

Annual
Report
2021



NIALCO ALLOYS LTD.



মুজিব MUJIB শতবর্ষ 100

জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমান
এর জন্মশতবার্ষিকী

“ এই বাংলার আকাশ-বাতাস,
সাগর-গিরি ও নদী
ডাকিছে তোমারে বঙ্গবন্ধু,
ফিরিয়া আসিতে যদি। ”

শ্রদ্ধা ও
ভালোবাসায়
স্মরণ করছে
দেশ



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OUR VISION



Is to be a benchmark for the global market, with products and solutions that are recognized for quality, reliability, competitiveness and innovation. NIALCO aspires to anticipate evolving customer needs and develop diverse, competitive products and solutions based on new technologies. Our overarching goal is to operate sustainably and responsibly, acting as a reliable business partner and creating value for all stakeholders.



OUR MISSION

Is to provide high quality and innovative copper solutions that create the best possible value for our customers whilst increasing our market shares. This mission is supported by our state-of-the-art technology, investments in research and development, the support and commitment of our people and our proven experience in the export market. We aim to grow our company sustainably with a focus on our people, the environment, innovation and society throughout our business model, strategy and operations.





OUR VALUES

RELIABILITY

We exist and we grow based on reliability, we depend on it for the relationships we build internally and externally. All our activities and transactions are defined by responsibility, integrity and business ethics.

RESPECT

We operate based on the principles of Sustainable Development, with respect to people, the environment and society, whether this has to do with our internal processes or planning and development of products, or the relationships we build with partners, providers and local communities.

EFFECTIVENESS

We operate through teamwork, dedication to the Company and commitment towards our clients, who are at the forefront of our activities. We develop innovative solutions and we maintain longstanding relationships providing excellent customer service and offering tailor made solutions. We keep our promises to our clients, striving to achieve continuous improvement.

TRANSPARENCY

We operate with transparency; we preserve and develop a safe workplace with equal opportunities for all. We maintain and seek open communication with local communities and all stakeholders.

NOTICE OF THE 10TH ANNUAL GENERAL MEETING

NOTICE is hereby given to all Shareholders of Nialco Alloys Limited that the 10th Annual General Meeting of the Company will be held on Thursday, December 30, 2021, at 10:00 a.m. by using a digital platform through a live webcast to transact the following businesses:

Agenda :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2021, together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year ended June 30, 2021, as recommended by the Board of Directors of the Company.
3. To re-elect the retiring Directors.
4. To appoint the Managing Director.
5. To appoint Statutory Auditors of the Company for the year 2021-2022 and fix their remuneration.

By order of the Board of Directors

Chittagong, December 8, 2021


Company Secretary

Notes :

1. Members whose names appeared on the Depository Register as on the “Record Date” i.e. November 21, 2021, are eligible to attend the Annual General Meeting (AGM) and receive the dividend.
2. A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead. A copy of the “Proxy Form”, duly filled and stamped requires to email at not later than 48 hours before the AGM.
3. According to the Bangladesh Securities & Exchange Commission’s Notification No. BSEC/CMR-RCD/2016-158/208/Admin/81 dated June 20, 2018, the Company will send the Annual Report 2021 in soft-copy format to the email of the shareholders available in their Beneficial Owners (BO) accounts maintained with the CDBL.
4. In case of non-receipt of Annual Report 2021 of the Company that will be sent through email, Members may download the same from the ‘Investors Information’ section of the Company’s website: www.nialcoalloys.com
5. Login process along with the joining link of the 10th AGM will be available at the ‘Investors Information’ section of the Company’s website, members are requested to check the login details. Members may also send an email at for queries or assistance to join the AGM.



CORPORATE DIRECTORY

CORPORATE DIRECTORY

Registered Office : Plot B-28, Block A, BSCIC Industrial Area, Sagorika Road, Chittagong.

Corporate Office : Plot B-28, Block A, BSCIC Industrial Area, Sagorika Road, Chittagong.

Factory : Jahanabad, Bhatiary, Shitakunda, Chittagong

Web : www.nialcoalloys.com

Auditor : G. KIBRIA & CO., Chartered Accountants

Board of Directors : Gazi Mukarram Ali Chowdhury, Managing Director
Kamal Uddin Ahmed, Chairman
Matin Uddin Ahmed, Director

Legal Advisor : Ahmed Hossain & Associates, City shopping Complex (1st Floor)
Room- 2 Agrabad, access Road, Chittagong.

Principle Bankers : Eastern Bank Limited, Mutual Trust Bank Limited, Midland Bank Limited

Insurer : Asia Pacific General Insurance Company Ltd.





COMPANY PROFILE

Nialco Alloys Limited was incorporated in June 21, 2011 as a public limited company under Registrar of Joint Stock Companies and Firms (RJSC) vide registration number CH-8784/11 under the companies Act 1994. The Principal activity and the nature of the business of Nialco Alloys Limited to manufacturing of high grade Bronze and Brass Ingots including Phosphorus Bronze, Leaded Bronze, Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB), High Tensile Brass (HTB), Die Cast Brass (DCB), Master Alloys, Phosphorus Copper etc. conforming to BS, IS, JIS, DIN, ASTM, UNI and as per all other International Standards. Copper is a metal that is essential in the development of civilization. Brass and Bronze are two major alloys of copper made by varying amounts of copper percentage mixed with other elements.

The diversity of uses of copper alloys is evidenced in the range of consumer goods and general products associated with these materials. Market demand of the copper products are increasing according to the development of civilization. Therefore the copper industry has a huge prospect both in local and abroad. The Main strength of Nialco Alloys Limited (NAL) is its Research & Development Team and its Skilled Executive Team under the guidance of our Directors, Source Exact & Quality product from reliable supplier.



COMPANY AT A GLANCE & KEY MILESTONE

COMPANY
AT A GLANCE
&
KEY MILESTONE

Company Name : Nialco Alloys Ltd.

Registered Address : Plot B 28, Block A, BSCIC Industrial area Sagoreka road Chottogram.

Date of Incorporation : June 21, 2011

Date of Commercial Operation : July 5, 2015

Registration Number : CH- 8784/11

Date of Conversion into Public : June 21, 2011

Date of Qualified Investor Offering : May 16 - May 20 2021

Date of Debenture trade : June 10, 2021

Legal Status : Publically traded Company

Authorized Capital : 80,00,00,000

Paid up Capital : 28,50,00,000

Number of Shareholder in record date : 210

Business : Hundred percent Export oriented non-ferrous metal manufacturing company



Analysis of Financial Statement & Five Years Key Information

Revenue and results from operation:

(Amount in BDT)

Particulars	30.06.2021	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
Revenue	602,862,064	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951
Less: Cost of Goods Sold	529,684,614	285,023,873	340,317,529	107,088,955	75,568,053	23,725,902
Gross Profit/(Loss)	73,177,450	39,685,800	46,959,511	8,086,870	5,601,568	1,993,049
Less: Operating Expenses	24,266,331	16,814,889	18,002,195	5,779,167	4,329,007	1,638,566
Profit from Operation	48,911,119	22,870,911	28,957,316	2,307,703	1,272,561	354,483
Less: Financial Expenses	8,301,495	5,011,319	5,092,125	43,782	9,227	32,252
Net Operating Profit	40,609,624	17,859,592	23,865,191	2,263,921	1,263,334	322,231
Add: Other Income/(Loss)	392,279	1,350,969	1,812,758	-	-	-
Net Profit before WPPF	41,001,903	19,210,562	25,677,949	2,263,921	1,263,334	322,231
Contribution to WPPF	1,952,472	914,789	1,222,759	-	-	-
Profit Before Tax	39,049,431	18,295,773	24,455,190	2,263,921	1,263,334	322,231
Less: Income Tax Expenses	4,157,159	3,149,208	4,873,465	792,372	556,542	154,314
Current Tax Expenses	4,030,658	3,048,093	4,596,891	792,372	556,542	154,314
Deferred Tax Expenses /(Income)	126,501	101,114	276,574	-	-	-
Total Comprehensive Income	34,892,272	15,146,565	19,581,725	1,471,550	706,792	167,917
Earnings Per Share	1.72	1.42	9.79	0.74	0.35	0.08

Statement of financial position:

(Amount in BDT)

Particulars	30.06.2021	30.06.2020	30.06.2019 (Restated)	30.06.2018	30.06.2017	30.06.2016
ASSETS						
Non-Current Assets	52,013,912	31,446,835	14,284,725	15,987,618	17,898,306	20,004,944
Property, Plant & Equipment	52,013,912	22,161,335	14,284,725	15,871,918	17,635,464	19,594,960
Capital Work In Progress	-	9,285,500	-	-	-	-
Pre-operative expenses	-	-	-	-	147,142	294,284
Preliminary expenses	-	-	-	115,700	115,700	115,700
Current Assets	355,153,971	377,072,662	92,731,569	14,257,876	15,378,980	29,831,322
Inventories	198,911,232	288,038,349	48,181,608	6,809,983	12,480,000	25,829,850
Trade and others Receivable	218,889	50,021,929	4,331,600	5,073,942	2,000,000	2,000,000
Advance, Deposit and Prepayments	35,680,678	8,149,439	436,938	58,858	601,542	198,114
Cash and Cash Equivalents	120,343,172	30,862,945	39,781,423	2,315,093	297,438	1,803,358
Total Assets	407,167,883	408,519,497	107,016,295	30,245,494	33,277,286	49,836,266
EQUITY AND LIABILITIES						
Shareholders' Equity	356,489,570	187,074,548	41,927,983	22,346,258	20,874,709	20,167,917
Share Capital	285,000,000	150,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Retained Earnings	71,489,570	37,074,548	21,927,983	2,346,258	874,709	167,917
Non-Current Liabilities	504,189	377,688	276,574	-	-	-
Long Term Borrowings	-	-	-	-	-	-
Deferred Tax Liability	504,189	377,688	276,574	-	-	-
Current Liabilities	50,174,124	221,067,262	64,811,739	7,899,236	12,402,577	29,668,349
Current Portion of Long Term Loan	-	-	-	-	-	-
Short Term Borrowings	36,184,814	210,776,454	53,187,033	-	-	-
Accounts payable	10,340,477	5,687,305	-	-	-	-
Liabilities for Expenses	3,648,833	4,603,501	11,624,706	7,899,236	12,402,577	29,668,349
Total Liabilities	50,678,313	221,444,950	65,088,312	7,899,236	12,402,577	29,668,349
Total Shareholders' Equity and Liabilities	407,167,883	408,519,498	107,016,295	30,245,494	33,277,286	49,836,266
Net Asset Value (NAV) per Share	12.51	12.47	20.96	11.17	10.44	10.08



NIALCO ALLOYS LIMITED
Statement of Ratio Analysis

Particulars	June 30, 2021	June. 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
	Result	Result	Result	Result	Result	Result

I. Liquidity Ratios:

(i) Current Ratio (Times)	7.08	1.71	0.82	1.80	1.24	1.01
(ii) Quick Ratio (Times)	3.11	0.40	0.08	0.94	0.23	0.13

II. Operating Efficiency Ratios:

(i) Accounts Receivable Turnover Ratio	24.00	16.39	101.87	38.08	40.58	12.86
(ii) Inventory Turnover Ratio (Times)	2.18	2.49	15.13	7.12	3.95	-
(iii) Assets Turnover Ratio (Times)	1.48	1.78	6.81	3.05	1.95	0.52

III. Profitability Ratios:

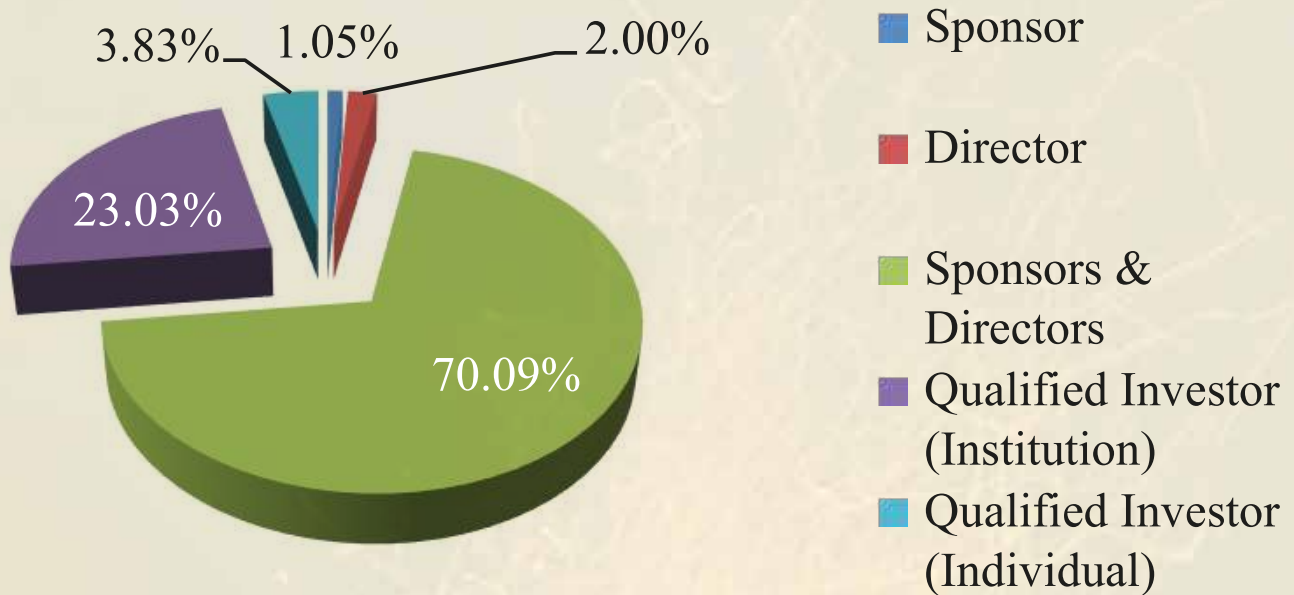
(i) Gross Margin Ratio (%)	12.14%	12.22%	12.13%	7.02%	6.90%	0.00%
(ii) Operating Profit Ratio (%)	8.11%	7.04%	7.48%	2.00%	1.57%	0.00%
(iii) Net Profit Ratio (%)	5.79%	4.66%	5.06%	1.28%	0.87%	0.00%
(iv) Return on Assets Ratio (%)	8.56%	8.33%	34.45%	3.89%	1.70%	0.34%
(v) Return on Equity Ratio (%)	12.84%	18.08%	68.99%	6.96%	3.44%	0.83%
(vi) Basic Earnings Per Share (EPS)	1.72	1.42	9.79	0.74	0.35	0.08
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) Margin	8.18%	7.46%	7.95%	2.00%	1.57%	0.00%

IV. Solvency Ratios:

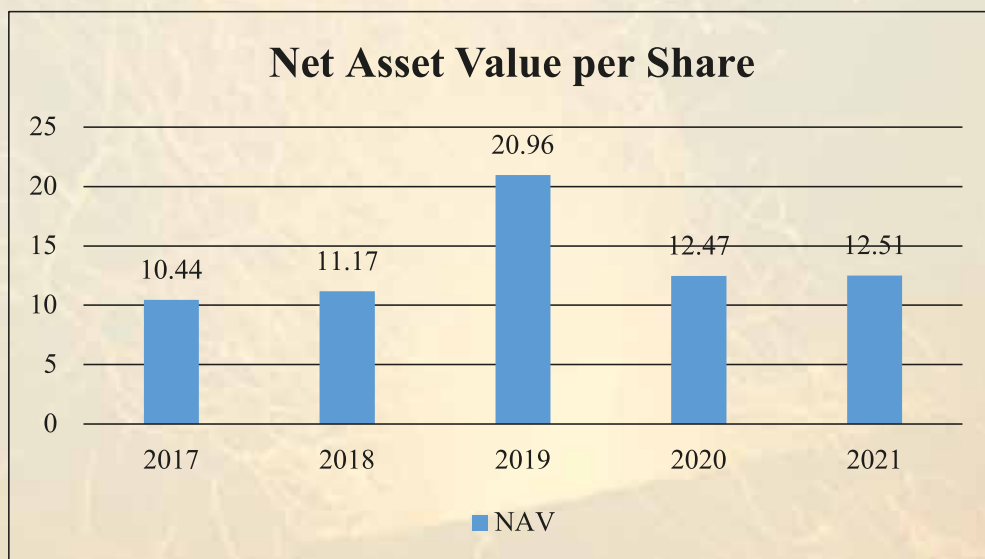
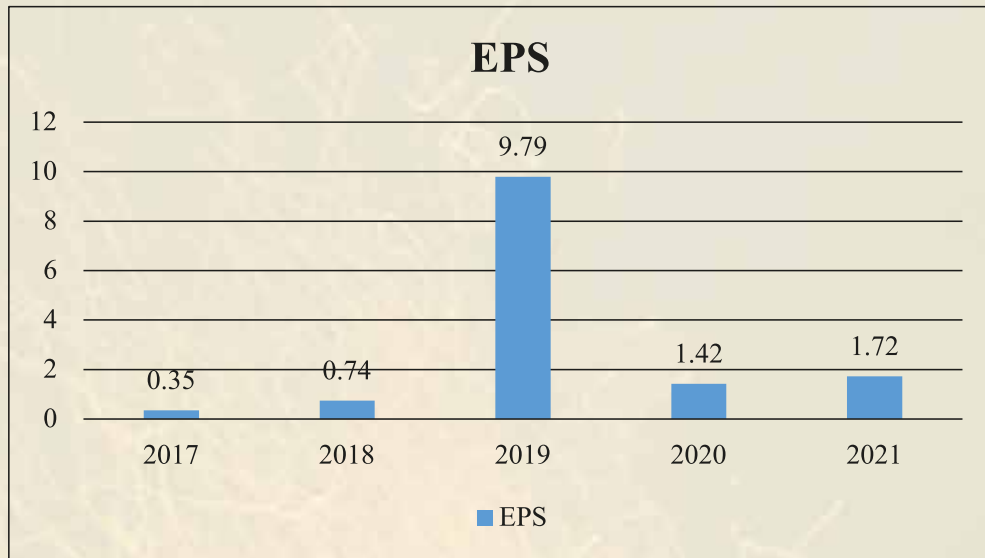
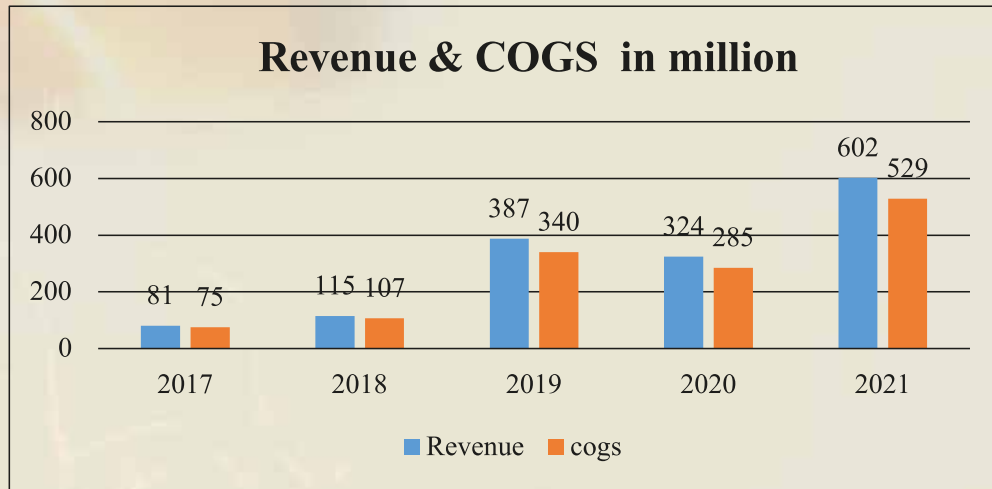
(i) Debt to Total Assets Ratio	0.09	0.52	0.50	-	-	-
(ii) Debt to Equity Ratio (Times)	0.10	1.13	1.27	-	-	-
(iii) Times Interest Earned Ratio (Times)	5.94	4.83	6.04	52.71	137.92	-



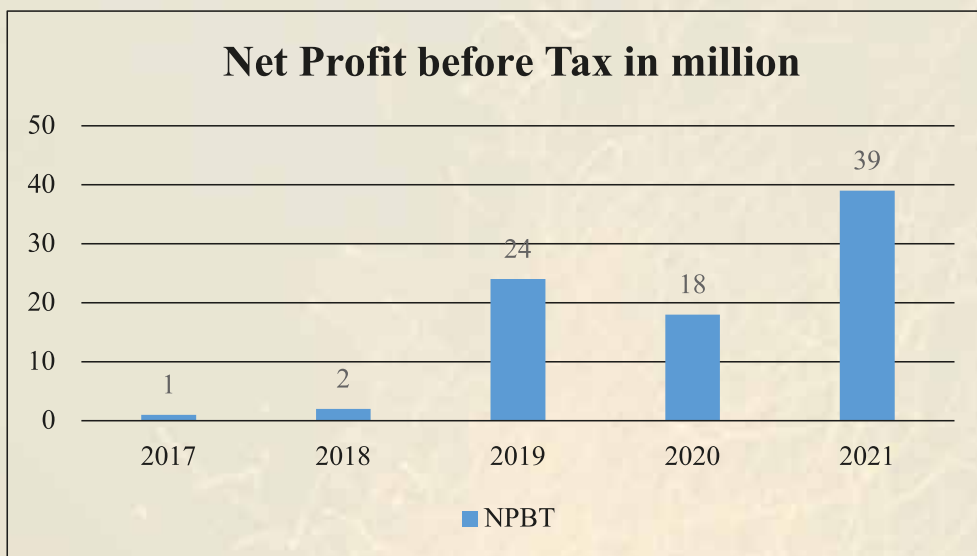
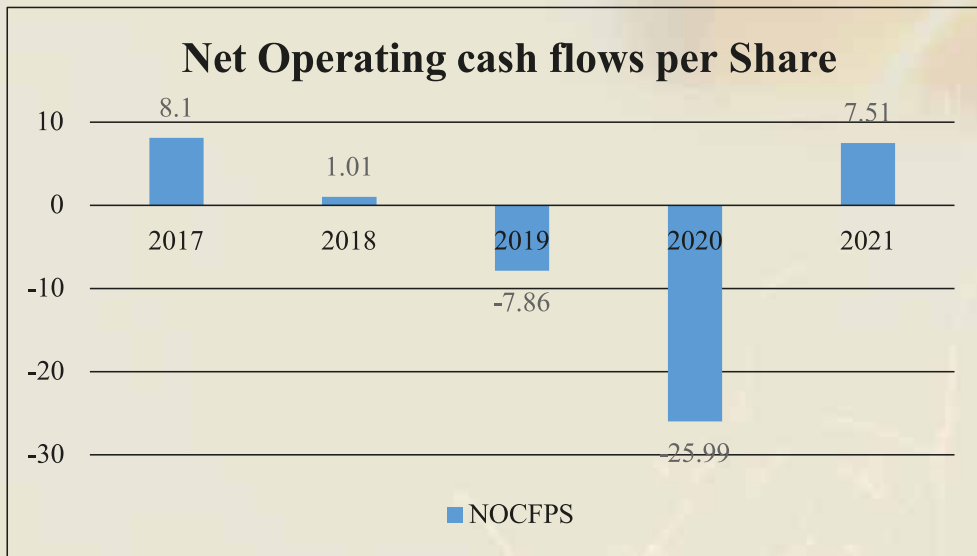
Percentage of Share Holding Position



Key Financial Indicators



Key Financial Indicators



Board of Directors



Md. Kamal Uddin Ahmed
Chairman



Gazi Mukarram Ali Chowdhury
Managing Director



Matin Uddin Ahmed
Director

Brief Resume of Directors

Mr. Mohammad Kamal Uddin Ahmed



Md. Kamal Uddin Ahmed is chairman of Nialco alloys limited. He has very known experience in the non-ferrous metal industries. He is a successful entrepreneur in this sector. Before starting his carrier in this sector Mr Kamal Uddin Ahmed graduated and post graduated from University of Dhaka. Mr Kamal Uddin Ahmed elected (CIP) commercially important person in Bangladesh three times. He was born in 30th June, 1970 from an aristocrat family. Mr. Kamal Uddin Ahmed is an Successful Entrepreneur in the non-ferrous metal industries since 25 years back. He is enthusiastic and look forward to developing and promoting his business and very significant contribution to this sector, and make our country well known in the world through supplying high quality product and prompt services. Mr. Kamal Uddin Ahmed also Partner of Chittagong Ship Breaking and recycling Industries and Managing Partner of Marine Safety System, Managing Partner of united Ship Recycling industries.

Mr. Gazi Mukarram Ali Chowdhury



Gazi Mukarram Ali Chowdhury Managing Director of Nialco Alloys Limited. Before Starting His carrier as an entrepreneur he was experienced as a supply chain / Commercial leader than after he turn himself as a successful entrepreneur and business man through the dynamic skill and 25 years of experience of Non-ferrous metal sector. Mr. Gazi Mukarram Ali Chowdhury came from a very well-known /noble family in 3rd February, 1971. He has completed his bachelor degree from Bangladesh National University in the year 1993. He is a well-known business person of the country with 25 years of business experience. In his rich business carrier he has remain continuing partner of marine safety system, Managing partner of Chittagong Ship Breaking and Recycling Industries, Partner of United ship recycling.

Mr. Matin Uddin Ahmed



“Matin Uddin Ahmed is a Director of Nialco Alloys Limited. He is an entrepreneur, consultant, His entrepreneurship is well known for more than 15 years now. With more than 15 years of experience in the Metal Industry he has become a successful business leader. Mr. Matin Uddin Ahmed completed his graduation from Bangladesh National University in the year 1996. For Matin Uddin Ahmed Environment-friendly Metal recycling method is most important, as well as Good Quality and prompt service. He is Managing Partner of Blue metal and managing Director of all metal Recycling Ltd.



Brief Resume of Advisor



Mohammad aziz Uddin Buyan is serving as consultant since March 2020 in Nialco Alloys Limited. Mr.aziz Uddin Buyan has a vast professional experience with different business conglomerate in our country. Previously he was associated with Chief Financial Officer (CFO) of Coppertech Industries ltd, General Manager (GM) of RKD Group , Assistance General Manager (AGM) of T.K. Group, Senior Manager of Mustafa Group.He has completed his MBA Degree from a reputed Private University

He also completed his professional courses in Chartered Accountancy Article ship from M.A Mallik & Co, Chartered Accountants, and Chittagong.

Mr. Aziz Uddin Buyan, Advisor

Brief Resume of CFO & CS

Mr. Mohammad Yousuf Ali, CFO



Mr. Mohammad Yousuf Ali, CFO of Nialco Alloys Limited since March 2019. Nialco is the first company which has been approved by the Bangladesh Securities Exchange and Commission (BSEC) under the SME Platform listed with the Chittagong Stock Exchange.

Before starting his career with Nialco Alloys Limited, Mr. Mohammad Yousuf Ali served in Tokyo Consulting Firm Limited as Head of Accounts & Finance, and Unity Brokers as Finance Manager.

Mr. Mohammad Yousuf Ali has successfully completed his graduation and post-graduation in Accounting from Govt. Commerce College, Chittagong and also completed a Bachelor of Business Administration (BBA) in Finance from Bangladesh Open University.

He also completed his professional courses in Chartered Accountancy Article Ship from A. Qasem & Co, Chartered Accountants, and Chittagong.

He is an Advance Stage Student (2 papers left) of ICAB.



Mr. Adv. Tariqul Islam Chisty, Company Secretary

Mr. Advocate Tariqul Islam Chisty has been serving in the Nialco Alloys Limited as a company secretary since the establishment of the company. He is well experienced in the legal and company law together with related regulatory bodies of the Govt. Republic of Bangladesh. He has completed his graduation and post-graduation from a renowned private university of Bangladesh. He is also a practicing lawyer in Chittagong Judge Court and part-time lecturer of Chittagong Law College.



Corporate Management



Gazi Mukarram Ali Chowdhury
Managing Director



Md. Yousuf Ali
CFO



S M Tariqul Islam
Company Secretary



Kamruzzaman Chowdhury
Manager Commercial



Anjan Sen
Manager Factory



Shahidul Islam Sumon
Manager Public Relation



Aftab Uddin Irfan
Manager Production



Irshat Newaz
HR & Admin



Chairman's Message

Dear fellow shareholders,

On behalf of the board of directors (the “Board”) of Nialco Alloys Limited (the “Company”), I am privileged to welcome you at 10th annual general meeting of the Company.

Financial Year (FY) 2020-21 was a landmark year for the Company on many counts. This year, the Company offered shares for qualified investor’s subscription and got commendable response, the Company’s QIO was oversubscribed by 37 times. We acknowledge the trust you have kept on us.

I am delighted to mention that we will meet at the first annual general meeting after listing where we able to deliver our best ever financial results. We delivered peak performance despite volatile market conditions. It was a clear demonstration of how Nialco’s core attribute of resilience has served to keep us strong and steady.

We remained dedicated to driving our long-term strategy for profitable growth and focused on ongoing improvements in manufacturing excellence, commercial pricing strategies, and supply chain initiatives. We continued to make meaningful progress in improving the fundamentals of our business, strengthening our capital structure, and generating positive cash flows.

We are in industries and export markets that require agility and a relentless focus to reduce costs, improve productivity, optimize inventory, price our products appropriately, and create unique value for our customers.

During the year, our relentless focus on strengthening our portfolio, capital discipline, culture and productivity delivered a solid set of financial results.

Transparency in all aspects of our performance — social, environmental and economic – is central to Nialco’s values and an important part of our approach to responsible development. Our philosophy for success is simple.

We place great value in our workers, local communities, and sound environmental management. These are the keys to growing our business and delivering strong returns for all of our stakeholders. Nialco’s commitment to simplification, capital discipline and culture laid the groundwork for a solid performance in FY2021. From these strong foundations, we are confident in the long-term outlook, with significant opportunities ahead to further transform our business and deliver value and returns for our shareholders. We want to further fortify our leadership position across existing businesses by focusing on innovation and enriching our product mix.

Finally, on behalf of the Board, I would like to express our heartfelt gratitude to all our shareholders, management, customers, business partners and our employees for your unyielding faith, support and contributions to the Company.

I would also like to thank my fellow Directors for their invaluable contributions over the years.

(Md. Kamal Uddin Ahmed)
Chairman





Dear Fellow Shareowners,

In 2021, NIALCO faced the challenges of the pandemic with resilience, innovation and solidarity. The new normal that the virus has imposed on the world requires governments, companies and society to assume joint responsibility to protect citizens as we resume growth; generate value; and fuel economic recovery.

When Covid-19 reared its head in early 2020, NIALCO moved quickly to preserve the health of its workers, their families, and the communities. The company is committed to guaranteeing safe work environments and has developed lines of action to prevent transmission; strengthen community outreach; and bolster capacities for medical

response.

In 2021, net sales increased 100% with regard to those registered in 2020 principally due to the contribution of additional sales volumes of Sorted copper (+85.65%), Copper Alloys (+85%). Capital investments in 2021 were Tk. 32.37 million, which represented 95% of net income. Our low production cost will strengthen our operating position to provide operating strength and liquidity and fuel on-going growth.

Cash flow from operating activities in 2021 was Tk. 152.16 million, which represented an increase of 134% over the Tk. 279.09 million posted in 2020. This improvement was attributable to strong cash generation at our operations, which was driven by an increase in copper and precious metals prices, higher sales volumes and cost control efficiencies.

We are actively deleveraging our balance sheet and are raising the bar in operational excellence, across our wide canvas of operations. During FY2021, NIALCO continued to live up to its promises to its stakeholders and operated a resilient and responsible business. Even as temporary disruptions materialised, we were able to bounce back strongly with industry-leading EBITDA margins and exceptional year for key businesses. We continued to deliver on all strategic levers, building on our strengths and commitment to operational excellence.

In the context of the COVID-19 pandemic, NIALCO has implemented a timely, well-designed protocols and strict hygiene and safety measures are in place at all of our operations. Like for many other organisations, the COVID crisis brought out challenges of many forms. Economic impact and business disruptions apart, many members of our extended family – our employees and their near ones, our value chain partners, our neighbourhoods – faced health emergencies. The pandemic also caused deep psychological scars as people had to adjust to new ways of living and working. Notwithstanding these challenges, our employees have displayed the highest possible resilience in coping with personal concerns and yet staying focused on the customers and the business. Our business results convey only a small part of the story of our employee courage, compassion, community spirit and cultural strength.

The experience of the past year reinforces the criticality and importance of sustainable businesses. The year-long response to the pandemic, across the globe, exhibited all that is noble and uplifting in the human spirit. A spirit that was also in display in your company's actions and performance during the year.

Through this pandemic, your Company's people and systems have been battle tested and even better prepared to face any competitive challenge or serious external disruption. It has strengthened the bonds within, opened better vistas of co-operation and convinced our stakeholders that our people deliver – no matter what! That is our best assurance of sustainability and continued collective prosperity.

(Gazi Mukarram Ali Chowdhury)

Managing Director

DIRECTORS' REPORT

On behalf of the Board of Directors and Management, It is indeed a great privilege for me to welcome you to the 10th Annual General Meeting of the Company and 1st meeting after listing. We are pleased to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended June 30, 2021 for your valued consideration, adoption and approval.

The Directors' Report has been prepared in compliance with the Section 184 of the Companies Act 1994, the Listing Regulations of Chittagong Stock Exchanges and other applicable rules and regulations. Relevant disclosures and explanations relating to certain issues have been given by the Directors, which they consider important to ensure transparency and good governance practices.

Bangladesh Economy

Bangladesh has been able to achieve a real GDP growth of 5.2 per cent, which is the highest in Asia, in the outgoing fiscal year (FY) 2020-2021. Bangladesh has made some very remarkable strides in economic development over the last five decades enabling the country transiting from low income country to achieve the status of lower middle income country in 2015. The country is on track to leave the United Nations list of least developed countries in 2024.

Bangladesh is now considered one of the fastest growing economies in the world. Bangladesh has had an annual growth rate of Gross Domestic Product (GDP) over 6.0 per cent since 2011. The Bangladesh government's vision 2041 stipulates to eliminate extreme poverty and secure upper middle-income country status by 2031 and achieve the high income country status by 2041.

Bangladesh's growth rests on three pillars: exports, social progress and fiscal prudence. Between 2011 and 2019, Bangladesh's exports grew at 8.6% every year, compared to the world average of 0.4%. The success is largely due to the country's relentless focus on products, such as apparel, in which it possesses a comparative advantage.

The COVID-19 pandemic impacted Bangladesh profoundly. In addition to the impact on health, GDP growth decelerated, and poverty increased. The pandemic may also have long term economic implications as a result of reduced female labor force participation, learning losses, and heightened financial sector vulnerabilities.

Bangladesh's economy is turning around in the context of tackling the coronavirus of the world economy. With nearly two dozen COVID-19 stimulus packages the country has an overall outlay of 1.24 trillion taka, which is 4.44% of GDP. This included steps like 50 billion taka for export-oriented industries to pay the wage bill for three months, two-year loans to factory owners at 2% interest, 200 billion taka for banks to provide working capital loan facilities to CMSMEs at an interest rate of 9%; 4% to be borne by the borrower, and 5% by the government as a subsidy.

Within the broad agriculture sector, the growth rate of agriculture and forestry sector decelerated from 4.10 percent to 2.65 percent in FY 2021-21. In addition, growth in fishing sector slowed slightly to 5.74 percent from 6.02 percent of previous fiscal year. The contribution of the broad agricultural sector to the GDP stood at 13.47 percent in FY 2020-21 against 13.74 percent in the previous fiscal year.

Of the 4 sectors of the broad industrial sector, growth in the manufacturing (large and medium scale and small scale) has increased significantly. According to provisional estimate, the growth of large and medium enterprises and small scale industries in GDP stood at 6.56 and 1.73 percent respectively in FY 2020-21, compared to 1.39 percent and 3.96 percent in the previous fiscal year. The growth of the construction sector stood at 8.68 percent as compared to 8.66 percent over the previous fiscal year. Overall, the contribution of the broad industry sector stood at 34.99 percent in FY 2020-21, as compared to 34.74 percent in the previous fiscal year.



In maintaining the trend of socio-economic development and high growth in Bangladesh, the private sector is playing a very positive and important role along with the government. In FY 2020-21, the total investment of GDP was 29.92 percent, out of which 21.25 percent was from private sector.

Inflation rate in FY2020-21 was 5.56 percent at national level, which was 5.65 percent in the previous fiscal year. It may be mentioned that the average inflation rate in the country is set at 5.4 percent in the FY2020-21. Food inflation witnessed a 0.22 percentage point increase in only six months. It was 5.23% in January 2021 and increased to 5.45% in June 2021.

Despite production and manufacturing setbacks, a drop in exports, loss of livelihood and a rise in poverty, Bangladesh's economy has also shown resilience through the Covid-19 pandemic.

Capital Market Scenario

The country's capital market is set to post the highest return in a decade in the outgoing fiscal year (FY), 2020-21, when most other sectors faced serious disruptions in their business operations due to the ongoing Covid-19 pandemic.

The stock market witnessed a 51.31 per cent return in the outgoing FY as in June 2021, despite the free fall of many stock prices. Initially the fall was contained by setting floor prices, as investors became panicked following the COVID outbreak. The country's capital market showed better performance in the first half (H1) of 2021 as the key index of the major bourse soared 748 points to reach at 41 months high at the end of June.

After the 2010-11 stock market debacle, the DGEN, the then benchmark index of the DSE, witnessed negative returns of 0.59 per cent and 25 per cent for 2010-11 and 2011-12 respectively. Later, the premier bourse posted a positive return of 0.07 per cent in 2012-13. The DSE introduced new benchmark index - the DSEX - on June 27, 2013 with a base of 4,055 points. After introduction of the DSEX, the DSE posted a 9.16 per cent return in 2013-14, while the return was 2.30 per cent in 2014-15, and 25.49 per cent in 2016-17. The market returns were negative for 2015-16, 2017-18, 2018-19 and 2019-20, ranging from 1.65 per cent to 26.41 per cent. Finally, in June the DSEX closed at 6,036, posting the highest return of 51.31 per cent or 2,047 points since the 2010-11 debacle.

The regulatory initiatives to restore governance in the market and other reforms including removal of a floor price, re-listing of OTC companies has positively impacted the market. Introduction of SME board, corporate restructuring, development initiatives for Sukuk and bond market, new IPO allotment rules and change of circuit breaker for IPOs has positively impacted the bourse towards building a vibrant capital market. Corporate tax cut for the listed manufacturing companies in the fiscal year (FY) 2021-2022 has further strengthened the investors' optimism in this unprecedented pandemic time.

In early May, the Bangladesh Securities and Exchange Commission (BSEC) approved rules to create a market stabilization fund worth around Tk. 210 billion with unclaimed and unsettled dividends of listed companies. According to information of the Dhaka and Chittagong bourses, 335 listed companies have unclaimed cash dividends worth Tk. 9.56 billion and unclaimed or unsettled stock dividends worth Tk. 199.86 billion.

The flow of liquidity increased in the stock market, as returns in other sectors declined. Experts and market operators said the investors pumped fresh funds into the stock market - following decline in interest rates of other fixed income securities along with various regulatory reforms in market operations. The regulatory steps, including formation of the market stabilisation fund, helped the market to witness the investors' increased participation.

Along with posting the highest return in index in the outgoing FY, the DSE witnessed hefty turnovers, especially in May and June. In the last two months, the DSE posted daily turnovers ranging from Tk. 11.60 billion to Tk. 27.00 billion. Following the investors' increased participation, the DSE's market capitalization also hit an all-time high of Tk. 5.10 trillion on June 10. And, at the end of June, market capitalization of the prime bourse soared by Tk. 660 billion in six months to reach an all-time high at Tk. 5,142 billion.

Between January 1 and June 30, 2021, DSEX, the prime index of the Dhaka Stock Exchange (DSE), rose 748 points or 13.85 per cent to settle at 6,150 on Wednesday (June 30). The daily turnover, another important gauge, stood at Tk. 12.44 billion on an average in January-June, 2021, up by 51 per cent over the same period of the previous year.

The Chittagong Stock Exchange (CSE) also performed well in the first half of 2021 with the CSE All Share Price Index - CASPI -soaring 2,202 points to settle at 17,795 and the Selective Categories Index - CSCX rising 1,291 points to close at 10,695. Market capitalization of the CSE also rose to Tk. 4,384 billion on June 30, rising 16.80 per cent over the same period of the previous year. The daily average turnover stood at Tk. 655 million in January-June, 2021, jumping by 121 per cent over the same period of the previous year.

The rally has been largely supported by major sectors stocks like general insurance, miscellaneous, cement, life insurance, textile, food, engineering, banking and non-bank financial institutions. The market momentum exerted that bullish trend to be prevalent on bourses and 2021 will be a year of opportunities for the capital market.

World Copper Industry and Outlook

World copper mine production remained essentially unchanged in calendar year (CY) 2020 compared to CY 2019. The concentrate production increased by 0.4% and solvent extraction-electro winning (SX-EW) declined by about 2%. World refined copper production increased by about 1.5% in CY 2020 with primary production (electrolytic and electro winning) up by 2.8% and secondary production (from scrap) down by 4.5%. World apparent refined copper usage increased by 2.2% in CY 2020. World refined copper balance for CY 2020 indicates an apparent deficit of about 560,000 tonnes due to strong Chinese usage. ICSG has reported that World copper mine production after three years is expected to increase by about 3.5% from 20.59 million tonnes CY 2020 to 21.32 million tonnes in CY 2021 and 3.7% from 21.32 million tonnes in CY 2021 to 22.10 million tonnes in CY 2022.

In CY 2020 World mine production remained flat as recovery in production in some countries from constrained output in 2019 (e.g. Chile and Indonesia) and additional output from projects including those in Panama, Russia and the D.R. Congo helped in balancing the negative impact which Covid-19 pandemic had on copper mine output in few countries, like Peru.

In CY 2021, growth of 3.5% is anticipated as global output is expected to recover from CY 2020 constrained levels and benefit from increased supply resulting from the ramp-up of recently commissioned mines and expansions as well as from the planned start-up of larger projects. After increasing by 1.6% in CY 2020, world refined copper production is expected to rise by about 3% in both CY 2021 and CY 2022 and expected to reach production level of 25.16 million tonnes in CY 2021 & 25.93 million tonnes in CY 2022.

After a decline of 4% in world secondary refined production (from scrap) in CY 2019 and CY 2020, due to the Chinese scrap ban and the negative impact of the lockdown on the supply of copper scrap, world secondary refined production is expected to grow in CY 2021 and CY 2022 on the basis of continued improvement in scrap availability. World primary electrolytic refined production (from concentrates and SX-EW) is also forecasted to increase by 2.9% in CY 2021 and CY 2022, with SX-EW output presenting lower growth of 0.6% in CY 2021 and 2.2% in CY 2022. World apparent refined copper usage is expected to remain essentially unchanged in CY 2021 and to grow by about 3% in CY 2022. In CY 2020, the world consumption of refined copper was 25.04 million tonnes registering an increase of 2.5%.

Sustained growth in copper demand is also expected to continue as copper is essential to economic activity and even more so to the modern society. Infrastructure development in major countries such as China and India and the global trend towards cleaner energy and electric cars will continue to support copper demand in the longer term.

The global Copper Pipes and Tubes Market is principally driven by the increasing adoption of copper pipes & tubes among various industries, coupled with the rise in advanced and innovative technologies with a focus on HVAC & refrigeration applications. In addition, the growing demand for the product due to its advantages such



as ease in handling, non-pyrogenic property, malleability, and others is also driving the market growth. Additionally, as copper pipes and tubes are cost-effective, durable, recyclable, and reliable over their equivalents, including plastic and lead pipes, it is making the first option for end-users. Therefore driving the market for Copper Pipes and Tubes Market during the forecasted period.

Moreover, the burgeoning demand for eco-friendly copper pipes & tubes, coupled with the demand created from different application sectors, has led manufacturers' efforts towards product innovation in terms of compact size and customization, thereby allowing them to expand their consumer reach. This factor is also expected to drive the market growth during the forecast period.

Furthermore, increasing applicability in air conditioning and refrigeration systems, plumbing objects, and other industrial services has driven manufacturers to offer product customization that enables them to produce tailored copper pipes & tubes that satisfy specific consumer requirements. Efficient copper pipes & tubes are being invented to meet the increasing demand for the product. However, fluctuations in the rate of raw materials might hamper the market growth up to a certain extent. On the other hand, the increasing oil & natural gas industry will moreover boost numerous opportunities that will begin the growth of the Copper Pipes and Tubes Market in the above-mentioned forecast period.

Global busbar market accounted for revenue of \$14.0 billion in 2018 and is anticipated to generate \$23.6 billion by 2026. The global busbar market is projected to experience growth at a CAGR of 6.1% from 2019 to 2026. Busbar is a metallic strip or bar that acts as medium to distribute power in a system. The metals used are aluminum, copper, bronze, or other efficient alloys that are capable of offering high conductivity and low energy loss during transmission. Aluminum is majorly preferred owing to its higher electrical conductivity. Busbar is fully or partly insulated for protection. It is a commonly enclosed in switchgears, panel boards, switch panels, and busway enclosures. Busbar is capable of enduring high temperature environment, dissipating the heat, and great mechanical strength.

The need for efficient conductor and lower energy loss during transmission has replaced the conventional methods of power distribution by busbar made from highly conductive metals. Hence, it acts as driving factor for the growth of the market. Moreover, smart & green city concepts boost the busbar market growth. The integration of busbars in the newly developed or upcoming projects for city or town developments by replacing cables and wired connectivity positively impacts market growth. In addition, the wind power generation & distribution industry is experiencing a surge, which results in high demand for busbars used at different levels of power distribution process, hence driving the market growth.

Governments around the world have launched economic recovery packages in response to the recession brought on by the COVID-19 pandemic. Two key themes feature prominently: investments in digitalisation and green technologies. Both China and the EU have established reactivation plans supporting 5G telecommunications networks, big data, and artificial intelligence. The EU has further committed its recovery to moving the region towards carbon neutrality by 2050, proposing a massive expansion of the electric car market and related charging infrastructure. These demand drivers are expected to accelerate the arrival of the age of copper. The red metal conducts both heat and electricity, and is a key input for global manufacturing, electrical equipment, industrial machinery, and construction. China's post-pandemic rebound has already translated into higher orders. In June 2020, China recorded the highest ever monthly imports of copper.

These trillion-dollar, multi-year recovery plans require significant quantities of copper. This will accelerate the demand for the metal which has picked up steadily since 2016. This rise in demand is thanks in part to copper's central role in the digital and green economy of the future. Clean energy is the fastest growing segment to support electrification, with solar panels and wind turbines requiring some 12 times more copper than previous generation methods. Further, electric vehicles use four times the amount of copper used in internal combustion engines. A Chinese national 5G network will require some 72,000 tons of copper. COVID-19 has also brought copper to the forefront of the healthcare industry due to its antimicrobial properties, adding entirely new sources of demand. Even before the pandemic, it was estimated that the sector would drive one million metric tonnes of demand over the next 20 years. While demand in 2020 may yet fluctuate (as countries respond to the



pandemic), the fundamentals of copper demand have changed for the better.

Industry Outlook, prospects in the country

A deficit in the copper market is set to deepen over the next several years as supply of the widely used metal struggles to keep up with strong demand from the power and construction sectors, compounded by the proliferation of electric vehicles. "Refined output is expected to increase by 4.3% year on year to 24.7 million tonnes in 2021 after decreasing by 2.1% to 23.6 Mt in 2020, primarily as a result of disruptions caused by the coronavirus pandemic". A rising tide of electrification, as many countries seek to lower their emissions through developing new technologies, promises robust demand for years to come. Global copper production would need to rise by between 3% and 6% per annum by 2030 for countries to meet the targets of the Paris Agreement on climate change, according to a Sept. 14 Bernstein Research note. At the same time, rising environmental standards will likely create headwinds for mining companies. Global refined copper demand is expected to rise 3.6% y-o-y in 2020 on the back of a whopping 11% growth in China. China's manufacturing and automobile industries have already recovered to pre-COVID-19 levels, supporting the country's copper demand. In 2021, it was expected that copper demand to grow 3.4% y-o-y. All regions are expected to register growth in 2021 due to the recovery in global economic activity led by (i) aggressive monetary and fiscal policy by the governments and (ii) stimulus to accelerate the uptake of electric vehicles (EVs).

Mined copper production is forecast to increase slightly by 0.5% y-o-y in 2020 as supply disruptions in Peru from lockdown during Mar-Jun ease in 2H20 and Chile's output will increase by 1% y-o-y. Driven by the two themes of digitalisation and green technologies, the COVID-19 economic recovery packages are expected to accelerate the arrival of the new age of copper. Stemming from green infrastructure development, the widespread adoption of electric vehicles and the long-anticipated roll out of 5G, a future copper boom offers producing countries a window of opportunity to harness greater benefits from their resources. Governments around the world have launched economic recovery packages in response to the recession brought on by the COVID-19 pandemic. Two key themes feature prominently: investments in digitalisation and green technologies. Both China and the EU have established reactivation plans supporting 5G telecommunications networks, big data, and artificial intelligence. The EU has further committed its recovery to moving the region towards carbon neutrality by 2050, proposing a massive expansion of the electric car market and related charging infrastructure. These trillion-dollar, multi-year recovery plans require significant quantities of copper. This will accelerate the demand for the metal which has picked up steadily since 2016.

These demand drivers are expected to accelerate the arrival of the age of copper. The red metal conducts both heat and electricity, and is a key input for global manufacturing, electrical equipment, industrial machinery, and construction. China's post-pandemic rebound has already translated into higher orders. In June 2020, China recorded the highest ever monthly imports of copper.

Risks on the supply side remain from (i) mine suspension from COVID-19 and political unrest, (ii) environmental protection by the government in South America, and (iii) lowering grade globally. With faster supply growth outpacing demand growth, we expect the copper market deficit to narrow gradually to 243k and 213k tonnes in 2021 and 2022, respectively.

Global copper prices have reached a two-year record high due to the speedy recovery of China's economy in the post pandemic era. Industry analysts suggested that China's expanding power and construction sectors will continue to support copper demand and become the main driver of global copper consumption growth. Global demand for copper is recovering quicker than previously expected. The statement echoed the opinions of industry experts who believe that China's demand for copper remains strong and will continue to increase in the post COVID-19 era as the economic resumption is underway.

In this 'new age of copper', Bangladesh also has taken many driving policies and plan to take part in green energy and has decided to reduce CO2 emissions from transport, power, and industrial sectors down to 5%. As the backbone of the future green economy, copper will be leading to sustainable and reliable natural resources. Local automobile company Bangladesh Auto Industries Ltd (BAIL) has set to make electric vehicles from next year with an initial investment of \$200 million. BAIL will manufacture two-wheelers, three-wheelers, sedans,



hatchback, and sport utility vehicles (SUV) and has plans to produce pick-ups, mini-trucks, and multipurpose vehicles. The plant will manufacture almost 60 percent of the component of the vehicles, including lithium battery, motor, controller, software platform, chassis, and body. Additionally, as thinking shifts from fossil fuels to all-electric, the coming decade is said to be the decade of electric cars. Keeping this most crucial aspect of the e-mobility ecosystem in mind, 3DOM Inc., a Japan-based smart energy solutions provider, has signed a Memorandum of Understanding (MoU) with Cosmos Global Resources Pte Ltd (Cosmos) to launch a joint venture company (JVC) to set up an electric vehicle assembly plant in Bangladesh. The Government welcomes the initiative and as part of this promotion has decided to finalize “The Automobile Industry Development Policy 2020” very soon. The policymaker is optimistic to start making electric cars from next year. The Ministry of Industries has already formulated a time-bound action plan for the development of the automobile and other industries in the country.

Bangladesh's expanding power and construction sectors will continue to support copper demand and become the main driver of local copper consumption growth. Bangladesh Government's electricity generation projections by 2021- 28000 MW, by 2030-40000 MW, by 2035-132 TWH and 2000 MW renewable generation projection by 2021. Besides, Bangladesh Rural Electrification Board aims to install 2000 solar pumps by end of 2020 to support off-grid solar PV pumping for agricultural irrigation.

The government is aimed to cover 100% population under electricity coverage and also aimed to use electricity for industrial use besides focusing on renewable and clean energy so, being an integral part of producing electricity-generating machinery the demand and application of copper will continue.

Principal Products and Activities

NIALCO Alloys is a 100% export oriented company with the capability to produce high-grade Bronze and Brass Ingots, Gun Metal, Phosphorus Bronze, Leaded Bronze, Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB), High Tensile Brass (HTB), Die Cast Brass (DCB), Master Alloys, Phosphorus Copper, Sorted Copper etc. However, the Company has achieved the turnover of Tk. 60.28 crore in 2020-2021 by exporting the two main products namely Copper Alloy PB Brass and Sorted Copper.

Sorted Copper:

Copper is among the most valuable metals available when it comes to scrap collection and recycling. With an infinite recyclable life, copper is used and reused in motors, computers, construction, industrial machinery and more. For thousands of years, copper and copper alloys have been recycled. This has been a normal economic practice. The entire economy of the copper and copper alloy industry is dependent on the economic recycling of any surplus products. There is a wide range of copper based materials made for a large variety of applications.

Sorted Copper made from recycled scrap copper is used as raw materials of other industries as the purity of the copper can be recovered. Scrap copper sells for high prices since they can be reused and re-purposed without altering the metal's quality. In fact, around 80 per cent of all copper used today is recycled and re-purposed. Scrap copper can normally be classified as either just copper metal or copper cable.

Sorted Copper is the NIALCO's mainstream product which contributed 80 percent of yearly sales. This year total sorted copper sale value is TK. 48.22 crore. This year our focus sales strategy helps to achieve 85.46% growth from last year and in value Tk. 27.81 crore.

Copper Alloy PB Brass:

Copper alloys are metal alloys which have copper as their principal component. It has high resistance against corrosion. The best known traditional types are bronze, where tin is a significant addition, and brass, using zinc instead. There are more than 400 copper alloys, each with a unique combination of properties, to suit many applications, high quality requirements, manufacturing processes and environments.

Brasses are a range of cast and wrought copper alloys made up of copper and zinc, with differing combinations of properties, including strength, machinability, ductility, wear-resistance, hardness, colour, electrical and thermal conductivity, and corrosion resistance.



Brasses with a copper content greater than 63% are the most ductile of any copper alloy and are shaped by complex cold forming operations. If the copper content is less than 63% the brasses can be extensively hot worked by rolling, extrusion, forging and stamping.

Leaded brasses set the standard by which the machinability of other materials is judged and is also available in a very wide variety of product forms and sizes to allow minimum machining to finished dimensions. Brass does not become brittle at low temperatures like mild steel, it is also non-magnetic and non-sparking.

Brass also has excellent thermal conductivity, making it a first choice for heat exchangers (radiators). Its electrical conductivity ranges from 23 to 44% that of pure copper and where the high electrical conductivity of pure copper is not required wrought or cast brass components provide a cost effective solution for electrical contacts and terminals.

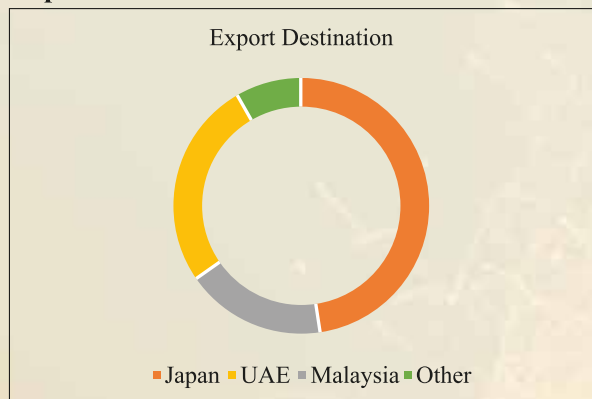
The brass industry throughout the world is well organised and equipped to recycle copper alloy products at the end of their long lives and process scrap (swarf and offcuts). Making brass from new copper and zinc would be uneconomical and wasteful of raw materials so, since new brass articles are made from recycled scrap, brass is said to be sustainable. Like brass manufacturers of other countries, NIALCO is also use almost 100% brass scrap.

During the year 2020-2021 the Company has achieved highest ever turnover of Tk 60.28 crore where Copper Alloys contributed 12.056 % of total sales. The Company has posted 85.46% growth valuing Tk. 12.05 Crore sales compared to last year's sales of Tk. 6.49 crore.

During the year 2020-2021 the company has posted a total revenue of Tk. 60.28 crore which is almost doubled from 2019-2020. The product wise contribution towards the revenue are as follows:

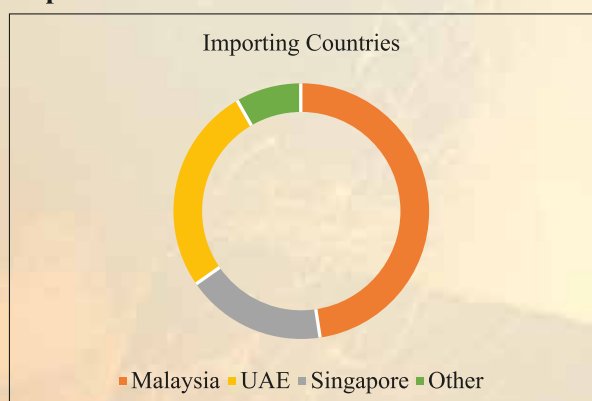
Sorted Copper	Tk. 48.22 crore	80 % of total sales
Copper Alloys	Tk. 12.05 crore	20 % of total sales

Export Destination



Copper is 100% recyclable without losing its properties which renders it a sustainable material of choice for circular economy. NIALCO is a 100% export oriented company. The products of the company are mainly exported in Asia, Europe and Africa. The main export destination of its product is Japan around 56% out of total export was shipped in 2021 followed by 15% in UAE, 10% in Malaysia, 7% in Germany, 5% in Korea and 7% in other countries.

Import of Raw Material



NIALCO is a trusted name to its customers due to its pure quality. And thus the Company always prefer to source better raw materials. During the year under review the Company collected raw materials from Malaysia, Singapore, Canada, UAE and a small portion from other countries.



Quality Control

NIALCO is committed to providing goods and services that meet standards of our customer's requirements while striving to improve our quality system. All wrought material in our warehouse can be supplied with full certifications in accordance with specifications, chemically, mechanically, and physically. All material is analyzed and checked several times before dispatch. Material is identified in all stages of production, in scrap form, in molten form, in billet form, and in final configuration. Material is carefully tagged with heat numbers and identification numbers as it moves down the production line until the final inspection prior to dispatch. All material is subject to rigorous physical tests where micro-structures, tensile, yield strength, U.T. testing, eddy current conductivity, elongation, and hardness are measured and reported.

Operating and Financial Performance of the Company

NIALCO's commitment to simplification, capital discipline and culture helped to retain leading position supported by excellent growth in overall performance in FY2021. We are optimistic in the long-term outlook, with significant opportunities ahead to further transform our business and deliver value and returns for our shareholders.

During 2020-21, the turnover of the Company was BDT 602.86 mn as against BDT 324.70 mn during FY 2019-20 registering an almost 85.67% increase. The Company posted a Profit before Tax from continuing operation of BDT 39.04 mn during the year as against BDT 18.29 mn recorded during the previous year registering an increase of 113.45%. The Profit after Tax from continuing operation during FY 2020-21 is BDT 34.89 mn as against BDT 15.14 mn in FY 2019-20 registering an increase of around 130%.

During FY21, the gross profit is BDT 73.17 mn which was BDT 39.68 mn during FY20 registering an increase of 84.40%. During FY21, COGS was BDT 529.68 mn and BDT 285.02 mn in FY 20 an 85.83% increase, which reflected the increasing demand of the products.

The financial results of the Company for the year 2021 with a comparison of 2020 are summarized below:

(BDT in million except per share data)	2021	2020
Revenue	602.86	324.70
Gross profit	73.17	39.68
Operating profit	48.91	22.80
Profit before tax	39.04	18.29
Profit after tax	34.89	15.14
Earnings per Share (EPS)	1.72	1.42

Significant deviation in operating results

Due to the worldwide devastating impact of deadly Coronavirus, the mining of copper cathode was distraught considerably. As a result, the global copper price in the LME platform has seen the highest ever price. Based on the higher price in the world, the demand for the recycled product was raised significantly and thus the Company was able to post cent percent growth in overall performance.

Five years data

Key operating and financial data of the preceding 5 (five) years of the Company are the part of this report and have been summarized on 27 page of this Annual Report.

Capital Expenditure

The Total Capital Expenditure on the acquisition of property, plant, and equipment of the Company amounted to BDT 32.37 million. The detailed note on the acquisition of property, plant, and Equipment is given under note no 3 Of the Financial statements.



Material changes after Balance Sheet data (June 30, 2021)

There have been no material changes and commitments between the end of FY21 and the date of this report, affecting the financial position of the Company.

Appropriations of profit

Taking into account the profit available for distribution after complying with the regulatory requirements, the Board recommended 10 percent cash dividend for the year ended June 30, 2021 for approval of Shareholders in the tenth Annual General Meeting. The Board proposed the following appropriations:

Amount in million BDT

Net profit for the year 2021	34.89
Retained earnings at the beginning of 2021	37.04
Total profit available for appropriation	71.48
Proposed Appropriations	
Proposed cash dividend	28.50
Retained earnings	42.98

Dividend

The Company will be paying 10% cash dividend for the year ended 2021. The Board of Directors in its meeting held on 27 October 2021 recommended “10% cash” dividend for the year 2021. As per Schedule-1 of the Companies Act 1994, dividend shall be declared out of profit i.e. from current year’s profit and from previous years’ retained profit. During the year ended the company has registered profit of BDT 34.89mn.

The Board of Directors affirms that no bonus share or stock dividend has been or shall be declared as interim dividend.

Annual General Meeting

Annual General Meeting is the biggest program for the Company in a year. All shareholders are encouraged to attend and/or participate in AGM to deliberately give their opinion regarding any facts of the company. Shareholders can attend in person or send a proxy as their representative. The notice of AGM and proxy form is also available for all shareholders in the official website.

The notice of the Tenth Annual General Meeting is given on page 05 of this Annual Report. A summary of the agenda is given below:

Ordinary Business:

- Adoption of Directors' Report, Auditors Report and Audited Financial Statements;
- Declaration of dividend;
- Re-appointment of retiring Directors;
- Appointment of Managing Director;
- Appointment of Statutory Auditors;

Special Business: Nil

Notice of the Annual General Meeting

Notice of the Tenth Annual General Meeting of the Company is given on page no 05 of the Annual report.

Status of utilization of QIO proceeds

NIALCO went into qualified investor offering vide consent of Bangladesh Securities and Exchange Commission in the month of April 2021 and made allotment to shareholders in May 2021 against the amount of BDT 75 mn raised through QIO.

The company got listed and started trading of the shares in the bourses of Chittagong Stock Exchanges on June



10, 2021. The reasons for raising capital were mainly to utilize for Land and land development, procurement of Plant & Machineries and QIO expenses.

The fund raised through QIO was received in June 2021 and during the year ended on June 30, 2021 the company utilized only the QIO expense.

Directors' statement pursuant to the disclosure and transparency

The Directors confirm that to the best of each director's knowledge and belief:

- the financial statements, prepared in accordance with IAS/IFRS, give a true and fair view of the assets, liabilities, financial position and results of the Company, and
- the management report contained in the operational and financial review includes a fair review of the development and performance of the business and the position of the company, together with a description of principal risks and uncertainties that may face.
- the internal control system is properly designed, implemented and effectively monitored.

Directors' Responsibilities for Financial Statements

The Board is responsible to present a fair, balanced and understandable assessment of the Company's position and prospect as part of good corporate governance and to that end the directors confirm to the best of their knowledge that-

- the Financial Statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- proper books of account as required by the law have been maintained;
- appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgments;
- the Financial Statements prepared in accordance with IAS//IFRS;
- the Financial Statements prepared on going concern basis;
- the minority shareholders have been protected from abusive action by or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress;

Directors' Responsibility to Internal Control System

The Board of Directors are responsible to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. In this regard, the board has taken proper steps and sufficient care in building a system of internal control, which is reviewed, evaluated and updated regularly.

Accounting policies and maintenance of books of accounts

The Directors consider that in preparing the Financial Statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and that the International Accounting Standards have been followed. In preparing financial statements, information has been obtained from the books of accounts, which have been maintained properly as required by the applicable rules and regulations.

Directors' responsibilities of preparation of Financial Statements

The Directors are of the view that the Annual Report and Company's financial statements have been prepared in accordance with applicable laws and regulations and as per requirement of regulatory authorities. The Board confirms that a true and fair view of the state of the affairs of the Company has been ensured while preparing the Financial Statements of the Company.

Fairness of the accounts

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of Companies Act, 1994. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial

affairs of the Company and of their profits for the year ended June 30, 2021.

Going concern

The Board of Directors has reviewed the Company's overall business plans, strategies and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements of the Company are prepared based on the going concern concept.

Risk and concerns

The Board of Directors are responsible for formulating risk policies, determining methods to measure and manage risk, setting commensurate risk limits and monitoring their performance. Risk management policies require establishing standard procedures to identify and analyze the main risks to which the Company is exposed and continually deploying and managing risk management systems designed to eliminate or reduce the probability that risks will arise and to limit their impact. The Company is exposed to credit risk, liquidity risk and market risk.

Changes in the Board of Directors

During the year 2020-21, the Board in its meeting held on October 27, 2021 accepted resignation of Mohammad Kamal Uddin Ahmed from the position of Managing Director and appointed Gazi Mukarram Ali Chy as the Managing Director. According to Companies Act 1994 the approval for appointment of Managing Director will be placed in the 10th Annual General Meeting for shareholders' approval.

Directors to retire, re-appointment and biographies of the Directors-

As per Companies Act 1994, one-third of the Directors of the Company are required to retire by rotation at each Annual General Meeting (AGM). The retiring Directors are eligible to stand for re-election. In this connection the following Directors will retire in the 10th Annual General Meeting and being eligible offered themselves for re-election:

- i) Mohammad Kamal Uddin Ahmed
- ii) Gazi Mukarram Ali Chowdhury

Biographies of the Directors (including retiring Directors) are given in this annual report on 09 page.

Shareholding pattern

As on June 30, 2021 the paid up capital of the Company is Tk. 285,000,000 subdivided by 28,500,000 shares of Tk. 10 each where the Sponsor & Directors Shareholders holding is 70.09%, Sponsor 1.05%, Director 2 %, Qualified Investors (Institution) 23.03%, Qualified Investors (Individual) 3.83%.

Audit information

The Directors who held office at the date of this Director's Report confirm that:

- So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- The Directors have taken all the steps that they themselves ought to have taken as Directors in order to make themselves aware of any relevant information and to establish that the company's Auditors are aware of that information.

Auditors

G. Kibria & Co., Chartered Accountants completed three consecutive years and ineligible to be re-appointed as statutory auditor of the company for the year 2021-2022. Shafiq Basak & Co., Chartered Accountants expressed their willingness to be appointed as Statutory Auditor of the Company for the year 2021-2022. The Board in its meeting held on 27 October 2021 recommended to the shareholders regarding appointment of Shafiq Basak & Co., Chartered Accountants at a remuneration of BDT 2,00,000 plus VAT. Now in exercise of the power conferred upon Section 210(10) of the Companies Act, 1994 the shareholders of the company will approve the appointment and to fix the Auditor's remuneration in the general meeting.

Our employees and environment

The Management of NIALCO believes that Human Resources of any organization can make the difference in



the Industry. Considering this thought NIALCO recruits competent people, develop them as per the demand of the time and situation, and retain them with competitive and standard motivation-award and retention policies and practices.

The Company is committed to creating a working environment based on the values of equal opportunity, diversity and meritocracy. All the Company's activities are reinforced by its governance structure, which complies with the leading codes of best practices.

With respect to issues that are relevant to its operating environment, NIALCO promises to:

- Avoid and discourage discrimination and provide equal opportunity and respect diversity;
- Ensure frequent interaction between employees and senior Management for constructive development in systems & procedure;
- Support employee efforts to achieve a healthy work-life balance;
- Organizing Training & Seminar for employee development
- Ensuring best HR practices
- An empowering Management style that develops employee and encourages performance;
- NIALCO seeks to enhance employee motivation and performance in line with Company's strategic objectives and in accordance with "NIALCO" brand promises: ethics, professionalism, innovation, pragmatism, team spirit and integrity.

Signing of Report

The Board in its meeting held on October 27, 2021 authorized the Chairman, Mohammad Kamal Uddin Ahmed to sign Directors report and any addendum thereto.

Acknowledgement

We would like to acknowledge and place on record our gratitude to our valued clients, depositors and shareholders for the confidence in NIALCO. Our sincere appreciation to the Bangladesh Securities and Exchange Commission, Chittagong Sock Exchanges, NBR, Banks and Financial Institutions, Other government bodies and statutory auditors for their constructive suggestions and cooperation. We also express our appreciation for the dedication and efforts put in by the employees at all levels of the Company.

For and on behalf of the Board,



Mohammad Kamal Uddin Ahmed

Chairman

Dhaka, October 27, 2021



Independent Auditor's Report
To the shareholders of
NIALCO ALLOYS LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NIALCO ALLOYS LIMITED (the Company), which comprise the Statement of Financial Position as at 30 June 2021, and Statement of profit or loss & other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.


In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the company as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the securities and Exchange Rules 1987 and other applicable laws and regulations.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 judgment, were of most significance in our audit of the financial statement 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 opinion on these matters.

Risk	Our response to the risk
Revenue-Export	
<p>At year end the reported total revenue of Tk. 602,862,064 /-</p> <p>The company generates revenue from export sale. The timing of the revenue recognized and realized increases the risk of exposure of revenue to foreign exchange fluctuations.</p> 	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period. • Segregation of duties in invoice creation and modification and timing of revenue recognition.



<p>There is also a risk that revenue may be overstated due to fraud through manipulation of the timing of the opening of letter of credit and timing of goods exported.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<ul style="list-style-type: none"> • Assessing the appropriateness of the Company’s accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. • Obtain supporting documentation for sale transaction recorded either side of year end to determine whether revenue was recognized in the current period. • Comparing a sample of revenue transactions recognised during the year with the sale invoices and other relevant underlying documentation. • Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
<p>See note no 15.00 to the statement of profit or loss & other comprehensive income.</p>	

<p>Valuation of inventory</p>	
<p>The inventory of Tk 198,911,232 at 30 June, 2021 held in warehouses and across multiple product lines in factory.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management’s assumptions applied in calculating the value of the inventory provision by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the factory and warehouse. • Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data. • Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year; and challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow- moving/obsolete stock are valid and complete. • Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • Opening and closing inventory were properly checked along with purchase of raw materials and consumption determined as balancing figure which seems more rationale.
<p>See note no. 5.00 to the financial position</p>	



Measurement of deferred tax liability	
<p>The net deferred tax liability totaling Tk. 504,189 as at 30 June, 2021.</p> <p>Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years.</p>	<p>We additionally carried out the following substantive testing for this item:</p> <ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the company's future taxable income. • We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. • We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities. • We also assessed the appropriateness of presentation of disclosures against IAS-12 income tax.
See note no.11.00 to the financial statements	

Valuation of Property, Plant and Equipment	
<p>The carrying value of the PPE amounted to Tk. 52,013,912 at 30 June, 2021. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. • We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to ready for use, with the date of the act of completion of the work.
See note no. 3.00 to the financial statements	

Workers Profit participation Fund	
<p>Workers Profit Participation Fund (WPPF) provision totaling Tk. 2,002,981 as at 30 June, 2021.</p> <p>Management of the company has opened a separate bank account for the WPPF. Management has created provision for WPPF as per respective law.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> • We assess whether adequate provision has been created against profit as per regulatory requirement.
See note no. 14.02 to the financial statements	



NIALCO ALLOYS LIMITED

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company

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.

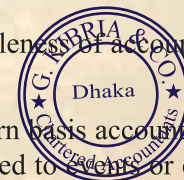
Those charged with governance are responsible for overseeing the company's financial reporting process.

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 report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional 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 audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in 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 the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statement we are responsible for the direction, supervision and performance of the group audit. We solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

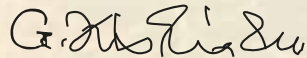
Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received by us;
- c) The information and explanations required by us have been received and found satisfactory;
- d) The statement of Financial Position, Statement of profit or loss & other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of account and returns;
- e) The expenditure was incurred for the purpose of the Company's business.

Dated, Dhaka
27 October, 2021




Sultan Moheuddin, FCA
Partner
G. KIBRIA & CO.
Chartered Accountants
DVC : 2110271530AS483202

NIALCO ALLOYS LIMITED
Statement of Financial Position
As at 30 June 2021

Particulars	Notes	Amount in Taka	
		As at	
		30 June 2021	30 June 2020
ASSETS			
Non-Current Assets			
Property Plant & Equipment	3.00	52,013,912	22,161,335
Capital Work In Progress	4.00	-	9,285,500
		52,013,912	31,446,835
Current Assets			
Inventories	5.00	198,911,232	288,038,349
Accounts Receivable	6.00	218,889	50,021,929
Advance, Deposit & Prepayments	7.00	35,680,678	8,149,439
Cash & Cash Equivalents	8.00	120,343,172	30,862,945
		355,153,971	377,072,662
TOTAL ASSETS		407,167,883	408,519,497
SHAREHOLDERS EQUITY AND LIABILITIES			
Shareholders Equity			
Share Capital	9.00	285,000,000	150,000,000
Retained Earnings	10.00	71,489,570	37,074,548
		356,489,570	187,074,548
Non-Current Liabilities			
Long Term Loan		-	-
Deferred Tax Liabilities	11.00	504,189	377,688
		504,189	377,688
Current Liabilities			
Current Maturity of Term Loan		-	-
Short Term Borrowings	12.00	36,184,814	210,776,454
Accounts payable	13.00	10,340,477	5,687,305
Liabilities for Expenses	14.00	3,648,833	4,603,501
		50,174,124	221,067,261
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		407,167,883	408,519,497
Net Asset Value (NAV) Per Share	23.00	12.51	12.47

The accounting policies and annexed notes form an integral part of the financial statements.



Company Secretary


Chairman


Director


Managing Director

Signed as per our annexed report of even date.


Sultan Moheuddin, FCA

G. KIBRIA & CO.

Chartered Accountants

DVC : 2110271530AS483202

Dated: 27 October, 2021

Place: Dhaka

NIALCO ALLOYS LIMITED
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30th June 2021

Particulars	Notes	Amount in Taka	
		2020-2021	2019-2020
Revenue	15.00	602,862,064	324,709,673
Less: Cost of Goods Sold	16.00	529,684,614	285,023,873
Gross Profit		73,177,450	39,685,800
Less: Operating Expenses		24,266,331	16,814,888
Administrative Expenses	17.00	8,329,938	4,687,176
Selling & Distributing Expenses	18.00	15,936,393	12,127,712
Profit from Operation		48,911,119	22,870,912
Less: Financial Expenses	19.00	8,301,495	5,011,320
Add: Non operating Income	20.00	392,279	1,350,969
Profit/(Loss) before Contribution to WPPF		41,001,903	19,210,562
Less: Contribution to WPPF		1,952,472	914,789
Profit/(Loss) before Tax		39,049,431	18,295,773
Less: Income Tax		4,157,159	3,149,207
Current Tax	21.01	4,030,658	3,048,093
Deferred Tax	11.00	126,501	101,114
Profit after tax for the period		34,892,272	15,146,565
Other Comprehensive Income		-	-
Total Comprehensive Income		34,892,272	15,146,565
Earnings per share (EPS)	22.00	1.72	1.42

The accounting policies and annexed notes form an integral part of the financial statements.


Company Secretary

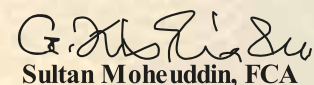

Chairman


Director


Managing Director

Signed as per our annexed report of even date.

Dated: 27 October, 2021
Place: Dhaka


Sultan Moheuddin, FCA
G. KIBRIA & CO.
Chartered Accountants
DVC : 2110271530AS483202



NIALCO ALLOYS LIMITED
Statement of Changes in Equity
For the year ended 30 June 2021

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01 July 2020	150,000,000	37,074,548	187,074,548
New share Issued	60,000,000	-	60,000,000
Share Issued Through QIO	75,000,000		75,000,000
Net Profit for the Year	-	34,892,272	34,892,272
Less: QIO Expense		477,250	477,250
Balance as on 30 June 2021	285,000,000	71,489,570	356,489,570

NIALCO ALLOYS LIMITED
Statement of Changes in Equity
For the year ended 30 June 2020

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01 July 2019	20,000,000	21,927,983	41,927,983
New Issued Shared	130,000,000		130,000,000
Net Profit for the Year	-	15,146,565	15,146,565
Balance as on 30 June 2020	150,000,000	37,074,548	187,074,548


Company Secretary


Chairman


Director


Managing Director

Dated: 27 October, 2021

Place: Dhaka



NIALCO ALLOYS LIMITED
Statement of Cash Flows
For the year ended 30th June 2021

Particulars	Note	Amount in Taka	
		2020-2021	2019-2020
A. Cash Flows from Operating Activities			
Receipts from customers		652,665,104	279,019,344
Receipts from others Income		392,279	1,350,969
Payment to Suppliers	29.00	(426,343,777)	(520,780,153)
Operating expenses paid	30.00	(62,306,680)	(30,814,300)
Finance expenses paid		(8,778,745)	(5,011,320)
Cash Generate from Operation		155,628,181	(276,235,459)
Payment against Income Tax		(3,466,315)	(1,642,941)
Net Cash Generate from Operating Activities		152,161,866	(277,878,400)
B. Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment		(23,090,000)	(18,629,500)
Net Cash used in Investing Activities		(23,090,000)	(18,629,500)
C. Cash Flows from Financing Activities			
Increase/(Decrease) Share Capital		135,000,000	130,000,000
Increase/(Decrease) Short Term Borrowing		(174,591,640)	157,589,421
Increase/(Decreases) Loan Liabilities (Long term)		-	-
Net Cash Provided by Financing Activities		(39,591,640)	287,589,421
D. Net increase/(Decrease) in Cash and Cash Equivalent (A+B+C)		89,480,226	(8,918,479)
E. Cash and Bank Balances at beginning the period		30,862,945	39,781,423
F. Cash and Bank Balances at end of the period (D+E)		120,343,171	30,862,945
Net Operating Cash Flows (NOCF) Per Share	24.00	7.51	(25.99)


Company Secretary


Chairman


Director


Managing Director

Dated: 27 October, 2021

Place: Dhaka



NIALCO ALLOYS LIMITED.

Notes, summary of significant accounting policies and other explanatory information For the year ended June 30, 2021

1.00 REPORTING ENTITY:

1.01 Background of the Company

The company "NIALCO ALLOYS LIMITED" as "NIALCO" or "The Company" was incorporated on 21ST June, 2011 vide registration No.CH-8784 as a public limited company in Bangladesh under the Companies Act 1994. The company has listed with Chittagong Stock Exchange Limited (CSE) on 30th May, 2021 and subsequently started trading of its share on 10th June, 2021.

1.02 Registered Office of the Company

The registered office & factory of the Company are located at Block-A, Plot-B28, BSCIC Industrial Area, Sagorika Road, Pahartali, Chittagong, and Jahanabad, Bhatary Shitakunda, Chittagong respectively.

1.03 Nature of the Business

The principal activities of NIALCO ALLOYS LIMITED are to manufacture of high grade Bronze and Brass Ingots including Gun Metal, Phosphorus Bronze, Leaded Bronze, Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB), High Tensile Brass (HTB), Die Cast Brass (DCB), Master Alloys, Phosphorus Copper etc. conforming to BS, IS, JIS, DIN, ASTM, UNI and as per all other International Standards.

2.00 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.01 Statements of Compliance:

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws & regulation in Bangladesh.

2.02 Going Concern:

The company has adequate resources to continue its operation for the foreseeable future. As such, the directors intended to adopt the 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.

2.03 Accrual Basis:

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

2.04 Components of the Financial Statements:

According to IAS-1 "presentation of the Financial Statements" the complete set of financial statement includes the following components

- a) Statement of Financial Position as at June 30, 2021;
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2021;
- c) Statement of Changes in Equity for the year ended June 30, 2021;
- d) Statement of Cash Flows for the year ended June 30, 2021; and
- e) Notes, summary of significant accounting policies and other explanatory information

2.05 Accounting Policies & Estimates:

The preparation of these financial statements is in conformity with IASs/IFRSs which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation.

2.06 Responsibility for Preparation and Presentation of Financial Statements:

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994 and as per the provision of “the Framework for the preparation and Presentation of Financial Statements” issued by the International Accounting Standards (IASs).

2.07 Statement of Cash flows:

Statement of Cash flows have been prepared in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flows from Operating Activities Using the Direct Method".

2.08 Applicable accounting standards:

The following IASs and IFRSs are applicable for the financial statements for the year under review:

IASs:

IAS-1	Presentation of Financial Statements;
IAS-2	Inventories;
IAS-7	Statements 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 and Equipment
IAS 19	Employee 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

IFRSs:

IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers

2.09 Reporting Period

The financial period of the Company under audit covers 12 months period from 01 July 2020 to 30 June 2021.

2.10 Property, Plant and Equipment:**2.10.1 Recognition and Measurement**

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per IAS-16 “Property, Plant and Equipment”. The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying



amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The cost of the day to day maintaining cost on PPE is recognized in the Statements of Profit or Loss and other Comprehensive Income as incurred.

2.10.2 Depreciation:

Depreciation on Property, Plant and Equipment other than Land and Land development has been computed during the year using the reducing balance method. Depreciation has been charged on addition of assets when the related Property, Plant and Equipment are available for use as per management intention. Depreciation has charged as following rate:

Name of Assets	Rate	Rate
	2021	2020
Plant & Machinery	10%	10%
Computer and Printer	10%	10%
Furniture & Fixtures	10%	10%

2.10.3 Retirement and Disposals:

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

2.10.4 Impairment:

In accordance with the provision of IAS - 36, the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in the statement of comprehensive income. No such indication of impairment has been observed till the end of the year.

2.11 Borrowing Cost:

Interest and other cost incurred in the company in connection with the borrowing of fund are recognized as expenses in the year in which they are incurred unless such borrowings cost related to acquisition/construction of assets in progress that are required to capitalized as per IAS-23: Borrowing Cost.

2.12 Revenue Recognition:

The Company has applied IFRS 15:

- Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer.
- The company recognizes revenue when it satisfies a performance obligation by transferring control over goods or services to a customer.
- The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer.

2.13 Valuation of Current Assets:

Trade and Other Receivable:

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount has been provided for as bad debt in the current period's account.



Inventories:

In compliance with the requirements of IAS-2 Inventories, the Inventories have been valued at Cost or Net Realizable value whichever is lower, which is consistent with the previous period's practice. Net realizable value is based on estimated selling price in the ordinary course of business less any further cost expected to be incurred to make the sale.

2.14 Provisions:

A provision is recognized on the balance sheet date if, as a result of 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 benefits will be required to settle the obligation.

2.15 Employees' Benefit

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

a) Short Term Employee Benefits

Short-term employee benefits include wages, salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

b) Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of net profit before tax, contributed by the company as per provisions of the Bangladesh Labor (amendment) Act, 2013.

2.16 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.

2.17 Functional and Presentational Currency:

The financial statements are prepared in Bangladeshi Taka which is the Company's functional currency.

2.18 Income Tax:**Current Tax:**

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 in compliance with Finance Act. 2021.

Provision for corporate income tax is made in accordance with the income tax laws.

Deferred Tax:

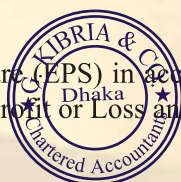
The company recognized deferred tax as per IAS 12 Income Tax. Deferred tax is recognized for all temporary timing difference arising between the carrying value of assets and liabilities and its tax base values. The rate prevailing at the Financial Position date is used for determine the deferred tax.

2.19 Earnings per share:

The company calculates Earnings per Share (EPS) in accordance with IAS-33 "Earnings per Share" which has been shown on the face of the Profit or Loss and other Comprehensive Income.

Basic Earnings

This represents profit or loss at the end of the period attributable to ordinary shareholders of the entity



Basic Earnings Per Share

This has been calculated by dividing profit or loss attributable to ordinary shareholders of the entity by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings Per Share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, no dilution of EPS is applicable for these financial statements as there were no potential ordinary shares during the relevant period.

2.20 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per IAS-39 “Financial Instruments Recognition and Measurement.”

Financial Assets:

Financial assets of the company include cash and cash equivalents, equity instrument to another entity, Trade receivables and other receivables. The company initially recognize a financial asset in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognize a financial asset when, and only when; the contractual rights to the cash flows from the financial asset expire or transfer the contractual rights to receive the cash flows of the financial asset.

Financial Liabilities:

The company initially recognize a financial liability in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognize a financial liability from its statement of financial position when, and only when, it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires.

2.21 Cash and Cash Equivalents:

According to IAS 7 Statement of Cash Flows, cash comprises cash in hand, short term deposit and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

2.22 Events after the Reporting Period:

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

Adjusting Events - those that provide evidence of conditions that existed at the end of the reporting period.

Non adjusting Events- those that are indicative of conditions that arose after the reporting period.

Management of the company has taken close look whether any events after the reporting period exist that need to take into account during the preparation of Financial Reports. No event after the reporting period exists and management of the company has prepared the financial reports in accordance.

2.23 Authorization date for issuing Financial Statements

The financial statements were authorized by the Board of Directors on October 27, 2021.

2.24 Comparative Information

Comparative information has been disclosed in the respect of previous year for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year’s financial statement. Comparative figure have been rearranged whenever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of Assets and liability as reported in the financial statement.

2.25 Segmental Reporting:

As required by IFRS-8 "Operating Segments", if an entity operates business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker and for which discrete financial information is available

The company considers the operation on aggregate basis and manages the operations as a single operating segment. Hence it is felt that such segment reporting is not required to be disclosed.

2.26 Related Party Disclosure

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

2.27 General:

i) The figure has been rounded off to the nearest taka.



Amount in Taka	
30 June 2021	30 June 2020

3.00 Property, Plant and Equipment

A. At Cost

Opening Balance	29,441,395	20,097,395
Add: Addition during the period	32,375,500	9,344,000
Less: Disposal during the period	-	-
Total Cost	61,816,895	29,441,395

B. Accumulated Depreciation

Opening Balance	7,280,060	5,812,670
Add: Depreciation charged for the period	2,522,923	1,467,390
Less: Adjustment on disposal	-	-
Total Charge	9,802,983	7,280,060
Written down value (A-B)	52,013,912	22,161,335

Details are shown in Annexure-A

4.00 Capital Work in Progress

Opening Balance	9,285,500	-
Add: Addition during the period	-	9,285,500
Less: Transferred to appropriate asset category	9,285,500	-
Closing Balance	-	9,285,500

Capital work in progress represents costs incurred for land development purposes which has been completed and ready for the use at the balance sheet date. as per IAS-16. Capital work in progress has been transferred to Property Plant & Equipments

5.00 Inventories

Raw Material	Note- 16.01	184,603,532	259,087,364
Work in Progress	Note- 16.00	7,565,120	14,265,350
Finished Goods	Note- 16.00	6,742,580	14,685,635
		198,911,232	288,038,349

Inventories decreased due to optimum purchase of Raw materials during the period as the price of coppers and other non-ferrous items has drastically increased in the international market. Inventories are valued at lower of cost price and net realizable value. Inventory count of the above stock and stores was conducted by the management at the end of the period. The valuation of inventory was done and certified by the management. Details are given in Annexure - B.

6.00 Accounts Receivables

Trade Receivables		0.00	49,769,371
FDR Interest Receivables	Note- 6.01	218,889	252,558
		218,889	50,021,929

Ageing of Trade Receivables

More than six months		-	-
Less than six months		0.00	49,769,371
		0	49,769,371

All the amount of export sales revenue has been collected/realized during the accounting period therefore no trade receivable balance available on the balance sheet

The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given

i) Receivables considered good and in respect of which the company is fully secured.		
ii) Receivables considered good for which the company holds no security other than the debtor's personal security.	0	49,769,371
iii) Receivables considered doubtful or bad.		
iv) Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member.		
v) Receivables due by companies under the same management.		
vi) The maximum amount due by directors or other officers of the company at any time during the period.		
Total	0	49,769,371

6.01 FDR Interest Receivables

Accrued Interest on FDR	218,889	252,558
	-	-
	218,889	252,558

7.00 Advance, Deposit & Prepayments

Advance Income Tax	Note- 7.01	-	-
Advance to Employees		80,482	186,635
Advance to CDBL		400,000	-
Advance Intercompany	Note- 7.02	31,581,715	-
L/C Margin in MTB		3,618,481	7,962,804
		35,680,678	8,149,439

7.01 Advance Income Tax

Income Tax deduction at source - opening	-	-
Add: Advance income tax during the period	3,466,315	1,642,941
	3,466,315	1,642,941
Less: Adjustment during the period	3,466,315	1,642,941
	-	-

7.02 Advance To Intercompany

Opening Balance	-	-
Add: Advance made during the Year (Note : 13.01)	31,581,715	-
	-	-
Less: Adjustment during the Year	-	-
	31,581,715	-



NIALCO Alloys limited is a company having two sister concerns (through common directorship) one is Marine Safety System and another is Chittagong Ship Breaking Ltd. NIALCO has a composite credit facility from Mutual Trust Bank Limited, Agrabad Branch for amounting Tk. 45.00 crore vide sanction letter No.

As per Sanction letter sister concerns of NIALCO are also entitled to avail the limit time to time on need basis. Time to time they availed the limit and make deposits. Repayment of the loan amount from different sister concerns which should be balanced at the end of the year. As per Financial Statement of NIALCO shows a payment of Tk. 3, 15, 81,715.00 represents intercompany debit balance i.e; receivable from other company of the group as on 30th June 2021.



As per financial Statement of NIALCO there are intercompany transactions with sister concern and having common directors which it disclosed under related party transaction as per IAS -24 in the financial Statement as separate note.

Disclosure as per Schedule XI, Part I, Para 4 of the Companies Act, 1994

i) Advance, deposits & prepayment considered good and in respect of which the company is fully secured.	3,618,481	7,962,804
ii) Advance, deposits & prepayment considered good for which the company holds no security.		
iii) Advance, deposits & prepayment considered doubtful or bad.		
iv) Advance, deposits & prepayment due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a	80,482	186,635
v) Advance, deposits & prepayment due by companies under the		
vi) The maximum amount due by directors or other officers of the company at any time during the period.		
Total	3,698,963	8,149,439

8.00 Cash and cash equivalents

(i) Cash in hand	142,288	522,266
(ii) Cash at bank:		
Mutual Trust Bank Ltd. A/C No. 0005-0210020220	7,442,566	42,582
Mutual Trust Bank Ltd. A/C No. 0005-0260001264	159,761	158,747
Mutual Trust Bank Ltd. A/C No. 1301000000548	800,000	-
City Bank Ltd. A/c No. 1101784511001	-	312
Eastern Bank Ltd. A/c No. 0011060785567	1,095,348	767,193
Midland Bank Ltd. A/c No. 0003-1090001613	6,925	7,975
Mutual Trust Bank Ltd. A/C No. 0005-0320003791	75,214,560	42,581
(iii) FDR		
Eastern Bank Ltd.	-	-
Mutual Trust Bank Ltd.	35,481,724	29,321,289
Total	120,343,172	30,862,945

The above balances are supported with bank statement and the cash balance has been physically counted and certified by management.

9.00 Share Capital

A. Authorized Capital

80,000,000 Ordinary Shares of Tk. 10/- each	800,000,000	800,000,000
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B. Issued, Subscribed & Paid-up Capital

28,500,000 Ordinary Shares of Tk. 10/- each fully paid up	285,000,000	150,000,000
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C. Shareholding Position

	Percentage	No. of Share	Amount
Sponsor/Director	73.14%	20,845,000	208,450,000
Companies, Financial Institution And Qualified Investors	26.32%	7,500,000	75,000,000
Other Shareholders	0.54%	155,000	1,550,000
Total:	100.00%	28,500,000	285,000,000



Details are shown in Annexure-C

10.00 Retained Earnings

Opening Balance	37,074,548	21,927,983
Net profit for the period	34,892,272	15,146,565
Less: QIO Expense	477,250	-
	71,489,570	37,074,548

11.00 Deferred Tax Liability

Opening Balance	377,688	276,574
Add: Addition During the period	126,501	101,114
	504,189	377,688

12.00 Short Term Borrowings

Bank Loan	12.01	36,184,814	210,776,454
		36,184,814	210,776,454

12.01 Bank Loan

Accepted liability	36,184,814	207,676,558
Trust Receipt	-	3,099,896
	36,184,814	210,776,454

Terms and Conditions

Name of Bank	Mutual Trust Bank Ltd.
Nature	Short Term
Sanction Limit	450 Million
Purpose of Loan	To import ferrous and non ferrous items like aluminum, nickel, copper, bronze, brass scrap, zinc and other permissible items.
Margin	10%
Rate of Interest	9.00%
Mode of Adjustment	120 days to 360 days

13.00 Accounts Payable

Intercompany payable	13.01	-	5,687,305
Payable to Supplier	13.02	10,340,477	-
		10,340,477	5,687,305

13.01 Intercompany payable

Opening Balance	5,687,305	6,243,941
Add: Addition during the period	106,008,974	129,034,131
Less: Paid/Adjustment during the period	(143,277,994)	(129,590,767)
	(31,581,715)	5,687,305



NIALCO Alloys limited is a company having two sister concerns (through common directorship) one is Marine Safety System and another is Chittagong Ship Breaking Ltd. NIALCO has a composite credit facility from Mutual Trust Bank Limited, Agrabad Branch for amounting Tk. 45.00 crore vide sanction letter No.



As per Sanction letter sister concerns of NIALCO are also entitled to avail the limit time to time on need basis. Time to time they availed the limit and make deposit to repayment the loan amount from different sister concerns which should be balanced at the end of the year. As per Financial Statement of NIALCO it shows a payment of Tk. 3, 15, 81,715.00 represents intercompany debit balance i.e; receivable from other company of the group as on 30th June 2021.

As per financial Statement of NIALCO there are intercompany transactions with sister concern and having common directors which it disclosed under related party transaction as per IAS -24 in the financial Statement as separate note.

13.02 Payable to Supplier

Opening Balance	-	-
Add: Addition during the period	10,340,477	-
Less: Adjustment during the period	-	-
	10,340,477	-

14.00 Liabilities for Expenses

Salary & Allowance		567,079	693,183
Income Tax provision	14.01	564,343	1,405,152
WPPF	14.02	2,002,981	1,008,791
Security guard salary		25,000	25,000
Utility Bill		25,420	25,420
Audit Fees		120,000	120,000
Other Expenses		44,010	40,455
QIO Expenses		300,000	-
Payable Against Capital Work-In-Progress (CWIP)	14.03	-	1,285,500
		3,648,833	4,603,501

14.01 Income Tax provision

Opening Balance	1,405,152	3,499,445
Add: Addition during the period	4,030,658	3,048,093
Less: Adjustment during the period	4,871,467	5,142,386
	564,343	1,405,152

14.02 Workers profit participation fund(WPPF)

Opening Balance	1,008,791	1,222,759
Add: Addition during the period	1,952,472	914,789
Add: Interest accrued on undistributed amount of last year	50,509	94,002
Less: Paid/Adjustment during the period	1,008,791	1,222,759
	2,002,981	1,008,791

14.03 Payable Against Capital Work-In-Progress (CWIP)

Opening Balance	1,285,500	-
Add: Addition during the period	-	9,285,500
Less: Adjustment during the period	(1,285,500)	(8,000,000)
	-	1,285,500



2020-2021	2019-2020
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15.00 Revenue

Gross Sales (Export)		602,862,064	324,709,673
Less: VAT		-	-
		602,862,064	324,709,673

Details are shown in Annexure-D

16.00 Cost of Goods Sold

Raw Materials Consumption	16.01	503,961,768	301,724,757
Manufacturing overhead	16.02	11,079,561	6,839,512
Cost of Manufacturing		515,041,329	308,564,269
Work in Progress-Opening		14,265,350	2,164,874
Work in Progress-Closing		(7,565,120)	(14,265,350)
Cost of goods Manufactured		521,741,559	296,463,793
Finished goods-Opening		14,685,635	3,245,715
Finished goods-Closing		(6,742,580)	(14,685,635)
		529,684,614	285,023,873

16.01 Raw Materials Consumption

Opening Balance		259,087,364	42,771,019
Add: Purchase during the period		429,477,936	518,041,102
		688,565,300	560,812,121
Less: Purchase discount		-	-
Raw materials available for production		688,565,300	560,812,121
Raw Materials-Closing		(184,603,532)	(259,087,364)
Less: Consumption during the period		503,961,768	301,724,757



16.02 Manufacturing overhead

Wages, Salary & Allowance
Conveyance
Tours & Travel
Carriage Inward
Utility Bill Expenses
Entertainment
Internet Expenses
License & Renewal
Loading & Unloading Expenses
Insurance Expense
Medical Expenses
Mobile, Telephone & Fax Expenses
Printing & Stationery
Repairs & Maintenance
Store & Spares
Cutting Expenses
Scale charge
Uniform & Gloves
Miscellaneous Expenses
Depreciation (Annexure-A)

Amount in Taka	
2020-2021	2019-2020

2,765,272	1,824,522
235,182	205,150
418,766	304,854
381,515	322,350
818,850	721,979
89,500	52,656
24,000	24,000
178,515	204,778
260,211	250,152
586,363	-
90,533	70,321
92,882	78,522
65,812	52,585
318,750	252,655
362,511	254,122
1,678,552	678,954
155,122	45,244
18,120	10,132
109,592	64,155
2,429,513	1,422,381
11,079,561	6,839,512

17.00 Administrative Expenses

Salary & Allowance
Conveyance
Paper & Periodical
Entertainment
Printing & Stationery
Fees and Renewals
Utility Bill
Audit Fee
Telephone, Mobile & Internet bill
Business Development expenses
Postage & Courier
Repairs & Maintenance
Photocopy charges
Advisory Fees
Medical Expenses
Miscellaneous Expenses
Regulatory fees-CSE
Depreciation (Annexure-A)

2,942,500	2,685,545
915,644	812,914
28,122	24,158
140,130	110,024
112,611	36,500
175,100	156,888
204,713	180,495
191,667	80,000
65,522	58,644
445,689	342,362
42,511	32,522
82,642	45,965
21,580	16,241
2,700,000	-
42,655	31,655
85,692	28,255
39,750	-
93,410	45,009
8,329,938	4,687,176



18.00 Selling & Distributing Expenses

Salary & Allowance	2,202,575	1,888,132
C&F Expense - Export	3,498,667	2,996,500
Conveyance	132,642	128,562
Entertainment	135,200	102,322
Packing Expenses	790,198	659,622
Sales Promotion Expense	965,426	425,620
Carriage Outward	2,211,584	1,689,244
Export expenses	1,510,545	1,265,200
Freight charges	3,218,600	2,145,366
Postage & Courier	128,762	102,750
Loading & Unloading	452,521	280,755
Miscellaneous Expenses	25,244	17,900
Mobile, Telephone & Fax Expenses	119,130	102,785
Sample Expense	545,299	322,954
	15,936,393	12,127,712

19.00 Financial Expenses

Bank Charges and Interest	8,250,986	4,917,318
Interest on WPPF (undistributed amount for the FY 2019-20)	50,509	94,002
	8,301,495	5,011,320

20.00 Non operating Income

FDR interest	1,636,496	2,240,214
Realized gain / (loss) Note 20.01	(1,147,004)	(526,762)
Unrealized gain / (loss) Note 20.02	(97,212)	(362,483)
	392,279	1,350,969

20.01 Realized gain / (loss)

Value of export collection on average sales booking rate	607,625,583	279,051,781
Value of export collection on average realized rate	606,478,579	278,525,020
	(1,147,004)	(526,762)
Value of Import Bill Payment in booking rate	426,915,327	-
Value of Import Bill Payment in Average Rate	426,965,582	-
	(50,255)	-
	(1,197,259)	(526,762)

20.02 Unrealized gain / (loss)

Value of Import Payable on closing rate	46,525,291	207,676,558
Value of Import Payable on average rate	46,622,504	208,092,156
	(97,212)	(415,598)
Value of closing receivable on sales booking rate	-	50,021,929
Value of closing receivable on year end Average rate	-	50,075,044
	-	53,115
	(97,212)	(362,483)

21.00 Income Tax

Current Tax	21.01	4,030,658	3,048,093
Deferred Tax	21.02	504,189	377,689
		4,534,847	3,425,782



21.01 Current Tax

Profit before tax as per account	39,049,431	18,295,773
Profit from business (export)	37,412,935	16,055,559
Profit from Non-business source (other income)	1,636,496	2,240,214
Profit from business (export)	37,412,935	-
Less: QIO expenses	477,250	-
Add: Accounting depreciation	2,522,923	-
Less: Tax depreciation	4,415,092	-
Taxable profit from business (export)	35,043,516	-
Tax on profit from business (export) @50% exclusion from total income under: para-28, Part-A, 6th schedule of ITO, 1984.	3,942,396	2,609,028
Tax on profit from non-business source in regular rate @22.5%	88,263	439,065
A. Current Tax @ 22.5%	4,030,658	3,048,093
Minimum Tax:		
Gross Receipts	602,862,064	324,709,673
B. Minimum Tax @ 0.6%	3,617,172	1,948,258
C. TDS at Source	3,466,315	1,642,941
Whichever is Higher from above calculation (A, B & C)	4,030,658	3,048,093

21.02 Deferred Tax

Written down value as per 3rd schedule of ITO 1984	47,435,023	19,474,615
Written down value as per financial statements	52,013,912	22,161,335
Unrealized Gain/(Loss)	(97,212)	(362,483)
Temporary difference	4,481,677	2,324,237
Current Tax rate on Export Business Income (22.5/2=11.25%)	11.25%	16.25%
Deferred Tax during the period	504,189	377,689

22.00 Earnings per share (Basic)

A. Net Profit after Tax	34,892,272	15,146,565
B. Weighted average number of Share outstanding	20,272,603	10,699,411
Earnings per Share (A/B)	1.72	1.42

Restated EPS as per current outstanding number of share

Earnings per share		
A. Net Profit after Tax		15,146,565
B. Weighted average number of Share outstanding		20,272,603
Earnings per Share (A/B)		0.75

Particulars	Number of Share	Weight	Weighted average no of Shares	Weighted average no of Shares
Opening No. of Shares	15,000,000	365/365	15,000,000	2,000,000
New allotment No. of shares during the period	13,000,000	244/365	-	8,690,411
New allotment No. of shares during the period (as on 30.09.2020)	6,000,000	277/365	4,553,424.66	-
New allotment (Through QIO) No. of shares during the period (as on 27.05.2021)	10,000,000	35/365	719,178.08	-
Total	41,500,000		20,272,603	10,690,411

23.00 Net Asset Value (NAV) Per Share

Total Assets	407,167,883	408,519,497
Less: Total Liabilities	50,678,312	221,444,949
A. Net Asset Value (NAV)	356,489,570	187,074,548
B. Total Number of Share outstanding	28,500,000	15,000,000
Net Asset Value (NAV) Per Share (A/B)	12.51	12.47

24.00 Net Operating Cash Flows Per Share (NOCFPS)

Net Operating Cash Flows (Numerator)	152,161,866	(277,878,400)
Number of Ordinary Shares (Denominator)	20,272,603	10,690,411
Net Operating Cash Flow Per Share (NOCFPS)	7.51	(25.99)

Net Operating cash flow become positive during the year as the company collected full amount of Trade receivables from customers against sales and payment to suppliers reduced during the period in line with decrease of purchase of raw materials.

25.00 Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3:

Employee position of the company as at June 30, 2021:

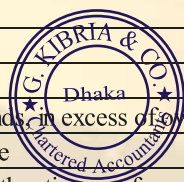
Salary (Monthly)	Officer & Staff		Worker
	Factory	Head Office	
Number of employees whose salary below Tk. 3,000 per month	0	0	0
Number of employees whose salary above Tk. 3,000 per month	9	12	27
Total	9	12	27

Besides these mentioned above in the schedule the company hire 10 to 15 daily payment basis casual worker as on requirement to whom paid cash, all these casual worker are hired from Local area in reference of internal and external source without making any fixed contract

26.00 Payment information to Directors as per requirement of schedule XI, part II, Para 4

No Payment has been paid to directors within the period ending 30 June, 2021 in any of the following:

(a)	Managerial Remuneration paid or payable during the financial period to the directors, including managing director, a managing agent or manager.
(b)	Expenses reimbursed to the managing agent;
(c)	Commission or other remuneration payable separately to a managing agent or his associate;
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.;
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.
(f)	Any other perquisites or benefits in cash or in kind stating, approximate money value where practicable;
(g)	Other allowances and commission including guarantee commission.
(h)	Pensions etc.
(i)	Pensions
(ii)	Gratuities
(iii)	Payments from a provident fund, in excess of own subscription and interest thereon
(iv)	Compensation for loss of office
(v)	Consideration in connection with retirement from office.



27.00 Related Party Transaction:

As per IAS 24: Related party disclosure and as defined in the Securities & Exchange Rules 1987 the related party transaction are as follows :

The Company carried out a number of transactions with related parties in the normal course of business, The nature of transactions and their values are shown below:

Name	Nature of transaction	Received	Payment	Balance
Marine Safety System	Intercompany loan	106,008,974	143,277,994	(31,581,715)

Members of the Board of Directors of the company has not received any amount as remuneration or board meeting fee during the period.

28.00 Cash flow generated from operating activities under Indirect Method:

Particulars	Amount (Tk.)
Profit before Tax	38,572,181
Add: Depreciation	2,522,923
	<u>41,095,104</u>
(Increase)/Decrease in Inventories	89,127,117
(Increase)/Decrease in Trade Receivable	49,803,040
(Increase)/Decrease in Advance, Deposit & Prepayments	(27,531,239)
Increase/(Decrease) in Creditors & Accruals	3,134,160
	<u>155,628,181</u>
Cash payment against Income Tax	(3,466,315)
Net Cash Generate from Operating Activities	<u><u>152,161,866</u></u>

29.00 Payment to Suppliers

COGS	529,684,614	285,023,873
Increase/(decrease) in inventory	(89,127,117)	239,856,741
(Increase)/decrease in Accounts payable and liabilities for expenses	(3,134,160)	2,739,051
Less: Manufacturing overhead	(11,079,561)	(6,839,512)
Paid to Suppliers	<u><u>426,343,777</u></u>	<u><u>520,780,153</u></u>

30.00 Operating expenses paid

Office & administrative expenses	8,329,938	4,687,176
Selling & distribution expenses	15,936,393	12,127,712
Add: Worker profit participation Fund(WPPF)	1,952,472	914,789
Add: Factory overhead	11,079,561	6,839,512
	<u>37,298,364</u>	<u>24,569,189</u>
Increase/(Decrease) In Prepaid exp.(Advance)	27,531,239	7,712,500
Less: Non cash Depre.	(2,522,923)	(1,467,390)
Less: Preliminary expenses written off	-	-
	<u>62,306,680</u>	<u>30,814,299</u>



31.00 Events after reporting period

The Board of Directors of NIALCO ALLOYS LIMITED at its 91st meeting held on 27 October 2021 recommended a cash dividend amounting to BDT 28,500,000 being 10% of the paid-up capital (i.e. BDT 1.00 per share) for the year 2020-21. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the company.

32.00 Production Capacity

The production capacity and utilization of this reporting period (12 months) are as follows:

Particulars	Quantity in M. Ton
Installed Capacity	5,425
Actual Production	1,722
Capacity Utilization (%)	32%

Production Capacity is unused due to lower quantity of export order.

33.00 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

34.00 Claim Acknowledgement

There was no claim against the Company not acknowledged as debt as on June 30, 2021.

35.00 Foreign currency earned

The company has earned the entire sales proceeds in the form of foreign currency against export sales.

36.00 Foreign currency payment

The company incurred foreign currency expenses through import of raw materials.



NIALCO ALLOYS LIMITED
Schedule of Property, Plant & Equipment
As at 30 June 2021

Particulars	Cost		Rate of Dep.	Depreciation		Annexure-A Written Down Value as on 30.06.2021
	Balance as at 01.07.2020	Addition this period		Balance as on 01.07.2020	Charged during the period	
Land and Land Development	8,572,000.00	9,285,500	0%	-	-	17,857,500
Plant & Machineries	20,011,695	22,800,000	10%	2,429,513	9,639,776	33,171,919
Computer & Printer	782,000	180,000	10%	82,139	133,492	828,508
Furniture & Fixture	75,700	110,000	10%	11,271	29,715	155,985
Balance as on 30 June 2021	29,441,395	32,375,500		2,522,923	9,802,983	52,013,912

Allocation of Depreciation:

Manufacturing	2,429,513
Administration	93,410
Total	2,522,923

As at 30 June 2020

Particulars	Cost		Rate of Dep.	Depreciation		Annexure-A Written Down Value as on 30.06.2020
	Balance as at 01.07.2019	Addition this period		Balance as at 01.07.2019	Charged during the period	
Land and Land Development	-	8,572,000	0%	-	-	8,572,000
Plant & Machineries	20,011,695	-	10%	1,422,381	7,210,263	12,801,432
Computer & Printer	38,500	743,500	10%	40,217	51,353	730,647
Furniture & Fixture	47,200	28,500	10%	4,792	18,444	57,256
Balance as on 30 June 2020	20,097,395	9,344,000		1,467,390	7,280,060	22,161,335

Allocation of Depreciation:

Manufacturing	1,422,381
Administration	45,009
Total	1,467,390



NIALCO ALLOYS LIMITED
For the period ended 30 June 2021
Details Inventory Schedule

	Opening		Purchase		Transferred To Production			Closing	
	Quantity	Amount	Quantity	Rate	Quantity	Rate	Amount	Quantity	Amount
1. Raw Material:									
A. Copper Alloys Scrap	452272.21 Kg	181,361,155	770857.83 Kg	390	900879.49 Kg	393	354,045,639	322250.55 Kg	184,603,532
B. Brass Scrap	95202.71 Kg	36,272,231	175855.96 Kg	342	203225.35 Kg	345	70,112,746	67833.32 Kg	129,222,472
C. Aluminum Scrap	95252.71 Kg	12,954,368	187381.30 Kg	115	214765.06 Kg	118	25,379,221	67868.95 Kg	25,844,494
D. PB (Lead) Scrap	174844.23 Kg	28,499,610	377934.38 Kg	125	428199.54 Kg	127	54,424,161	124579.07 Kg	9,230,177
									20,306,389
									7,565,120
2. Work-in-progress :									
A. Copper Alloys Scrap	24902.11 Kg	9,985,745	900879.49 Kg	399	900879.49 Kg	390	351,616,344	24902.11 Kg	5,295,584
B. Brass Scrap	5241.86 Kg	1,997,149	203225.35 Kg	351	203225.35 Kg	374	76,067,943	5241.86 Kg	1,059,117
C. Aluminum Scrap	5244.61 Kg	713,268	214765.06 Kg	125	214765.06 Kg	130	27,984,621	5244.61 Kg	378,256
D. PB (Lead) Scrap	9626.92 Kg	1,569,189	428199.54 Kg	133	428199.53 Kg	154	66,072,651	9626.92 Kg	832,163
									6,742,580
3. Finished Goods:									
A. Sorted Copper	28795.36 Kg	11,748,508	1397655.55 Kg	300	1300848.70 Kg	326	423,747,685	125602.00 Kg	5,394,064
B. Copper Alloys (PB Brass)	7454.64 Kg	2,937,127	349413.89 Kg	293	325212.20 Kg	326	105,936,929	31656.00 Kg	1,348,516
									198,911,232



NIALCO ALLOYS LIMITED
For the period ended 30 June. 2021

Annexure-C

Name wise Shareholding position

Sl.	Name of Subscriber	Position	No. of Share	Amount Subscribed (BDT)
1	Gazi Mokarram Ali Chowdhury	Chairman	9,340,000	93,400,000
2	Kamal Uddin Ahmed	Managing Director	10,635,000	106,350,000
3	Matin Uddin Ahmed	Director	570,000	5,700,000
4	Md. Ruhul Amin	Shareholder	300,000	3,000,000
5	Md. Belal Uddin	Shareholder	45,000	450,000
6	Farhana Islam	Shareholder	100,000	1,000,000
7	Satyajit Saha	Shareholder	10,000	100,000
8	Qualified Investors	Shareholder	7,500,000	75,000,000
	Total		28,500,000	285,000,000





Inside Production House



Entrance





Finished Product



Finished Product



Factory Machinery



Factory Machinery





Factory Machinery



Factory Machinery



Factory Machinery



Factory Machinery





Finished Product



Finished Product



Factory Machinery



Factory At a Glance



Finished Product



Factory Office Building



91st Meeting of Board of Director



Receiving Crest from the Mutual Trust Bank Ltd.



Inteviu with Jamuna TV



Listing Agreement Signing Ceremony & Trade debute programme



Listing Agreement Signing Ceremony & Trade debute programme



Listing Agreement Signing Ceremony & Trade debute programme

NIALCO ALLOYS LIMITED





Listing Agreement Signing Ceremony & Trade debut programme



Tripartite Agreement Signing Ceremony



Nialco Alloys Limited

Jahanabad, Bhatiary, Shitakunda, Chittagong, Bangladesh

Proxy Form

I/We.....

of.....

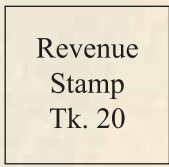
Being a Member of Nialco Alloys Limited, do hereby appoint

Mr. /Mrs.....

Of.....

Either of them may, in writing, appoint anyone to act as my proxy at the 10th Annual General Meeting of the Company to be held on Thursday, 30th December 2021 and at any adjournment thereof

As witness my/our hand this day of 2021.



.....
(Signature of Proxy)

.....
(Signature of Share Holder)

Folio / BO ID No.

Grid for Folio / BO ID No. consisting of two rows of boxes separated by a hyphen.

No. of Shares held:.....

- 1. A member entitled to attend and vote in the AGM may appoint a Proxy to attend and vote on his/her behalf.
- 2. The Proxy Form, duly filed and stamped must be deposited at the Registered Office of the Company, by 10.30 a.m of 30 December, 2021.
- 3. Signature of the Member(s) must be in accordance with the Specimen Signature recorded with the Company.





Annual
Report
2021



NIALCO ALLOYS LTD.