



শফিক বসাক এন্ড কোং SHAFIQ BASAK & CO.

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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 2023, 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 2023, 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.

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.

Date: October 21, 2023

Place: Chottogram



**Sheikh Zahidul Islam FCA, MBA
Partner**

Enrolment No- 1394

Shafiq Basak & Co.

Chartered Accountants

DVC: 2310231394AS171043



IAS 1.51(a)
IAS 1.10(a),51(b)
IAS 1.51(c)

NIALCO ALLOYS LIMITED
Statement of Financial Position
As at 30 June 2023

IAS 1.51(d),(e) IAS 1.113	Particulars	Notes	Amount in Taka	
			30 June 2023	30 June 2022
ASSETS				
IAS 1.56	Non-Current Assets			
IAS 1.54(a)	Property Plant & Equipment	3.00	99,040,188	86,103,530
IAS 1.54(a)	Capital Work In Progress	4.00	2,143,489	-
			101,183,677	86,103,530
Current Assets				
IAS 1.54(g)	Inventories	5.00	332,752,239	156,682,694
IAS 1.54(h)	Accounts Receivable	6.00	19,333,636	132,826,260
IAS 1.77	Advance, Deposit & Prepayments	7.00	41,539,009	41,843,915
IAS 1.54(i)	Cash & Cash Equivalents	8.00	73,662,784	73,189,780
			467,287,668	404,542,648
TOTAL ASSETS			568,471,345	490,646,178
SHAREHOLDERS EQUITY AND LIABILITIES				
Shareholders Equity				
IAS 1.79	Share Capital	9.00	285,000,000	285,000,000
IAS 1.78(e),108	Retained Earnings	10.00	102,820,845	57,595,808
			387,820,845	342,595,808
Non-Current Liabilities				
IAS 1.55	Long Term Loan		-	-
IAS 1.54(o)	Deferred Tax Liabilities	11.00	1,632,017	1,466,682
			1,632,017	1,466,682
Current Liabilities				
IAS 1.61	Short Term Borrowings	12.00	-	142,216,540
IAS 1.54(k)	Accounts payable	13.00	165,824,539	-
IAS 1.70	Liabilities for Expenses	14.00	13,121,868	4,365,723
	Unclaimed Dividend	14.03	72,076	1,425
			179,018,483	146,583,688
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES			568,471,345	490,646,178
Net Asset Value (NAV) Per Share		23.00	13.61	12.02

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

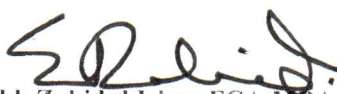

Company Secretary


Chairman


Director


Managing Director

Signed as per our separate report on same date.


Sheikh Zahidul Islam FCA, MBA
Enrolment No - 1394
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC: 2310231394AS171043

Date: October 21, 2023
Place: Chottogram



IAS 1.51(a)
IAS 1.10(b),81A
IAS 1.51(b),(c)

NIALCO ALLOYS LIMITED
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2023

IAS 1.51(d),(e) IAS 1.113	Particulars	Notes	Amount in Taka	
			2022-2023	2021-2022
IAS 1.82(a)	Revenue	15.00	606,417,920	205,814,121
IAS 1.103	Less: Cost of Goods Sold	16.00	515,343,310	175,528,116
IAS 1.85	Gross Profit		91,074,610	30,286,005
	Less: Operating Expenses		21,545,503	13,390,310
IAS 1.82(b)	Administrative Expenses	17.00	9,822,821	7,376,969
IAS 1.82(b)	Selling & Distributing Expenses	18.00	11,722,682	6,013,341
IAS 1.54(h)	Profit from Operation		69,529,107	16,895,695
IAS 1.82(b)	Less: Financial Expenses	19.00	5,774,168	5,366,764
IAS 1.85	Add: Non operating Income	20.00	6,999,458	8,132,768
	Profit/(Loss) before Contribution to WPPF		70,754,397	19,661,699
IAS 1.99	Less: Contribution to WPPF		3,369,257	936,271
IAS 1.85	Profit/(Loss) before Tax		67,385,140	18,725,428
IAS 1.82(d)	Less: Income Tax		7,910,103	4,119,190
IAS 12.82(b)	Current Tax	21.01	7,744,768	3,156,697
IAS 12.82(b)	Deferred Tax	11.00	165,335	962,493
	Profit after tax for the year		59,475,037	14,606,238
IAS 1.82A	Other Comprehensive Income		-	-
	Total Comprehensive Income		59,475,037	14,606,238
IAS 33.66	Earnings per share (EPS)	22.00	2.09	0.51

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


Company Secretary


Chairman

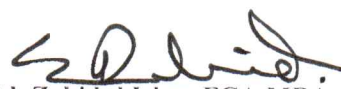

Director


Managing Director

Signed as per our separate report on same date.

Date: October 21, 2023
Place: Chottogram




Sheikh Zahidul Islam FCA, MBA
Enrolment No - 1394
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC: 2310231394AS171043

NIALCO ALLOYS LIMITED
Statement of Changes in Equity
For the year ended 30 June 2023

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01 July 2022	285,000,000	57,595,808	342,595,808
Net Profit for the Year	-	59,475,037	59,475,037
Less: Cash Dividend	-	14,250,000	14,250,000
Balance as on 30 June 2023	285,000,000	102,820,845	387,820,845

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


Company Secretary


Chairman


Director


Managing Director

Date: October 21, 2023

Place: Chottogram



NIALCO ALLOYS LIMITED
Statement of Cash Flows
For the year ended 30 June 2023

Particulars	Note	Amount in Taka	
		2022-2023	2021-2022 (Restated)
A. Cash Flows from Operating Activities			
Receipts from customers		719,910,544	73,206,751
Receipts from others Income		6,999,458	8,132,768
Payment to Suppliers	29.00	(490,731,947)	(129,814,350)
Operating expenses paid	30.00	(43,134,612)	(30,567,724)
Finance expenses paid		-5,774,168	-5,366,764
Cash Generate from Operation		187,269,274	(84,409,319)
Payment against Income Tax		(7,600,391)	(780,918)
Net Cash Generate from Operating Activities		179,668,883	(85,190,237)
B. Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment		(20,656,500)	(39,496,306)
(Increase)/Decrease Capital Work in Progress		(2,143,489)	-
Net Cash used in Investing Activities		(22,799,989)	(39,496,306)
C. Cash Flows from Financing Activities			
Increase/(Decrease) Share Capital		-	-
Dividend Paid		(14,179,349)	(28,498,575)
Increase/(Decrease) Short Term Borrowing		(142,216,540)	106,031,726
Increase/(Decreases) Loan Liabilities (Long term)		-	-
Net Cash Provided by Financing Activities		(156,395,889)	77,533,151
D. Net increase/(Decrease) in Cash and Cash Equivalent (A+B+C)		473,005	(47,153,392)
E. Cash and Bank Balances at beginning the year		73,189,780	120,343,172
F. Cash and Bank Balances at end of the year (D+E)		73,662,784	73,189,780
Net Operating Cash Flows (NOCF) Per Share	24.00	6.30	(2.99)


Company Secretary


Chairman


Director


Managing Director

Date: October 21, 2023

Place: Chottogram



Nialco Alloys Limited
Notes to the Financial Statements
For the year ended 30 June 2023

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 Chottogram Stock Exchange Limited (CSE) on 30th May, 2021 and subsequently started trading of its share on 10th June, 2021.

1.02 Registered Office of the Company

The registered office & factory of the Company are located at Block-A, Plot-B28, BSCIC Industrial Area, Sagorika Road Pahartali Chittagong, and Jahanabad, Bhatary Shitakunda, Chottogram 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, Lead 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 2020 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 existing business

2.03 Accrual Basis:

The financial statements have been prepared, except cash flow information & FDR Interest 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, 2023
- b) Statement of Profit or Loss and other comprehensive income for the year ended June 30, 2023
- c) Statement of Changes in Equity for the year ended June 30, 2023,
- d) Statement of Cash Flows for the year ended June 30, 2023 and
- e) Notes, Summary of Significant accounting policies 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 policy's and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation.

2.06 Responsibility for Preparation and Presentation of Financial Statements:

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

2.07 Statement of Cash flows:

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

2.08 Applicable accounting standards:

The following 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 2022 to 30 June 2023

2.10 Property, Plant and Equipment

2.10.1 Recognition and Measurement

All Recognition Property, and Plant Measurement and Equipment are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its costs can be measured reliably. The cost of the day to day maintaining cost on PPE is recognized in the 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 & Machinery due to under construction. Depreciation rates are as follows:

Name of Assets	Rate
	2023
Land & Land Development	0%
Computer Abd Printer	10%
Plant & Machineries	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.

2.10.4 Impairment

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



2.10.5 Borrowing Cost

Interest and other cost incurred in the company in connection with the borrowing of fund are recognized as expenses in the year in which they are incurred unless such borrowings cost related to acquisition/construction of assets in progress that are required to 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 is recognized as per IFRS 15: Revenue from Contracts with Customers, to the extent that it is probable that economic benefit will flow to the company and that the revenue can be reliably measured. 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.

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.



2.10.12 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.

2.10.13 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.

2.10.14 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.

2.10.15 Cash and Cash Equivalents

According to IAS 7 Statement of Cash Flows, cash comprises cash in hand, short term deposit and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values. No foreign exchange gain or loss has been considered in Cash and Cash Equivalents.

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 2020
- d) The Labour Act 2006 (as amendment in 2015)
- e) The Value Added Tax Act 2012
- f) The Value Added Tax Rules 2016
- 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.

2.10.18 Responsibility for Preparation and Presentation of Financial Statements

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 2022 to 30 June 2023.
- 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 2023	30 June 2022
3.00 Property, Plant and Equipment		
A. At Cost		
Opening Balance	101,313,201	61,816,895
Add: Addition during the year	20,656,500	39,496,306
Less: Disposal during the year	-	-
Total Cost	121,969,701	101,313,201
B. Accumulated Depreciation		
Opening Balance	15,209,671	9,802,983
Add: Depreciation charged for the year	7,719,842	5,406,688
Less: Adjustment on disposal	-	-
Total Charge	22,929,513	15,209,671
Written down value (A-B)	99,040,188	86,103,530
Details are shown in Annexure-A		
4.00 Capital Work in Progress		
Opening Balance	-	-
Add: Addition during the year	2,143,489	-
Less: Transferred to appropriate asset category	-	-
Closing Balance	2,143,489	-
5.00 Inventories		
Raw Material	Note- 16.01 125,354,667	144,087,364
Work in Progress	Note- 16.00 84,499,194	6,845,210
Finished Goods	Note- 16.00 122,898,378	5,750,120
	332,752,239	156,682,694
6.00 Accounts Receivables		
Trade Receivables	Note- 6.01 19,333,636	132,696,054
FDR Interest Receivables	Note- 6.02 -	130,206
	19,333,636	132,826,260
6.01 Trade Receivable		
Opening Balance	132,696,121	-
Add: Sales During the Year	606,417,920	-
Less: Received From Customer	(719,780,405)	-
Closing Balance	19,333,636	-
Ageing of Trade Receivables		
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.	19,333,636	-
ii) Receivables considered good for which the company holds no security other than the debtor's personal security.	19,333,636	-
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 year.		
Total	19,333,636	-
6.02 FDR Interest Receivables		
Accrued Interest on FDR	-	130,206
	-	130,206



Particulars	Amount in Taka	
	30 June 2023	30 June 2022
7.00 Advance, Deposit & Prepayments		
Advance Income Tax	Note- 7.01 4,443,694	-
Advance to Employees	190,809	67,746
Security Deposit CDBL	400,000	400,000
Linde Bangladesh Ltd.	47,422	-
Advance Intercompany	Note- 13.01 -	39,331,487
Insurance Premium	1,058,328	-
Advance Against LC	35,398,756	2,044,682
	41,539,009	41,843,915
7.01 Advance Income Tax		
Income Tax deduction at source - opening	-	-
Add: Advance income tax during the year	7,600,391	780,918
	7,600,391	780,918
Less: Adjustment during the year Assessment year 2022- 2023	3,156,697	780,918
	4,443,694	-

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.	35,398,756	2,044,682
ii) Advance, deposits & prepayment considered good for which the company holds no security.	5,949,444	39,731,487
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 a member.	190,809	67,746
v) Advance, deposits & prepayment 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 year.		
Total	41,539,009	41,843,915

8.00 Cash and cash equivalents

(i) Cash in hand	2,400,475	1,542,289
Sub Total	2,400,475	1,542,289
(ii) Cash at bank:		
Mutual Trust Bank Ltd. A/C No. 0005-0210020220	830,155	2,229,425
Mutual Trust Bank Ltd. A/C No. 0005-0260001264	-	177,465
Mutual Trust Bank Ltd. A/C No. 1301000000548	1,860,000	1,860,000
Mutual Trust Bank Ltd. A/C No. 0005-0320003791	29,268,464	41,490,817
Mutual Trust Bank Ltd. A/C No. 1301010048845	75,121	-
Eastern Bank Ltd. A/c No. 0011060785567	4,218,365	473,742
Eastern Bank Ltd. Margin A/C No. 220600014	8,748,383	-
Midland Bank Ltd. A/c No. 0003-1090001613	4,625	5,775
AL-Arafah Islami Bank A/C 6096	46,907	-
Sub Total	45,052,020	46,237,224
(iii) FDR		
Eastern Bank Ltd.	-	-
Mutual Trust Bank Ltd.	26,210,289	25,410,267
Sub Total	26,210,289	25,410,267
Grand Total	73,662,784	73,189,780

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



Particulars	Amount in Taka		
	30 June 2023	30 June 2022	
C. Shareholding Position			
	Percentage	No. of Share 30 June 2023	Amount 30 June 2023
Sponsor/Director	68%	19,345,000	193,450,000
Companies, Financial Institution And Qualified Investors	32%	9,000,000	90,000,000
Other Shareholders	1%	155,000	1,550,000
Total:	100%	28,500,000	285,000,000

Details are shown in Annexure-B

10.00 Retained Earnings				
Opening Balance		57,595,808	71,489,570	
Add: Net profit for the year		59,475,037	14,606,238	
Less: Cash Dividend		(14,250,000)	(28,500,000)	
		102,820,845	57,595,808	
11.00 Deferred Tax Liability				
Opening Balance		1,466,682	504,189	
Add: Addition During the Year		165,335	962,493	
		1,632,017	1,466,682	
12.00 Short Term Borrowings				
Bank Loan	Note-	12.01	-	142,216,540
			-	142,216,540
12.01 Bank Loan				
Accepted liability			-	2,350,005
WC Under Stimulus Package			-	101,524,674
Trust Receipt			-	38,341,861
			-	142,216,540
13.00 Accounts Payable				
Intercompany payable	Note-	13.01	165,824,539	-
Payable to Supplier			-	-
			165,824,539	-
13.01 Intercompany payable				
Opening Balance			(39,331,487)	(31,581,715)
Add: Addition during the year			749,919,919	57,358,029
Less: Paid/Adjustment during the year			(544,763,893)	(65,107,801)
			165,824,539	(39,331,487)

NIALCO Alloys limited is a company having two sister concerns (through common directorship) one is Marine Safety System and another is Chottogram Ship Breaking Ltd. NIALCO has a composite credit facility from Mutual Trust Bank Limited, Agrabad Branch for amounting Tk. 45.00 crore.

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 net received of Tk. 16,58,24,539 represents intercompany credit balance i.e; accounts Payable from other company of the group as on

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.

14.00 Liabilities for Expenses				
Salary & Allowance			1,204,787	482,313
Income Tax provision	Note-	14.01	6,963,850	2,375,779
WPPF	Note-	14.02	3,495,198	1,062,212
Security guard salary			25,000	25,000
Fahima Corporation			283,000	-
Shah Enterprise			84,950	-
Utility Bill			181,083	25,420
Navigation Securities			84,000	-
M/S Bhai Bhai Enterprise			600,000	-
Audit Fees			200,000	200,000
Other Expenses			-	194,999
			13,121,868	4,365,723
14.01 Income Tax provision				
Opening Balance			2,375,779	564,343
Add: Addition during the year			7,744,768	3,156,697
Less: Adjustment during the year			(3,156,697)	(1,345,261)
			6,963,850	2,375,779



Particulars	Amount in Taka	Amount in Taka
	30 June 2023	30 June 2022
14.02 Workers profit participation fund(WPPF)		
Opening Balance	1,062,212	2,002,981
Add: Addition during the year	3,369,257	936,271
Add: Interest accrued on undistributed amount of last year	-	125,941
Less: Paid/Adjustment during the year	936,271	2,002,981
	3,495,198	1,062,212
14.03 Unclaim Dividend Payable (2021-2022)	72,076	1,425
15.00 Revenue		
Gross Sales (Export)	606,417,920	205,814,121
Less: VAT	-	-
	606,417,920	205,814,121
16.00 Cost of Goods Sold		
Raw Materials Consumption	16.01 683,900,952	158,331,151
Manufacturing overhead	16.02 26,244,600	15,484,595
Cost of Manufacturing	710,145,552	173,815,746
Work in Progress-Opening	6,845,210	7,565,120
Work in Progress-Closing	(84,499,194)	(6,845,210)
Cost of goods Manufactured	632,491,568	174,535,656
Finished goods-Opening	5,750,120	6,742,580
Finished goods-Closing	(122,898,378)	(5,750,120)
	515,343,310	175,528,116
16.01 Raw Materials Consumption		
Opening Balance	144,087,364	184,603,532
Add: Purchase during the year	665,168,255	117,814,983
	809,255,619	302,418,515
Less: Purchase discount	-	-
Raw materials available for production	809,255,619	302,418,515
Raw Materials-Closing	(125,354,667)	(144,087,364)
Less: Consumption during the year	683,900,952	158,331,151



Particulars	Amount in Taka	Amount in Taka
	30 June 2023	30 June 2022
16.02 Manufacturing overhead		
Wages, Salary & Allowance	3,192,378	2,542,320
Conveyance	385,010	212,135
Tours & Travel	522,490	420,500
Carriage Inward	833,200	165,180
Utility Bill Expenses	1,941,218	1,044,205
Entertainment	330,276	87,200
Fooding	438,192	-
Drai wood	53,910	-
Internet Expenses	36,200	24,000
License & Renewal	91,432	133,070
Loading & Unloading Expenses	317,800	120,662
Insurance Expense	11,522	347,959
Medical Expenses	63,372	40,500
Mobile, Telephone & Fax Expenses	-	89,452
Printing & Stationery	156,487	52,205
Repairs & Maintenance	1,158,549	442,680
Fuel, Oil ,Lubricants	6,719,900	-
Store & Spares	643,616	450,956
C & F Expenses	482,200	3,190,828
Cutting Expenses	842,270	575,462
Scale charge	555,720	145,520
Uniform & Gloves	35,750	12,620
Miscellaneous Expenses	97,973	85,650
Depreciation (Annexure-A)	7,335,135	5,301,491
	26,244,600	15,484,595

17.00 Administrative Expenses

Salary & Allowance	3,909,230	2,365,300
Managing Directors remuneration	2,678,060	2,250,000
Conveyance	349,700	212,600
Paper & yearical	15,225	12,520
Entertainment	333,249	125,463
Printing & Stationery	249,618	32,855
Fees and Renewals	67,567	92,100
Credit Rating fee	24,375	-
Utility Bill	380,030	713,590
Generator fuel	108,631	-
Audit Fee (Statutory Audit)	200,000	200,000
Audit Fee (Use of Proceed)	68,750	-
Telephone, Mobile & Internet bill	65,963	45,522
Business Development expenses	212,050	185,720
Postage & Courier	85,790	32,711
Repairs & Maintenance	225,640	65,850
Photocopy charges	20,350	13,450
Advisory Fees	-	703,000
Listing Fees	-	68,500
Board Meeting Fees	55,000	55,000
Medical Expenses	38,810	22,520
Miscellaneous Expenses	66,400	35,321
EGM Exp.	75,000	-
AGM Exp	121,676	-
Regulatory fees-BSEC	-	-
Regulatory fees-CSE	43,500	-
Regulatory fees-DSE	43,500	39,750
Depreciation (Annexure-A)	384,707	105,197
	9,822,821	7,376,969



Particulars	Amount in Taka	Amount in Taka
	30 June 2023	30 June 2022
18.00 Selling & Distributing Expenses		
Salary & Allowance	2,084,822	1,985,545
C&F Expense - Export	1,440,350	952,500
Conveyance	171,487	89,320
Entertainment	320,300	100,520
Packing Expenses	182,130	180,645
Sales Promotion Expense	248,620	166,850
Carriage Outward	4,600	455,911
Export expenses	1,852,910	723,788
Freight charges	4,903,433	962,520
Postage & Courier	19,800	48,350
Loading & Unloading	383,900	120,423
Miscellaneous Expenses	25,800	12,540
Mobile, Telephone & Fax Expenses	78,530	69,130
Sample Expense	6,000	145,299
Depreciation (Annexure-A)	-	-
	11,722,682	6,013,341
19.00 Financial Expenses		
Bank Charges and Interest	5,774,168	5,240,823
Interest on WPPF (undistributed amount for the FY 2021-22)	-	125,941
	5,774,168	5,366,764
20.00 Non operating Income		
Interest Income	2,026,055	2,545,719
Realized gain / (loss)	20.01 4,973,403	1,514,479
Unrealized gain / (loss)	20.02 -	4,072,570
	6,999,458	8,132,768
20.01 Realized gain / (loss)		
Value of export collection on sales booking rate	717,394,562	73,555,959
Value of export collection on average realized rate	719,780,405	80,045,944
	2,385,843	6,489,986
Value of Import Bill Payment in booking rate	500,437,374	134,231,840
Value of Import Bill Payment in Average Rate	497,849,814	139,207,346
	2,587,560	(4,975,507)
	4,973,403	1,514,479
20.02 Unrealized gain / (loss)		
Value of Import Payable on closing rate	-	11,714,061
Value of Import Payable on average rate	-	12,015,070
	-	(301,009)
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
21.00 Income Tax		
Current Tax	21.01 7,744,768	3,156,697
Deferred Tax	21.02 1,632,017	1,466,682
	9,376,785	4,623,379
21.01 Current Tax		
Profit before tax as per account	67,385,140	18,725,428
Profit from business (export)	60,385,682	16,179,709
Profit from Non-business source (other income)	6,999,458	2,545,719
Profit from business (export)	60,385,682	16,179,709
Add: Accounting depreciation	7,719,842	5,406,688
Less: Tax depreciation	13,262,057	9,792,401
Taxable profit from business (export)	54,843,467	11,793,996



Particulars	Amount in Taka	Amount in Taka
	30 June 2023	30 June 2022

Besides these mentioned above in the schedule the company hire 20 to 25 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 Payment information to Directors as per requirement of schedule XI, part II, Para 4

No Payment has been paid to directors within the year ending 30 June, 2023 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.

27 Related Party Transaction:

As per IAS 24: Related party disclosure and as defined in the Securities & Exchange Rules 2020 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	554,695,329	215,448,707	339,246,622
Chottogram ship Breaking & Recycling Ind.	Intercompany loan	195,224,589	368,646,674	(173,422,085)

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

28 Cash flow generated from operating activities under Indirect Method:

Particulars	Amount in Taka	Amount in Taka
	30 June 2023	30 June 2022 (Restate)
Profit before Tax	67,385,140	18,725,428
Add: Depreciation	7,719,842	5,406,688
	75,104,982	24,132,116
(Increase)/Decrease in Inventories	(176,069,545)	42,228,538
(Increase)/Decrease in Trade Receivable	113,492,624	(132,607,371)
(Increase)/Decrease in Advance, Deposit & Prepayments	304,906	(6,163,237)
Increase/(Decrease) in Creditors & Accruals	174,436,308	(11,999,365)
	187,269,274	(84,409,319)
Cash payment against Income Tax	(7,600,391)	(780,918)
Net Cash Generate from Operating Activities	179,668,883	(85,190,237)

29 Payment to Suppliers

COGS	515,343,310	175,528,116
Increase/(decrease) in inventory	176,069,545	(42,228,538)
(Increase)/decrease in Accounts payable and liabilities for expenses	-174,436,308	11,999,367
Less: Manufacturing overhead	(26,244,600)	(15,484,595)
Paid to Suppliers	490,731,947	129,814,350

30 Operating expenses paid

Office & administrative expenses	9,822,821	7,376,969
Selling & distribution expenses	11,722,682	6,013,341
Add: Worker profit participation Fund(WPPF)	3,369,257	936,271
Add: Factory overhead	26,244,600	15,484,595
	51,159,360	29,811,176
Increase/(Decrease) In Prepaid exp.(Advance)	(304,906)	6,163,236
Less: Non cash Depre.	(7,719,842)	(5,406,688)
	43,134,612	30,567,724



Particulars	Amount in Taka	Amount in Taka
	30 June 2023	30 June 2022

31 Events after reporting year

The Board of Directors of NIALCO ALLOYS LIMITED at its 98th meeting held on 21st October, 2023 recommended a cash dividend BDT 99,00,000 being 11% of paid-up capital except sponsor and Directors (i.e. 90,00,000 shares BDT 1.10 per share) for the year 2022-2023. These dividends are subject to final approval by the shareholders at the forthcoming (AGM) annual general meeting of the company.

32 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

33 Claim Acknowledgement

There was no claim against the Company not acknowledged as debt as on June 30, 2023.

34 Foreign currency earned

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

Foreign currency payment

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



NIALCO ALLOYS LIMITED
Schedule of Property, Plant & Equipment
As at 30th June 2023

Particulars	Cost			Rate of Dep.	Depreciation		Annexure-A Written Down Value as on 30.06.2022	
	Balance as at 01.07.2022	Addition this year	Balance as on 30.06.2023		Balance as at 01.07.2022	Charged during the year		Balance as on 30.06.2023
	Land and Land Development	17,857,500	2,751,730		20,609,230	0%		-
Plant & Machineries	82,174,151	12,236,940	94,411,091	10%	14,941,267	22,276,402	72,134,689	
Computer & Printer	1,095,850	207,830	1,303,680	10%	223,090	320,758	982,922	
Vehicles	-	5,460,000	5,460,000	10%	-	273,000	5,187,000	
Furniture & Fixture	185,700	-	185,700	10%	45,314	59,353	126,347	
Balance as on 31 December 2022	101,313,201	20,656,500	121,969,701		15,209,671	22,929,513	99,040,188	
Balance as on 30 June 2023	61,816,895	39,496,306	101,313,201		9,802,983	5,406,688	86,103,530	

Allocation of Depreciation :

Manufacturing	7,335,135
Administration	384,707
Selling & Distributing	
Total	7,719,842



Date: October 21, 2023
Place: Chottogram

NIALCO ALLOYS LIMITED

For the period ended 30 June, 2023

Annexure-B

Name wise Shareholding position

Sl.	Name of Subscriber	Position	No. of Share	Amount Subscribed (BDT)
1	Md. Kamal Uddin Ahamed	Chairman	9,885,000	98,850,000
2	Gazi Mukarran Ali Chowdhury	Managing Director	8,590,000	85,900,000
3	Matin Uddin Ahamed	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	9,000,000	90,000,000
	Total		28,500,000	285,000,000

