

PRIVATE AND CONFIDENTIAL

NIALCO ALLOYS LIMITED

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**Financial Statements & Auditor's Report
For the year ended June 30, 2021**



G. KIBRIA & CO.
CHARTERED ACCOUNTANTS

Head Office :

**SADHARAN BIMA SADAN (5TH FLOOR)
24-25, DILKUSHA COMMERCIAL-AERA
DHAKA-1000, BANGLADESH**

Branch Office :

**Plot 51, Floor-2, Road 14, Block-G Niketon
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NIALCO ALLOYS LIMITED

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**Financial Statements & Auditor's Report
For the year ended June 30, 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
<p>Revenue-Export</p> <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>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</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.

Ref: GKC/20-21/A/62



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<p>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.
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See note no 15.00 to the statement of profit or loss & other comprehensive income.

<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.

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	<ul style="list-style-type: none"> ➤ 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.
See note no. 5.00 to the financial position	

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>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.

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<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>	<ul style="list-style-type: none"> ➤ 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.
<p>See note no. 3.00 to the financial statements</p>	
<p>Workers Profit participation Fund</p>	
<p>Workers Profit Participation Fund (WPPF) provision totaling Tk. 2,002,981 as at 30 June, 2021. 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.
<p>See note no. 14.02 to the financial statements</p>	

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

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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 accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 are solely responsible for our audit opinion.

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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:

- 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;
- 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;
- The information and explanations required by us have been received and found satisfactory;
- 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;
- The expenditure was incurred for the purpose of the Company's business.

Dated, Dhaka
27 October, 2021



Sultan Moheuddin

Sultan Moheuddin, FCA
Partner
G. KIBRIA & CO.
Chartered Accountants

Ref: GKC/20-21/A/62

DVC: 2110271530 AS483202

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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.

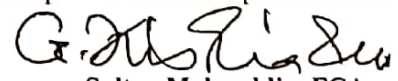

 Company Secretary


 Chairman


 Director


 Managing Director

Signed as per our annexed report of even date.


 Sultan Moheuddin, FCA
 G. KIBRIA & CO.
 Chartered Accountants

Dated: 27 October, 2021
 Place: Dhaka

DVC: 2110271530AS483202



JKC/20-21/A/62

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 obtained consent on April 29, 2021 for raising capital through Qualified Investor Offer under Bangladesh Securities and Exchange Commission (Qualified Investor Offer by small capital companies) Rules 2018. Subsequently the company listed with Chittagong Stock Exchange Limited (CSE) on 30th May, 2021 and 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, Bhatiary 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:

(a) Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer.

(b) The company recognizes revenue when it satisfies a performance obligation by transferring control over goods or services to a customer.

(c) 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 27 October 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

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



	Amount in Taka	
	30 June 2021	30 June 2020
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

-	-
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Advance to Employees

80,482	186,635
--------	---------

Advance to CDBL

400,000	-
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Advance Intercompany

Note- 7.02

31,581,715	-
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L/C Margin in MTB

3,618,481	7,962,804
-----------	-----------

35,680,678	8,149,439
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7.01 Advance Income Tax

Income Tax deduction at source - opening

-	-
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Add: Advance income tax during the period

3,466,315	1,642,941
-----------	-----------

3,466,315	1,642,941
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Less: Adjustment during the period

3,466,315	1,642,941
-----------	-----------

-	-
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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	-
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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 shows a payment of Tk. 3,15,81,715.00 represents intercompany debit balance i.e; receivable from other



Amount in Taka	
30 June 2021	30 June 2020

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

(ii) Cash at bank:

Mutual Trust Bank Ltd. A/C No. 0005-0210020220

Mutual Trust Bank Ltd. A/C No. 0005-0260001264

Mutual Trust Bank Ltd. A/C No. 1301000000548

City Bank Ltd. A/c No. 1101784511001

Eastern Bank Ltd. A/c No. 0011060785567

Midland Bank Ltd. A/c No. 0003-1090001613

Mutual Trust Bank Ltd. A/C No. 0005-0320003791

(iii) FDR

Eastern Bank Ltd.

Mutual Trust Bank Ltd.

Total

	142,288	522,266
	7,442,566	42,582
	159,761	158,747
	800,000	-
	-	312
	1,095,348	767,193
	6,925	7,975
	75,214,560	42,581
	-	-
	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**

B. Issued, Subscribed & Paid-up Capital

28,500,000 Ordinary Shares of Tk. 10/- each fully paid up

285,000,000 **150,000,000**

C. Shareholding Position

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

Ref: GKC/20-21/A/62



		Amount in Taka	
		30 June 2021	30 June 2020
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.



Amount in Taka	
30 June 2021	30 June 2020

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

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	-	-
	<u>10,340,477</u>	<u>-</u>

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
		<u>3,648,833</u>	<u>4,603,501</u>

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
	<u>564,343</u>	<u>1,405,152</u>

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
	<u>2,002,981</u>	<u>1,008,791</u>

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)
	<u>-</u>	<u>1,285,500</u>

2020-2021	2019-2020
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15.00 Revenue

Ref: GKC/20-21/A/62



		Amount in Taka	
		30 June 2021	30 June 2020
	Gross Sales (Export)	602,862,064	324,709,673
	Less: VAT	-	-
		<u>602,862,064</u>	<u>324,709,673</u>
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	<u>515,041,329</u>	<u>308,564,269</u>
	Work in Progress-Opening	14,265,350	2,164,874
	Work in Progress-Closing	(7,565,120)	(14,265,350)
	Cost of goods Manufactured	<u>521,741,559</u>	<u>296,463,793</u>
	Finished goods-Opening	14,685,635	3,245,715
	Finished goods-Closing	(6,742,580)	(14,685,635)
		<u>529,684,614</u>	<u>285,023,873</u>
16.01	Raw Materials Consumption		
	Opening Balance	259,087,364	42,771,019
	Add: Purchase during the period	429,477,936	518,041,102
		<u>688,565,300</u>	<u>560,812,121</u>
	Less: Purchase discount	-	-
	Raw materials available for production	<u>688,565,300</u>	<u>560,812,121</u>
	Raw Materials-Closing	(184,603,532)	(259,087,364)
	Less: Consumption during the period	<u>503,961,768</u>	<u>301,724,757</u>



		Amount in Taka	
		2020-2021	2019-2020
16.02	Manufacturing overhead		
	Wages, Salary & Allowance	2,765,272	1,824,522
	Conveyance	235,182	205,150
	Tours & Travel	418,766	304,854
	Carriage Inward	381,515	322,350
	Utility Bill Expenses	818,850	721,979
	Entertainment	89,500	52,656
	Internet Expenses	24,000	24,000
	License & Renewal	178,515	204,778
	Loading & Unloading Expenses	260,211	250,152
	Insurance Expense	586,363	-
	Medical Expenses	90,533	70,321
	Mobile, Telephone & Fax Expenses	92,882	78,522
	Printing & Stationery	65,812	52,585
	Repairs & Maintenance	318,750	252,655
	Store & Spares	362,511	254,122
	Cutting Expenses	1,678,552	678,954
	Scale charge	155,122	45,244
	Uniform & Gloves	18,120	10,132
	Miscellaneous Expenses	109,592	64,155
	Depreciation (Annexure-A)	2,429,513	1,422,381
		11,079,561	6,839,512
17.00	Administrative Expenses		
	Salary & Allowance	2,942,500	2,685,545
	Conveyance	915,644	812,914
	Paper & Periodical	28,122	24,158
	Entertainment	140,130	110,024
	Printing & Stationery	112,611	36,500
	Fees and Renewals	175,100	156,888
	Utility Bill	204,713	180,495
	Audit Fee	191,667	80,000
	Telephone, Mobile & Internet bill	65,522	58,644
	Business Development expenses	445,689	342,362
	Postage & Courier	42,511	32,522
	Repairs & Maintenance	82,642	45,965
	Photocopy charges	21,580	16,241
	Advisory Fees	2,700,000	-
	Medical Expenses	42,655	31,655
	Miscellaneous Expenses	85,692	28,255
	Regulatory fees-CSE	39,750	-
	Depreciation (Annexure-A)	93,410	45,009
		8,329,938	4,687,176



				Amount in Taka	
				2020-2021	2019-2020
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



		Amount in Taka	
		2020-2021	2019-2020
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%		<u>4,030,658</u>	<u>3,048,093</u>
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)		<u>4,030,658</u>	<u>3,048,093</u>
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		<u>504,189</u>	<u>377,689</u>
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)		<u>1.72</u>	<u>1.42</u>
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)			<u>0.75</u>

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)	7,500,000	35/365	719,178.08	-

Ref: GKC/20-21/A/62



		Amount in Taka	
		2020-2021	2019-2020
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 funds, in excess of own subscription and interest thereon



		Amount in Taka	
		2020-2021	2019-2020
	(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>152,161,866</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>426,343,777</u>	<u>520,780,153</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.



Amount in Taka	
2020-2021	2019-2020

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.



Note: 37**Financial risk management**

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It mainly comprises of accounts/trade receivables, advances to suppliers and trade deposits. The Company's maximum exposure to credit risk at the reporting date is accounts receivables which is also secured by Letter of Credit issued by Customer's Bank.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	30 June 2021	30 June 2020
	<u>Taka</u>	<u>Taka</u>
Accounts receivable	218,889	50,021,929
Advance, Deposit & Prepayments	35,680,678	8,149,439
	<u>35,899,567</u>	<u>58,171,368</u>

b) Ageing of receivables

Accounts receivable were aged as below:

	30 June 2021	30 June 2020
Less than six months	218,889	50,021,929
More than six months	-	-
	<u>218,889</u>	<u>50,021,929</u>

c) Impairment losses

The accounts receivables are secured by letter of credit issued customer's Bank. According to the company, recognition of any impairment losses were not necessary as they were fully collectible. Subsequent to period end the collectibles were realized duly.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The contractual maturities of financial liabilities of the company are as follows:

Particulars	Carrying amount	Cash flows		
		Up to 1 year	Above 1 Year	
As at 30 June 2021	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Short Term interest bearing loans	36,184,814	36,184,814	36,184,814	-
	<u>36,184,814</u>	<u>36,184,814</u>	<u>36,184,814</u>	-
As at 30 June 2020				
Short Term interest bearing loans	210,776,454	210,776,454	210,776,454	-
	<u>210,776,454</u>	<u>210,776,454</u>	<u>210,776,454</u>	-

Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a) Currency risk/foreign exchange rate risk

The Company's exposure to foreign currency risk at June 30, 2021 are as follows:

	30 June 2021	30 June 2020
Receivable against export (amount in BDT)	0	49,769,371

b) Interest rate risk

Fixed rate instruments
Financial liabilities

Rate of Interest
9.00% (variable)

	30 June 2021	30 June 2020
	in BDT	in BDT
	36,184,814	210,776,454



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

Particulars	Cost			Rate of Dep.	Depreciation			Annexure-A
	Balance as at 01.07.2020	Addition this period	Balance as on 30.06.2021		Balance as at 01.07.2020	Charged during the period	Balance as on 30.06.2021	Written Down Value as on 30.06.2021
Land and Land Development	8,572,000.00	9,285,500	17,857,500	0%	-	-	-	17,857,500
Plant & Machineries	20,011,695	22,800,000	42,811,695	10%	7,210,263	2,429,513	9,639,776	33,171,919
Computer & Printer	782,000	180,000	962,000	10%	51,353	82,139	133,492	828,508
Furniture & Fixture	75,700	110,000	185,700	10%	18,444	11,271	29,715	155,985
Balance as on 30 June 2021	29,441,395	32,375,500	61,816,895		7,280,060	2,522,923	9,802,983	52,013,912

Allocation of Depreciation:

Manufacturing	2,429,513
Administration	93,410
Total	<u><u>2,522,923</u></u>

As at 30 June 2020

Particulars	Cost			Rate of Dep.	Depreciation			Annexure-A
	Balance as at 01.07.2019	Addition this period	Balance as on 30.06.2020		Balance as at 01.07.2019	Charged during the period	Balance as on 30.06.2020	Written Down Value as on 30.06.2020
Land and Land Development	-	8,572,000	8,572,000	0%	-	-	-	8,572,000
Plant & Machineries	20,011,695	-	20,011,695	10%	5,787,882	1,422,381	7,210,263	12,801,432
Computer & Printer	38,500	743,500	782,000	10%	11,136	40,217	51,353	730,647
Furniture & Fixture	47,200	28,500	75,700	10%	13,652	4,792	18,444	57,256
Balance as on 30 June 2020	20,097,395	9,344,000	29,441,395		5,812,670	1,467,390	7,280,060	22,161,335

Allocation of Depreciation:

Manufacturing	1,422,381
Administration	45,009
Total	<u><u>1,467,390</u></u>

Ref: GKC/20-21/A/62



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

		Opening		Purchase		Transferred To Production		Closing	
		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
1. Raw Material:									
A.	Copper Alloys Scrap	444512.63 Kg	181,361,155	770857.83 Kg	300,634,555	893119.91 Kg	348,316,766	322250.55 Kg	184,603,532
									129,222,472
B.	Brass Scrap	92531.20 Kg	36,272,231	175855.96 Kg	60,126,911	200553.84 Kg	68,589,414	67833.32 Kg	25,844,494
C.	Aluminum Scrap	87529.51 Kg	12,954,368	187381.30 Kg	21,473,897	207041.87 Kg	23,809,815	67868.95 Kg	9,230,177
D.	PB (Lead) Scrap	165695.41 Kg	28,499,610	377934.38 Kg	47,242,573	419050.72 Kg	52,381,339	124579.07 Kg	20,306,389
			259,087,364		429,477,936				7,565,120
2. Work-in-progress :									
		Opening		Received during the year		Transferred to Finished Product		Closing	
A.	Copper Alloys Scrap	24902.11 Kg	9,985,745	893119.91 Kg	358,141,085	893119.91 Kg	364,392,925	24902.11 Kg	5,295,584
B.	Brass Scrap	5241.86 Kg	1,997,149	200553.84 Kg	76,411,014	200553.84 Kg	78,617,106	5241.86 Kg	1,059,117
C.	Aluminum Scrap	5244.61 Kg	713,268	207041.87 Kg	28,157,694	207041.87 Kg	30,642,196	5244.61 Kg	378,256
D.	PB (Lead) Scrap	12553.51 Kg	1,569,189	419050.72 Kg	68,305,267	421977.30 Kg	72,580,096	9626.92 Kg	832,163
							1,722,693		6,742,580
3. Finished Goods:									
		Opening		Production During the Year		Sold During the Year		Closing	
A.	Sorted Copper	28515.80 Kg	11,748,508	1378154.34 Kg	492,001,099	1393449.39 Kg	230,596,004	13220.75 Kg	5,394,064
B.	Copper Alloys (PB Brass	7492.67 Kg	2,937,127	344538.58 Kg	120,243,966	348608.63 Kg	57,649,001	3422.63 Kg	1,348,516
				Total				198,911,232	

Ref: GKC/20-21/A/62



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



Ref: GKC/20-21/A/62