

**Certificate on
Status Report on Utilization of Proceeds
From Qualified Investor Offer (QIO) of
NIALCO ALLOYS LIMITED
For the period ended as on 31 December 2022**



Certificate on
Status Report on Utilization of Proceeds from Qualified Investor Offer (QIO) of
NIALCO ALLOYS LIMITED
For the period ended as on 31 December 2022

We have been engaged by Nialco Alloys Limited (the "Company") to certify whether the Company has complied with the conditions of Qualified Investor Offer (QIO) in relation to the utilization of proceeds from Qualified Investor Offer as required by BSEC vide its consent letter (ref: BSEC/CI/QIO-SC-05/2021/379 dated April 29, 2021) issued for QIO under Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018.

The Company's Responsibilities

The Company management is responsible for utilizing the proceeds from QIO and preparation of Status Report on utilization of Proceeds from Qualified Investor Offer in accordance with the conditions of QIO consent letter issued by BSEC.

Our Responsibilities

Our responsibility is to examine all the relevant documents in connection with the utilization of proceeds from QIO with reference to the Terms of Reference formulated by BSEC and certify whether the proceeds have been utilized and the Status Report have been prepared in accordance with the conditions of QIO consent letter.

We report that:

We have examined relevant documents, obtained information and explanations which to the best of our knowledge and belief were necessary for the purpose of verification and certification of the Status Report. As per Terms of Reference of audit of Status Report, we certify that:

- The company has utilized an amount of Taka 46,191,588 till 31 December 2022 for the purpose as specified in the prospectus out of total QIO proceeds of Taka 75,000,000. Balance QIO proceeds amounting to Taka 28,808,412 remain unutilized on the reporting date.
- Unutilized amount of Taka 28,808,412 is kept in Bank Account which is lying with Mutual Trust Bank Limited Account #50320003791.
- The company has not utilized fully the proceeds from Qualified Investor Offer (QIO) within the time schedule (i.e., September 08, 2022). This delay of implementation requires General Meeting approval as per condition #18 of the QIO consent letter which is yet to be taken. Rather, the company filed an application to Bangladesh Securities & Exchange Commission (BSEC) stating that due to Covid 19 situation, high price of machinery & economic un-stability they need one year time extension to utilize the proceeds fully.

Firm's Name : Rahman Mostafa Alam & Co.
Chartered Accountants

Signature :

Auditor's Name : Arafat Kamal FCA
ICAB Enrollment No. : 1184
Date : February 28, 2023
Place : Chattogram


UTILIZATION OF QIO PROCEEDS FOR THE PERIOD ENDED AS ON DECEMBER 31, 2022

Name of the Company : **NIALCO ALLOYS LIMITED**
 Amount of (BDT) Capital Raised through QIO : **75,000,000**
 Subscription Period : **May 16, 2021 to May 20, 2021**
 QIO Proceeds Receiving Date : **June 8, 2021**
 Last Date of Full Utilization of Fund as Per Prospectus : **Within 15 Months of receiving QIO Fund.**

SL NO	Purpose of issue as per prospectus	Head wise amount of QIO Proceed BDT(as per prospectus)	Time Line as per prospectus	Fund Utilization during the period from July 01, 2022 to 31 December 2022	Status of Utilization			
					Total Utilized Amount	Utilized %	Total Unutilized Amount	Unutilized %
1	Land and Land Development	25,582,500	Within 9 Months of receiving QIO Fund.	-	11,232,952	43.91%	14,349,548	56.09%
2	Plant and Machineries	48,600,000	Within 15 Months of receiving QIO Fund.	11,000,000	34,599,812	71.19%	14,000,188	28.81%
3	QIO Expenses	817,500	Immediate after availability of QIO Fund.	-	358,824	43.89%	458,676	56.11%
TOTAL				11,000,000	46,191,588	61.59%	28,808,412	38.41%



 Managing Director



 Director



 Chief Financial Officer

Chattogram, 28 February 2023

Rahman Mostafa Alam & Co.
 Chartered Accountants



Arafat Kamal FCA
 ICAB Enrollment No. 1184




Annexure - "A"

**Certificate on
Status Report on Utilization of Proceeds from Qualified Investor Offer (QIO) of
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	<u>Amount</u> <u>Taka</u>
Bank Balance as on 31 December 2022 was made up as follows:	
Account#50320003791 in Mutual Trust Bank Limited, Agrabad Branch	28,808,412
Total balance in Bank Accounts for QIO proceeds	<u><u>28,808,412</u></u>

	<u>Amount</u> <u>Taka</u>
Reconciliation between unutilized balance and bank balance:	
Balance at Mutual Trust Bank Limited, A/C#50320003791 (Book record)	28,808,412
Initial Deposit	149,805
Interest credited (net of tax)	1,971,290
Bank charges and others etc.	(58,220)
Balance as per Bank statement (MTBL, A/C No#50320003791)	<u><u>30,871,287</u></u>



Managing Director



Director



Chief Financial Officer

Chattogram, 28 February 2023

Rahman Mostafa Alam & Co.
Chartered Accountants



Arafat Kamal FCA
ICAB Enrollment No. 1184

