make judgments in determining whether inventories are being appropriately valued. And also report that we could not verify physically because of COVID-19. So that we fully depended on internal report against inventory counting and valuation. Volume of inventories being held by the company at the accounting and presentation thereof, Inventories has been considered as a key audit matter.	<ul style="list-style-type: none"> Tested the operating effectiveness of key controls over Inventories; including observing the process of management's Year-end inventory count. Verified a sample basis the net realizable value by comparing cost to recent selling prices and assessing the reasonableness of any resulting write down of inventory items. Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period. Reviewed the historical accuracy of inventory provisions and the level of write-downs.

2.	<p>Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15</p> <p>Refer to note 24 to the financial statements.</p> <p>As described in accounting policy note 3.04 to the financial statements, the company recognizes revenue upon transfer of control as per the newly adopted IFRS 15; revenue from contracts with customers. The Company has reported total revenue of BDT 942,869,150. The Company's primary customers are its corporate customer and dealers who are also entitled to get wholesale rate of goods invoiced. Given the significance and complexities involved in the accounting of Revenue, appropriate recognition of revenue has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> Assessed the environment of the measurement as well as other relevant systems supporting the accounting or revenue. Assessed manual as well as application controls supporting revenue recognition. Assessed the invoicing and measurement systems up to entries in the general ledger. Examined customer invoices and receipts of payment on a test basis. Assessed the design of the processess set up to account for the transactions in accordance with the new standard. Assessed whether the sufficiency of disclosures as required by the new standard have been met. Assessed whether the sufficiency of disclosures as required to be made to opening balances due to the adoption of the new standard.
	<p>Implementation of IFRS 16-Leases</p> <p>With reference to Note 3.30.01 to the financial statements, 'IFRS 16- Leases' becomes effective for annual reporting beginning on or after 01 January 2019 which replaces the existing standard IAS 17. Taufika Foods and Agro Industries Limited decided to adopt the modified Retrospective approach for the transition accounting. The application of the new lease standard resulted in the recognition, for the 01 July 2019 opening balance sheet, of right of use of asset of BDT 248.96 million (net value) and an decrease in lease liabilities of BDT 29.97 million, the impact of the adaptation of the new standard is disclosed in Note 3.30.01 of the notes to the financial statements.</p> <p>We considered the implementation of IFRS 16 Leases as a key audit matter, since the balances recorded are material, management had to apply several judgements and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summarize the lease data for input into their lease calculation model.</p>	<p>We obtained an understanding of the management's process for implementing IFRS 16 including financial controls designed by the management to mitigate the risks assessed by us independently. We tasted those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including.</p> <ul style="list-style-type: none"> Obtained and read the accounting policy for compliance with IFRS 16 Obtained listing of all contracts from the management and tested the contracts on a sample basis for impact under IFRS 16. In respect of the contracts selected for testing: Obtained and read bank borrowing rates correspondences Tested the assumptions used in the calculation model for the sample contracts selected for testing. Performed test of details on a sample basis on different categories of lease for valuation of the right of use of asset and lease liability. Assessed the disclosures within the financial statements.

Reporting on other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, Consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the auditor or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statement and Internal Controls

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's reports 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. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audits. We also:

- Identify and assess the risks of material misstatement of the financial statement, 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 risks 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 circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosure 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 transaction and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Report on the other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the securities and Exchanges Rules 1987, we also report that:

- (v) 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;
- (vi) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (vii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the book of account and returns; and
- (viii) the expenditures incurred were for the purpose of the Company's business.

Dated: Dhaka
September 24, 2020

Sd/-
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Agro Industries Limited
Statement of Financial Position
As at 30 June 2020

PARTICULARS	NOTES	Amount in Taka	
		30-Jun-20	30 June, 2019
ASSETS:			
A. Non-current Assets		1,189,064,839	1,075,014,606
Property, Plant & Equipments	4.00	904,292,073	1,062,410,969
ROU Assets	4.01	271,982,626	
Intangible Assets	5.00	738,640	1,011,625
Capital Work-in-progress	6.00	-	11,592,013
Investment	7.00	12,051,500	-
B. Current Assets		693,595,747	552,815,755
Inventories	8.00	264,612,631	218,927,157
Trade & Other Receivables	9.00	268,775,026	220,208,469
Inter-company Receivables	10.00	-	4,820,000
Advance, Deposits & Prepayments	11.00	55,633,223	50,029,126
Cash and Cash Equivalents	12.00	104,574,867	58,831,003
TOTAL ASSETS (A+B)		<u>1,882,660,586</u>	<u>1,627,830,362</u>
EQUITIES & LIABILITIES:			
C. Shareholders' Equity		701,050,672	424,813,632
Share Capital	13.00	550,000,000	65,450,000
Share Money Deposit	14.00	-	270,000,000
Retained Earnings	15.00	151,050,672	89,363,632
D. Non-current Liabilities		746,056,418	782,307,889
Deferred Tax Liability	16.00	64,656,247	62,882,919
Long-term Loan	17.00	462,409,397	470,464,036
Lease Liability	18.00	218,990,774	248,960,934
E. Current Liabilities		435,553,496	420,708,841
Current Portion of Long-term Loan	17.00	132,116,971	134,418,296
Current Portion of Lease Loan	18.00	56,658,657	62,240,233
Short-Term Loan	19.00	83,709,500	123,426,553
Trade & Other Payables	20.00	91,224,736	52,284,158
Liabilities for Expenses	21.00	15,846,626	14,143,704
Provision for WPPF	22.00	8,775,549	8,708,433
Provision for Income Tax	23.00	47,221,457	25,487,463
Total Equity & Liabilities:		<u>1,882,660,586</u>	<u>1,627,830,362</u>

Net Asset Value Per Share

12.75

12.66

The annexed notes from 1 to 39 form an integral part of these Financial Statements

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

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

Place: Dhaka
Dated: September 24, 2020

Sd/-
Quazi Shafique Islam FCA
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Agro Industries Limited
Statement of Profit or Loss and other Comprehensive Income
For the period from 1 July 2019 to 30 June 2020

PARTICULARS	NOTES	Amount in Taka	
		30 June, 2020	30 June, 2019
Sales	24.00	942,869,150	922,889,785
Less: Cost of Goods Sold	25.00	552,392,597	537,504,916
Gross Profit		390,476,553	385,384,869
Operating Expenses:		149,280,037	134,508,705
Administrative Expenses	26.00	18,701,781	13,564,960
Marketing Expenses	27.00	130,578,256	120,943,746
Operating income		241,196,516	250,876,164
Financial Expenses		155,147,618	161,134,907
Finance cost	28.00	155,147,618	161,134,907
Profit before other income		86,048,898	89,741,257
Other Income	29.00	3,455,781	6,102,220
Net profit before WPPF		89,504,679	95,843,477
Provision for WPPF	22.00	4,262,128	4,563,975
Net Profit Before Tax		85,242,551	91,279,501
Income Tax Expense		23,189,490	29,634,215
Current Tax	23.00	21,733,994	23,173,852
Deferred Tax	16.00	1,455,496	6,460,363
Net Profit after Tax		62,053,062	61,645,286
Other Comprehensive Income			
Total Comprehensive Income		62,053,062	61,645,286
Earnings per Share (Per value Tk. 10)		1.31	10.05

The annexed notes from 1 to 39 form an integral part of these Financial Statements

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

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

Place: Dhaka
Dated: September 24,
2020

Sd/-
Quazi Shafique Islam FCA
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Agro Industries Limited
Statement of Changes in Equity
For the period from 1 July 2019 to 30 June 2020

Amount in Taka

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

2018-19

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2018	54,500,000	270,000,000	27,718,346	352,218,346
Share Capital	10,950,000	-	-	10,950,000
Share Money Deposit	-	-	-	-
Net Income for the year	-	-	61,645,286	61,645,286
Balance as on June 30, 2019	65,450,000	270,000,000	89,363,632	424,813,632

The annexed notes from 1 to 39 form an integral part of these Financial Statements

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

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

Place: Dhaka
Dated: September 24, 2020

Sd/-
Quazi Shafique Islam FCA
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Agro Industries Limited
Statement of Cash Flows
For the period from 1 July 2019 to 30 June 2020

PARTICULARS	Note	Amount in Taka	
		30 June, 2020	30 June, 2019
A. Cash Flows from Operating Activities :			
Cash Received from Customers		894,302,593	843,233,225
Cash Received from other Sources		3,455,781	6,102,220
Cash Paid to Suppliers and Creditors		(508,309,670)	(575,173,437)
Cash Paid for Operating Expenses		(63,133,595)	(14,515,965)
Cash paid for Income Taxes		(10,635,851)	(12,149,869)
Net cash inflow/(outflow) from operating activities		315,679,258	247,496,174
B. Cash flow from Investing Activities:			
Acquisition of Property, Plant & Equipment		(228,078,889)	(158,162,154)
Increase Investment		(12,051,500)	
Capital Work in Progress		-	(5,160,213)
Net cash inflow/ (outflow) in Investing Activities		(240,130,389)	(163,322,367)
C. Cash flow from Financing Activities:			
Paid up capital		214,550,000	10,950,000
Bank Loan		(94,027,388)	(96,591,307)
Inter Company Receivable		4,820,000	(381,678)
Financial Expenses		(155,147,618)	(161,134,907)
Net cash inflow/(outflow) in financing activities		(29,805,006)	(247,157,892)
D. Increase (Decrease) in Cash and Cash Equivalent (A+B+C)		45,743,864	(162,984,085)
E. Opening of Cash and Cash Equivalent		58,831,003	221,815,089
F. Ending Cash and Cash Equivalent (D+E)		104,574,867	58,831,003
Net Operating Cash Flow Per Share (NOCFPS)		6.66	40.37

The annexed notes from 1 to 39 form an integral part of these Financial Statements

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

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

Place: Dhaka
Dated: September 24, 2020

Sd/-
Quazi Shafique Islam FCA
Islam Quazi Shafique & Co.
Chartered Accountants

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
As at and for the period from 1 July 2019 to 30 June 2020

1.00 Corporate History of the Reporting Entity

1.01 Legal Status of the Entity

Taufika Foods and Agro Industries Limited (The Company) was incorporated in Bangladesh as a Private Limited Company under The Companies Act, 1994 vide Registration No. C-94700/11 dated August 07, 2011. Subsequently, the Company was converted into a public limited Company dated 08 July 2019.

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

1.02 Corporate Business

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

2.00 Basis of preparation, presentation and disclosures of financial statements

2.01 Statement of Compliance

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

2.02 Regulatory Compliances

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

2.03 Other regulatory compliances

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

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 1991

The Value Added Tax Rules, 1991

The Value Added Tax (Amendment) Act, 2012

The Value Added Tax (Amendment) Rules, 2012

The Customs Act 1969

The Company Act 1994

The Bangladesh Labour Act 2006, and

Bangladesh Labour (Amendment) Act 2013

2.04 Basis of measurement

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

2.05 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.

2.06 Accrual basis of accounting

Taufika Food and Agro Industries Limited prepare its financial statements, except for cashflow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liability, equity, income and expenses (the elements of financial statements) when they satisfy the definition and recognition criteria for those elements in the IAS or IFRS conceptual framework.

2.07 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.

2.08 Authorization of issue

The financial statements have been authorized for issue by the Board of Directors on 22 September 2020.

2.09 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.

2.10 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.

2.11 Reporting Period

The period of the financial statements covers period from July 01, 2019 to June 30, 2020.

2.12 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.

2.13 Events after the Reporting Period

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

- i. VAT payables are settled within August 25, 2020
- ii. The company did not declared any dividend in this financial year.

2.14 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.

2.15 Comparative Information and Rearrangement Thereof

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

2.16 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
IAS 39	Financial Instruments: Recognition and Measurement
IFRS 01	First-time Adoption of International Financial Reporting Standards
IFRS 07	Financial Instruments: Disclosures
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

3.00 Summary of Significant Accounting Policies

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

3.01 Property, Plant & Equipment (PPE)

i) Recognition of Property, Plant & Equipment

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

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

ii) Depreciation

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

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

Particulars	30 June, 2020	30 June 2019
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%
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 2020 and these are stated at cost. Previous year's capital work in progress TK 11,592,013 adjusted with plant and machinery in addition of this year.

3.03 Impairment of assets

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

3.04 Revenue Recognition

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

Other Income

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

3.05 Long Term Loan

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

3.06 Short term loan and bank overdraft

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

3.07 Liability for expenses

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

3.08 Advances, deposits and pre-payments

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

i) Advances

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

ii) Deposits

Deposits are measured at payment value.

iii) Prepayments

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

3.09 Inventories

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

3.10 Basis of valuation of inventories

Category

Basis of Valuation

Finished products and work-in-process

At the lower of cost and net realizable value. The cost includes allocation of production overheads that relate to bringing the inventories to their present condition and location.

Raw and packaging materials

At the lower of cost and net realizable value.

Spares accessories & others

At the lower of cost and net realizable value.

Goods in transit

At cost including related charges.

3.11 Finance Costs:

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

3.12 Finance Income:

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

3.13 Employees' benefit schemes

i) Defined contribution fund (Provident fund)

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

ii) Workers' profit participation and welfare fund

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

i) Current Tax

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

ii) Deferred Tax

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

3.21 Contingent Liabilities and Assets

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

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

- 3.22 VAT**
The Company's net sales is considered with 15% applicable VAT and 5% supplementary duty.
- 3.23 Statement of Changes in Equity**
Statement of changes in equity is prepared in accordance with IAS-1 "Presentation of Financial Statements". This statement reflects information about the increase or decrease in net assets or wealth.
- 3.24 Related party disclosures**
The Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The information as required by IAS-24: "Related Party Disclosures" has been disclosed in a separate note to the financial statements.
- 3.25 Materiality and aggregation**
Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.
- 3.26 Segment information**
The Company is primarily engaged in the manufacturing and selling of similar type of products. The Company's business is not organized in such a way which may identify different products/ geographical components structurally. Hence segmentation within a wide portfolio of products/ geographical location is not a part of the regular internally reported financial information to the operating decision makers. Therefore, it is not possible to segment the Company's results by products/ geographic location which might involve a high degree of estimation.
- 3.27 Earnings per Share**
This has been calculated in compliance with the requirements of IAS 33: "Earnings Per share" by dividing the basic earnings by the number of ordinary shares outstandings during the year.
- 3.28 Basic Earning**
This represents earnings for the period 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**
- 3.30.01 IFRS 16 Leases**
- Nature and effect of Changes**
Previously, TFAIL determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, TFAIL assesses whether a contract is or contains a lease based on the definition of a lease. On transition to IFRS 16, TFAIL 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, TFAIL 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 TFAIL. Under IFRS 16, TFAIL recognises right-of-use assets and lease liabilities for all leases.

(i) Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at TFAIL's incremental borrowing rate as at 01 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

(ii) Leases previously classified as finance leases

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 01 July 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17.

As at 01 July 2019:

Right-of-use assets of BDT 271,982,626 were recognised and presented separately in the statement of financial position. This includes the lease assets recognised previously under finance leases of BDT 261,085,525 that were reclassified from property, plant and equipment and Office rent were discounted at BDT 10,897,101.

When measuring lease liabilities, TFAIL discounted lease payments using its incremental borrowing rate 12% at 01 July 2019. And advance against the lease is BDT 11,50,000 which will be adjusted in covering last installments.

a. The following summarises the impacts of adopting IFRS 16 on the TFAIL's statement of financial position as at
at 30 June, 2020

Taufika Foods and Agro Industries Limited
Impact On Statement of Financial Position As at 30 June 2020

PARTICULARS	Amount in Taka		
	Reported as per IFRS 16 as on 30- June-2020	Adjustments	As per IAS 17 as on 30-June-2020
ASSETS:			
A. Non-current Assets	1,189,064,839	8,536,063	1,180,528,776
ROU Assets	271,982,625	271,982,625	
Property, Plant & Equipments	904,292,074	(263,446,563)	1,167,738,636
Intangible Assets	738,640		738,640
Capital Work-in-progress	-		-
Investment	12,051,500		12,051,500
B. Current Assets	693,595,747	-	693,595,747
Inventories	264,612,631		264,612,631
Trade & Other Receivables	268,775,026		268,775,026
Inter-company Receivables	-		-
Advance, Deposits & Prepayments	55,633,223		55,633,223
Cash and Cash Equivalents	104,574,867	-	104,574,867
TOTAL ASSETS (A+B)	1,882,660,586	8,536,063	1,874,124,523
EQUITIES & LIABILITIES:			
C. Shareholders' Equity	701,050,672	(645,645)	701,696,317
Share Capital	550,000,000		550,000,000
Share Money Deposit	-		-
Retained Earnings	151,050,672	(645,645)	151,696,317
D. Non-current Liabilities	746,056,418	7,034,198	739,022,220
Deferred Tax Liability	64,656,247	(94,442)	64,750,689
Long-term Loan	462,409,397		462,409,397
Lease Loan	218,990,774	7,128,640	211,862,134
E. Current Liabilities	435,553,495	2,147,509	433,405,986
Current Portion of Long-term Loan	132,116,971		132,116,971
Current Portion of Lease Loan	56,658,657	1,925,897	54,732,760
Short-Term Loan	83,709,500		83,709,500
Inter Company Loan	-		-
Trade & Other Payables	91,224,736		91,224,736
Liabilities for Expenses	15,846,626		15,846,626
Provision for WPPF	8,775,549	(22,395)	8,797,944
Provision for Income Tax	47,221,457	244,007	46,977,450
Total Equity & Liabilities:	1,882,660,586	8,536,062	1,874,124,523

b. The following summarises the impacts of adopting IFRS 16 on the TFALL's statement of statement of profit or loss for the period from 01 July 2019 to 30 June, 2020.

Taufika Foods and Agro Industries Limited

Impact on Statement of Profit or Loss and other Comprehensive Income

For the period from 1 July 2019 to 30 June 2020

PARTICULARS	Amount in Taka		
	Reported as per IFRS 16 as on 30-June-2020	Adjustment	As per IAS 17 as on 30-June-2020
Sales	942,869,150		942,869,150
Less: Cost of Goods Sold	552,392,597	563,083	551,829,514
Gross Profit	390,476,553	(563,083)	391,039,636
Operating Expenses:	149,280,037	(1,263,663)	150,543,700
Administrative Expenses	18,701,781	(2,866,320)	21,568,101
Marketing Expenses	130,578,256	1,602,657	128,975,599
Operating income	241,196,516	700,580	240,495,936
Financial Expenses	155,147,618	1,170,864	153,976,754
Finance Cost	155,147,618	1,170,864	153,976,754
Profit before other income	86,048,898	(470,284)	86,519,182
Other Income	3,455,781		3,455,781
Net profit before WPPF	89,504,679	(470,284)	89,974,964
Provision for WPPF	4,262,128	(22,394)	4,284,522
Net Profit Before Tax	85,242,552	(447,890)	85,690,441
Income Tax Expense	23,189,490	(168,267)	23,357,756
Current Tax	21,733,994	244,007	21,489,987
Deferred Tax	1,455,496	(412,274)	1,867,770
Net Profit after Tax	62,053,062	(279,623)	62,332,685
Other Comprehensive Income	-		
Total Comprehensive Income	62,053,062	(279,623)	62,332,685

c. The following summarises the impacts of adopting IFRS 16 on the TFAIL's statement of statement of cashflow for the period from 01 July 2019 to 30 June, 2020.

Taufika Foods and Agro Industries Limited

Impact on Statement of Cash Flows

For the period from 1 July 2019 to 30 June 2020

PARTICULARS	Note	Amount in Taka		
		Reported as per IFRS 16 as on 30-June-2020	Adjustment	As per IAS 17 as on 30-June-2020

A. Cash Flows from Operating Activities:

Cash Received from Customers	894,302,593		894,302,593
Cash Received from other Sources	3,455,781		3,455,781
Cash Paid to Suppliers and Creditors	(508,309,670)	-	(508,309,670)
Cash Paid for Operating Expenses	(63,133,595)	(2,880,000)	(66,013,595)
Cash paid for Income Taxes	(10,635,851)		(10,635,851)
Net cash inflow/(outflow) from operating activities	315,679,258	(2,880,000)	312,799,258

B. Cash flow from Investing Activities:

Acquisition of Property, Pland & Equipment	(228,078,889)	2,361,039	(225,717,850)
Increase Investment	(12,051,500)		(12,051,500)
Capital Work in Progres	-		-
Net cash inflow/ (outflow) in Investing Activities	(240,130,389)	2,361,039	(237,769,350)

C. Cash flow from Financing Activities:

Paid up capital	214,550,000		214,550,000
Bank Loan	(94,027,388)	(651,903)	(94,679,291)
Inter Company Receivable	4,820,000		4,820,000
Financial Expenses	(155,147,618)	1,170,864	(153,976,754)
Net cash inflow/(outflow) in financing activities	(29,805,006)	518,961	(39,026,544)

D. Increase (Decrease) in Cash and Cash Equivalent (A+B+C)

45,743,864 0 45,743,864

E. Opening of Cash and Cash Equivalent

58,831,003 - 58,831,003

F. Ending Cash and Cash Equivalent (D+E)

104,574,867 0 104,574,867

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

		Amount in Taka	
		2019-20	2018-19
4.00	Property, Plant & Equipment		
	At Cost:		
	Opening Balance	978,537,603	821,180,449
	Addition During the Year	222,082,346	157,357,154
	Closing balance	1,200,619,949	978,537,603
	Accumulated Depreciation:		
	Opening Balance	213,192,865	142,602,428
	Addition During the Year	83,135,011	70,590,437
	Closing Balance	296,327,876	213,192,865
	Written Down Value	904,292,073	765,344,738
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
4.01	ROU Assets		
	At Cost:		
	Opening Balance	396,487,133	396,487,133
	Addition During the Year	10,897,101	-
	Closing balance	407,384,234	396,487,133
	Accumulated Depreciation:		
	Opening Balance	99,602,521	60,978,759
	Addition During the Year	35,799,088	38,442,143
	Closing Balance	135,401,609	99,420,902
	Written Down Value	271,982,626	297,066,231
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
5.00	Intangible Assets		
	At Cost:		
	Opening Balance	2,385,996	1,580,996
	Addition During the Year	310,437	805,000
	Closing Balance	2,696,433	2,385,996
	Accumulated Depreciation:		
	Opening Balance	1,374,372	765,247
	Addition During the Year	583,422	609,125
	Closing Balance	1,957,793	1,374,372
	Written Down Value	738,640	1,011,625
	(Details Intangible Assets are provided in the Annexure-A)		

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

		Amount in Taka	
		2019-20	2018-19
6.00	Capital Work in Progress		
	Storage Box	-	-
	Plant & Machinery		11,592,013
		-	11,592,013

Previous year's capital work in progress TK 11,592,013 adjusted with property, plant and machinery in addition of this year.

7.00	Investment		
	FDR Investment	7.01	12,051,500
			-
			12,051,500

7.01	FDR Investment		
	Name of Bank	FDR No.	
	Trust Bank	0022-0330059006	10,000,000
	Shimanto Bank	1001-343000092	2,051,500
			12,051,500

8.00	Inventories		
	Raw Materials	165,471,075	145,175,926
	Work in Progress	15,544,814	4,587,500
	Finished Goods	83,596,742	69,163,731
		264,612,631	218,927,157

At the end of the year physical verification of Inventories were carried out.
(Details of Inventories are provided in the Annexures)

9.00	Trade & Other Receivables		
	Trade Receivables	9.01	268,775,026
			220,208,469
			268,775,026
			220,208,469

9.01	Trade Receivables		
	Bogra Territory	19,728,817	18,363,536
	Khulna Territory	15,002,878	2,532,374
	Barisal Territory	14,580,658	5,310,438
	Rangpur Territory	18,505,332	10,040,630
	Chittagong Territory	25,615,125	22,791,782
	Cumilla Territory	25,446,856	22,685,713
	Uttara Territory	25,566,396	28,753,387
	Rampura Territory	32,561,804	48,756,298
	Jatrabari Territory	16,263,307	4,963,401
	Sylhet Territory	19,715,930	11,772,744
	Faridpur Territory	15,676,718	5,208,155
	Bosilla Territory	29,840,283	39,030,010
	Cox's Bazar Territory	10,270,923	
		268,775,026	220,208,469

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

Ageing of Trade receivables

	Amount in Taka	
	2019-20	2018-19
Due for 3 months	72,396,711	59,314,919
Due for 3 to 6 months	183,798,209	150,586,618
Due for above 6 months	12,580,107	10,306,932
	268,775,026	220,208,469

Full information as per requirements of the Para 4 Part I, schedule XI, of the Companies Act, 1994 regarding Trade receivables as on June 30, 2020 are as follows:

Sl.	Particulars	30 June, 2020	30 June, 2019
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.	268,775,026	220,208,469
iii.	Receivable considered doubtful or bad.		
iv.	Accounts Receivable due by any director or other officer of the company or any of them either severally or jointly with any other person or debts due firm or private companies respectively in which any director is a partner or a director or a member to be separately stated.		
v.	Receivables due by companies under the same management to be disclosed with the names of the companies;		
vi.	The maximum amount of receivable due by any director or other officer of the company at any time during the year to be shown by way of a note.		

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

10.00 Inter-company Receivables

Taufika Engineering Limited (TEL)		4,820,000
	-	4,820,000

Last year outstandings has been received during the period.

11.00 Advance, Deposits & Pre-payments

Advance	11.01	34,402,600	29,558,198
Deposit	11.02	19,882,424	19,007,104
Pre-payments	11.03	1,348,198	1,463,824
		55,633,223	50,029,126

11.01 Advance

AIT & Source Tax	11.01.01	28,020,549	17,384,698
Advance to BSTI & Halal Sonod		760,567	1,023,500
Advance for Office Rent		1,150,000	1,150,000
Advance to Supplier		4,471,484	10,000,000
		34,402,600	29,558,198

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

			Amount in Taka	
			2019-20	2018-19
11.02	Deposit			
	L/C margin	11.02.01	19,882,424	18,750,747
	VAT Current Accounts		-	256,357
			19,882,424	19,007,104
11.03	Pre-payments			
	Karnahuli Insurance Co. Ltd.		896,891	1,463,824
	Metlife Insurance Co. Ltd.		115,499	-
	Eastern Insurance Co. Ltd.		180,106	-
	Sena Kalyan Insurance Co. Ltd.		155,702	-
			1,348,198	1,463,824
11.01.01	AIT & Source Tax			
	Opening Balance		17,384,698	13,494,919
	Addition During the Year		10,635,851	10,259,426
			28,020,549	23,754,345
	Adjustment During the Year		-	(6,369,647)
	Closing Balance		28,020,549	17,384,698
11.02.01	L/C margin			
	Opening Balance		18,750,747	17,937,768
	Addition during the year		19,882,424	18,750,747
	Net Adjustment During the Year		(18,750,747)	(17,937,768)
	Closing Balance		19,882,424	18,750,747
11.04	Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994			
	Advance, deposits & prepayments considered good & secured		55,633,223	50,029,126
	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		55,633,223	50,029,126

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

		Amount in Taka	
		2019-20	2018-19
12.00	Cash and Cash Equivalents		
	Cash in Hand	12.01	1,104,603
	Cash at Bank	12.02	103,470,264
		104,574,867	58,831,003

Closing cash at bank shows higher compare to last year balance. It has been generated from year end collection from the accounts receivables and it is adjusted with the VAT payable.

12.01	Cash in Hand		
	Factory Office	231,817	6,250,700
	Corporate Office	278,897	2,258,380
	Depot Office	593,889	9,317,270
		1,104,603	17,826,350

12.02	Cash at Bank				
	Trust Bank Ltd	CD	0022-0210012550	5,470,517	99,194
	Pubali Bank Ltd	CD	0565901028140	20,608,400	10,057,925
	Premier Bank Ltd	CD	010411100078610	7,173,320	2,453,800
	Prime Bank Ltd	CD	2132113001637	17,231,344	5,799,713
	Brac Bank Ltd	CD	1507203439665001	16,254,007	2,907,246
	Islami Bank Ltd	CD	20501770100435601	16,922,410	6,040,921
	Dutch Bangla Bank Ltd	CD	1031100033118	10,083,742	1,715,235
	Union Bank Ltd	CD	0291010001239	1,507,926	1,933,552
	Mercantile Bank Ltd	CD	111311118966001	374,183	93,972
	UCBL	CD	541101000005430	43,948	780,638
	NRB Bank	CD	1022070063031	5,171,976	7,047,295
	Shimanto Bank Limited	CD	1001241000258	159,298	90,113
	City Bank Ltd	CD	1402538242001	9,450	9,450
	AB Bank Ltd	SND	4033-761383-430	327,108	1,975,599
	Shimanto Bank Limited	SND	1001441001020	1,756,996	-
	TBL IPO BDT	SND	0022-0320000775	20,000	-
	NBL	CD	1106003604218	340,210	-
	Dutch Bangla Bank Ltd	CD	2811100002179	15,430	-
				103,470,264	41,004,653

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

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

		Amount in Taka	
		2019-20	2018-19
13.00	Share Capital		
13.01	Authorized Capital		
	(100,000,000 Ordinary shares of Tk.10 each)	<u>1,000,000,000</u>	<u>1,000,000,000</u>
13.02	Issued, Subscribed and Paid-up		
	55,000,000 shares of Tk.10 each	<u>550,000,000</u>	<u>65,450,000</u>

Shareholding Position is as follows:

Sl. No.	Name of shareholders	Percentage of Shareholdings		Number of Shares	
		2019-20	2018-19	2019-20	2018-19
1	Md. Ekramul Haque	60.00%	64.94%	33,000,000	4,250,000
2	Ms Shamima Nargis Haque	5.27%	17.57%	2,900,000	1,150,000
3	Taufika Engeneering Limited	21.00%	0.76%	11,500,000	50,000
4	Muhsinina Taufika Ekram	3.73%	0.76%	2,050,000	50,000
5	Abu Taher Muhammed Amanullah	1.82%	15.28%	1,000,000	1,000,000
6	Md. Abdus Sultan	1.32%	0.08%	725,000	5,000
7	Zakir Hossain	0.18%	0.08%	100,000	5,000
8	Kazi Amdadul Haque	1.93%	0.08%	1,060,000	5,000
9	Rizvi Kaiser	0.02%	0.08%	10,000	5,000
10	Md. Saiful Islam Helaly	1.90%	0.08%	1,045,000	5,000
11	Md. Mizanur Rahman	0.01%	0.08%	5,000	5,000
12	Tahmina Chowdhury	0.37%	0.08%	205,000	5,000
13	Masuma Khatun	0.46%	0.08%	255,000	5,000
14	Hosne Ara Begum	1.99%	0.08%	1,095,000	5,000
Total		100%	100%	55,000,000	6,545,000

14.00	Share Money Deposit		
	Opening Balance	270,000,000	270,000,000
	Add: Addition During the Period	-	-
	Less: Adjustments	(270,000,000)	-
	Closing Balance	<u>-</u>	<u>270,000,000</u>

15.00	Retained Earnings		
	Opening Balance	89,363,632	27,718,346
	Add: Profit During the Period	62,053,062	61,645,286
	Add: Prior year Office Rent adjustment	240,000	-
	Less: Prior year Interest Expencc adjustment	(106,571)	-
	Less: Prior year depreciation adjustment	(181,618)	-
	Less: Prior year DT adjustment	(317,832)	-
	Closing Balance	<u>151,050,672</u>	<u>89,363,632</u>

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

		Amount in Taka	
		2019-20	2018-19
16.00	Deferred Tax Liability		
	Opening Balance	62,882,919	56,422,556
	Add: During the Year	1,455,496	6,460,363
	Closing Balance	64,656,247	62,882,919
	As on 30 June 2020		
	WDV as per Accounts	1,092,651,849	979,061,103
	WDV as per 3rd Schedule	893,709,550	799,395,620
	Temporary Difference	198,942,299	179,665,484
	Applicable Tax Rate	32.50%	35.00%
	Deferred Tax Liability	64,656,247	62,882,919
	Deferred Tax Liability	64,656,247	62,882,919
17.00	Long -term Loan		
	Long-term Loan from AB Bank Limited 17.01	514,278,279	604,882,332
	Long-term Loan from Shimanto Bank Limited 17.02	80,248,088	-
		594,526,368	604,882,332
	Current Portion Classification		
	Due within one year	132,116,971	134,418,296
	Due after one year	462,409,397	470,464,036
		594,526,368	604,882,332
17.01	Loan from AB Bank Limited		
	A/C: 4005-788707-466	514,278,279	604,882,332
		514,278,279	604,882,332

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial Institute	AB Bank Limited
Type of Facility	Long Term Loan
Limit	BDT 741,100,000
Repayment	Monthly
Interest Rate	15.00%
Period of Loan	54 months
Expiry Date	Sunday, January 15, 2023
Renewal Status	Renewed
Securities	i. 271.50 decimal Project Land and Buildings ii. Personal guarantee of the directors
Purpose	To retire import documents of L/Cs to import brand new capital machinery

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

Amount in Taka	
2019-20	2018-19

17.02 Long-term Loan from Shimanto Bank Limited

1001741000052	17,754,865	
1001741000061	2,430,147	
1001741000070	3,143,141	
1001741000089	6,488,188	
1001741000098	2,181,376	
1001741000105	1,920,341	
1001741000114	17,971,098	
1001741000123	16,588,706	
1001741000141	5,596,796	
1001741000150	6,173,430	
	80,248,088	

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial Institute	Shimanto Bank Limited
Type of Facility	Long Term Loan
Limit	BDT TK 9.00 Crore
Repayment	Monthly
Interest Rate	12% 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

18.00 Lease Liability

Lease Loan from Lankabangla	18.01	266,594,894	311,201,167
Office Space	18.02	9,054,537	
		275,649,431	311,201,167

**Current Portion
Classification**

Due within one year	56,658,657	62,240,233
Due after one year	218,990,774	248,960,934
	275,649,431	311,201,167

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

		Amount in Taka	
		2019-20	2018-19
18.01	Lease Loan from Lankabangla		
	0013 71400000004	-	129,023
	0013 71400000006	10,436,735	12,528,248
	0013 71400000007	1,230,357	1,497,392
	0013 71400000009	1,777,261	2,120,923
	0013 71400000010	-	6,896,461
	0013 71400000011	737,207	984,775
	0013 71400000013	-	9,140,327
	0013 71400000014	-	12,486,841
	0013 71400000015	355,819	438,869
	0013 71400000016	-	4,153,165
	0013 71400000018	3,641,058	3,957,937
	0013 71400000019	3,762,046	4,062,203
	0013 71400000020	1,025,273	1,230,593
	0013 71400000021	3,106,744	3,362,049
	0013 71400000022	2,502,362	2,667,004
	0013 71400000023	878,435	973,600
	0013 71400000024	16,788,518	16,800,446
	0011 71400000052	35,200,619	37,685,205
	0011 71400000054	8,028,060	8,616,358
	0011 71400000056	7,921,690	8,442,220
	0011 71400000059	1,706,610	1,812,296
	0011 71400000073	34,266,327	35,886,755
	0011 71400000086	42,329,756	44,109,811
	001172200000061	90,900,016	91,218,665
		266,594,894	311,201,167

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	11.00%
Period of Loan	60 months
Expiry Date	June, 2022
Renewal Status	N/A
Securities	i. Subsequent Charges/Hypothecation on all the Fixed Assets of TFAIL ii. Ownership of Leased Assets iii. Personal Guarantee of Directors iv. Corporate Guarantee of Taufika Engineering Limited (TEL)
Purpose	To procure Glass Top Deep Freezer and Try Cycle, Ref. Van & Cold Store

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

		Amount in Taka	
		2019-20	2018-19
18.02	Lease Liability (Office Space)		
	Office Space	10,897,101	-
	Less: Adjustment for IFRS 16 for prior year	(133,429)	-
	Less: Adjustment for IFRS 16 for Current year	(1,709,136)	-
		9,054,537	-
	Current Portion Classification		
	Due within one year	1,925,897	-
	Due after one year	7,128,640	-
		9,054,537	-
19.00	Short-term Loan		
	Short-term Loan AB Bank 19.01	15,765,273	15,323,885
	Short-term Loan Trust Bank 19.02	67,944,227	108,102,668
		83,709,500	123,426,553
<p>These loans are taken to finance import materials value and L/C related expenses. The average tenure of these facilities are normally 06 months with renewal option. The rate of interest/profit against these facilities range from 13% to 15%.</p>			
19.01	Short-term Loan AB Bank		
	SOD	15,765,273	15,323,885
		15,765,273	15,323,885
19.02	Short-term Loan Trust Bank		
	Loan Against Trust Receipt (LTR)	67,786,752	58,241,600
	Overdraft (Working Capital)	157,475	10,291,606
	Time Loan	-	39,569,462
		67,944,227	108,102,668
20.00	Trade & Other Payables		
	Trade Payables 20.01	12,494,356	12,710,470
	Others Payables 20.02	78,730,381	39,573,688
		91,224,736	52,284,158

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

		Amount in Taka	
		2019-20	2018-19
20.01	Trade Payables		
	Bengal Flexipak	957,020	2,465,669
	Bismillah Packaging & Printing	1,320,511	1,602,636
	Brother's Printing & Packaging	-	240,637
	Siam Chemical	1,274,796	200,000
	Noorani Agro & Food Complex Ltd	741,758	252,843
	Danish Condense Milk Ltd	-	200,000
	R M Poly & Packaging	509,590	302,450
	Jahanara Plastics Product	429,812	693,397
	A K S Printing & Packaging	1,544,442	369,675
	Emkay Enterprise	-	130,385
	Famous Iberchem	80,959	148,141
	Famous Printing & Packaging Ltd	-	1,258,558
	MM Plastic	485,740	985,780
	Mais Industries Ltd	1,424,526	587,850
	PremiaFlex Plastic Ltd	840,890	650,000
	International Television Channel LTD.	1,478,226	921,300
	East West Media Group Ltd	-	144,782
	Maasranga Communications Ltd.	7,200	207,000
	MMX advertising communication	96,417	34,615
	Totalplus Industries Ltd	904,700	1,314,752
	RTR Traders	6,543	-
	Opus Sign	353,049	-
	Rivers Sign	38,179	-
		12,494,356	12,710,470

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

Ageing of Trade Payables

Due for 3 months	10,620,202	10,803,900
Due for 3 to 6 months	1,249,436	1,271,047
Due for above 6 months	624,718	635,524
	12,494,356	12,710,470

20.02 Others Payables

Payable for PPE	7,501,262	6,522,836
Upas-EBL Payable	17,155,346	33,050,852
VAT payable	54,073,773	-
	78,730,381	39,573,688

VAT payable has been paid within 25.08.2020

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

		Amount in Taka	
		2019-20	2018-19
21.00	Liabilities for Expenses		
	Audit Fees	172,500	115,000
	Electricity Bill Payable	1,592,283	2,351,717
	Salary & Wages Payable	6,149,141	5,801,086
	Tax Payable	-	1,870,347
	Payable for PF	7,174,456	2,025,734
	Interest Payable	-	765,820
	Rent Payable	258,963	684,250
	TDS Payable	349,283	29,750
	Remuneration Payable	150,000	500,000
		15,846,626	14,143,704

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.

22.00	Provision for WPPF :		
	Opening Balance	8,708,433	4,144,458
	Add: Addition During the year	4,262,128	4,563,975
		12,970,561	8,708,433
	Less: Paid During the year	(4,195,012)	-
	Closing Balance	8,775,549	8,708,433

The management of Taufika Foods and Agro Industries Limited have already taken all necessary steps to maintain compliance and they take decision to deposit all amounts within one year.

23.00	Provision for Income Tax		
	Opening Balance	25,487,463	10,573,700
	Current Year Provision	21,733,994	25,487,462
	Previous Year Provision adj. AY 2016-17 & 2017-18	-	1,311,172
	Previous Year Provision adj. AY 2018-2019	-	(3,624,782)
	Total Current Year Provision	21,733,994	23,173,852
		47,221,457	33,747,553
	Adjustment During the year		(8,260,090)
	Closing Balance	47,221,457	25,487,463

Tax Computation			
Business Income	81,786,770		85,177,282
Other Income	3,455,781		6,102,220
Total Income	85,242,551		91,279,502
Acc. Dep	119,517,520		109,641,705
Tax Dep	(137,886,244)		(128,099,885)
Total Taxable Income	66,873,828		72,821,322
Applicable tax Rate	32.50%		35.00%
Current Year Tax	21,733,994		25,487,463

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

24.00 Sales

	Amount in Tk.	
	2019-20	2018-19
Gross Sales	1,138,514,499	1,061,323,254
Less: (SD+VAT)	195,645,349	138,433,469
Net Sales	942,869,150	922,889,785

Quantity wise Sales Information:

Item	Quantity	2019-20	2018-19
Lolly (All Kinds) 62 MI Ice Cream		9,497,376	9,296,127
Chocobar 72 MI		80,021,172	78,325,526
Hidden Heart Single 50 MI		124,968,337	122,320,262
Hidden Heart Double 71 MI		-	-
Heart Beat Double 60 MI		-	-
Heart Beat Single 41 MI		-	-
Cruncy Bar Mega 82 MI		7,196,984	7,044,480
Cruncy Bar Mini 52 MI		32,983,479	32,284,560
Sheel & Core 62 MI		4,290,010	4,199,105
Malai Ice Cream 55 MI		11,816,828	11,566,430
Cup Regular 100 MI (All Flav.)		137,701,198	134,783,314
Cup Regular 50 MI (All Flav.)		5,050,708	4,943,684
1 Ltr. Container Ice Cream		42,534,217	41,632,918
750 MI Container Ice Cream		2,348,770	2,299,000
500 MI Container Ice Cream		51,091,686	50,009,055
250 MI Container Ice Cream		39,852,811	39,008,331
Hazel Beats 80 MI Ice Cream		4,407,396	4,314,003
Toffe Beats 80 MI Ice Cream		3,625,123	3,548,307
Chocoblast 100ML		8,476,785	8,297,162
Cone Maxi 121 MI (All Flav.)		129,460,517	126,717,253
Cone Mini 72 MI (All Flav.)		132,754,623	129,941,557
Round Shape Cake 1 Ltr.		1,407,885	1,378,052
Heart Shape Cake 1.5 Ltd.		283,367	277,362
Swirly Sundae 100 MI		3,797,986	3,717,507
Kulfi 50 MI Ice Cream		79,253,029	77,573,660
Double Sundy 1 Ltr. Ice Cream		9,697,994	9,492,494
Shahi Khajur Malai		3,107,741	3,041,888
Bulk Liter 9 per 1 Ltr		2,329,107	2,279,753
Lovello Swing Ball 100 ML Ice Cream		5,732,658	5,611,183
Lovello Ambrisia 1 Ltr. Ice Cream		245,192	239,996
Lovello Doi, Kheer Premium 1 Ltr Ice Cream		2,812,294	2,752,702
Lovello Shahi Shondesh, Black Forest Premium 1 Ltr.		783,204	766,608
Lovello Double Sundy Premium 500 ML Ice Cream		3,040,102	2,975,682
Lovello Doi, Kheer Premium 500 ML Ice Cream		2,300,572	2,251,823
Total		942,869,150	922,889,785

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

		Amount in Tk.	
		2019-20	2018-19
25.00	Cost of Goods Sold		
	Raw Materials Consumed: Note- 25.01	434,968,042	435,296,598
	Add: Factory Overhead Charges Note- 25.02	142,814,880	133,309,556
	Cost of Production	577,782,922	568,606,155
	Add: Opening Work in Process	4,587,500	732,580
		582,370,422	569,338,735
	Less: Closing Work in Process	(15,544,814)	(4,587,500)
	Cost of Goods Manufactured	566,825,608	564,751,235
	Add: Opening Stock of Finished Goods	69,163,731	41,917,413
	Cost of Goods available for Sale	635,989,339	606,668,648
	Less: Closing Stock of Finished Goods	(83,596,742)	(69,163,731)
	Cost of Goods Sold	552,392,597	537,504,916
25.01	Raw Materials Consumed		
	The break-up of the amount is given bellow:		
	Opening Stock	145,175,926	128,637,621
	Purchase During the year	455,263,192	451,834,903
	Raw Materials available for Use	600,439,117	580,472,524
	Less: Closing Stock	(165,471,075)	(145,175,926)
	Raw Materials Consumed	434,968,042	435,296,598
25.02	Manufacturing Overhead		
	Electricity Bill	19,670,262	20,883,312
	Fuel & Lubricants	14,675,764	14,421,237
	Wages & Salary	50,042,147	45,632,714
	Festival Bonus	7,232,782	7,022,119
	Overtime and Other Allowance	2,402,922	2,117,685
	Tour and Travles	2,293,754	1,882,750
	Pool Car Expenses	357,380	235,836
	Telecommunication Expenses(Tracking)	190,836	784,553
	Factory Supplies	1,917,448	1,440,443
	Loading & Unloading Expenses	95,913	205,840
	Postage & Courier	7,990	9,400
	Printing & Stationary	855,738	1,013,471
	Food and Entertainment	747,610	697,868
	Repair & Maintenance	3,268,774	2,956,025
	Spare Parts	4,367,257	4,119,210
	Insurance Expenses	2,568,026	1,409,007
	Licenses Fees	1,337,201	-
	Depreciation	30,878,989	28,478,087
		142,814,880	133,309,556

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the year ended June 30, 2020

		Amount in Tk.	
		2019-20	2018-19
26.00	Administrative Expenses		
	Salary & Allowance	7,820,591	7,039,030
	Festival Bonus	1,344,833	1,173,172
	Meeting Allowance	105,000	20,000
	Provident Fund Expenses	1,007,938	459,770
	Service Charge	303,417	44,250
	Office rent	1,200,000	640,000
	Director Remuneration	2,850,000	500,000
	Office Vehicles expense	917,497	531,700
	Entertainment Expense	200,872	236,890
	Vehicle Insurance & Others	513,027	508,400
	Audit Fees	287,500	115,000
	Telephone, Mobile & Internet Bill	421,190	664,500
	Postage & Couriers	236,589	136,520
	Printing & Stationery	266,852	558,595
	Legal & Statutory Expenses	165,000	153,869
	Repair Maintenance of Head office	252,157	163,288
	Credit Rating Fees	59,125	-
	Depreciation	750,193	619,976
		18,701,781	13,564,960
27.00	Marketing & Selling Expenses		
	Salary & Allowance	14,901,637	11,554,987
	Festival Bonus	1,839,665	1,803,593
	Provident Fund Expenses	1,566,423	806,801
	Fuel & Toll for Vehicles	5,227,935	5,087,560
	TA/DA and Other Allowances	2,510,115	2,387,400
	Repair Maintenance & Others Vehicles Exp	2,023,913	1,972,650
	Tour and Travles	785,845	850,740
	Postage & Couriers	132,605	267,356
	Incentive and Commission	588,783	486,391
	Event Management Expenses	450,224	543,685
	DITF Expense	3,395,701	2,880,000
	Advertisement Expenses	9,267,072	11,758,940
	Depreciation	87,888,339	80,543,643
		130,578,256	120,943,746
28.00	Finance Cost		
	Bank Service Charges	1,076,757	502,450
	Interest on Bank Loan	108,917,056	105,166,505
	Interest on Lease Loan	43,982,941	55,465,952
	Interest Expense on Office Space	1,170,864	-
		155,147,618	161,134,907
Consistent with prior periods banks charges and others bank loan interest expenses are included as finance costs			
29.00	Others Income		
	Scrap Sale	1,146,750	1,385,000
	Rent Received against Freezer	1,185,476	4,580,420
	Rent income from Robi Tower	-	136,800
	Interest income	1,123,556	-
		3,455,781	6,102,220

Taufika Foods and Agro Industries Limited
Explanatory Notes to the Financial Statements
For the period ended 30 June 2020

30.00 Earning per Share (EPS)

The Computation of EPS is given below:

Earning attributable to the Shareholders (net profit after tax)

Total number of Shares

Adjusted/Basic Earnings per Share (EPS)(Per value Tk. 10)

Amount in Taka	
30-Jun-20	30-Jun-19
62,053,062	61,645,286
47,433,055	6,131,000
1.31	10.05

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

For Previous Year				
Total Share	No of shares	No. of Days Used	Total No. of Days	Weighted Average
54,500,000	5,450,000	365	365	5,450,000
10,950,000	1,095,000	227	365	681,000
65,450,000	6,545,000			6,131,000

31.00 Net Asset Value (NAV) per Share

The Computation of NAV is given below:

Net Assets

Total number of Shares

Net Asset Value (NAV) per Share

701,050,672	424,813,632
55,000,000	33,545,000
12.75	12.66

Total number of shares

Paid-up-capital

Share money deposit

Total

Number of shares (Per value Tk. 10)

550,000,000	65,450,000
-	270,000,000
550,000,000	335,450,000
55,000,000	33,545,000

32.00 Net Operating Cash Flows per Share (NOCFPS)

The Computation of NOCFPS is given below:

Net Cash Generated from Operating Activities

Total number of Shares

Net Operating Cash Flows per Share (NOCFPS)

315,679,258	247,496,174
47,433,055	6,131,000
6.66	40.37

33.00 Related Party Transactions:

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

Related party transactions are as follows:

Sl.	Name of the Related Party	Relationship	Nature of transaction	Opening Balance	Transaction during the year	Payment/Received	Closing Balance
1	Taufika Engineering Limited	Intercompany	Advance	4,820,000	2,310,000	7,130,000	-
2	Ms. Shamima Nargis Haque	Chairman	Meeting Allowance	-	20,000	20,000	-
3	Md. Ekramul Haque	Managing Director	Remuneration and Meeting Allowance	500,000	2,890,000	3,240,000	150,000
4	Muhsinina Taufika Ekram	Director	Meeting Allowance	-	20,000	20,000	-
5	Imtiaz Lutful Baset FCMA, FCA	Independent Director	Meeting Allowance	-	25,000	25,000	-

34.00 Attendance Status of Board Meeting of Directors

During the year ended 2019-20 there were Eight Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Designation	Meeting held	Attendance
Ms. Shamima Nargis Haque	Chairman	8	4
Md. Ekramul Haque	Managing Director	8	8
Kawsar Ahmed (Nominee Director of Taufika Engineering Limited)	Director	8	8
Muhsinina Taufika Ekram	Director	8	4
Imtiaz Lutful Baset FCMA, FCA	Independent Director	8	5

35.00 General:

All the figures in the financial statements represent Bangladeshi taka currency (BDT) rounded off to the nearest figure. The comparative information has been disclosed of 2019-2020 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 when ever considered necessary to conform to current year presentation.

36.00 Disclosure as per requirement of Schedule XI, Part II of the Companies Act, 1994:**A. Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3:**

Employee position of the company as at 30 June, 2020:

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

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

Name of Directors	Designation	Meeting allowance	Total Remuneration for the year ended 2019-20
-------------------	-------------	-------------------	---

Ms. Shamima Nargis Haque	Chairman	20,000	-
Md. Ekramul Haque	Managing Director	40,000	2,850,000
Kawsar Ahmed (Nominee Director of Taufika Engineering Limited)	Director	-	-
Imtiaz Lutful Baset FCMA, FCA	Independent Director	25,000	
Muhsinina Taufika Ekram	Director	20,000	-

C. Quantitative information of production capacity for the year ended 30 June 2020 as per requirement of schedule XI, part II, Para 7

Particulars	Installed Capacity (Liter)	Actual Production (Liter)	Capacity Utilization in % June 30, 2020	Capacity Utilization in % June 30, 2019
Annual Production Capacity	18,044,445	11,133,243	61.70%	60.00%

37.00 As per IAS- 24:

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

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

-	-
-	-
-	-
-	-
-	-
-	-

38.00 Events after Reporting Period:

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

- i. VAT payables are settled within August 25, 2020
- ii. The company did not declared any dividend in this financial year.

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

Requirements under condition No.	Compliance status of Disclosure Schedule XI, Part II, Para 3
3(i)(a) The turnover	Complied
3(i)(b) Commission paid to selling agents	Not Applicable
3(i)(c) Brokerage and discount of sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as as possible	Complied
3(i) (d)(ii) The opening and closing stocks of goods produced	Complied
3(ii)(e)In the case of trading companies, the purchase made and the opening and closing stocks	Not Applicable
3(ii)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered	Not Applicable
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	Complied
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	Not Applicable
3(i)(l) Charge for income tax and other taxation on profits	Complied
3(i)(m) Reserved for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item:	Complied
(i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi)(1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	

Taufika Foods and Agro Industries Limited

Schedule of Property, Plant & Equipment

As at 30 June 2020

Property, Plant & Equipment

Annexure - A

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2020
	Balance as on 01-07-2019	Addition during the year	Balance as on 30-06-2020		Balance as on 01-07-2019	Charged during the year	Balance as on 30-06-2020	
Land & Land Development	84,361,490	-	84,361,490	0%	-		-	84,361,490
Building & Civil Works	87,619,117	4,075,860	91,694,977	5%	14,454,290	3,760,138	18,214,428	73,480,549
Plant and Machinery	322,941,438	49,030,602	371,972,040	10%	85,919,143	26,153,760	112,072,902	259,899,138
Furniture and Fixtures	4,523,478	2,215,285	6,738,763	10%	1,144,434	448,669	1,593,103	5,145,660
Freezer	359,260,070	147,473,310	506,733,380	10%	63,882,640	36,911,408	100,794,048	405,939,331
Office Equipment	3,659,662	3,403,070	7,062,732	10%	604,966	475,623	1,080,589	5,982,143
Motor Vehicles	116,172,349	15,884,219	132,056,568	20%	47,187,393	15,385,413	62,572,806	69,483,762
Total as on 30.06.2020	978,537,603	222,082,346	1,200,619,949		213,192,865	83,135,011	296,327,876	904,292,073
Total as on 30.06.2019	821,180,449	157,357,154	978,537,603	-	142,602,428	70,590,437	213,192,865	765,344,738

Right of Use Assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2020
	Balance as on 01-07-2019	Addition during the year	Balance as on 30-06-2020		Balance as on 01-07-2019	Charged during the year	Balance as on 30-06-2020	
Plant and Machinery	4,079,499		4,079,499	10%	591,527	348,797	940,325	3,139,174
Freezer	324,745,500		324,745,500	10%	70,297,689	25,444,781	95,742,470	229,003,030
Motor Vehicles	67,662,134		67,662,134	20%	28,531,686	7,826,090	36,357,776	31,304,358
Office Space		10,897,101	10,897,101	20%	181,618	2,179,420	2,361,039	8,536,063
Total as on 30.06.2020	396,487,133	10,897,101	407,384,234		99,602,521	35,799,088	135,401,609	271,982,626
Total as on 30.06.2019	396,487,133	-	396,487,133		60,978,759	38,442,143	99,420,902	297,066,231

Intangible assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2020
	Balance as on 01-07-2019	Addition during the year	Balance as on 30-06-2020		Balance as on 01-07-2019	Charged during the year	Balance as on 30-06-2020	
Computer Softwere	2,385,996	310,437	2,696,433	50%	1,374,372	583,422	1,957,793	738,640
Total as on 30.06.2020	2,385,996	310,437	2,696,433		1,374,372	583,422	1,957,793	738,640
Total as on 30.06.2019	1,580,996	805,000	2,385,996		765,247	609,125	1,374,372	1,011,625
Grand Total as on 30.06.2020	1,377,410,732	233,289,884	1,610,700,616		314,169,757	119,517,520	433,687,278	1,177,013,339
Grand Total as on 30.06.2019	1,219,248,578	158,162,154	1,377,410,732		204,346,434	109,641,705	313,988,139	1,063,422,593

Allocation of depreciation	<u>Amount in Taka</u> <u>30.06.2020</u>	<u>Amount in Taka</u> <u>30.06.2019</u>
-		
Manufacturing Overhead	30,878,989	28,327,437
Administrative Expenses	750,193	688,204
Marketing & Selling Expenses	87,888,339	80,626,065
Total	119,517,520	109,641,705

Taufika Foods and Agro Industries Limited

Schedule of Property, Plant & Equipment

As at 30 June 2019

Property, Plant & Equipment

Schedule - A

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-19
	Balance as on 01-07-18	Addition	Balance as on 30-06-19		Balance as on 01-07-18	Charged during year	Balance as on 30-06-19	
Land & Land Development	84,218,500	142,990	84,361,490	0.00%	-	-	-	84,361,490
Building & Civil Works	87,619,117		87,619,117	5.00%	10,603,509	3,850,780	14,454,290	73,164,827
Plant and Machinery	274,248,179	48,693,259	322,941,438	10.00%	62,288,513	23,630,630	85,919,143	237,022,296
Furniture and Fixtures	3,806,805	716,673	4,523,478	10.00%	808,800	335,634	1,144,434	3,379,044
Freezer	276,104,070	83,156,000	359,260,070	10.00%	35,682,703	28,199,937	63,882,640	295,377,430
Office Equipment	2,668,422	991,240	3,659,662	10.00%	320,624	284,342	604,966	3,054,696
Motor Vehicles	92,515,356	23,656,993	116,172,349	20.00%	32,898,278	14,289,115	47,187,393	68,984,956
Total as on 30.06.2019	821,180,449	157,357,154	978,537,603		142,602,428	70,590,437	213,192,865	765,344,738

Total as on 30.06.2018	692,576,663	128,603,786	821,180,449		81,244,516	61,357,911	142,602,428	678,578,021
-------------------------------	--------------------	--------------------	--------------------	--	-------------------	-------------------	--------------------	--------------------

Lease Assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-19
	Balance as on 01-07-18	Addition	Balance as on 30-06-19		Balance as on 01-07-18	Charged during year	Balance as on 30-06-19	
Plant and Machinery	4,079,499		4,079,499	10%	203,975	387,552	591,527	3,487,972
Freezer	324,745,500		324,745,500	10%	42,025,710	28,271,979	70,297,689	254,447,811
Motor Vehicles	67,662,134		67,662,134	20%	18,749,074	9,782,612	28,531,686	39,130,448
Total as on 30.06.2019	396,487,133	-	396,487,133		60,978,759	38,442,143	99,420,902	297,066,231

Total as on 30.06.2018	224,882,225	171,604,908	396,487,133		27,978,573	33,000,186	60,978,759	335,508,374
-------------------------------	--------------------	--------------------	--------------------	--	-------------------	-------------------	-------------------	--------------------

Intangible assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-19
	Balance as on 01-07-18	Addition	Balance as on 30-06-19		Balance as on 01-07-18	Charged during year	Balance as on 30-06-19	
Licence & Patent	1,580,996	805,000	2,385,996	50%	765,247	609,125	1,374,372	1,011,625
Total as on 30.06.2019	1,580,996	805,000	2,385,996		765,247	609,125	1,374,372	1,011,625
Total as on 30.06.2018	739,996	841,000	1,580,996		369,998	395,249	765,247	815,749
Grand Total as on 30.06.2019	1,219,248,578	158,162,154	1,377,410,732		204,346,434	109,641,705	313,988,139	1,063,422,593
Grand Total as on 30.06.2018	918,198,884	301,049,694	1,219,248,578	-	109,593,087	94,753,347	204,346,434	1,014,902,144

Allocation of depreciation	<u>Amount in Taka</u> <u>30.06.2019</u>	<u>Amount in Taka</u> <u>30.06.2018</u>
Manufacturing Overhead	28,478,087	27,617,143
Administrative Expenses	619,976	517,025
Marketing & Selling Expenses	80,543,643	66,619,179
Total	109,641,705	94,753,347