

ANNUAL REPORT 2022



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.

Strategy and Philosophy

NIALCO seeks to further consolidate its position among leading local and global manufacturers of copper products following a path of continuous sustainable development and responsible operation.

This strategy is implemented by being structured around 6 key pillars:

- Emphasis on quality and technology progress across all production processes
- Continuous investments in state-of-the-art production facilities and in new technologies' research and development;
- Provision of innovative products and solutions;
- Dynamic commercial activity and strong presence in markets with growth potential.
- Customer-centric approach aimed primarily at building long-lasting relationships of trust;
- Sustainable development and value creation for all stakeholders.



Sustainability:

Environment.

The environment is nature and nature is synonymous with life. To this unique and extraordinary gift, Nialco attributes a value of primary and central importance in selecting its company policies, based on the respect, protection and safe guarding of the eco system in which it operates.

Company activity is actually developed on the principle of 100% recycling, playing an important role in saving natural resources and working to eliminate waste that would otherwise be handed down to future generations.

As well as the intrinsic benefits of the company core business, Nialco is committed to ensuring that every action is analysed from the standpoint of environmental protection and safety, in order to achieve results that are not limited to those required by law, but that ensure maximum protection of nature and the surrounding area, investing voluntarily in its promotion and safeguarding.

Social

Nialco believes that a company represents a group of people that carry out an important function within the community, satisfying its needs and desires. For this reason, Nialco's identity is represented by collaborators who, by working each day with passion and commitment, operate so that those who coexist alongside Nialco can also enjoy the development that the economic activity generates.

Nialco therefore bases its company policy on respect, ethics and the promotion of both the human patrimony and that of the land, investing in and executing its social role within the community with continuity and responsibility.

Health and safety in the workplace-

Nialco is committed to ensuring the health and safety of its employees and external collaborators who operate across the three factories.

The principles that regulate strategic company decisions are based on:

- commitment and constant attention to the safety of plants,
- the reduction of work risks,
- the reduction of accidents,
- the training of staff,
- the adoption of safe operating practices that are in line with current legislation.

Nialco also pays great attention to the promotion of a culture of safety, with periodic training paths and meeting at all levels, designed to increase awareness, collaboration and the motivation of workers with regard to pertinent topics. In order to deal with these topics as effectively as possible, Nialco flanks its internal Prevention and Protection Service with a team of experienced external professionals.



Operational Strategy, Resource Allocation

Careful planning and oversight to enable Company's businesses to adapt, whilst managing liquidity and financing is of pivotal importance from a portfolio planning point of view, and in this regard the Company will continue to leverage on such fundamentals which are based on principles of governance, accountability, and transparency to ensure continued resilience.

In managing the Company's portfolio, the Company places emphasis on identifying and pursuing growth prospects that would help achieve the Company's vision and its medium to long term objectives. In this light, businesses adopt a systematic approach to resource allocation and strategy formulation that is aligned with the core values, overall direction, and strategies.

As evident from the past, the Company strives to constantly align its portfolio of businesses with the growth sectors of the economy, both current and futuristic, and continuously endeavours to ensure that capital resources are efficiently employed in a manner that will expand the reach of the portfolio, ensure relevance, and give the ability to compete internationally. The believes the current portfolio continues to serve that purpose and that its investments over the last few years, and planned investments, in these core areas reinforce this strategy.

The Company is of the view that the fundamentals and potential of the industries the Company operates in remain largely unchanged, as the demand drivers underpinning the business would still be relevant in the medium to long-term, although there may be changes to operating models in some areas. The current economic challenges have heightened the need for diversification, particularly across geographies and the need for offshore revenue streams considering the foreign currency challenges faced by the country. The Company is conscious of the prevailing and emerging environment and is satisfied that the balance of the composition of businesses of the core portfolio are appropriate given the diverse nature of revenue streams as well as the direct exposure to foreign currency denominated income streams through the Sorted Copper, Copper Alloy PB Brass, Ingots and recently added Aluminium businesses.

Following are the key strategic initiatives pursued across Company businesses in furtherance of achieving its short, medium and long-term objectives.

- Creation of sustainable value is at the forefront when making operational decisions. In this regard, businesses place emphasis on maximising value by augmenting revenue channels, increasing market share and exploring opportunities.

- Focus is placed on maintaining flexible cost structures to ensure optimisation of costs and thereby driving efficiencies and profit maximisation. The Company's emphasis on cost optimisation, prudence, and agility, has continued to assist businesses in enduring through challenging periods.



NOTICE OF THE 11TH ANNUAL GENERAL MEETING

NOTICE is hereby given to all Shareholders of Nialco Alloys Limited that the 11th Annual General Meeting of the Company will be held on Thursday, December 22, 2022, at 10:30 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, 2022, together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year ended June 30, 2022, as recommended by the Board of Directors of the Company.
3. To re-elect the retiring Directors.
4. To appoint Statutory Auditors of the Company for the year 2022-2023 and fix their remuneration.

By order of the Board of Directors

Chittagong, November 30, 2022


Company Secretary

Notes:

1. Members whose names appeared on the Depository Register as on the “Record Date” i.e. November 21, 2022, 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 2022 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 2022 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.nial-coalloys.com
5. Login process along with the joining link of the 11th 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

BOARD OF DIRECTORS

Md. Kamal Uddin Ahmed	: Chairman
Gazi Mukarram Ali Chowdhury	: Managing Director
Matin Uddin Ahmed	: Director

MANAGEMENT TEAM

Gazi Mukarram Ali Chowdhury	: Managing Director
Md. Faisal	: Chief Financial Officer (CC)
Adv. Tariqul Islam Chisty	: Company Secretary
Kamruzzaman Chowdhury	: Commercial Manager
Anjan Sen	: Factory Manager
Shahidul Islam Sumon	: Public Relation Manager
Aftab Uddin Irfan	: Production Manager

BANKERS, LEASING & INSURER

Eastern Bank Limited
Agrabad Branch, Chattogram.

Mutual Trust Limited
Agrabad Branch, Chattogram.

Midland Bank Limited
Agrabad Branch, Chattogram.

Insurer
Asia Pacific General Insurance Company Ltd.

AUDITOR
SHAFIQ BASAK & CO.
Chartered Accountants

National House (1st Floor), 109, Agrabad
Commercial Area, Chattogram-4100

LEGAL & TAX ADVISOR
AHMED HOSSAIN & ASSOCIATES

City Shopping Complex (1st Floor) Room-2
Agrabad, Access Road Chattogram.

CREDIT RATING AGENCY

Credit Rating Information and Services Limited (CRISL)

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.



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 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	: 223
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	30.06.2022	30.06.2021	30.06.2020	30.06.2019	30.06.2018
Revenue	205,814,121	602,862,064	324,709,673	387,277,040	115,175,825
Less: Cost of Goods Sold	175,528,116	529,684,614	285,023,873	340,317,529	107,088,955
Gross Profit	30,286,005	73,177,450	39,685,800	46,959,511	8,086,870
Less: Operating Expenses	13,390,310	24,266,331	16,814,889	18,002,195	5,779,167
Profit from Operation	16,895,695	48,911,119	22,870,911	28,957,316	2,307,703
Less: Financial Expenses	5,366,764	8,301,495	5,011,319	5,092,125	43,782
Net Operation Profit	11,528,931	40,609,624	17,859,592	23,865,191	2,263,921
Add: Others Income/(Loss)	8,132,768	392,279	1,350,969	1,812,758	-
Net Profit Before Contribution to WPPF	19,661,699	41,001,903	19,210,561	25,677,949	2,263,921
Less: Contribution to WPPF	936,271	1,952,472	914,789	1,222,759	-
Profit/(Loss) Before Tax	18,725,428	39,049,431	18,295,772	24,455,190	2,263,921
Less: Income Tax Expenses	4,119,190	4,157,159	3,149,207	4,873,465	792,372
Current Tax	3,156,697	4,030,658	3,048,093	4,596,891	792,372
Deferred Tax	962,493	126,501	101,114	276,574	-
Total Comprehensive Income	14,606,238	34,892,272	15,146,565	19,581,725	1,471,549
Earnings per share (EPS)	0.51	1.72	1.42	9.79	0.74

Statement of Financial Position:

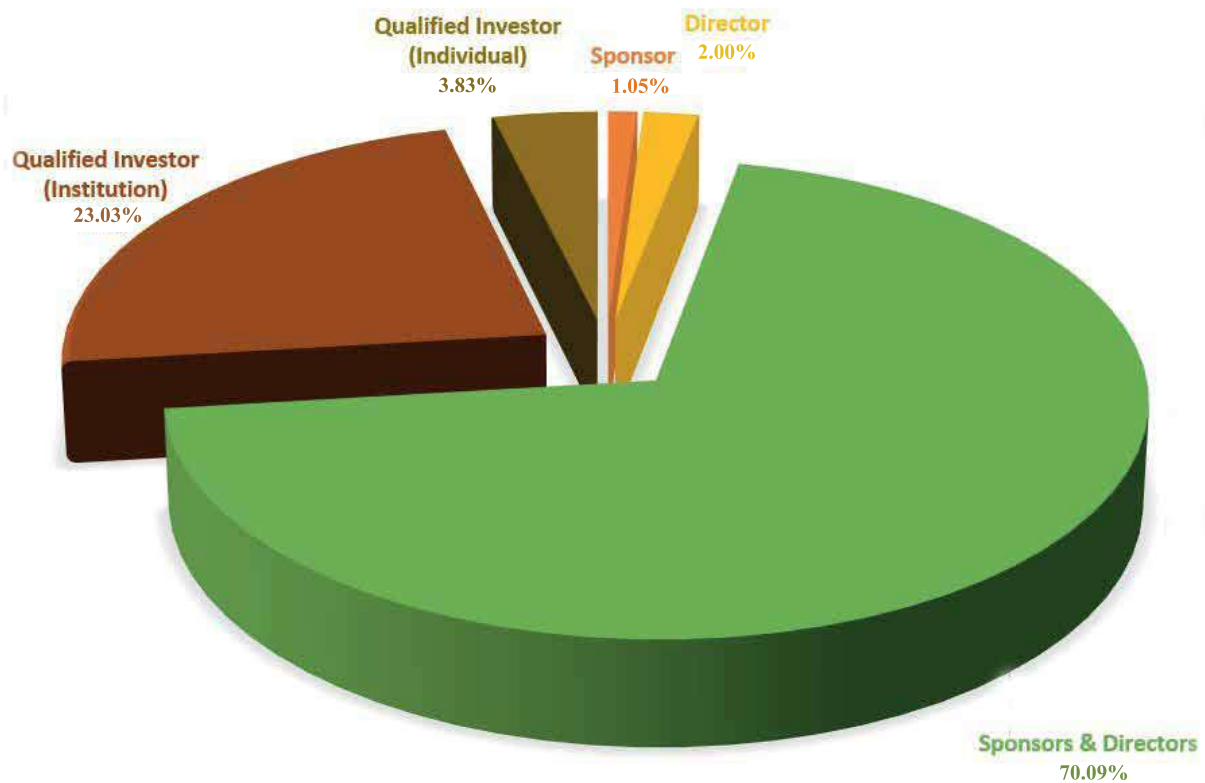
Particulars	30.06.2022	30.06.2021	30.06.2020	30.06.2019 (Restated)	30.06.2018
ASSETS					
Non-Current Assets	86,103,530	52,013,912	31,446,835	14,284,725	15,987,618
Property Plant & Equipment	86,103,530	52,013,912	22,161,335	14,284,725	15,871,918
Capital Work In Progress	-	-	9,285,500	-	-
Pre-operative Expenses	-	-	-	-	-
Preliminary Expenses	-	-	-	-	115,700
Current Assets	404,542,647	355,153,971	377,072,662	92,731,569	14,257,876
Inventories	156,682,694	198,911,232	288,038,349	48,181,608	6,809,983
Accounts Receivable	132,826,260	218,889	50,021,929	4,331,600	5,073,942
Advance, Deposit & Prepayments	41,843,914	35,680,678	8,149,439	436,938	58,858
Cash & Cash Equivalents	73,189,780	120,343,172	30,862,945	39,781,423	2,315,093
TOTAL ASSETS	490,646,177	407,167,883	408,519,497	107,016,295	30,245,494
SHAREHOLDERS EQUITY AND LIABILITIES					
Shareholders Equity	342,595,808	356,489,570	187,074,548	41,927,983	22,346,258
Share Capital	285,000,000	285,000,000	150,000,000	20,000,000	20,000,000
Retained Earnings	57,595,808	71,489,570	37,074,548	21,927,983	2,346,258
Non-Current Liabilities	1,466,682	504,189	377,688	276,574	-
Long Term Loan	-	-	-	-	-
Deferred Tax Liabilities	1,466,682	504,189	377,688	276,574	-
Current Liabilities	146,583,688	50,174,124	221,067,261	64,811,739	7,899,236
Current Maturity of Term Loan	-	-	-	-	-
Short Term Borrowings	142,216,540	36,184,814	210,776,455	53,187,033	-
Accounts payable	-	10,340,477	5,687,305	-	-
Liabilities for Expenses	4,365,723	3,648,833	4,603,501	11,624,706	7,899,236
Dividend Payable	1,425	-	-	-	-
TOTAL LIABILITIES	148,050,370	50,678,313	221,444,949	65,088,312	7,899,236
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	490,646,178	407,167,883	408,519,497	107,016,295	30,245,494
Net Asset Value (NAV) Per Share	12.02	12.51	12.47	20.96	11.17



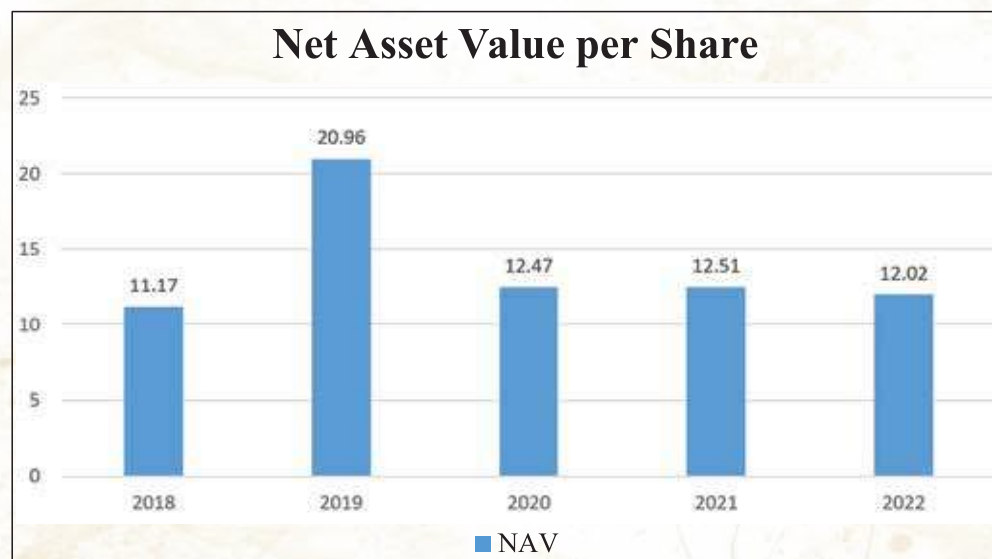
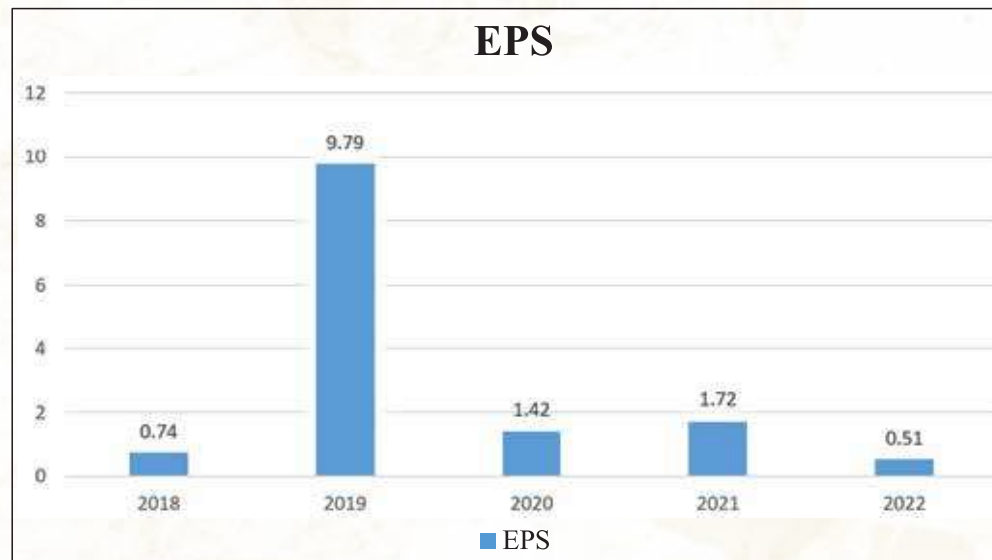
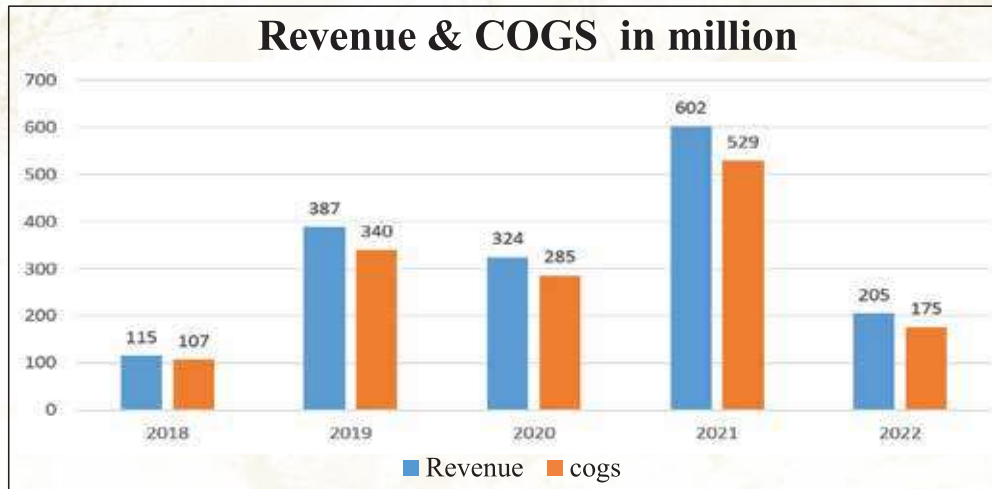
NIALCO ALLOYS LIMITED
Statement of Ratio Analysis

Particulars	30.06.2022	30.06.2021	30.06.2020	30.06.2019	30.06.2018
I. Liquidity Ratios:					
(i) Current Ratio (Times)	2.76	7.08	1.71	0.82	1.80
(ii) Quick Ratio (Times)	1.69	3.11	0.40	0.08	0.94
II. Operating Efficiency Ratios:					
(i) Accounts Receivable Turnover Ratio	3.09	24.00	16.39	101.87	38.08
(ii) Inventory Turnover Ratio (Times)	0.99	2.18	2.49	15.13	7.12
(iii) Assets Turnover Ratio (Times)	0.46	1.48	1.78	6.81	3.05
III. Profitability Ratios:					
(i) Gross Margin Ratio (%)	14.72%	12.14%	12.22%	12.13%	7.02%
(ii) Operating Profit Ratio (%)	8.21%	8.11%	7.04%	7.48%	2.00%
(iii) Net Profit Ratio (%)	7.10%	5.79%	4.66%	5.06%	1.28%
(iv) Return on Assets Ratio (%)	3.25%	8.56%	8.33%	34.45%	3.89%
(v) Return on Equity Ratio (%)	4.18%	12.84%	18.08%	68.99%	6.96%
(vi) Basic Earnings Per Share (EPS)	0.51	1.72	1.42	9.79	0.74
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) Margin	9.10%	8.18%	7.46%	7.95%	2.00%
IV. Solvency Ratios:					
(i) Debt to Total Assets Ratio	0.30	0.09	0.52	0.50	-
(ii) Debt to Equity Ratio (Times)	0.43	0.10	1.13	1.27	-
(iii) Times Interest Earned Ratio (Times)	3.49	5.94	4.83	6.04	52.71

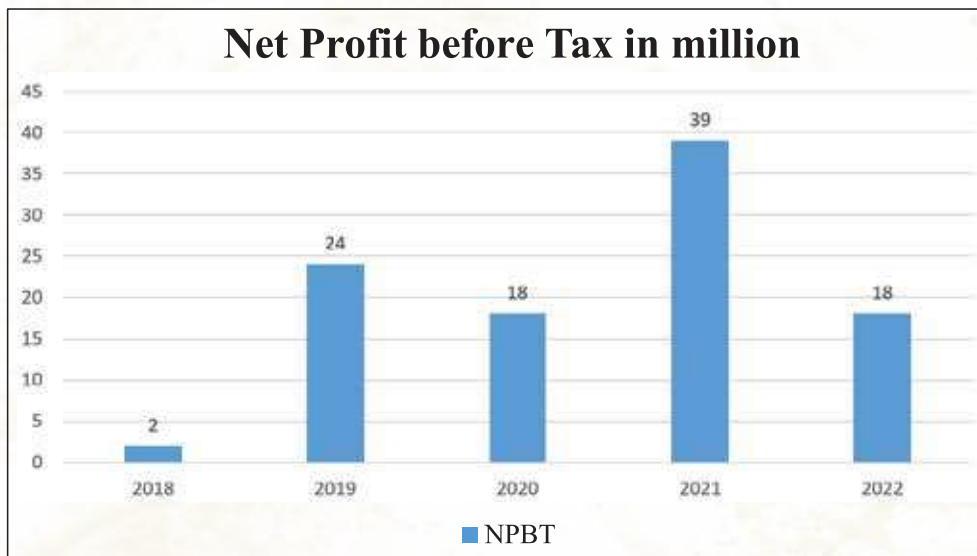
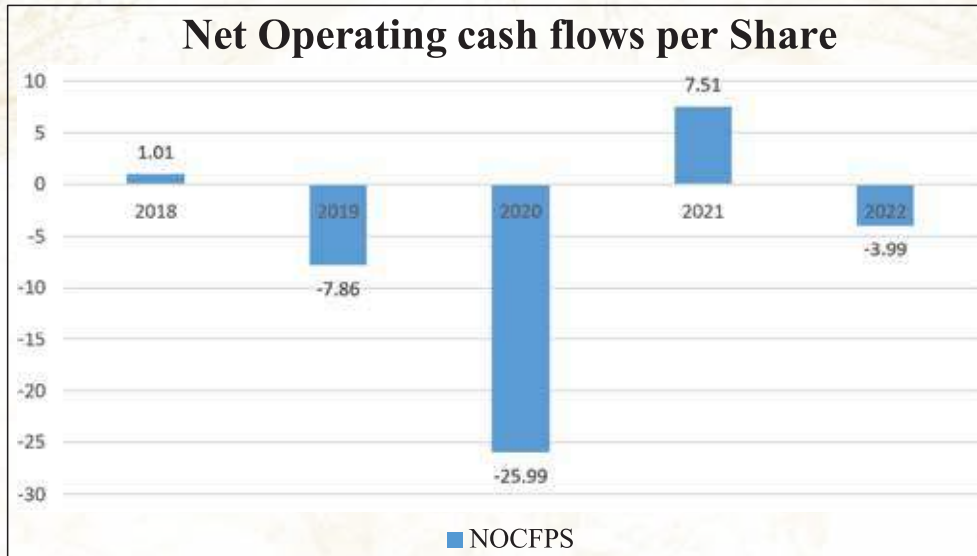
Percentage of Share Holding Position



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, 19170 from an aristocrat family. Mr. Kamal Uddin Ahmed is a Successful Entrepreneur in the non-ferrous metal industries since 26 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 entrepreneurship 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 26 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 26 years of business experience. In his rich business carrier, he has remained 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 16 years now. With more than 16 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 CFO & CS



Mr. Md. Faisal, CFO (CC)

Mr. Md. Faisal, CFO (CC) of Nialco Alloys Limited since October 2022. Before Starting Carrier with Nialco Alloys Mr. Md. Faisal served in Delta Engineers & Consortium Ltd. as Head of Accounts & Finance & Gardenia Wears Ltd. as Assistant Manager (A&F). Mr. Md. Faisal has successfully completed his graduation and post graduation in Accounting from Govt. Commerce College, Chittagong. He also completed his professional courses in Chartered Accountancy Article ship from Ahmad & Akhter, Chartered Accountants, and Chittagong Since 2018.



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 body of the govt. republic of Bangladesh. he has completed his graduation and post-graduation from a renewed 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. Faisal
CFO (CC)



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



Chairman's Message

Dear fellow shareholders,

The year 2021-22 has given a ride of ups wave of COVID pandemic in the first quarter of the year, under fear of lockdown leading to more difficulties for running businesses. However, with wise planning by the government, the day to close business operations did not come. However, commodity price volatility, soaring energy supply chain challenges and geopolitical conflicts have made the recovery increasingly fragile. As we continued to navigate through the pandemic with resilience, the war in Ukraine has triggered another crisis that has brought before us numerous other challenges in the form of strained geopolitical and trade relations.

The ongoing geopolitical conflict, refresh COVID-19 cases, global inflation and continuing supply shortages are expected to adversely impact global GDP growth in 2022. The World Bank expects global growth to decelerate from an estimated 5.5% to 3.2% Commodity and energy prices are expected to remain high in the wake of the conflict and sanctions, thereby resulting in an increase in global inflation. Although global growth expectations have moderated recently, the structural demand drivers for commodities like steel remain intact.

Our Company is engaged in manufacturing of Copper Alloy Products, which are mainly industrial in nature and improvement in industrial sentiments will also improve the performance of our Company. We are exporting materials which are vibrant with the global economy. Ahead of us is another year full of challenges. At this moment, although we do not yet know all the consequences of the war in Ukraine, I am convinced that the experience and resources which we possess will enable us to deal with the changes in the global economy. Copper and the resources which we produce enable the creation of future technologies, and I am firmly convinced that the bright future awaits us.

We are in industries and 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 survivability, capital discipline, culture and products diversity enhanced our confidence. Our new product line aluminium plant is ready to operation and will strengthen financial results.

Since inception, the Company has witnessed the most unpredictable distractions in business. And yet, we have ended the year with profitability. In these turbulent and dynamic times, the company's near-term focus is to hold the ship steady and to see it through the turbulence by emphasising on conservation of cash, the safety of its teams and assets, and strengthening its business relationships. The company is also closely examining the evolving changes in the business environment and their implications, to position itself well for leveraging the opportunities through and after the economic revival.

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.

I would like to express my sincere gratitude to my fellow Board members for their continued guidance, all our employees for their unrelenting commitment and our stakeholders for their unflinching support during these challenging times.

While macro factors such as inflationary pressures, geopolitical tensions and rising interest rates pose new challenges, your Company is well poised to not only withstand such temporary dislocations but to deliver consistent and profitable growth.

(Md. Kamal Uddin Ahmed)
Chairman





Dear Fellow Shareowners,

For many years, we have been talking about increasing volatility and unpredictability. The events of the last 24 months have heralded a new era of uncertainty where both the amplitude and frequency of shifts have vastly exceeded anything we have seen in recent decades. The unprecedented pandemic was followed by supply chain whiplash, and further disruption was brought on by the Russia-Ukraine war. We are now staring at the spectre of a high-interest rate and high-inflation regime globally.

Over the years, corporations have tried to find a balance between efficiency and resilience, with successive history of growth having swung the pendulum in the direction of efficiency. The events of the last two years have again taught us all the virtues of reserves and resilience. This era of disruption also presents a unique opportunity for restoration. A world where traditional rules didn't apply, freed thinking from its conventional shackles. And we are clearly staring at a new age, with new paradigms and new ideas.

The Global economy recovered from the pandemic shock in 2022 on the back of supportive fiscal and monetary policies and mass vaccination programmes. However, at the end of FY2021-22, the war in Ukraine and the subsequent economic sanctions on Russia posed a large shock. It disrupted energy markets and supply chains and added to the already evolving inflationary pressures and concerns over consumer demand. Consequently, growth forecasts have been slashed.

As the stance of monetary policy shifts, there is greater turbulence in currency markets. The dollar has strengthened, while emerging economies have witnessed downward pressure on their currencies. At the same time, energy and commodity markets have witnessed heightened volatility. Global supply chain disruptions due to pandemic-induced lockdowns have been replaced by new disruptions caused by the war in Ukraine and the economic sanctions. Thus, while businesses will need to remain on guard regarding financial market volatility and cost pressures this year, one could expect the medium-term growth recovery to remain on track.

The pandemic inordinately impacted the future of work, workforce, and workplace. We have moved with the new work ethic by focusing on a holistic employee experience that puts equal emphasis on growth, engagement, and wellbeing. Our learning strategy evolved continually to adapt in response to the dynamic external environment. This was achieved by re-designing innovative learning properties and methodologies focussing on building contemporary and contextual skills.

Your Company is a 100% export oriented and due to these prevailing headwinds disrupted supply chain have compelled us adopt go-slow strategy for avoiding impact of negative profitability. In 2021-2022, net sales decreased by 66% with regard to those registered in 2020-2021 principally due to the adverse demand backed by higher material cost. Despite significant decrease in revenue and negative cash flow the board of directors recommended 5% cash dividend for the year 2021-2022.

The forces of change engulfing the world are creating a whole new set of exciting possibilities and unbelievable opportunities. Many that didn't even exist yesterday. We are uniquely privileged that we are not passive recipients of changing circumstances but can actively shape our destiny. And this tomorrow is for us to discover and build. Across businesses, we are at the cusp of a transformational growth cycle. As a business house, we have always made investment decisions based on long-term fundamental drivers and we are confident that the newly completed aluminium products will strengthen the growth. Given the inherent strengths of your Company, we are again at a moment where we are uniquely positioned to invest for long-term growth and explore new paradigms. An exciting journey beckons.

(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 11th Annual General Meeting of the Company and 2nd 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, 2022, 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.

World Economy:

The world economy continues to suffer from a series of destabilizing shocks. After more than two years of pandemic, the Russian Federation's invasion of Ukraine and its global effects on commodity markets, supply chains, inflation, and financial conditions have steepened the slowdown in global growth. In particular, the war in Ukraine is leading to soaring prices and volatility in energy markets, with improvements in activity in energy exporters more than offset by headwinds in most other economies. The invasion of Ukraine has also led to a significant increase in agricultural commodity prices, which is exacerbating food insecurity and extreme poverty in many emerging market and developing economies (EMDEs). Numerous risks could further derail what is now a precarious recovery. A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022. Performance was slightly better than expected in the first quarter, but world real GDP is estimated to have shrunk in the second quarter—the first contraction since 2020—owing to economic downturns in China and Russia.

Since 2021, consumer prices have consistently risen faster than widely expected. In the United States, the consumer price index rose by 9.1 percent in June, compared with a year earlier, and it also rose by 9.1 percent in the United Kingdom in May—the highest inflation rates in these two countries in 40 years. In the euro area, inflation in June reached 8.6 percent, its highest level since the inception of the monetary union. Equally concerning, in emerging market and developing economies, second-quarter inflation is estimated to have been 9.8 percent. Higher food and energy prices, supply constraints in many sectors, and a rebalancing of demand back toward services have in most economies driven up headline inflation.

Global food prices have stabilized in recent months but remain much higher than in 2021. The principal driver of global food price inflation—particularly prices of cereal, such as wheat—has been the war in Ukraine; export restrictions in several countries have compounded global food price increases, although a few of these restrictions have recently lapsed. Low-income countries, where food represents a larger share of consumption, are feeling the impact of this inflation most keenly.

COVID-19 outbreaks and mobility restrictions as part of the authorities' zero-COVID strategy have disrupted economic activity widely and severely. Shanghai, a major global supply chain hub, entered a strict lockdown in April 2022, forcing citywide economic activity to halt for about eight weeks. The slowdown in China has global consequences: lockdowns added to global supply chain disruptions and the decline in domestic spending are reducing demand for goods and services from China's trade partners.

Global financial conditions have tightened and borrowing costs have increased, particularly in emerging market and developing economies (EMDEs), reflecting reduced policy accommodation in response to inflationary pressures, elevated uncertainty, and heightened geopolitical risks. In addition, the unwinding of fiscal support measures has continued to weigh on global activity.



Global growth is projected to slow from 5.7 percent in 2021 to 2.9 percent in 2022 and average 3 percent in 2023-24, as Russia's invasion of Ukraine significantly disrupts activity and trade in the near term, pent-up demand fades, and policy support is withdrawn amid high inflation.

Bangladesh Economy

The economic impacts of the COVID-19 pandemic are waning. Infections and deaths surged during the Delta (July to August 2021) and Omicron (January to February 2022) waves of the pandemic. However, narrow targeting of movement restrictions and wider vaccine coverage limited the impact on economic activity. Officially recorded real GDP growth rebounded to 6.9 percent in FY21 and high frequency indicators of trade, industrial activity, and credit growth pointed to a continuing expansion in the first half of FY22. However, the recovery faces new headwinds following the surge in global commodity prices in the context of the war in Ukraine.

Bangladesh entered the pandemic with strong policy buffers to mitigate the negative impacts of the pandemic. An extensive stimulus program and accommodative macroeconomic policies protected productive capacity in the manufacturing sector and helped offset income losses.

Inflation was moderate in FY21, reaching 5.6 percent by the end of the fiscal year. However, headline inflation rose to 6.2 percent in February 2022, driven by a rise in both food and non-food prices. Food inflation rose by 114 basis points to 6.2 percent, as the prices of edible oil, rice, and potato, remained elevated. Non-food inflation also accelerated, reaching 6.1 percent by February 2022. Non-food inflation was driven by higher prices for transport and communication, clothing and footwear, household equipment, and services. Transportation costs surged by more than 20 percent following the adjustment of government-administered fuel and transportation prices.

The Quantum Index for Large and Medium Scale Manufacturing rose by 14.6 percent (y-o-y) in FY21 and 27.8 percent (y-o-y) in July-October of FY22, driven by a recovery in external and domestic demand. In the service sector, retail sales, hotel, and restaurant activity rebounded as movement restrictions eased. Food production grew by 2.8 percent in FY21, reflecting a robust rice harvest.

After declining in FY20, exports grew by 9.2 percent in FY21 and 28.4 percent in H1 FY22, with recovery in global demand for readymade garments (RMG). Bangladesh gained market share in Europe and the United States, as buyers diversified global supply chains. In addition to RMG, exports of home textiles, pharmaceuticals, engineering, and agricultural products also recorded strong growth. A 55.8 percent increase in imports of consumer goods in H1 FY22 points to a strong recovery in private consumption. Public investment rose by 9 percent (y-o-y) in FY21 as government infrastructure megaproject implementation progressed, although preliminary data from FY22 points to a slower pace of expenditure growth. A gradual acceleration in growth of credit to the private sector and a sharp increase in capital goods imports demonstrate a continued recovery of private investment as well.

BB foreign exchange interventions to defend the value of the taka, which contributed to slower NFA (net foreign assets) growth (y-o-y), resulted in a decline in reserve money growth to 6.5 percent in December 2021. The broad money (M2) growth rate consequently declined to 9.6 percent in December 2021, below the BB's target of 13.8 percent. In contrast to NFA, the growth of net domestic assets (NDA) increased on the back of rising credit to the public and private sector.

Credit to the private sector recovered in FY21, as pandemic-related restrictions were lifted. As activity regained pace, demand for private credit rose in FY22, reaching a growth rate of 10.7 percent in December 2021, approaching the BB's target of 11.0 percent. However, the overall advance-to-deposit ratio (ADR) remained at 72 percent in September 2021, well below the regulatory limit of 87 percent. This largely reflected underperformance by state-owned commercial banks.

Despite a widening trade deficit, the balance of payments (BoP) surplus increased to US\$ 9.3 billion at the end of FY21, led by a 36.1 percent (y-o-y) surge in official remittance inflows. The surge in official remittance inflows in FY21 correlates with substantial disruptions in informal remittance transfer channels as the movement of people and goods was constrained by COVID-19 travel restrictions. The surplus in the financial account reflected increasing foreign direct investment (39.3 percent) and medium and long-term (MLT) loan

disbursements (78.3 percent). However, these trends reversed in FY22. The current account deficit widened in H1 FY22 due to a sharp increase in import payments (52.4 percent) and a decline in official remittance inflows (-20.9 percent). Official remittance inflows declined as travel restrictions were lifted, supporting normalization of informal transfer channels. This trend was reinforced by a rising informal exchange rate premium, which reached 2.7 percent by March 2022. The financial account surplus narrowed as loan disbursements and portfolio investments slowed. As a result, the BoP deficit reached US\$ 1.8 billion in H1 FY22, compared to a surplus of US\$ 6.1 billion during the same period of FY21.

The Bangladeshi taka (BDT) remained stable against the US dollar at 84.8 BDT/US\$ throughout FY21. The exchange rate depreciated to BDT 85.8 per US\$ in December 2021 as imports surged, international travel resumed, and official remittance inflows declined. BB sold US\$2.5 billion of reserves in H1 FY22, reversing the direction of its FY21 foreign exchange interventions. Gross foreign exchange reserves declined in H1 FY22 but remained adequate at US\$ 44.5 billion. In the context of an elevated BoP deficit, vigilance, and greater exchange rate flexibility are required to safeguard reserves.

Despite the ambitious target in the budget to expand expenditure to expedite the economic recovery and support vulnerable sectors, total nominal expenditure grew only 9.8 percent in FY21, below the average growth rate of the previous ten years (16.5 percent) and 19.3 percent below the budget target. Current expenditure rose modestly in FY21 as the government continued a policy to limit non-essential expenditure such as the purchase of vehicles, construction of office buildings, and travel of government officials. Though construction of infrastructure megaprojects progressed, overall capital expenditure grew by only 4.2 percent in FY21, reflecting deferral of smaller projects and slow implementation in the fourth quarter due to movement restrictions. In the health sector, only 59.9 percent of the FY21 budget allocation was executed, despite the ongoing pandemic response. The percentage of the Annual Development Program (ADP) executed in H1 FY22 remained below the pre-pandemic level.

The revenue target for FY21 was an aspirational 42.3 percent nominal increase over FY20 collections. Though revenue collection rose by 23.5 percent (y-o-y) based on provisional estimates, it was still 14 percent lower than the target. Nominal tax revenues increased by 16.8 percent in H1 FY22, led by growth in trade-related tax revenues (22.4 percent growth) as imports rose. Government revenues remained among the lowest in the world at 9.4 percent of GDP, with limited adoption of tax policy or structural reforms in recent years and persistent weaknesses in tax administration systems.

Bangladesh Bank (BB) adopted accommodative monetary policies in response to the COVID-19 pandemic in FY20, reducing the cash reserve ratio to 4 percent (from 5.5 percent) and the repo rate to 4.75 percent (from 6 percent) and increasing the advance-to-deposit ratio (ADR) to 87 percent (from 85 percent). These policies remained in place in FY21. As a result of accommodative monetary policy and BB foreign exchange interventions to limit the appreciation of the taka, reserve money growth increased to 22.4 percent in FY21, exceeding the 13.5 percent BB target. Consequently, broad money growth accelerated to 13.6 percent in FY21.

GDP growth is expected to remain resilient in the medium term with waning pandemic-related economic disruptions and continuation of supportive macroeconomic policies. Inflation is projected to remain above the BB's target of 5.3 percent. External and fiscal sustainability will be stressed by rising global commodity prices and increased uncertainty following the war in Ukraine. Downside risks include continued high commodity prices that could worsen inflation dynamics and impact the external balance, weaker global demand for Bangladesh's exports, and potential new waves of COVID-19 that could require further containment measures.

Capital Market Scenario

The country's capital market passed yet another eventful year with a 25 per cent return in the core index of the main bourse despite tussles between the two regulatory bodies concerned over some policy issues. During the year 2021, the Dhaka Stock Exchange (DSE) also posted a decade-high daily turnover value along with a rise in market cap to GDP (Gross Domestic Product) ratio. The daily turnover, an important gauge, stood at Tk 14.75 billion on an average in 2021, up by 127 per cent year-on-year. The DSE witnessed the second highest-ever turnover worth above Tk 3.54 trillion.

The DSE market capitalization to GDP ratio stood at 18.01 per cent, while the market P/E (price earnings)



stood at 17.58 at the end of 2021. A consistent rally enabled the DSE broad index - DSEX - to stay above 6,700 points, as buoyancy added strength to the equity indices despite worries over virus-infused shocks to the country's economy in the first half of the year.

The market was bullish amid the investors' growing confidence - driven by the regulator's various market supportive measures, which lured the investors to park fresh funds on stocks. The regulatory initiatives to restore governance in the market and other reforms, including removal of floor price, and re-listing of OTC companies, positively impacted the market. Introduction of SME board, corporate restructuring, development initiatives for Sukuk and bond market, new initial public offering (IPO) allotment rules, and change of circuit breaker for IPOs contributed towards building a vibrant capital market.

World Copper Industry and Outlook

Global growth is likely to moderate to 3.6% in CY2022 from 6.1% in CY2021. War-induced commodity price increases and broadening price pressures have led to CY 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies. Overall, in CY 2022, primary demand is likely to grow by 1% to ~69 Million MT. Production is expected to be around ~70 Million MT. Hence the market is likely to be balanced. Production in the world excluding China is expected to increase by ~1% to ~29 Million MT. Primary aluminium supply in China is likely to grow by 5% to ~40 Million MT. Consequently, the inventories are likely to remain stable at 9.0 Million MT by the end of CY2022. In CY2021, on a yearly basis, refined copper consumption globally saw an increase of 6% to 24.4 Million MT against 23.0 Million MT in CY2020. Copper intake in China grew by 5%, whereas in the World Ex China, it increased by 7%.

The World Trade Organization (WTO) expects merchandise trade volume to grow at 3.0 per cent in CY2022, and 3.4 per cent in CY2023, post adjusting for the impacts of the Russia-Ukraine conflict. Although the outlook at the onset of the calendar year was more positive, where the envisaged growth at the time was 4.7 per cent for CY2022, this has moderated since then to 3.0 per cent on the back of increased uncertainty worldwide –from escalating tensions between Russia and Ukraine, supply chain disruptions, increased inflationary pressures and lockdowns in China which has disrupted seaborne trade. However, it is encouraging to note that the Asian region is expected to be a key contributor to world trade performance.

Copper is one of the most recycled of all metals. It is our ability to recycle metals over and over again that makes them a material of choice. The demand for copper will continue to be met by the discovery of new deposits, technological improvements, efficient design, and by taking advantage of the renewable nature of copper through reuse and recycling. As well, competition between materials, and supply and demand principles, contribute to ensuring that materials are used efficiently and effectively. According to the International Copper Association (ICA), equipment was the largest copper end-use sector in 2020, followed by building construction and infrastructure.

Pressure on margins due to increasing raw material costs, particularly given the inflationary environment at present, is likely to continue in the short-term and the businesses will take all necessary measures, including cost and portfolio optimization strategies, to mitigate this impact to the extent possible. On the external sector, uncertainty and disruptions in the foreign exchange market has also created some uncertainty and volatility. Against this backdrop, the Company is confident of the medium to long-term prospects of the industries it operates in; a sustained recovery can be expected once the requisite policy measures and economic action are taken to achieve economic stability. Given the ongoing challenging landscape, the Company will continue to evaluate its resilience under various stress-tested scenarios. The Company will also continue to follow the various processes, frameworks and measures undertaken in the previous years to ensure a sustainable and agile operating model, with a focused view on cash management and liquidity. The Company recognizes the importance of diversity, equity and inclusion (DE&I) and the role it plays in ensuring workplace respect, organizational success and sustainability for all stakeholders.

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. 20.58 crore in 2021-2022 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 75 percent of yearly sales. This year total sorted copper sale value is TK. 15.43 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.

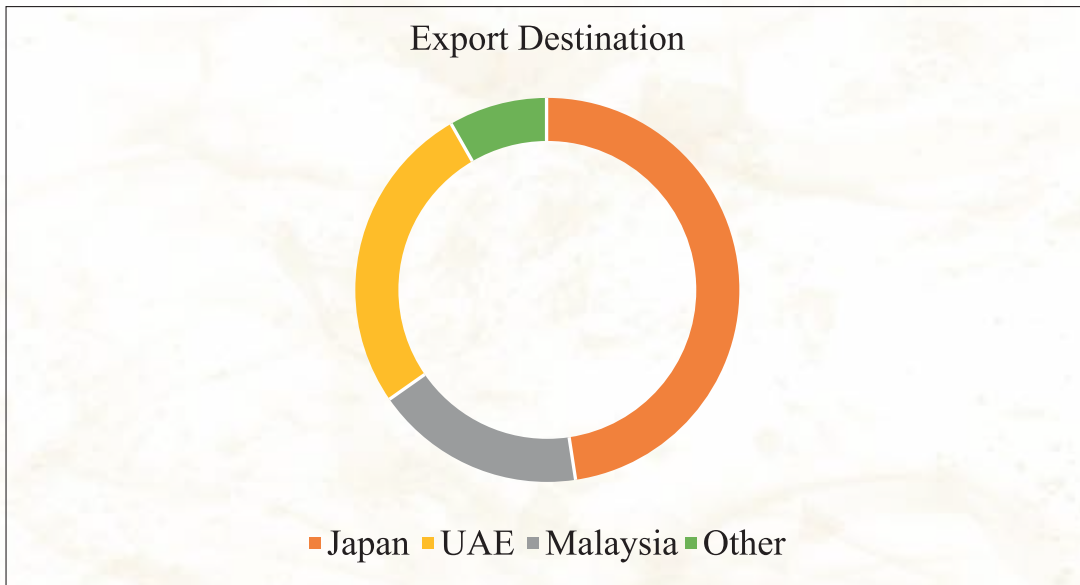
During the year 2021-2022 the Company has achieved turnover of Tk 20.58 crore where Copper Alloys contributed 19% of total sales.

During the year 2021-2022 the company has posted a total revenue of Tk. 20.58 crore which is dubble from 2019-2020. The product wise contribution towards the revenue are as follows:

Sorted Copper	Tk. 15.43 crore	75 % of total sales
Copper Alloys	Tk. 03.91 crore	19 % of total sales
Other Alloys	Tk. 01.24 crore	06 % of total sales

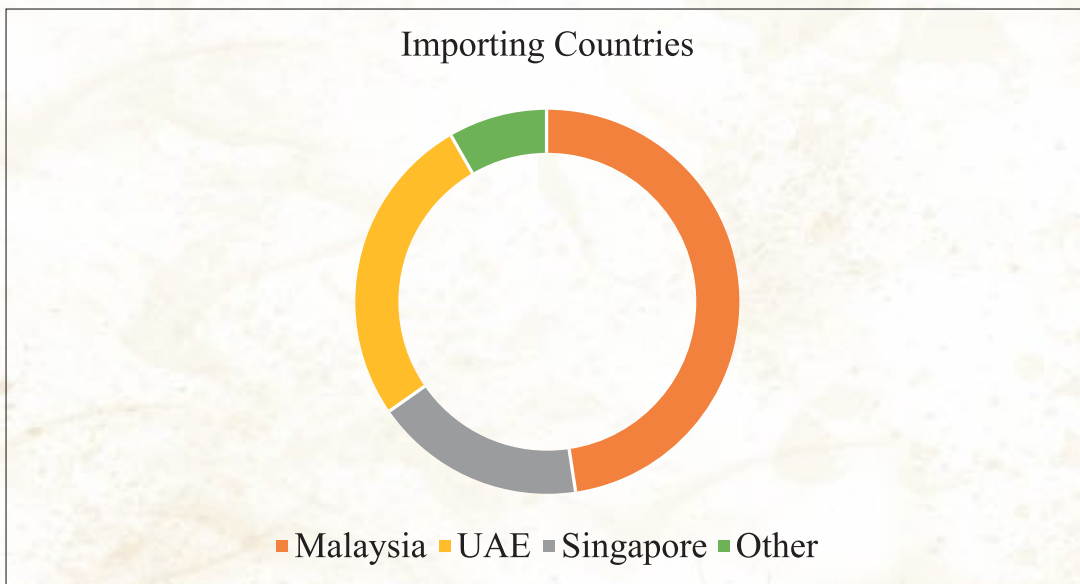


Copper is 100% recyclable without losing its properties which renders it a sustainable material of choice for circular economy. NIALCO is a 100% export oriented company. The products of the company are Copper is 100% recyclable without losing its properties which renders it a sustainable material of 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 strategic adoption of go-slow enabled to complete the year 2021-2022 with profitability. In 2021-2022, net sales decreased by 66% with regard to those registered in 2020-2021 principally due to the adverse demand backed by higher material cost. 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 2021-22, the turnover of the Company was BDT 205.81 mn as against BDT 602.86 mn during FY 2020-21 registering 66% decrease. The Company posted a Profit before Tax from continuing operation of BDT 18.72 mn during the year as against BDT 39.04 mn recorded during the previous year registering a decrease of 52%. The Profit after Tax from continuing operation during FY 2021-22 is BDT 14.61 mn as against BDT 34.89 mn in FY 2020-21 registering a decrease of around 58.14%.

During FY22, the gross profit is BDT 30.28 mn which was BDT 73.17 mn during FY21 registering a decrease of 58.61%. During FY22, COGS was BDT 175.92 mn and BDT 529.68 mn in FY 21 a 66.86% decrease, which is a reflection of conservative selling strategy.

The financial results of the Company for the year 2022 with a comparison of 2021 are summarized below:

(BDT in million except per share data)	2022	2021
Revenue	205.81	602.86
Gross profit	30.28	73.17
Operating profit	16.89	48.91
Profit before tax	18.72	39.04
Profit after tax	14.61	34.89
Earnings per Share (EPS)	0.51	1.72

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. Due to higher material cost it has been difficult to ensure minimum profitability margin and thus, management compelled to adopt conservative selling strategy which impacted the 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 13 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 39.49 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, 2022) There have been no material changes and commitments between the end of FY22 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 5 percent cash dividend for the year ended June 30, 2022 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 2022	14.60
Retained earnings at the beginning of 2022	71.48
Total profit available for appropriation	57.60
Proposed Appropriations	
Proposed cash dividend	14.25
Retained earnings	57.60

Dividend

The Company will be paying 5% cash dividend for the year ended 2022. The Board of Directors in its meeting held on 25 October 2022 recommended “5% cash” dividend for the year 2022. 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 14.60 mn.

The Board of Directors affirms that no bonus shares 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 11th (Eleventh) Annual General Meeting is given on page 08 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 Statutory Auditors;

Special Business: Nil

Notice of the Annual General Meeting

Notice of the 11th (Eleventh) Annual General Meeting of the Company is given on page no 08 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 thereafter it got listed on Dhaka Stock Exchange also. 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, 2022 the company utilized taka 35,191,588/- of 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, 2022.

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.

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 11th Annual General Meeting and being eligible offered himself for re-election:

- i) Mohammad Kamal Uddin Ahmed

Biographies of the Directors (including retiring Directors) are given in this annual report on 19 page.

Shareholding pattern

As on June 30, 2022 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 Shareholders holding is 73.14%, Qualified Investors 26.32 and Public 0.55%.

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

Shafiq Basak & Co., Chartered Accountants being eligible expressed their willingness to be appointed as Statutory Auditor of the Company for the year 2022-2023. The Board in its meeting held on 25 October 2022 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 opportu-

nity, 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 25, 2022 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 25, 2022





শফিক বসাক এন্ড কোং SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

CHATTOGRAM OFFICE :

National House (1st Floor),
109, Agrabad Commercial Area,
Chattogram-4100, Bangladesh,
Phone: 880-31-711561
Pho/Fax: 880-31-723680
Web : www.shafiqbasak.com
E-mail: basak_sbc@yahoo.com
basak@shafiqbasak.com

Partners :

Md. Shafiqul Islam, FCA
Sampad Kumar Basak, FCA
Sarwar Mahmood, FCA
Sheikh Zahidul Islam, MBA, FCA

DHAKA OFFICE :

Shatabdi Centre (6th Floor)
292, Inner Circular Road,
Fakirapool, Motijheel, Dhaka.
Phone/Fax : 880-2-7192098,
Cell : +88 01730-080666
E-mail : skzislam86@gmail.com
skz4sbc@gmail.com
Web : www.shafiqbasak.com

Independent Auditor's Report Nialco Alloys Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nialco Alloys Ltd. which comprise the Statement of Financial Position as at 30 June 2022, Statements of profit or Loss and 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.

In our opinion, the accompanying financial statements present fairly, in all material respects of the statement of financial position of Nialco Alloys Ltd. as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 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 jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and 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 statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditors' Responsibilities of the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



INDEPENDENT MEMBER OF
ABCUS
WORLDWIDE

DHAKA OFFICE - (2) : House - 42 (1st Floor), Road-01, Block-A, Niketan, Gulshan - 01, Dhaka.
Phone: 88-02-99859602-3, 01819-285196, E-mail: mahmoods.bd@gmail.com



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.

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.

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

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 2020 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.

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 the circumstances.



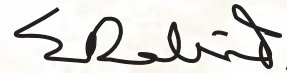
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of management's 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 company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by company so far as it appeared from our examination of these books;
- c) The statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Signed for and on behalf of
Shafiq Basak & Co.
Chartered Accountants



Sheikh Zahidul Islam FCA, MBA.
Partner

DVC: 2210251394AS107127

Date: October 25, 2022

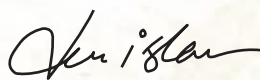
Place: Chattogram



NIALCO ALLOYS LIMITED
Statement of Financial Position
As at 30 June 2022

Particulars	Notes	Amount in Taka	
		30 June 2022	30 June 2021
ASSETS			
Non-Current Assets			
Property Plant & Equipment	3.00	86,103,530	52,013,912
Capital Work In Progress	4.00	-	-
		86,103,530	52,013,912
Current Assets			
Inventories	5.00	156,682,694	198,911,232
Accounts Receivable	6.00	132,826,260	218,889
Advance, Deposit & Prepayments	7.00	41,843,914	35,680,678
Cash & Cash Equivalents	8.00	73,189,780	120,343,172
		404,542,648	355,153,971
TOTAL ASSETS		490,646,178	407,167,883
SHAREHOLDERS EQUITY AND LIABILITIES			
Shareholders Equity			
Share Capital	9.00	285,000,000	285,000,000
Retained Earnings	10.00	57,595,808	71,489,570
		342,595,808	356,489,570
Non-Current Liabilities			
Long Term Loan		-	-
Deferred Tax Liabilities	11.00	1,466,682	504,189
		1,466,682	504,189
Current Liabilities			
Current Maturity of Term Loan		-	-
Short Term Borrowings	12.00	142,216,540	36,184,814
Accounts payable	13.00	-	10,340,477
Liabilities for Expenses	14.00	4,365,723	3,648,833
Dividend Payable	14.03	1,425	-
		146,583,688	50,174,124
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		490,646,178	407,167,883
Net Asset Value (NAV) Per Share	23.00	12.02	12.51

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



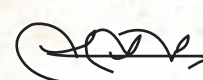
Company Secretary



Chairman



Director



Managing Director

Signed as per our annexed report of even date.

Signed for and on behalf of
Shafiq Basak & Co.
Chartered Accountants



Sheikh Zahidul Islam FCA, MBA.
Partner

DVC: 2210251394AS107127

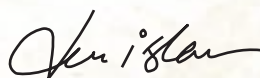
Date: October 25, 2022
Place: Chattogram



NIALCO ALLOYS LIMITED
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
Revenue	15.00	205,814,121	602,862,064
Less: Cost of Goods Sold	16.00	175,528,116	529,684,614
Gross Profit		30,286,005	73,177,450
Less: Operating Expenses		13,390,310	24,266,331
Administrative Expenses	17.00	7,376,969	8,329,938
Selling & Distributing Expenses	18.00	6,013,341	15,936,393
Profit from Operation		16,895,695	48,911,119
Less: Financial Expenses	19.00	5,366,764	8,301,495
Add: Non operating Income	20.00	8,132,768	392,279
Profit/(Loss) before Contribution to WPPF		19,661,699	41,001,903
Less: Contribution to WPPF		936,271	1,952,472
Profit/(Loss) before Tax		18,725,428	39,049,430
Less: Income Tax		4,119,190	4,157,159
Current Tax	21.01	3,156,697	4,030,658
Deferred Tax	11.00	962,493	126,501
Profit after tax for the period		14,606,238	34,892,271
Other Comprehensive Income		-	-
Total Comprehensive Income		14,606,238	34,892,271
Earnings per share (EPS)	22.00	0.51	1.72

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



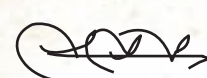
Company Secretary



Chairman



Director




Managing Director

Signed as per our annexed report of even date.

Signed for and on behalf of
Shafiq Basak & Co.
Chartered Accountants



Date: October 25, 2022
Place: Chattogram


Sheikh Zahidul Islam FCA, MBA.
Partner
DVC: 2210251394AS107127

NIALCO ALLOYS LIMITED
Statement of Changes in Equity
For the year ended 30 June 2022

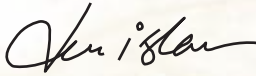
(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01 July 2021	285,000,000	71,489,570	356,489,570
Net Profit for the Year	-	14,606,238	14,606,238
Less: Cash Dividend		28,500,000	28,500,000
Balance as on 30 June 2022	285,000,000	57,595,808	342,595,808

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



Company Secretary



Chairman



Director



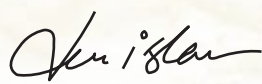
Managing Director

Date: October 25, 2022
Place: Chattogram



NIALCO ALLOYS LIMITED
Statement of Cash Flows
For the year ended 30 June 2022

Particulars	Note	Amount in Taka	
		2021-2022	2020-2021
A. Cash Flows from Operating Activities			
Receipts from customers		73,206,751	652,665,104
Receipts from others Income		8,132,768	392,279
Dividend Payable		1,425	-
Payment to Suppliers	29.00	(129,814,350)	(426,343,777)
Operating expenses paid	30.00	(30,567,724)	(62,306,680)
Finance expenses paid		(33,866,764)	(8,778,745)
Cash Generate from Operation		(112,907,893)	155,628,181
Payment against Income Tax		(780,918)	(3,466,315)
Net Cash Generate from Operating Activities		(113,688,811)	152,161,866
B. Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment		(39,496,306)	(23,090,000)
Net Cash used in Investing Activities		(39,496,306)	(23,090,000)
C. Cash Flows from Financing Activities			
Increase/(Decrease) Share Capital		-	135,000,000
Increase/(Decrease) Short Term Borrowing		106,031,726	(174,591,640)
Increase/(Decreases) Loan Liabilities (Long term)		-	-
Net Cash Provided by Financing Activities		106,031,726	(39,591,640)
D. Net increase/(Decrease) in Cash and Cash Equivalent (A+B+C)		(47,153,391)	89,480,226
E. Cash and Bank Balances at beginning the period		120,343,172	30,862,945
F. Cash and Bank Balances at end of the period (D+E)		73,189,780	120,343,171
Net Operating Cash Flows (NOCF) Per Share	24.00	(3.99)	7.51



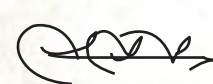
Company Secretary



Chairman



Director



Managing Director

Date: October 25, 2022

Place: Chattogram



Nialco Alloys Limited
Notes to the Financial Statements
For the year ended 30 June 2022

1.00 REPORTING ENTITY

1.01 Company Profile

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 a public limited 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, 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 Gum Metal, Phosphorus Bronze, Leaded Bronze Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB) High Tensile Brass (HTB), Die Cast Brass (DCH), 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

2.01 Statement 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 (IAS) and International Financial Reporting Standards (IFRS), 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 includes the following components

- a) Statement of Financial Position as at June 30, 2022
- b) Statement of Profit or Loss and other comprehensive income for the year ended June 30, 2022
- c) Statement of Changes in Equity for the year ended June 30, 2022,
- d) Statement of Cash Flows for the year ended June 30, 2022 and
- e) Notes, summary of significant accounting policies and other explanatory information.

2.05 Accounting Policies & Estimates:

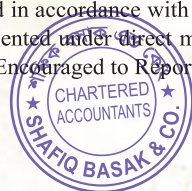
The preparation of these financial statements is in conformity with IAS/IFRS, which management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are 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



2.08 Applicable accounting standards:

The following IAS and IFRS are applicable for the financial statements for the year under review

IASs

IAS 1 Presentation of Financial Statement
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
IFRS 16 Lease

2.09 Reporting Period

The financial period of the Company under audit covers 12 months period from 01 July 2021 to 30 June 2022

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

All Recognition Property, and Plant Measurement and Equipment are stat Kau cagAess accumulated depreciation as per LAS-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 statement of orifit or loss and other comprehensive income as incurred.

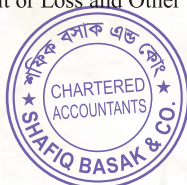
2.10.2 Depreciation

All items of Property, Plant and Equipment have been depreciated on reducing balance method. Depreciation has been charged on addition when the related property, plant and equipment are available for used. On disposal of an asset, depreciation is charged up to the month prior to the disposal. No depreciation is charged for Building & Civil construction and Plant & Machinary due to under construction. Depreciation rates are as follows:

Name of Assets	Rate	
	2022	
Land & Land Development	0%	
Computer Abd Printer	10%	
Plant & Machinerics	10%	
Furniture & Fixture	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.



Impairment

2.10.4 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 period.

Borrowing Cost

2.10.5 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 be capitalized as per IAS-23: Borrowing Cost.

2.10.6 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) **Worker's profit participation fund (WPPF)**

The company makes a regular allocation of 5% on net profit before charging such expenses to this fund as per provisions of Labor Laws 2006.

2.10.7 Provisions

A provision is recognized if, there is a present legal or constructive obligation as a result of past event and this can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

2.10.8 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

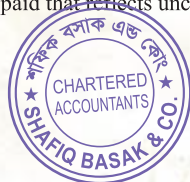
Sales volume increases in comparison to previous year but Net profit after Tax does not increase in proportionate to

2.10.9 Income Tax Expenses

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. Income tax expense comprises current and deferred tax. It is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income tax, if any.



Deferred Tax

The company has decided to adopt policy of recognition of deferred tax in accordance with the IAS 12, deferred tax is provided using the balance sheet approach method for temporary difference arising between the carrying value of fixed assets as per accounts and the corresponding income tax written down value. Deferred tax is calculated at the effective income tax rate prevailing at the statement of financial position date.

2.10.10 Finance Income and Expenses

Finance income comprises interest on financial deposits with banks. Finance income is recognised on an accrual basis and shown under Statement of profit or loss and other comprehensive income. Finance costs comprise interest expense on overdraft and borrowings from bank.

2.10.11 Basic Earnings

This represents earnings for the period attributable to the ordinary shareholders. As there was no minority interest or extra ordinary items, the net profit after tax for the period has been considered as fully attributable to ordinary shareholders. Calculated as per IAS 33.

2.10.11 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.10.12 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.

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.

2.10.13 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, inventory and others.

Cash and Cash Equivalents

2.10.14 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. No foreign exchange gain or loss has been considered in Cash and Cash Equivalents.

2.10.15

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

2.10.16 Other Regulatory Compliance

As required, Coppertech Industries Ltd. complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- a) The Income Tax Ordinance 1984
- b) The Income Tax Rules 1984
- c) Securities and Exchange Rules 1987
- d) The Labour Act 2006 (as amendment in 2015)
- e) The Value Added Tax Act 1991
- f) The Value Added Tax Rules 1991
- g) The Customs Act 1969

2.10.17 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.

Responsibility for Preparation and Presentation of Financial Statements

2.10.18 The Board of Directors is responsible for the preparation and presentation 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 Board (IASB).



2.10.19 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.

2.10.20 Capacity

The Company works on continuous operation basis and given the current installed machine configurations and planned expansions, there is sufficient capacity to meet forecast future demand in a variety of specification. The Directors regularly review the production capability of the Company and are satisfied that the current and future capacities are adequate. Plans are in place to meet any anticipated future demand.

2.10.21 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.

2.10.22 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 (note no 30.01) in the Financial Statement.

2.10.23 Events after the Reporting Period

There are no events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

General

- i) The figure has been rounded off to the nearest taka.
- ii) The financial Statements have been prepared covering one year from 01 July 2018 to 30 June 2019.
- iii) Because of these rounding off, in some instance the total may not match the sum of individual balance.



Particulars	Amount in Taka		
	30 June 2022	30 June 2021	
3.00 Property, Plant and Equipment			
A. At Cost			
Opening Balance	61,816,895	29,441,395	
Add: Addition during the period	39,496,306	32,375,500	
Less: Disposal during the period	-	-	
Total Cost	101,313,201	61,816,895	
B. Accumulated Depreciation			
Opening Balance	9,802,983	7,280,060	
Add: Depreciation charged for the period	5,406,688	2,522,923	
Less: Adjustment on disposal	-	-	
Total Charge	15,209,671	9,802,983	
Written down value (A-B)	86,103,530	52,013,912	
Details are shown in Annexure-A			
4.00 Capital Work in Progress			
Opening Balance	-	9,285,500.00	
Add: Addition during the period	-	-	
Less: Transferred to appropriate asset category	-	9,285,500.00	
Closing Balance	-	-	
5.00 Inventories			
Raw Material	Note- 16.01	144,087,364	184,603,532
Work in Progress	Note- 16.00	6,845,210	7,565,120
Finished Goods	Note- 16.00	5,750,120	6,742,580
		156,682,694	198,911,232
6.00 Accounts Receivables			
Trade Receivables		132,696,053	-
FDR Interest Receivables	Note- 6.01	130,206	218,889
		132,826,260	218,889
More than six months		-	-
Less than six months		-	-
		-	-

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

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.	-	-
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	-	-



Particulars	Amount in Taka	
	30 June 2022	30 June 2021
6.01 FDR Interest Receivables		
Accrued Interest on FDR	130,206	218,889
	-	-
	130,206	218,889
7.00 Advance, Deposit & Prepayments		
Advance Income Tax	-	-
Advance to Employees	67,745	80,482
Advance to CDBL	400,000	400,000
Advance Intercompany	39,331,487	31,581,715
L/C Margin in MTB	2,044,682	3,618,481
	41,843,914	35,680,678
7.01 Advance Income Tax		
Income Tax deduction at source - opening	-	-
Add: Advance income tax during the period	780,918	3,466,315
	780,918	3,466,315
Less: Adjustment during the period	780,918	3,466,315
	-	-
7.02 Advance To Intercompany		
Opening Balance	-	-
Add: Advance made during the Year (Note : 13.01)	39,331,487	31,581,715
	39,331,487	31,581,715
Less: Adjustment during the Year	-	-
	39,331,487	31,581,715

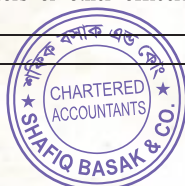
NIALCO Alloys limited is a company having two sister concerns (through common directorship) one is Marine Safety System and another is Chittagong Ship Breaking Ltd. NIALCO has a composite credit facility from Mutual Trust Bank Limited, Agrabad Branch for amounting Tk. 45.00 crore vide sanction letter No. MTB/CAD/Marine Safety System /2021/246, Dated: 14th January 2021.

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. 3,93,31,487.00 represents intercompany debit balance i.e; receivable from other company of the group as on 30th June 2022.

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.	2,044,682	3,618,481
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 partner or a director or	67,745	80,482
v) Advance, deposits & prepayment due by companies under the same		
vi) The maximum amount due by directors or other officers of the company at any time during the period.		
Total	2,112,427	3,698,963



Particulars	Amount in Taka	
	30 June 2022	30 June 2021
8.00 Cash and cash equivalents		
(i) Cash in hand	1,542,288	142,288
(ii) Cash at bank:		
Mutual Trust Bank Ltd. A/C No. 0005-0210020220	2,229,425	7,442,566
Mutual Trust Bank Ltd. A/C No. 0005-0260001264	177,465	159,761
Mutual Trust Bank Ltd. A/C No. 1301000000548	1,860,000	800,000
Eastern Bank Ltd. A/c No. 0011060785567	473,742	1,095,348
Midland Bank Ltd. A/c No. 0003-1090001613	5,775	6,925
Mutual Trust Bank Ltd. A/C No. 0005-0320003791	41,490,817	75,214,560
(iii) FDR		
Eastern Bank Ltd.	-	-
Mutual Trust Bank Ltd.	25,410,267	35,481,724
Total	73,189,780	120,343,172

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 285,000,000 285,000,000

C. Shareholding Position

	Percentage	No. of Share	Amount
Sponsor/Director	73.14%	20,845,000	208,450,000
Companies, Financial Institution And Qualified 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-B

10.00 Retained Earnings

Opening Balance	71,489,570	37,074,548
Net profit for the period	14,606,238	34,892,272
Less: QID Expense	(28,500,000)	(477,250)
	57,595,808	71,489,570

11.00 Deferred Tax Liability

Opening Balance	504,189	377,688
Add: Addition During the period	962,493	126,501
	1,466,682	504,189

12.00 Short Term Borrowings

Bank Loan	12.01	142,216,540	36,184,814
		142,216,540	36,184,814

12.01 Bank Loan

Accepted liability	2,350,005	36,184,814
WC Under Stimulus Package	101,524,674	
Trust Receipt	38,341,861	-
	142,216,540	36,184,814



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



Particulars	Amount in Taka	
	30 June 2022	30 June 2021
13.00 Accounts Payable		
Intercompany payable	13.01 -	-
Payable to Supplier	13.02 -	10,340,477
	-	10,340,477
13.01 Intercompany payable		
Opening Balance	(31,581,715)	5,687,305
Add: Addition during the period	57,358,029	106,008,974
Less: Paid/Adjustment during the period	(65,107,801)	(143,277,994)
	(39,331,487)	(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. MTB/CAD/Marine Safety System /2021/246, Dated: 14th January 2021.

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. 3,93,31,487.00 represents intercompany debit balance i.e; receivable from other company of the group as on 30th June 2022.

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	482,313	567,079
Income Tax provision	14.01 2,375,780	564,343
WPPF	14.02 1,062,212	2,002,981
Security guard salary	25,000	25,000
Utility Bill	25,420	25,420
Audit Fees	200,000	120,000
Other Expenses	194,998	44,010
QIO Expenses	-	300,000
	4,365,723	3,648,833
14.03 Dividend Payable (2020-2021)	1,425	-



Particulars	Amount in Taka	
	30 June 2022	30 June 2021
14.01 Income Tax provision		
Opening Balance	564,343	1,405,152
Add: Addition during the period	3,156,697	4,030,658
Less: Adjustment during the period	1,345,261	4,871,467
	2,375,780	564,343
14.02 Workers profit participation fund(WPPF)		
Opening Balance	2,002,981	1,008,791
Add: Addition during the period	936,271	1,952,472
Add: Interest accrued on undistributed amount of last year	125,941	50,509
Less: Paid/Adjustment during the period	2,002,981	1,008,791
	1,062,212	2,002,981
14.03 Payable Against Capital Work-In-Progress (CWIP)		
Opening Balance	-	1,285,500
Add: Addition during the period	-	-
Less: Adjustment during the period	-	(1,285,500)
	-	-
	2021-2022	2020-2021
15.00 Revenue		
Gross Sales (Export)	205,814,121	602,862,064
Less: VAT	-	-
	205,814,121	602,862,064
16.00 Cost of Goods Sold		
Raw Materials Consumption	16.01 158,331,151	503,961,768
Manufacturing overhead	16.02 15,484,595	11,079,561
Cost of Manufacturing	173,815,746	515,041,329
Work in Progress-Opening	7,565,120	14,265,350
Work in Progress-Closing	(6,845,210)	(7,565,120)
Cost of goods Manufactured	174,535,656	521,741,559
Finished goods-Opening	6,742,580	14,685,635
Finished goods-Closing	(5,750,120)	(6,742,580)
	175,528,116	529,684,614
16.01 Raw Materials Consumption		
Opening Balance	184,603,532	259,087,364
Add: Purchase during the period	117,814,983	429,477,936
	302,418,515	688,565,300
Less: Purchase discount	-	-
Raw materials available for production	302,418,515	688,565,300
Raw Materials-Closing	(144,087,364)	(184,603,532)
Less: Consumption during the period	158,331,151	503,961,768



Particulars	Amount in Taka	
	2021-2022	2020-2021
16.02 Manufacturing overhead		
Wages, Salary & Allowance	2,542,320	2,765,272
Conveyance	212,135	235,182
Tours & Travel	420,500	418,766
Carriage Inward	165,180	381,515
Utility Bill Expenses	1,044,205	818,850
Entertainment	87,200	89,500
Internet Expenses	24,000	24,000
License & Renewal	133,070	178,515
Loading & Unloading Expenses	120,662	260,211
Insurance Expense	347,959	586,363
Medical Expenses	40,500	90,533
Mobile, Telephone & Fax Expenses	89,452	92,882
Printing & Stationery	52,205	65,812
Repairs & Maintenance	442,680	318,750
Store & Spares	450,956	362,511
C & F Expenses	3,190,828	-
Cutting Expenses	575,462	1,678,552
Scale charge	145,520	155,122
Uniform & Gloves	12,620	18,120
Miscellaneous Expenses	85,650	109,592
Depreciation (Annexure-A)	5,301,491	2,429,513
	15,484,595	11,079,561
17.00 Administrative Expenses		
Salary & Allowance	2,365,300	2,942,500
Managing Directors remuneration	2,250,000	-
Conveyance	212,600	915,644
Paper & Periodical	12,520	28,122
Entertainment	125,463	140,130
Printing & Stationery	32,855	112,611
Fees and Renewals	92,100	175,100
Utility Bill	713,590	204,713
Audit Fee	200,000	191,667
Telephone, Mobile & Internet bill	45,522	65,522
Business Development expenses	185,720	445,689
Postage & Courier	32,711	42,511
Repairs & Maintenance	65,850	82,642
Photocopy charges	13,450	21,580
Advisory Fees	703,000	2,700,000
Listing Fees	68,500	-
Board Meeting Fees	55,000	-
Medical Expenses	22,520	42,655
Miscellaneous Expenses	35,321	85,692
Regulatory fees-CSE	39,750	39,750
Depreciation (Annexure-A)	105,197	93,410
	7,376,969	8,329,938

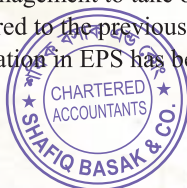


Particulars	Amount in Taka	
	2021-2022	2020-2021
18.00 Selling & Distributing Expenses		
Salary & Allowance	1,985,545	2,202,575
C&F Expense - Export	952,500	3,498,667
Conveyance	89,320	132,642
Entertainment	100,520	135,200
Packing Expenses	180,645	790,198
Sales Promotion Expense	166,850	965,426
Carriage Outward	455,911	2,211,584
Export expenses	723,788	1,510,545
Freight charges	962,520	3,218,600
Postage & Courier	48,350	128,762
Loading & Unloading	120,423	452,521
Miscellaneous Expenses	12,540	25,244
Mobile, Telephone & Fax Expenses	69,130	119,130
Sample Expense	145,299	545,299
	6,013,341	15,936,393
19.00 Financial Expenses		
Bank Charges and Interest	5,240,823	8,250,986
Interest on WPPF (undistributed amount for the FY 2019-20)	125,941	50,509
	5,366,764	8,301,495
20.00 Non operating Income		
FDR interest	2,545,719	1,636,496
Realized gain / (loss) Note 20.01	1,514,479	(1,147,004)
Unrealized gain / (loss) Note 20.02	4,072,570	(97,212)
	8,132,768	392,279
20.01 Realized gain / (loss)		
Value of export collection on sales booking rate	73,555,959	607,625,583
Value of export collection on average realized rate	80,045,944	606,478,579
	6,489,986	(1,147,004)
Value of Import Bill Payment in booking rate	134,231,840	426,915,327
Value of Import Bill Payment in Average Rate	139,207,346	426,965,582
	(4,975,507)	(50,255)
	1,514,479	(1,197,259)
20.02 Unrealized gain / (loss)		
Value of Import Payable on closing rate	11,714,061	46,525,291
Value of Import Payable on average rate	12,015,070	46,622,504
	(301,009)	(97,212)
Value of closing receivable on sales booking rate	117,992,739	-
Value of closing receivable on year end Average rate	122,366,319	-
	4,373,580	-
	4,072,570	(97,212)
21.00 Income Tax		
Current Tax	21.01 3,156,697	4,030,658
Deferred Tax	21.02 1,466,682	504,189
	4,623,379	4,534,847



Particulars	Amount in Taka	
	2021-2022	2020-2021
21.01 Current Tax		
Profit before tax as per account	18,725,428	39,049,431
Profit from business (export)	16,179,709	37,412,935
Profit from Non-business source (other income)	2,545,719	1,636,496
Profit from business (export)	16,179,709	37,412,935
Less: QIO Expenses	-	477,250
Add: Accounting depreciation	5,406,688	2,522,923
Less: Tax depreciation	9,792,401	4,415,092
Taxable profit from business (export)	11,793,996	35,043,516
Tax on profit from business (export) @50% exclusion from total income under: para-28, Part-A, 6th schedule of ITO, 1984.	1,326,825	3,942,396
Tax on profit from non-business source in regular rate @22.50%	1,829,873	88,263
A. Current Tax @ 22.5%	3,156,697	4,030,658
Minimum Tax:		
Gross Receipts	205,814,121	602,862,064
B. Minimum Tax @ 0.6%	1,234,885	3,617,172
C. TDS at Source	780,918	3,466,315
Whichever is Higher from above calculation (A, B & C)	3,156,697	4,030,658
21.02 Deferred Tax		
Written down value as per 3rd schedule of ITO 1984	77,138,928	47,435,023
Written down value as per financial statements	86,103,530	52,013,912
Unrealized Gain/(Loss)	4,072,570	(97,212)
Temporary difference	13,037,172	4,481,677
Current Tax rate on Export Business Income (22.5/2=11.25%)	11.25%	11.25%
Deferred Tax during the period	1,466,682	504,189
22.00 Earnings per share (Basic)		
A. Net Profit after Tax	14,606,238	34,892,272
B. Weighted average number of Share outstanding	28,500,000	20,272,603
Earnings per Share (A/B)	0.51	1.72
Restated EPS as per current outstanding number of share		
Earnings per share		
A. Net Profit after Tax	14,606,238	34,892,272
B. Weighted average number of Share outstanding	28,500,000	28,500,000
Earnings per Share (A/B)	0.51	1.22

Significant deviation in EPS: Nialco Alloys Ltd. Is a 100% export oriented company. The demand for the goods of the company in the European was very sluggish and thus successful marketing deals could not be made hence the production cost was much higher then the offered sale price. In addition thr Russian federations inasion of Ukraine and its global effects on commodity markets, supply chains, inflation, and financial conditions have steepened the slowdown in global business . Volatility in dollar prices, and unstable market demands soaring management to take observe and proceed slowly strategy. Thus the turnover has dropped sharply compared to the previous year. On the other hand the fixed cost remain the same. Resuntantly, a significant deviation in EPS has been Occurred.



Particulars			Amount in Taka	
			2021-2022	2020-2021
Particulars	Number of Share	Weight	Weighted average no of Shares	Weighted average no of Shares
Opening No. of Shares	28,500,000	365/365	28,500,000	10,690,411
Total	28,500,000		28,500,000	10,690,411

23.00 Net Asset Value (NAV) Per Share

Total Assets	490,646,178	407,167,883
Less: Total Liabilities	148,050,370	50,678,312
A. Net Asset Value (NAV)	342,595,808	356,489,571
B. Total Number of Share outstanding	28,500,000	28,500,000
Net Asset Value (NAV) Per Share (A/B)	12.02	12.51

24.00 Net Operating Cash Flows Per Share (NOCFPS)

Net Operating Cash Flows (Numerator)	(113,688,811)	152,161,866
Number of Ordinary Shares (Denominator)	28,500,000	20,272,603
Net Operating Cash Flow Per Share (NOCFPS)	(3.99)	7.51

Significant Deviation in NOCFPS :Receipts from customers have dropped around 10 times compared to last year. On the other hand, during the year payment to suppliers is almost doubled compare to receipts. As a result, the NOCFPS has deviated significantly.

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, 2022:

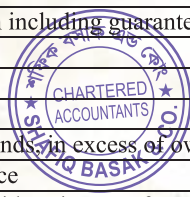
Salary (Monthly)	Officer & Staff		Worker
	Factory	Head Office	
Number of employees whose salary below Tk. 3,000 per month	0	0	0
Number of employees whose salary above Tk. 3,000 per month	9	12	27
Total	9	12	27

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, 2022 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
(iv)	Compensation for loss of office
(v)	Consideration in connection with retirement from office.



Particulars	Amount in Taka	
	2021-2022	2020-2021

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	57,358,029	65,107,801	(39,331,487)

During the year Managing Directors of the company has received Tk 2,250,000 as remuneration by the approval 10th Annual General Meeting.

28.00 Cash flow generated from operating activities under Indirect Method:

Particulars	Amount (Tk.)
Profit before Tax	(9,774,572)
Add: Depreciation	5,406,688
	(4,367,884)
(Increase)/Decrease in Inventories	42,228,538
(Increase)/Decrease in Trade Receivable	(132,607,371)
(Increase)/Decrease in Advance, Deposit & Prepayments	(6,163,235)
Increase/(Decrease) in Creditors & Accruals	(11,999,367)
	(112,909,318)
Cash payment against Income Tax	(780,918)
Net Cash Generate from Operating Activities	(113,690,236)

29.00 Payment to Suppliers

COGS	175,528,116	529,684,614
Increase/(decrease) in inventory	(42,228,538)	(89,127,117)
(Increase)/decrease in Accounts payable and liabilities for expenses	11,999,367	(3,134,160)
Less: Manufacturing overhead	(15,484,595)	(11,079,561)
Paid to Suppliers	129,814,350	426,343,776

30.00 Operating expenses paid

Office & administrative expenses	7,376,969	8,329,938
Selling & distribution expenses	6,013,341	15,936,393
Add: Worker profit participation Fund(WPPF)	936,271	1,952,472
Add: Factory overhead	15,484,595	11,079,561
	29,811,176	37,298,364
Increase/(Decrease) In Prepaid exp.(Advance)	6,163,235	27,531,239
Less: Non cash Depre.	(5,406,688)	(2,522,923)
Less: Preliminary expenses written off	-	-
	30,567,724	62,306,680

31.00 Events after reporting period

The Board of Directors of NIALCO ALLOYS LIMITED at its 1st meeting held on 25 October 2022 recommended a cash dividend amounting to BDT 14,250,000 being 5% of the paid-up capital (i.e. BDT 0.50 per share) for the year 2021-22. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the company.

32.00 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

33.00 Claim Acknowledgement

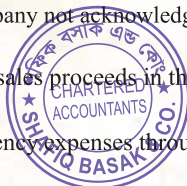
There was no claim against the Company not acknowledged as debt as on June 30, 2021.

34.00 Foreign currency earned

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

35.00 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 2022

Particulars	Cost		Rate of Dep.	Depreciation		Annexure-A Written Down Value as on 30.06.2022
	Balance as at 01.07.2021	Addition this period		Balance as at 01.07.2021	Charged during the period	
Land and Land Development	17,857,500	-	0%	-	-	17,857,500
Plant & Machineries	42,811,695	39,362,456	10%	9,639,776	5,301,491	14,941,267
Computer & Printer	962,000	133,850	10%	133,492	89,598	223,090
Furniture & Fixture	185,700	-	10%	29,715	15,599	45,314
Balance as on 30 June 2022	61,816,895	39,496,306		9,802,983	5,406,688	15,209,671

Allocation of Depreciation:

Manufacturing	5,301,491
Administration	105,197
Total	5,406,688

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 at 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%	7,210,263	2,429,513	9,639,776
Computer & Printer	782,000	180,000	10%	51,353	82,139	133,492
Furniture & Fixture	75,700	110,000	10%	18,444	11,271	29,715
Balance as on 30 June 2021	29,441,395	32,375,500		7,280,060	2,522,923	9,802,983

Allocation of Depreciation:

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



NIALCO ALLOYS LIMITED
For the period ended 30 June. 2022

Annexure-B

Name wise Shareholding position

Sl.	Name of Subscriber	Position	No. of Share	Amount Subscribed (BDT)
2	Kamal Uddin Ahmed	Chairman	10,635,000	106,350,000
1	Gazi Mukarram Ali Chowdhury	Managing Director	9,340,000	93,400,000
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



Factory Office Building





Factory Machine



Factory Machine



Factory Machine



Factory Machine



Finished Product



Finished Product



95th Meeting of Board of Director



Receiving Crest from the Mutual Turst Bank Ltd.



Listing Agreement Signing Ceremony & Trade debut programme



Listing Agreement Signing Ceremony & Trade debut programme



Listing Agreement Signing Ceremony & Trade debute programme



Listing Agreement Signing Ceremony & Trade debute programme

NIALCO ALLOYS LIMITED





Tripartite Agreement Signing Ceremony



EXPORT TROPHY RECEIVING 2017-18



Working Process



Quality Test



Finished Product



Nialco Alloys Limited

Jahanabad,Bhatiary,Shitakunda,Chittagong,Bangladesh

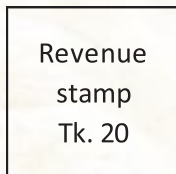
Proxy Form

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 11th Annual General Meeting of the Company to be held on Thursday, 22th December 2022 and at any adjournment thereof as witness my/our hand this day of 2022.



.....
(Signature of Proxy)

.....
(Signature of Share Holder)

Folio / BO ID No.

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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 22 December, 2022.
3. Signature of the Member(s) must be in accordance with the Specimen Signature recorded with the Company.



ANNUAL
REPORT 2022



NIALCO ALLOYS LTD.