

ANNUAL REPORT

2023-24



NIALCO
ALLOYS LTD.

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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.



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.

Nialco's Commitment to Sustainable future



The world is facing a range of environmental and social challenges, including climate change, pollution, and social inequality. Nialco takes our responsibility in addressing these issues and contributing to building a more sustainable future for all extremely seriously.

Contributing to a sustainable future

Nialco's business is all about sustainability. The rapid expansion of electrification across many sectors plus the conversion to green and clean energy generation and storage requires copper and copper alloy. We believe our role is to supply products in the most sustainable way possible.

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 safeguarding of the ecosystem 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 analyzed 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.

Fully recycled

Nialco's copper is sourced from the globally reputed companies those who have a fully recycled source. Large-scale primary copper smelting is carried out by the secondary European companies that ensure one hundred per cent recycled source. This dramatically reduces the burden of primary mined copper production.

Conserving natural resources

Recycling copper has many benefits. It conserves natural resources, as copper is a finite resource and mining new copper can have negative environmental impacts. Recycling copper also requires less energy than mining and refining new copper, which can reduce greenhouse gas emissions and energy consumption.

Helping our supply chain become more sustainable

It's not just our own sustainability that we take seriously. We are determined to support our supply chain to work smarter. Increasingly, we are recovering scrap to be returned to our own facilities to be remelted. We are proud to be an active participant in the recycling and upcycling chain. Working smartly together we can be less of a burden on the planet for the production and distribution of our products.

Investing in the future

Nialco is committed to being the very best supply chain partner we can be. We will work collaboratively with customers to achieve shared goals and create value for our customers. A new state-of-the-art factory building expansion reflects our commitment to solid, sustainable growth.

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.

Strength

- The only company in these business categories listed on Bangladeshi stock exchanges.
- Fully developed infrastructure facilities
- 100% export oriented
- Vertically integrated operations greater business certainty
- Skilled and well-trained workforce
- Established brand value
- Wide distribution network and established customer base

Weakness

- Niche market
- Opportunity to penetrate the market is limited
- Traditional equipment technology
- Low process efficiency
- High cost of logistics
- Raw materials dependency

SWOT Analysis

Opportunity

- Growing copper demand globally
- Ready market for copper assorted products due to finest quality
- Buoyancy in world copper prices
- Scope for expansion of capacity
- Opportunity to explore new products line

Threat

- Volatility in LME Copper price affecting turnover/profitability
- Fluctuation in dollar prices
- Increasing cost of import
- Increasing cost of shipping
- Attrition of skilled manpower

NOTICE OF THE 13TH ANNUAL GENERAL MEETING

NOTICE is hereby given to all Shareholders of Nialco Alloys Limited that the 13th Annual General Meeting of the Company will be held on Saturday, December 21, 2024, at 10:30 a.m. by using hybrid system where online platform will be at <https://nal.hisoftcloud.com> and physical location at Plot-A, Block-B-28, BSCIC Industrial Area, Sagorika Road, Chittagong 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, 2024, together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year ended June 30, 2024, 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 2024-2025 and fix their remuneration.

By order of the Board of Directors

Chittagong, November 23, 2024



Company Secretary

Notes:

1. Members whose names appeared on the Depository Register as on the "Record Date" i.e. November 17, 2024, 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 boardsecretary@nialcoalloys.com not later than 48 hours before the AGM.
3. According to the Bangladesh Securities & Exchange Commission's Notification No. BSEC/CMRRCD/2016-158/208/Admin/81 dated June 20, 2018, the Company will send the Annual Report 2024 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 2024 of the Company that will be sent through email, Members may download the same from the 'Investors Information' section of the Company's website: www.nialcoalloys.com
5. Login process along with the joining link of the 13th AGM will also 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 boardsecretary@nialcoalloys.com for queries or assistance to join the AGM.

CORPORATE DIRECTORY

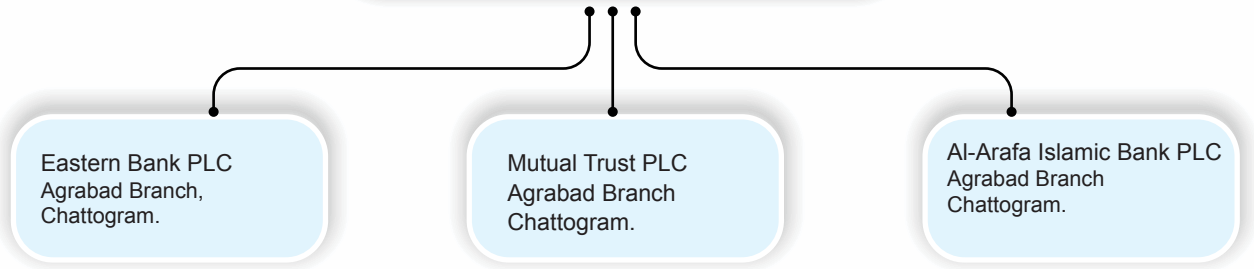
BOARD OF DIRECTORS

| | |
|-----------------------------|---------------------|
| Md. Kamal Uddin Ahamed | : 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



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
A. Hossain & Associates
Ahmed Mansion (3rd Floor),
1128 Sk Mujib Road, Dawnhat, Chattogram.

Credit Rating Agency
Credit Rating Information And Services Limited (Crisl)

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

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

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 is 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. The 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 Chattogram. |
| 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 |
| Listing Status | : DSE & CSE |
| Authorized Capital | : 80,00,00,000 |
| Paid up Capital | : 28,50,00,000 |
| Number of Shareholder in record date | : 335 |
| Business | : Hundred percent Export oriented non-ferrous metal, Manufacturing Company |

Five Years Key Financial Data

Revenue and Results from Operation:

| Particulars | 30.06.2024 | 30.06.2023 | 30.06.2022 | 30.06.2021 | 30.06.2020 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | 730,286,584 | 606,417,920 | 205,814,121 | 602,862,064 | 324,709,673 |
| Less: Cost of Goods Sold | 636,875,390 | 515,343,310 | 175,528,116 | 529,684,614 | 285,023,873 |
| Gross Profit | 93,411,194 | 91,074,610 | 30,286,005 | 73,177,450 | 39,685,800 |
| Less: Operating Expenses | 23,230,058 | 21,545,503 | 13,390,310 | 24,266,331 | 16,814,889 |
| Profit from Operation | 70,181,136 | 69,529,107 | 16,895,695 | 48,911,119 | 22,870,911 |
| Less: Financial Expenses | 8,354,987 | 5,774,168 | 5,366,764 | 8,301,495 | 5,011,319 |
| Net Operation Profit | 61,826,150 | 63,754,939 | 11,528,931 | 40,609,624 | 17,859,592 |
| Add: Others Income/(Loss) | (1,094,721) | 6,999,458 | 8,132,768 | 392,279 | 1,350,969 |
| Net Profit Before Contribution to WPPF | 60,731,429 | 70,754,397 | 19,661,699 | 41,001,903 | 19,210,561 |
| Less: Contribution to WPPF | 3,036,571 | 3,369,257 | 936,271 | 1,952,472 | 914,789 |
| Profit/(Loss) Before Tax | 57,694,858 | 67,385,140 | 18,725,428 | 39,049,431 | 18,295,772 |
| Less: Income Tax Expenses | 7,558,799 | 7,910,103 | 4,119,190 | 4,157,159 | 3,149,207 |
| Current Tax | 7,599,460 | 7,744,768 | 3,156,697 | 4,030,658 | 3,048,093 |
| Deferred Tax | (40,661) | 165,335 | 962,493 | 126,501 | 101,114 |
| Total Comprehensive Income | 50,136,059 | 59,475,037 | 14,606,238 | 34,892,272 | 15,146,565 |
| Earnings per share (EPS) | 1.76 | 2.09 | 0.51 | 1.72 | 1.42 |

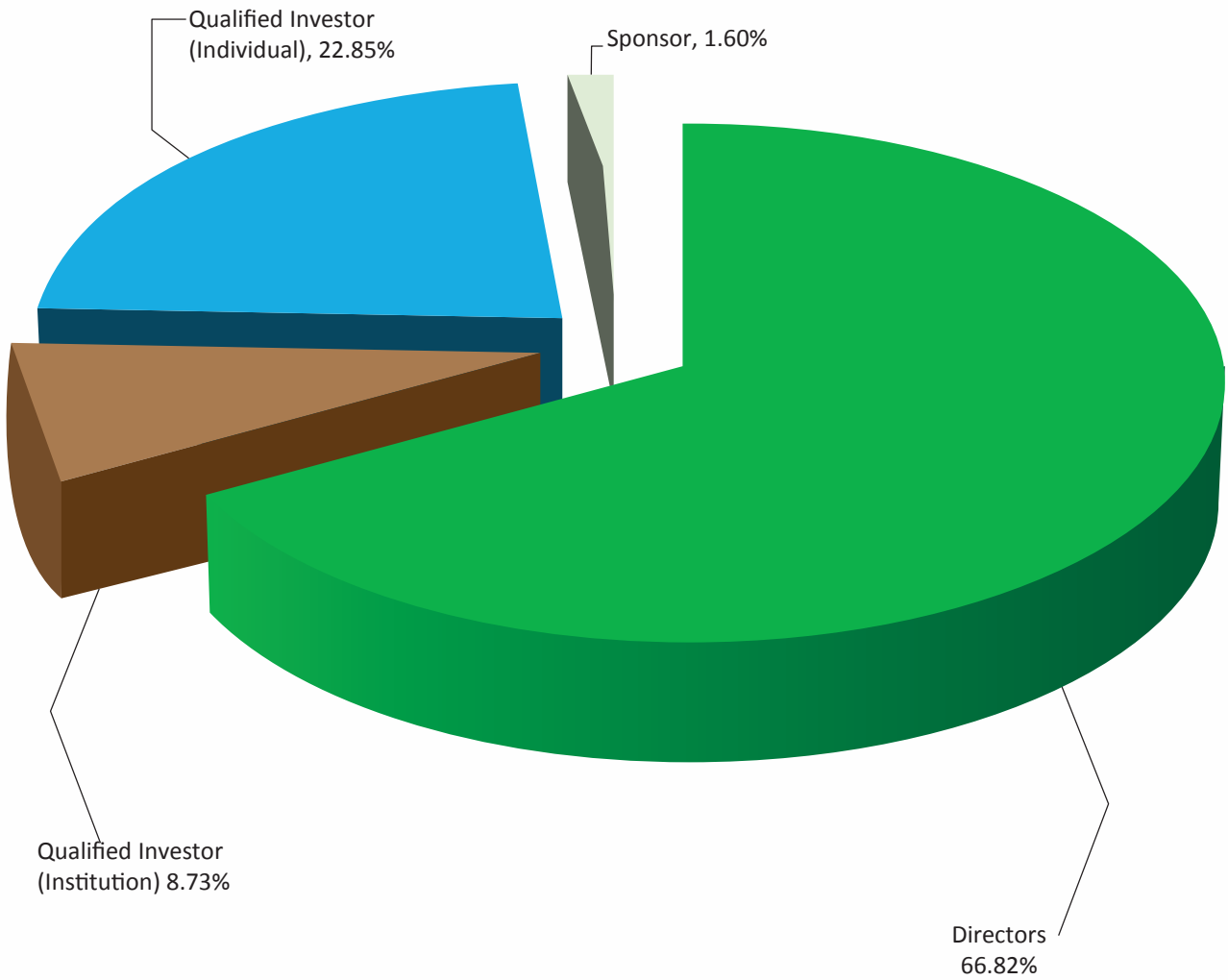
Statement of Financial Position:

| Particulars | 30.06.2023 | 30.06.2023 | 30.06.2022 | 30.06.2021 | 30.06.2020 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| ASSETS | | | | | |
| Non-Current Assets | 133,078,914 | 101,183,677 | 86,103,530 | 52,013,912 | 31,446,835 |
| Property Plant & Equipment | 133,078,914 | 99,040,188 | 86,103,530 | 52,013,912 | 22,161,335 |
| Capital Work In Progress | | 2,143,489 | - | - | 9,285,500 |
| Pre-operative Expenses | - | - | - | - | - |
| Preliminary Expenses | - | - | - | - | - |
| Current Assets | 754,025,927 | 467,287,668 | 404,542,647 | 355,153,971 | 377,072,662 |
| Inventories | 454,668,004 | 332,752,239 | 156,682,694 | 198,911,232 | 288,038,349 |
| Accounts Receivable | 24,828,480 | 19,333,636 | 132,826,260 | 218,889 | 50,021,929 |
| Advance, Deposit & Prepayments | 232,412,779 | 41,539,009 | 41,843,914 | 35,680,678 | 8,149,439 |
| Cash & Cash Equivalents | 42,116,664 | 73,662,784 | 73,189,780 | 120,343,172 | 30,862,945 |
| TOTAL ASSETS | 887,104,841 | 568,471,345 | 490,646,177 | 407,167,883 | 408,519,497 |
| SHAREHOLDERS EQUITY AND LIABILITIES | | | | | |
| Shareholders Equity | 428,056,903 | 387,820,845 | 342,595,808 | 356,489,570 | 187,074,548 |
| Share Capital | 285,000,000 | 285,000,000 | 285,000,000 | 285,000,000 | 150,000,000 |
| Retained Earnings | 143,056,903 | 102,820,845 | 57,595,808 | 71,489,570 | 37,074,548 |
| Non-Current Liabilities | 1,591,356 | 1,632,017 | 1,466,682 | 504,189 | 377,688 |
| Long Term Loan | | - | - | - | - |
| Deferred Tax Liabilities | 1,591,356 | 1,632,017 | 1,466,682 | 504,189 | 377,688 |
| Current Liabilities | 457,456,581 | 179,018,483 | 146,583,688 | 50,174,124 | 221,067,261 |
| Current Maturity of Term Loan | | - | - | - | - |
| Short Term Borrowings | 130,058,373 | - | 142,216,540 | 36,184,814 | 210,776,455 |
| Intercompany payable | 313,745,847 | 165,824,539 | - | 10,340,477 | 5,687,305 |
| Liabilities for Expenses | 13,288,570 | 13,121,868 | 4,365,723 | 3,648,833 | 4,603,501 |
| Dividend Payable | 363,790 | 72,076 | 1,425 | - | - |
| TOTAL LIABILITIES | 459,047,937 | 180,650,500 | 148,050,370 | 50,678,313 | 221,444,949 |
| TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES | 887,104,841 | 568,471,345 | 490,646,178 | 407,167,883 | 408,519,497 |
| Net Asset Value (NAV) Per Share | 15.02 | 13.61 | 12.02 | 12.51 | 12.47 |

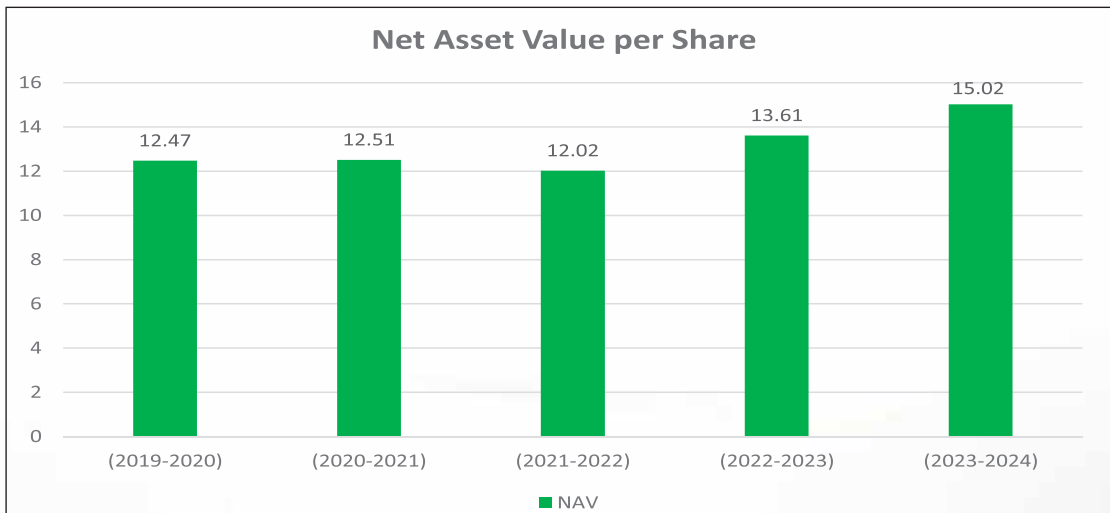
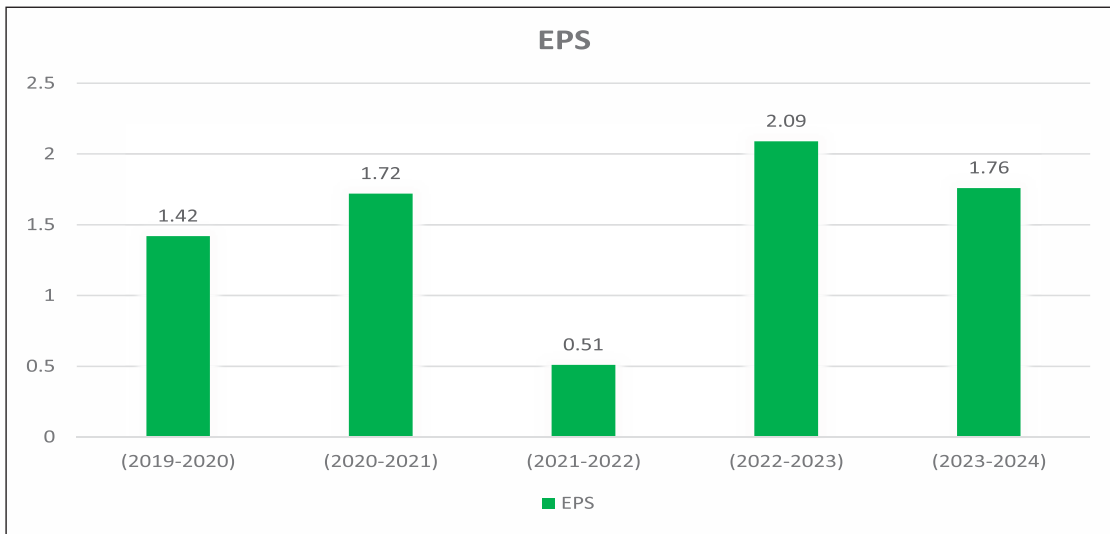
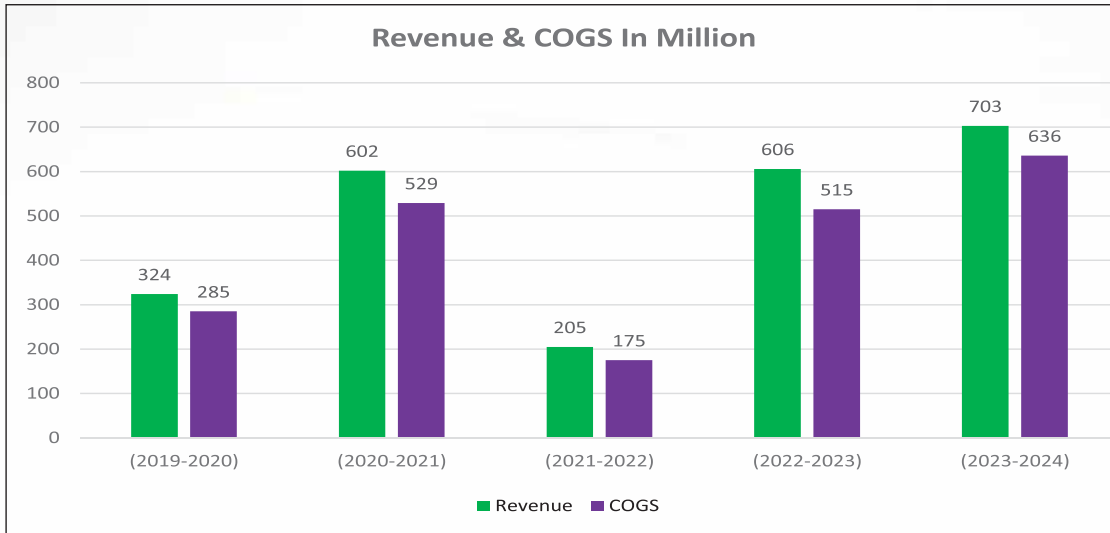
Ratio Analysis

| Particulars | | 30.06.2024 | 30.06.2023 | 30.06.2022 | 30.06.2021 | 30.06.2020 |
|--|--|------------|------------|------------|------------|------------|
| I. Liquidity Ratios: | | | | | | |
| (i) Current Ratio (Times) | Current Assets/ Current Liability | 1.65 | 2.61 | 2.76 | 7.08 | 1.71 |
| (ii) Quick Ratio (Times) | (Current Assets - Inventory)/ Current Liability | 0.65 | 0.75 | 1.69 | 3.11 | 0.40 |
| II. Operating Efficiency Ratios: | | | | | | |
| (i) Accounts Receivable Turnover Ratio | Net Sales/ Average Accounts Receivables | 33.07 | 7.97 | 3.09 | 24.00 | 16.39 |
| (ii) Inventory Turnover Ratio (Times) | Cost of Goods Sold/ Average Inventory | 1.62 | 2.11 | 0.99 | 2.18 | 2.49 |
| (iii) Assets Turnover Ratio (Times) | Sales/ Average Total Assets | 1.00 | 1.15 | 0.46 | 1.48 | 1.78 |
| III. Profitability Ratios: | | | | | | |
| (i) Gross Margin Ratio (%) | Gross Profit/ Net Sales | 12.79% | 15.02% | 14.72% | 12.14% | 12.22% |
| (ii) Operating Profit Ratio (%) | Operating Profit/ Net Sales | 9.61% | 11.47% | 8.21% | 8.11% | 7.04% |
| (iii) Net Profit Ratio (%) | Net Profit after Tax/ Net Sales | 6.87% | 9.81% | 7.10% | 5.79% | 4.66% |
| (iv) Return on Assets Ratio (%) | Net Profit after Tax/ Average Total Assets | 6.89% | 11.23% | 3.25% | 8.56% | 8.33% |
| (v) Return on Equity Ratio (%) | Net Profit after Tax/ Average Total Shareholders' Equity | 12.29% | 16.29% | 4.18% | 12.84% | 18.08% |
| (vi) Basic Earnings Per Share (EPS) | Net Profit after Tax/ Weighted Average Number of Ordinary Shares Outstanding | 1.76 | 2.09 | 0.51 | 1.72 | 1.42 |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) Margin | EBITDA/ Net Sales | 7.90% | 11.11% | 9.10% | 8.18% | 7.46% |
| IV. Solvency Ratios: | | | | | | |
| (i) Debt to Total Assets Ratio | Total Debt/ Total Assets | 0.52 | 0.32 | 0.30 | 0.09 | 0.52 |
| (ii) Debt to Equity Ratio (Times) | Total Debt/ Total Equity | 1.07 | 0.47 | 0.43 | 0.10 | 1.13 |
| (iii) Times Interest Earned Ratio (Times) | EBIT/ Financial Expense | 6.91 | 11.67 | 3.49 | 5.94 | 4.83 |

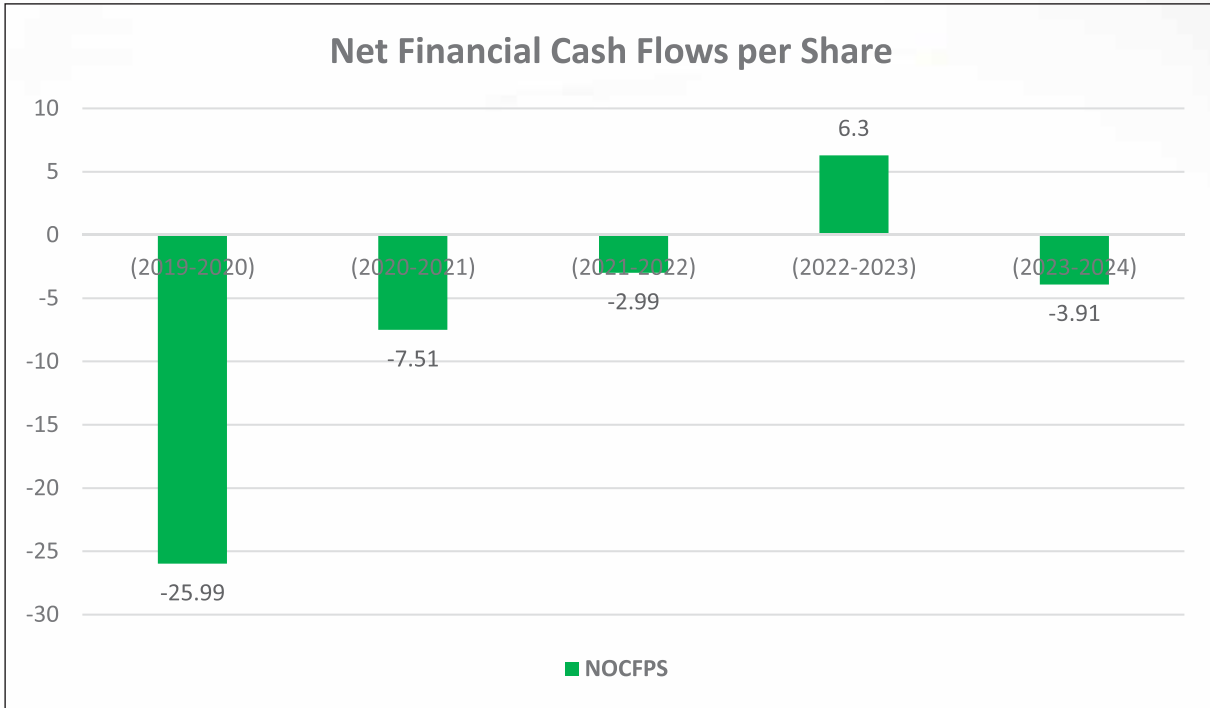
Percentage of Share Holding Position



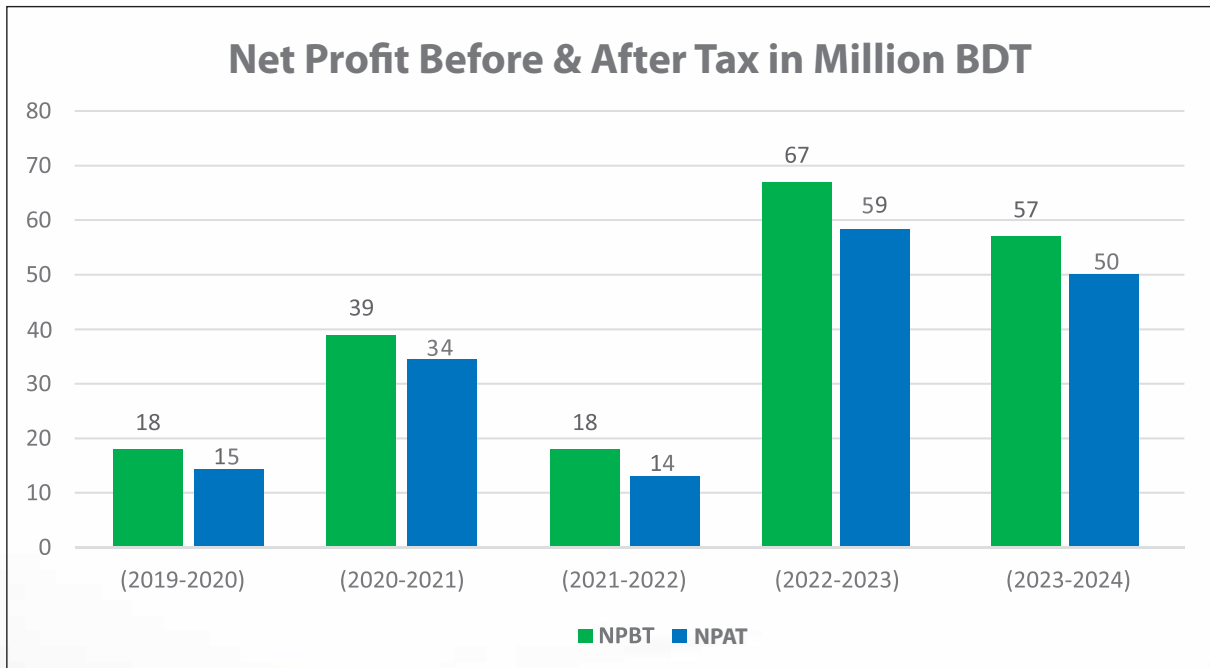
Graphical Presentation of Key Financial Indicators



Net Financial Cash Flows per Share



Net Profit Before & After Tax in Million BDT



Board of Directors

Chairman



Md. Kamal Uddin Ahamed

Managing Director



Gazi Mukarram Ali Chowdhury

Director



Matin Uddin Ahamed

Brief Resume of Directors

Mr. Mohammad Kamal Uddin Ahamed



Md. Kamal Uddin Ahamed is Chairman of Nialco alloys limited. He has vast experience in the non-ferrous metal industries. He is a successful entrepreneur in this sector and he is well known person in the whole world in this sector. Before starting his carrier as businessman Mr Kamal Uddin Ahamed graduated from University of Chittagong and post graduated from University of Dhaka. Mr Kamal Uddin Ahamed achieved Commercially Important Person(CIP) from Government of the People's Republic Bangladesh for four times for his outstanding business performance. He was born in 30th June, 1970 from an aristocrat family. Mr. Kamal Uddin Ahamed is a Successful entrepreneur in the non-ferrous metal industries since almost 28 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 Ahamed also Partner of Chittagong Ship Breaking and recycling Industries and Managing Partner of Marine Safety System, Managing Partner of united Ship Recycling industries.

Mr. Kamal Uddin Ahamed involved in many social activities and association with various trade bodies some of these are presented below:

- Member of Bangladesh Ship Breakers and Re-Cycling association (BSBRA).
- Chottogram Ma-O Shishu Hospital

Mr. Kamal Uddin Ahamed travelled across the globe including USA, Canada, UK, China, Malaysia, Singapore, Thailand, Saudi Arabia, UAE and India. He attended many seminars for business purpose at home and abroad.

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 in supply chain and export import, than he turn himself as a successful entrepreneur and business man through the dynamic skill and almost 27 years of experience of Non-ferrous metal sector. He is one of the Partner of Marine Safety System, Managing Partner of Chittagong Ship Breaking and Recycling Industries and ship recycling.

Mr. Chowdhury achieved Commercially Important Person (CIP) from Government of the People's Republic of Bangladesh for his outstanding business performance. Mr. Gazi Mukarram Ali Chowdhury came from a very well-known family and he was born in 3rd February, 1971. He has completed his bachelor degree from Bangladesh National University in the year 1993.

Mr. Chowdhury involved in many social activities and association with various trade bodies some of these are presented below:

- Member of Bangladesh Ship Breakers and Re-Cycling association (BSBRA).
- Life Member Chottogram Diabetic Hospital.
- Life Member Bhatiyari Country and Golf Club Ltd.

Mr. Chowdhury travelled across the globe including China, Malaysia, Singapore, Thailand, Saudi Arabia, UAE and India. He attended many seminars for business purpose at home and abroad.

Mr. Matin Uddin Ahamed



“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 Ind.

BREIF RESUM OF CFO & CS

Mr. Md. Faisal
CFO
(Current Charge)

Mr. Md. Faisal, CFO (Current Charge) 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 & Akhtar, 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.



Chairman's Message

Dear Shareholders,

It is with immense pride and gratitude that I present the 13th Annual Report of Nialco Alloys Limited for the Financial Year 2023-24. This year has been a testament to our resilience, adaptability, and unwavering commitment to delivering value to our stakeholders amidst challenging economic landscapes.

Financial Year 2023-24 saw global geopolitics reaching a pivotal moment, with the tensions affecting international relations on every continent, uncertain bilateral relations have impacted the global economy and disrupted worldwide supply chains. The overall global business environment has been very challenging with high inflation and geopolitical tensions both with a continued Ukraine War and the recent Middle East China-Taiwan and the Red Sea conflicts in this fiscal year as well as the upcoming US presidential elections, have wide ranging impacts that could directly or indirectly affect global business environment. A deterioration in the global economic outlook, mainly as a consequence of elevated energy prices and high inflation, has resulted in a downward revision to refined copper usage growth for both 2022 and 2023 as compared to the ICSG's April 2022 forecasts. However, the global economy demonstrated resilience during 2023, placing itself on a path of recovery following the blows of the pandemic. Although the challenges such as disruption to energy and food markets owing to the war, tightened global monetary conditions to control inflation, withdrawal of fiscal support amid high debt, and extreme weather events continue to hinder global growth, the global economy continued to move slowly ahead in uneven terms and below the pre-pandemic levels.

Despite the challenging macroeconomic activities and adverse economic impacts witnessed throughout the financial year, Nialco Alloys Limited has emerged triumphantly, experiencing a highly successful year in terms of revenue growth. Our unwavering commitment, strategic initiatives, and dedicated team have enabled us to navigate these hurdles and achieve remarkable results. Total revenue of BDT 730.29 million and Operating Profit of BDT 70.18 million for fiscal year 2023-24 represented a record performance delivered under difficult conditions, including the war between Russia and Ukraine, Israel-Palestine, the slowing of major economies around the world, the weakening of the Bangladeshi Taka, ongoing supply chain disruptions, inflation, and a higher interest cost burden. Your company is involved in the production of Copper Alloy Products that are 100% exported and vibrant with the global economy.

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.

Nialco's Financial Framework has guided the Company's decision-making, supporting the "Transform, Grow, Deliver" strategy in the pursuit of its Purpose. The Framework outlines the guiding principles for financial management. The Framework serves as a foundation for Nialco's long-term financial sustainability, driving quality earnings, underpinning financial and operating strength, and balancing the competition for capital between shareholder returns and capital investments. This discipline is specifically designed to enable confident operation and investment in our long-life, capital-intensive business through macroeconomic cycles. Under the Framework in FY2024, it has delivered robust returns in the context of its cyclical operating environment, maintained a strong balance sheet, and balanced shareholder returns through dividends and long-term sustainable earnings and growth.

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 and Middle east, 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.

The exceptional performance detailed in this report is a testament to the dedication and hard work of every member of the Nialco Family across our organization. We extend our heartfelt gratitude to our invaluable staff whose unwavering commitment continually raises the bar of excellence, propelling Nialco to its position as the leading Copper Alloy exporter in Bangladesh.

On behalf of the Board, I want to express sincere appreciation to our international customers, as well as our business partners and stakeholders, for their unwavering support throughout our 13 years journey. Your trust and presence have been instrumental in our success, and we are truly grateful for your ongoing partnership.

To our shareholders and esteemed members of the Board, we extend our gratitude for the invaluable guidance and expertise you provide. Your guidance continues to steer us in the right direction, guiding Nialco towards continued success.

Lastly, but certainly not least, I extend my heartfelt appreciation to all our employees, past and present, for their tireless dedication and unwavering commitment. It is your collective effort that has propelled the Nialco towards higher standards and a brighter future. Your contributions are truly valued and appreciated as we continue our journey towards excellence.



Md. Kamal Uddin Ahamed
Chairman



Managing Director's Message

Dear Shareholder,

The global economy continued to face multiple challenges and uncertainties due to ongoing geo-political turbulence. 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. While several major economies demonstrated resilience, underlying risks persist due to escalating geopolitical conflicts, sluggish recovery in China, volatility in energy and food markets, and higher interest rates. Recent geopolitical upheavals, including the ongoing Russia-Ukraine war and conflicts in the Middle East and the Red Sea route, have affected global supply chains, resulting in increased logistical costs, shipment delays, and elevated fuel and commodity prices.

Despite these adverse factors that impacted demand across industries, Nialco achieved volume growth in 2023-2024 and continues to be a growth-focused and resilient company with a solid foundation that is devoted to its long-term plan of remaining the leader in the Copper Alloy export market. Our focus on relationship selling, which we adopted in FY 2022-2023, has continued to improve our performance. Our emphasis on our clients resulted in revenue stability, with four consecutive quarters of comparable revenues, excluding the impact of currency devaluation and divestitures.

The company's revenue increased by 20.42 percent this year compared to the previous year, achieving BDT 730.28 million. The company has never before earned revenues greater than this. Net finance costs, on the other hand, amounted BDT 8.34 million, up from 5.77 million the previous year. The increase of BDT 2.57 million over last year is mostly due to rising interest rates. The COGS was also increased by 3% as raw material prices rose. Aside from a catastrophic depreciation of the BDT in terms of the dollar, non-operating income has fallen by BDT (1.09) million from BDT 6.99 million the previous year. Because of these circumstances, while having the largest ever turnover, net profitability was squeezed. However, we

have observed a consistent dollar rate throughout the first quarter of the current fiscal year, and we are convinced the plan we executed has demonstrated organic growth and will continue to be a driving component in our overall revenue, providing great endorsement that this strategy is working.

The global copper industry has exhibited resilience amid an uncertain demand environment influenced by macroeconomic factors, including higher inflation leading to elevated copper prices and sluggish consumer spending. Despite distraction in mining, supply chain disruptions, and escalating raw material costs in FY 2023, there is a sense of optimism as recovery is evident in the global copper market. The global copper industry is anticipated to experience a sluggish recovery in FY 2024 as it navigates through an uncertain demand environment. However, the industry is benefiting from demand resurgence and production uptick benefiting to inventory restocking efforts, with supply chains stabilizing and demand steadily rebounding. Global growth, estimated at 3.2% in FY 2023, is projected to continue at the same pace in both FY 2024 and FY 2025. The global expansion is likely to remain modest owing to surging inflation and increasing geopolitical tensions.

We believe that we and all our stakeholders, are here for the long haul. Every business decision we take is viewed through the lens of the future, to ensure that temporary considerations do not undermine long-term value generation. Our business strategy formulation aims to set long-term goals for the company and identify areas to leverage its strengths, explore new business opportunities, and enhance its existing capabilities and offerings. This is enabled through plans with three different time horizons, viz., a long-term perspective plan (7-10 years), medium-term strategy (5 years), and short-term (annual) budget targets. Directions and Objectives determined in the Perspective Plan become guideposts for medium-term and short-term plans.

We are concentrating our focus on Talent Management and Succession Planning, which aims to identify and promote talent for future organizational needs while also addressing individual career goals. These initiatives include succession planning along with individual development programs to maintain leadership continuity and organizational resilience.

People across the organisation are our only true assets and means to achieve goals that we have drawn for ourselves. It has been a constant endeavour of your Company to provide its employees a conducive work environment that helps them deliver their best. The culture of learning and development carefully fostered by your Company has continuously encouraged the employees to enhance their skill sets and expand their domain knowledge. Throughout our journey, our people have stood by us and supported us in all our endeavours. They have been the backbone of our successes and achievements. Their efforts allow us to thrive in a world brimming with both opportunities and challenges.



Gazi Mukarram Ali Chowdhury
Managing Director

Directors' Report 2024

On behalf of the Board of Directors and Management, it is indeed a great privilege for me to welcome you to the 13th Annual General Meeting of the Company and 4th 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, 2024, for your valued consideration, adoption, and approval.

The Directors' Report has been prepared in compliance with Section 184 of the Companies Act 1994, the Listing Regulations of Dhaka and 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:

Financial Year 2023-24 saw global geopolitics reaching a pivotal moment, with the tensions affecting international relations on every continent, uncertain bilateral relations have impacted the global economy and disrupted worldwide supply chains. The overall global business environment has been very challenging with high inflation and geopolitical tensions both with a continued Ukraine War and the recent Middle East China-Taiwan and the Red Sea conflicts in this fiscal year as well as the upcoming US presidential elections, have wide ranging impacts that could directly or indirectly affect global business environment. However, the global economy demonstrated resilience during 2023, placing itself on a path of recovery following the blows of the pandemic. Although the challenges such as disruption to energy and food markets owing to the war, tightened global monetary conditions to control inflation, withdrawal of fiscal support amid high debt, and extreme weather events continue to hinder global growth, the global economy continued to move slowly ahead in uneven terms and below the pre-pandemic levels. The global headline inflation improved during the year driven by the decline in food and energy prices in the first half of 2023. However, the core inflation remained above the expected parameters, indicating a tighter interest rate environment for a longer period. The commodity price shocks mainly driven by high energy prices largely contribute to the acceleration of core inflation. Alongside, the currency depreciation experienced during the period owing to the downward performance of the US dollar contributed to the weaker performance of economies. The impact of these economic stressors was more pronounced in low-income countries as opposed to advanced economies that demonstrated resilient consumption and investment despite tight labour market conditions. While the US economy remained stronger than the Euro area, many emerging markets also showcased resilience with upward progress, with China being a notable exception, as it continued to be affected by the headwinds of the real estate crisis and weakening confidence. There was also robust economic activity in countries with large travel and tourism sectors, such as Italy, Mexico, and Spain. These global developments offset a slowdown in more interest-rate-sensitive manufacturing sectors.

The global economic outlook has improved since January, with major economies avoiding a severe downturn. The world economy is now projected to grow by 2.7 per cent in 2024, instead of 2.4 per cent forecasted earlier, on the back of better than-expected performance of the United States economy and some improvement in the outlook for several large emerging economies. The modest gain in the growth momentum is partly offset by the downward revisions of the growth outlook for the European Union, Africa, and Western Asia. On balance, the near-term economic outlook is only cautiously optimistic as economic vulnerabilities remain, amid persistently high interest rates, continuing geopolitical tensions, and increasing climate risks.

Bangladesh Economy:

Bangladesh's post pandemic recovery faces continued headwinds in FY24. Economic conditions worsened in FY23 as inflation increased and the balance of payments deficit widened. The introduction of a multiple exchange rate regime in September 2022 disincentivized foreign exchange inflows, leading to a financial account deficit. Foreign exchange rationing measures were implemented to restrict imports, which resulted in shortages of key intermediate goods, capital goods, gas and energy.

Real GDP growth slowed to a 13-year low of 5.8 percent in FY23 — the lowest excluding the pandemic year in FY20 — due to a weakening of private consumption and investment which underpinned the contraction in the trade deficit as the decline in imports outweighed the slowdown in exports. Inflation dampened consumption growth, fueled by increased electricity and fuel prices, shortages stemming from import restrictions, and the depreciation of the taka. These factors combined with rising borrowing costs have resulted in weaker growth in the industrial sector. The erosion of consumer purchasing power has contributed to a slowdown in services growth as well. Industrial sector weakness continued in FY24, with a manufacturing-driven 3.7 percent decline in the index of industrial production (IIP) year-on-year.

The banking system continues to face tight liquidity conditions due to unsterilized BB foreign exchange sales and weak deposit growth. Private sector credit growth slowed further in FY24, reflecting a broader slowdown in investment. The nonperforming loan (NPL) ratio in the banking sector remains elevated, and even this elevated ratio understates banking sector stress due to lax definitions and reporting standards, forbearance measures, and weak regulatory enforcement.

The decline in foreign exchange reserves has moderated. The BoP deficit moderated during the first half of FY24 driven by a surplus in the current account. However, the financial account deficit has widened further. The interbank exchange rate was inadequate to clear the forex market, leading to a severe shortage of dollars. Continued interventions by BB in the forex market led to a depletion in official gross international reserves from US\$ 24.8 billion to US\$ 20.8 billion in the first eight months of FY24. The fiscal deficit moderated marginally to 4.4 percent of GDP in FY23 from 4.6 percent in FY22. Subdued revenue growth was offset by deferred capital investment and limited public sector wage growth. The public debt-to-GDP ratio increased to 35.0 percent but remained sustainable, with a low risk of debt distress.

Growth is expected to increase gradually over the medium-term as monetary, exchange rate, financial and structural reforms are implemented. Even though political uncertainty has diminished with a new cabinet taking oath after the national elections held in January 2024, downside risks to the outlook are significant. Inadequate progress in monetary and exchange rate reforms may result in a further decline in foreign exchange reserves and persistent inflationary pressure. Tighter liquidity conditions could exacerbate vulnerabilities in the banking sector. Fiscal risks include a revenue shortfall, potential financial sector fiscal liabilities, and deficit monetization.

Bangladesh's revenue as a share of GDP is currently 8.2 percent of GDP (FY23), among the lowest in the world and significantly below peers. Critical public investments in energy, transportation, municipal infrastructure, and human capital development are significantly constrained by the very low levels of government revenues. Reforms to increase domestic revenue generation will be critical for sustaining future economic growth.

Capital Market Scenario

Fiscal year 2023-2024 was the worst in four years, with the benchmark index of Dhaka Stock Exchange losing over 1,000 points. The last time it was this bad was in fiscal year 2019-2020, when the key index, DSEX, lost 1,395 points to close at 3,989. The DSE started new fiscal year 2024-2025 at 5,328 it had started off the last fiscal year at 6,343. The flow of liquidity into the market dropped too. DSE performed lowest among comparable nations such as India, Vietnam, Indonesia, the Philippines, Malaysia, Sri Lanka and even Pakistan. The DSE's average daily turnover declined by 39.83 percent, dropping to Tk 578 crore in 2023 from Tk 960 crore in the previous year. The market capitalization to GDP ratio decreased to 17.59 percent from 19.14 percent in 2022.

Approximately 60 percent of the total stock market value remained immobilized on the floor in 2023, with shares of 165 out of 392 companies listed on the DSE constrained by floor prices as of January 2, 2024. Foreign investors' interest waned due to the lack of liquidity, resulting in a continued decline in foreign portfolio investments. Foreign investment in the stock market almost halved over the last five years due to a confidence crisis, currency depreciation, and the introduction of the floor price.

Market governance issues were evident as non-performing companies experienced surges in share prices despite consistent losses and factory closure. Sector-wise, pharmaceuticals dominated with the highest turnover share at 16.4%, contrasting sharply with telecommunications at a mere 0.9%. The stocks of 14 multinational companies rose 1 percent and the 10 largest blue-chip companies grew 0.4 percent in the last one year, highlighting the perils that most investors faced in 2023. On the other hand, nine out of top 10 gainers either belonged to the "B" category or the "Z" category although these firms failed to pay a minimum dividend to shareholders due to weak earnings.

Despite challenges, eight companies successfully raised Tk2,884 crore through IPOs in 2023, reflecting continued investor interest in selected sectors. On June 30, the last day of fiscal year 2023-24, market capitalization stood at Tk 6,62,155 crore which was 14.24 percent lower than that on the last of fiscal year 2022-23. The challenges are expected to continue in 2024-2025 as well unless the factors behind them change their direction.

NIALCO is listed on the country's two bourses and traded on the SME platform. During the financial year under review, shares on the SME platform outperformed counterparts on the main board of the exchanges. Although aggressive price adjustments throughout the year the SME Sector comparatively performed better and at the end of June 2024, the Sectoral P/E of SME Sector was Tk. 21.67 whereas the Market P/E was Tk. 10.22. SME Sector Market Capitalization at the end of June 2024 was Tk. 23,519 million where Nialco's market capitalization was 1,382.25 million representing 5.88% of total market capitalization. The close price at the last trading day of June 2024 was Tk. 48.50.

Global copper products market and outlook

The Copper Products Market size is forecast to increase by USD 62.8 billion, at a CAGR of 5.4% between 2023 and 2028. The market is experiencing robust growth, driven by several key factors. Primarily, the expansion of the communication, electrical, and electronics industries is fueling demand for copper, given its excellent conductivity properties. The transportation industry's growing demand for copper components in engines, electric vehicles, and other applications is adding to the market's momentum. Overall, these sectors' continued expansion is expected to sustain the market's accelerated growth trajectory.

Asia Pacific contributed more than 39% of revenue share in 2023. The Asia Pacific copper market size was valued at USD 124.09 billion in 2023 and is expected to surpass USD 213.80 billion by 2034, growing at a CAGR of 5.30% from 2024 to 2034.

The fluctuations in copper prices are a major challenge in the copper product market. Intensifying copper prices represent a major challenge to the growth and stability of the global market. Copper prices have been on an upward trend since the end of 2023. They have surged over 20% since mid-February 2024, reaching a two-year peak of nearly USD 10,000 per tonne due to copper ore shortages. After a 30% increase in 2022, the trend for total contained copper in initial resources in 2023 reversed, falling 42% to 7.6 million metric tons across 20 announcements — a four-year low for both metrics. A lower grassroots exploration budget and a slowdown in drilling activity for copper in 2023 weighed down announcements of new copper, exacerbating the looming medium-term deficits in the copper pipeline.

On 12 April 2024, the USA and the UK imposed a new set of sanctions against Russia in response to its invasion of Ukraine. These sanctions specifically target the exportation of aluminium, copper and nickel produced in Russia and prohibit the delivery of metals produced from 13 April to the London Metal Exchange and the Chicago Mercantile Exchange (CME). Following the announcement, a rise in metal prices was observed. However, in the long term, these sanctions are unlikely to have a significant impact on metal supply or prices due to the limited size of Russian production in the global output. The impact of these sanctions on prices is expected to be short-lived and can lead to volatile prices. However, changes can be expected in the flows of exports, as Russia is increasingly exporting to China, India and Turkey. The USA, the UK and other Western countries on the other hand, are shifting towards non-Russian suppliers. These sanctions are anticipated to benefit non-Russian metals producers.

Outlook

In China, demand for the refined copper in 2024 is forecast to be 14.603 million tonnes, up 2.6% compared to 2023. For 2025, reported demand is expected to increase by 1.6% to 14.832 million tonnes. Currently, there is an anticipated growth in demand on the copper market. Copper prices are expected to rise in the short and medium term because demand is likely to continue growing at a higher pace than supply. Supply shortages are possible as a result. However, it is essential to recognize that adverse developments, such as a hypothetical slowdown in the Chinese manufacturing sector, could swiftly alter price trends.

Economic growth and industrialization are significant drivers of the copper market's expansion. As economies prosper and industrial sectors expand, the demand for copper increases. Copper's essential role in construction, manufacturing, and infrastructure development makes it a vital component in these growth phases. Rising urbanization, increased construction of buildings, bridges, and electrical grids, and the expansion of the manufacturing sector all necessitate substantial copper consumption.

Additionally, the rapid growth of the electronics industry, fueled by technological advancements, further elevates copper demand. As nations strive for economic development and modernization, the need for copper as a crucial industrial metal grows, creating a strong link between economic growth, industrialization, and the sustained growth of the copper market.

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 Ingots, 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. 73.02 crore in 2023-2024 which is historical highest turnover of the company based on exporting the two main products namely Copper Alloy PB Brass and Sorted Copper.

Aluminum Ingots

Aluminum ingots is non-ferrous product that is produced by pouring molten aluminum into special molds. These molds come in a variety of sizes and shapes, and the ingots created by this variety have different types in appearance. Today, aluminum is the second most widely used metal in the world after iron. Aluminum Ingot is used in remelt facilities and literally has endless uses. The Ingot is remelted and cast into a different form for reuse including automotive, household appliances, lighting, construction, mechanics and household goods.

Aluminum Ingots is the NIALCO's mainstream product which contributes half of yearly sales. During the year 2023-2024 the Company has achieved turnover of Tk. 73 crore and this year total Aluminum Ingots/Bar sale value is TK. 37.97 crore representing 51.92% of total sales.

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.

Copper Alloys has achieved turnover of Tk. 18.70 crore representing 25.56% of total sales.

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.

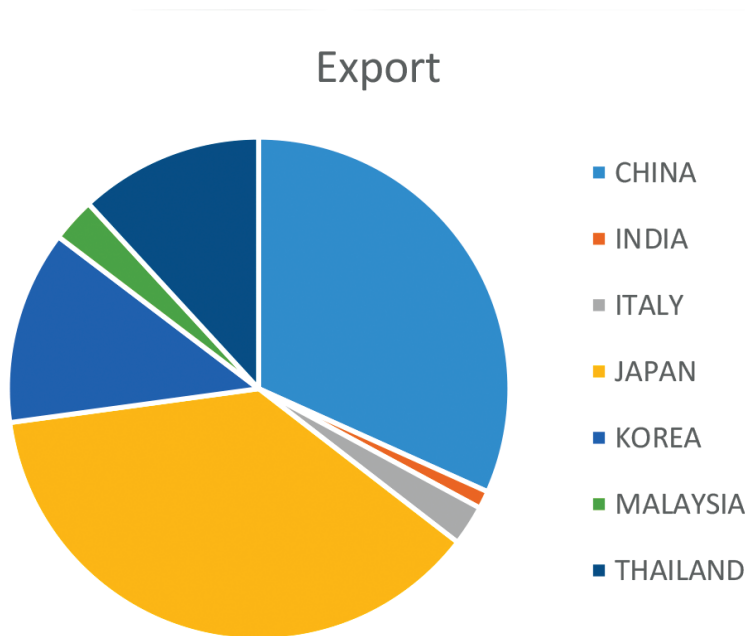
Sorted Copper is the NIALCO’s another mainstream product which has achieved Tk. 2.68 crore sales contributed 3.68 percent of yearly sales.

Others Alloys is the NIALCO’s another mainstream product which has achieved Tk. 13.77 crore sales contributed 18.84 percent of yearly sales.

During the year 2023-2024 the company has posted a total revenue of Tk. 73.02 crore which is 20.42 percent increase from 2022-2023. The product wise contribution towards the revenue are as follows:

| | | |
|-----------------|-----------------|-----------------------|
| Aluminum ingots | Tk. 37.97 crore | 51.92% of total sales |
| Copper Alloys | Tk. 18.70 crore | 25.56% of total sales |
| Sorted Copper | Tk. 2.68 crore | 3.68% of total sales |
| Other Alloys | Tk. 13.77 crore | 18.84% of total sales |

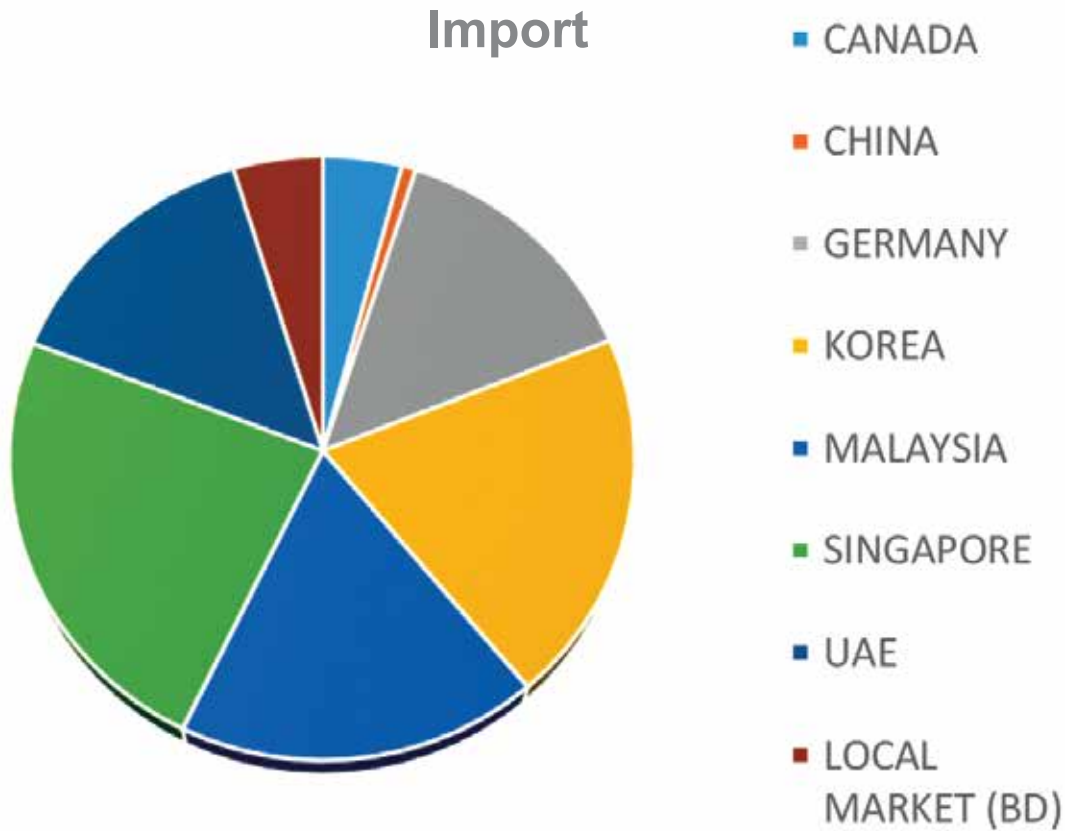
Export Destination



Copper is 100% recyclable without losing any features, making it a sustainable material of choice for the circular economy. NIALCO is a completely export-oriented company. During the year under review, the company's products were mostly exported to Asia and Europe. Japan was once again the top export destination, accounting for around 38% of total exports in 2024, representing a 4% increase over the previous year. Our second largest export destination, China, stayed at 31.72%, indicating stable revenue continuity; last year, it was 31.53%. This year, our strategy moves to recapture old markets while gaining new ones enabled us obtain a considerable penetration in Korea, which was only behind Japan and China at 12.48%, followed by Thailand at 11.84%, Malaysia at 2.83%, Italy at 2.59%,

and India at 1.14%. Due to rising freight costs and inadequate demand, no shipments were sent to New Zealand, Spain, Germany, or the UAE. We believe that, like Korea, we will be able to gain back our market share in these countries as well.

Import of Raw Material



Customers trust NIALCO because of its pristine quality, which is based on the company's philosophy that high-quality raw materials are required for high-quality finished products. As a result, the company keeps on searching for high-quality raw materials. During the reviewed year, the company purchased raw materials from Malaysia, Singapore, the United Arab Emirates, China, Korea, Germany, and Canada. More than 90% of the overall procurement came from Malaysia, Singapore, the United Arab Emirates, and Germany.

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 analysed 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 shift in strategy to capture new markets while retaining legacy markets enabled the company to conclude achieving highest turnover in 2023-2024. Net sales increased by 20.42% in 2023-2024 compared to 2022-2023, owing mostly to greater market penetration. We are positive about the long term, as we see enormous opportunity to further change our business and deliver value and returns to our shareholders.

During 2023-24, the turnover of the Company was BDT 730.28 mn as against BDT 606.41 mn during FY 2022-23 registering 20.42% increase. The Company posted a Profit before Tax from continuing operation of BDT 70.18 mn during the year as against BDT 69.53 mn retaining the growth trajectory. The Profit after Tax from continuing operation during FY 2023-24 is BDT 50.13 mn as against BDT 59.47 mn in FY 2022-23 registering a decrease of 18.63%. Despite increased turnover, GP margins were squeezed due to increases in raw material prices, higher finance charges, and non-operating losses, resulting in a falling bottom line.

During FY24, the gross profit is BDT 93.41 mn which was BDT 91.07 mn during FY22 registering an increase of 2.57%. During FY24, COGS was BDT 636.87 mn and BDT 515.34 mn in FY 23 a 23.58% increase, which is a reflection of aggressive selling strategy.

The financial results of the Company for the year 2024 with a comparison of 2023 are summarized below:

| (BDT in million except per share data) | 2024 | 2023 |
|--|--------|--------|
| Revenue | 730.28 | 606.42 |
| Gross profit | 93.41 | 91.07 |
| Operating profit | 70.18 | 69.53 |
| Profit before tax | 57.69 | 67.39 |
| Profit after tax | 50.14 | 59.48 |
| Earnings per Share (EPS) | 1.76 | 2.09 |

Significant deviation in operating results

China continues to be the world's largest copper consumer. China's increased use of copper has kept the market steady. As part of its strategic drive, the company's management looks for ways to grab more portion in the Chinese market. The strategy was successful, as the additional drives contributed roughly 31.72% of total sales. In addition to regain existing market like Korea which attributed 12.48% and increased exports to the European market helped to attain significant sales growth. Japan, on the other hand, continued to be our largest export destination. 38% of total sales achieved from Japan which was 34% last year.

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 14 no. 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 42.63 million. The detailed note on the acquisition of property, plant, and Equipment is given under note no 4 Of the financial statements.

Material changes after Balance Sheet data (June 30, 2024)

There have been no material changes and commitments between the end of FY24 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 6 percent cash dividend for the general shareholders for the year ended June 30, 2024 for approval of Shareholders in the 13th Annual General Meeting. The Board proposed the following appropriations:

Amount in million BDT

| | |
|--|--------|
| Net profit for the year 2024 | 50.14 |
| Retained earnings at the beginning of 2024 | 102.82 |
| Total profit available for appropriation | 152.96 |
| Proposed Appropriations | |
| Proposed cash dividend | 5.4 |
| Retained earnings | 143.06 |

Dividend

The Company will be paying 6% cash dividend for the year ended 2024 to the general shareholders except sponsor and directors. The Board of Directors in its meeting held on 24 October 2024 recommended “6% cash” dividend for the year 2024 amounting Tk. 5.4 million for the general shareholders. 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 50.14 mn.

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

The Board was worried that raw materials, freight costs, and bank charges had increased and that this trend might persist in the coming years, so the Board decided to retain profitability with the objective of reinvesting profits in raw material purchases and meeting operating expenses by reducing dependency on bank financing.

Annual General Meeting

The Annual General Meeting is the biggest program for the Company in a year. All shareholders are encouraged to attend and/or participate in an 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 on the official website.

The notice of the 13th Annual General Meeting is given 09 no. page of this Annual Report. A summary of the agenda is given below:

Ordinary Business:

- To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2024 together with the reports of the Auditors’ and Directors’ thereon.
- To declare dividend for the year 30 June, 2024 as recommended by the Board of Directors.
- To re-elect the retiring Directors.
- To appoint Statutory Auditors of the company for the year 2024-2025 and fixation of their remuneration.

Special Business: Nil

Notice of the Annual General Meeting

Notice of the 13th Annual General Meeting of the Company is given on 09 no. page 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 shares in the burses 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, 2024, the company completed utilization of QIO fund.

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 for ensuring 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 the 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, 2024.

Going concern

The Board of Directors has reviewed the Company's overall business plans and 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 the 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 12th Annual General Meeting and being eligible offered himself for re-election:

- Mohammad Kamal Uddin Ahamed

Biographies of the Directors (including retiring Directors) are given in this annual report on 20 no. page.

Shareholding pattern

As on June 30, 2024 the paid-up capital of the Company is Tk. 285,000,000 subdivided by 28,500,000 shares of Tk. 10 where the Sponsor Shareholders holding is 68.42%, Institute 8.73 and Public 22.85%.

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 completed three consecutive years and hence ineligible as per regulatory requirements. Mahamud Sabuj & Co., Chartered Accountants who are in the BSEC's panel auditor's list expressed their willingness to be appointed as Statutory Auditor of the Company for the year 2024-2025. The Board in its meeting held on 24 October 2024 recommended to the shareholders regarding appointment of Mahamud Sabuj & Co., Chartered Accountants at a remuneration of BDT 1,50,000 (Excluding Vat & Tax). 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 fix the Auditor's remuneration in the general meeting.

Our employees and environment

The Management of NIALCO believes that Human Resources of any organization can make the difference in the industry. Considering this thought NIALCO recruits competent people, develop them as per the demand of the time and situation, and retain them with competitive and standard motivation-award and retention policies and practices.

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

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

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

Signing of Report

The Board in its meeting held on October 24, 2024, authorized the Chairman, Mohammad Kamal Uddin Ahamed to sign Director's 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 24, 2024



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SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

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109, Agrabad Commercial Area,
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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
Md. Ashraful Hoque, FCA

DHAKA OFFICE :
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E-mail : skzislam86@gmail.com
skz4sbc@gmail.com
Web : www.shafiqbasak.com

Ref. No-SB-CTG-1-32/347/2024

Dated: 27.10.2024

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
NIALCO ALLOYS LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Nialco Alloys Limited ("the Company"), which comprise the Statement of Financial Position as at 30th June, 2024 and the Statement 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 give a true and fair view of the financial position of the company as at 30th June, 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

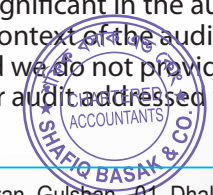
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion.

Emphasis of Matter

- i We draw attention to note no # 2.10.6 to the financial statement regarding of asset revaluation .Our opinion is not modified in this regard.
- ii We draw attention to note no # 2.11 (c) to the financial statement regarding of & Employees' Benefit (Provident Fund & Gratuity Fund). Our opinion is not modified in this report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, are of most significant in the audit of the financial statements of the current period. These matters are addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



INDEPENDENT MEMBER OF
ABACUS
WORLDWIDE

DHAKA OFFICE - (2) : House - 42 (1st Floor), Road-01, Block-A, Niketan, Gulshan - 01, Dhaka.
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In Practice Since 1993

| Key Audit Matter (KAM) | How our Audit Addressed the Key Audit Matter |
|---|---|
| Appropriateness of Revenue Recognition and Disclosures on the Impact of the Initial Application of IFRS 15 | |
| <p>Revenue of BDT 73,02,86,584.00 is recognized in the statement of profit or loss and other comprehensive income for the year ended 30 June 2024 by the company. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and recording considering the application of the new standard on revenue recognition, International Financial Reporting Standard 15 "Revenue from Contracts with Customers". Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts and exchange rates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the invoices, discounts recognized resulting from the pressure local management may feel to achieve performance targets.</p> | <p>In light of the fact that the high degree of complexity and estimates and assumptions give rise to an increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <p>Assessing the environment of the measurement as well as other relevant systems supporting the accounting of revenue.</p> <p>Assessing controls for systems and procedures supporting revenue recognition.</p> <p>Assessing the invoicing and measurement system up to entries in the general ledger.</p> <p>Examining sales invoices and receipts on a test basis in accordance with LC, Bill of Lading, Exp Form, Commercial Invoice, Bank Receipt, Bank certificate, PRC, Packing list, Insurance copy etc.</p> <p>Testing the revenue recognition in line with contract and reporting standard.</p> <p>Furthermore, we assessed the accounting effects of business and price models. We assured ourselves of the appropriateness of the systems, Processes, and Controls in place and that the estimates and assumptions made by management are sufficiently documented and substantiated to ensure that revenue is properly recognized.</p> |
| See note # 19.00 to the Financial Statements. | |
| Valuation of Inventory | |
| <p>The company had inventory of BDT 45,46,68,004.00 as at 30th June, 2024, held in distribution centers, warehouses and numerous branches.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p> | <p>We checked the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <p>Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of distribution centers, warehouses and branches;</p> <p>We checked the valuation system of the company for inventory and found that inventories were recorded at cost value at the time of purchase .</p> |
| See note # 6.00 to the Financial Statements | |



| Property, plant and equipment | |
|---|--|
| <p>The company has large amount and number of Property, plant and equipment items.</p> <p>Management has concluded that there is no revaluation in respect of Land & Land Development. This conclusion required significant management judgment. Hence, we considered this to be a significant key audit matter</p> | <p>Our audit procedures in this area included, among others:</p> <p>Assessing the consistency of methodologies used for depreciating the assets.</p> <p>Checking, on sample basis, the accuracy and relevance of the accounting of Property, plant and equipment by management. Yet no revalued.</p> |
| See note # 4.00 to the Financial Statements | |
| Intercompany Payable | |
| <p>The company has large amount of intercompany Transaction amounting 31,37,45,847.</p> | <p>Our audit procedures in this area included, among others:</p> <p>Assessing the consistency of methodologies used for Intercompany Payable. We send Balance Confirmation Letter & also checked Ledger & Bank Transaction.</p> |
| See note # 13.00 to the Financial Statements | |

Other Information included in the Company's 2024 Annual Report

Other information consists of the information included in the Company's 2024 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Annual Report is expected to be made available to us after the date of issue of this auditor's Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Company 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.

শফিক বসাক এন্ড কোং SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS

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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

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

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

Report on Other Legal and Regulatory Requirements

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

- i. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- iii. the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

FOR, SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

S.K. Basak

S. K. BASAK, FCA (0625)
PARTNER
DVC: 2410270625AS695755



Place: Chattogram, Bangladesh

NIALCO ALLOYS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

| | Note(s) | Amount in Taka | |
|--|---------|--------------------|--------------------|
| | | 30 June 2024 | 30 June 2023 |
| ASSETS | | | |
| Non-current Assets | | | |
| Property, Plant and Equipment | 4.00 | 133,078,914 | 99,040,188 |
| Capital Work in Progress | 5.00 | - | 2,143,489 |
| | | 133,078,914 | 101,183,677 |
| Current Assets | | | |
| Inventories | 6.00 | 454,668,004 | 332,752,239 |
| Trade Receivables | 7.00 | 24,828,480 | 19,333,636 |
| Advance, Deposit & Prepayments | 8.00 | 232,412,779 | 41,539,009 |
| Cash and Cash Equivalents | 9.00 | 42,116,664 | 73,662,784 |
| | | 754,025,927 | 467,287,668 |
| Total Assets | | 887,104,841 | 568,471,345 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Equity | | | |
| Share Capital | 10.00 | 285,000,000 | 285,000,000 |
| Retained Earnings | | 143,056,903 | 102,820,845 |
| | | 428,056,903 | 387,820,845 |
| Non-Current Liabilities | | | |
| Deferred Tax Liabilities | 11.00 | 1,591,356 | 1,632,017 |
| | | 1,591,356 | 1,632,017 |
| Current Liabilities | | | |
| Short Term Loan | 12.00 | 130,058,373 | - |
| Intercompany Payable | 13.00 | 313,745,847 | 165,824,539 |
| Income Tax Provision | 14.00 | 6,818,542 | 6,963,850 |
| Workers Profit Participation Fund (WPPF) | 15.00 | 3,162,512 | 3,495,198 |
| Unclaimed Dividend | 16.00 | 363,790 | 72,076 |
| Liabilities for Expenses | 17.00 | 3,307,516 | 2,662,820 |
| | | 457,456,581 | 179,018,483 |
| Total Equity and Liabilities | | 887,104,841 | 568,471,345 |
| Net Asset Value Per Share | 18.00 | 15.02 | 13.61 |

The Annexed notes 01 to 18 & Management Letter form an integral part of these Financial Statement.



Company Secretary


Chairman


Director


Managing Director

As per our annexed Report of & Management report even date


S. K. BASAK, FCA (0625)
PARTNER
SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS
DVC: 2410270625AS695755



Dated: 27. 10. 2024
Chattogram, Bangladesh

NIALCO ALLOYS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED AS ON 30 JUNE 2024

| | Note(s) | Amount in Taka | |
|--|---------|------------------------------------|------------------------------------|
| | | 01 July 2023 to 30 June 2024 | 01 July 2022 to 30 June 2023 |
| Revenue | 19.00 | 730,286,584 | 606,417,920 |
| Cost of Goods Sold | 20.00 | (636,875,390) | (515,343,310) |
| Gross Profit | | 93,411,194 | 91,074,610 |
| Administrative Expense | 21.00 | (11,579,940) | (9,822,821) |
| Selling & Distribution Expense | 22.00 | (11,650,118) | (11,722,682) |
| Profit / (Loss) From Operating Activities | | 70,181,136 | 69,529,107 |
| Finance Expense | 23.00 | (8,354,987) | (5,774,168) |
| Non Operating Income/ (Loss) | 24.00 | (1,094,721) | 6,999,458 |
| Net Profit before Contribution to WPPF | | 60,731,429 | 70,754,397 |
| Contribution to WPPF | 15.00 | (3,036,571) | (3,369,257) |
| Net Profit before Income Tax | | 57,694,858 | 67,385,140 |
| Income Tax | 25.00 | (7,558,799) | (7,910,103) |
| Net Profit after Income Tax | | 50,136,059 | 59,475,037 |
| Earnings Per Share (EPS) | 26.00 | 1.76 | 2.09 |

The Annexed notes 19 to 26 & Management Letter form an integral part of these Financial Statement.

Company Secretary

Chairman

Director

Managing Director

As per our annexed Report of & Management report even date

S. K. BASAK, FCA (0625)
PARTNER
SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS
DVC: 2410270625AS695755



Dated: 27.10.2024
Chatto gram, Bangladesh

**NIALCO ALLOYS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED AS ON 30 JUNE 2024**

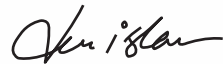
(Amount in Taka)

| Particulars | Share Capital | Retained earnings | Total equity |
|-----------------------------------|--------------------|--------------------|--------------------|
| Balance as on 01 July 2023 | 285,000,000 | 102,820,845 | 387,820,845 |
| Net Profit after Tax for The Year | - | 50,136,059 | 50,136,059 |
| Cash Dividend | - | (9,900,000) | (9,900,000) |
| Balance as on 30 June 2024 | 285,000,000 | 143,056,903 | 428,056,903 |

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED AS ON 30 JUNE 2023**

(Amount in Taka)

| Particulars | Share Capital | Retained earnings | Total equity |
|-----------------------------------|--------------------|--------------------|--------------------|
| Balance as on 01 July 2022 | 285,000,000 | 57,595,808 | 342,595,808 |
| Net Profit after Tax for The Year | - | 59,475,037 | 59,475,037 |
| Cash Dividend | - | (14,250,000) | (14,250,000) |
| Balance as on 30 June 2023 | 285,000,000 | 102,820,845 | 387,820,845 |



Company Secretary



Chairman



Director



Managing Director

Dated: 27.10.2024
Chattogram, Bangladesh



**NIALCO ALLOYS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

| | Note | Amount in Taka | |
|---|--------------|------------------------------------|------------------------------------|
| | | 01 July 2023 to 30 June 2024 | 01 July 2022 to 30 June 2023 |
| <u>A. Cash Flows from Operating Activities</u> | | | |
| Receipts from customers | | 724,791,740 | 719,910,544 |
| Receipts from others Income | | (1,094,721) | 6,999,458 |
| Payment to Suppliers | 32.00 | (771,443,306) | (490,731,948) |
| Operating expenses paid | 33.00 | (47,811,826) | (43,134,612) |
| Finance expenses paid | | (8,354,987) | (5,774,168) |
| Cash Generate from Operation Activities | | (103,913,099) | 187,269,273 |
| Payment against Income Tax | | (7,599,460) | (7,600,391) |
| Net Cash Generate from Operating Activities | | (111,512,559) | 179,668,882 |
| <u>B. Cash Flows from Investing Activities</u> | | | |
| Acquisition of Property, Plant and Equipment | | (40,483,648) | (20,656,500) |
| (Increase)/Decrease Capital Work in Progress | | - | (2,143,489) |
| Net Cash used in Investing Activities | | (40,483,648) | (22,799,989) |
| <u>C. Cash Flows from Financing Activities</u> | | | |
| Cash Dividend Paid | | (9,608,286) | (14,179,349) |
| Increase/(Decrease) Short Term Borrowing | | 130,058,373 | (142,216,540) |
| Net Cash Provided by Financing Activities | | 120,450,087 | (156,395,889) |
| D. Net increase/(Decrease) in Cash and Cash Equivalent (A+B+C) | | (31,546,120) | 473,004 |
| E. Cash and Bank Balances at beginning of the year | | 73,662,784 | 73,189,780 |
| F. Cash and Bank Balances at end of the year (D+E) | | 42,116,664 | 73,662,784 |
| Net Operating Cash Flows Per Share (NOCFPS) | 27.00 | (3.91) | 6.30 |

Company Secretary

Chairman

Director

Managing Director

Dated: 27.10.2024
Chattogram, Bangladesh



Nialco Alloys Limited

Notes to the Financial Statements
For the year ended 30 June 2024

1.00 REPORTING ENTITY

1.01 "Company Profile

The Company "NIALCO ALLOYS LIMITED" as "NIALCO" or "The Company" was Incorporated on 21st June, 2011 vides 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 isubsequently 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 Chittagogn, 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 Brask (SCB) High Tensale Brass (HTB), Die Cast Brass (DCH), Master Alloys, Phosphorus Copper etc. confirming 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 as 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, 2024
- b) Statement of Profit or Loss and other comprehensive income for the year ended June 30, 2024
- c) Statement of Changes in Equity for the year ended June 30, 2024
- d) Statement of Cash Flows for the year ended June 30, 2024 and
- e) Notes, summary of significant accounting policies aether 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 items 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 2023 to 30 June 2024"



2.10 "Property, Plant and Equipment

2.10.1 Recognition and Measurement

All Recognition Property, and Plant Measurement and Equipment are state of Asset 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 |
|-------------------------|-----------|
| | 30-Jun-24 |
| Land & Land Development | 0% |
| Factory Building | 10% |
| Plant & Machinery | 10% |
| Computer & Printer | 10% |
| Vehicles | 10% |
| Furniture & Fixture | 10% |
| CC Camera | 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 capitalized as per IAS-23: Borrowing Cost."



2.10.6 Assets Revaluation

The company has decided to revalue of its assets an accordance with the guideline provided by the IAS-16. The board will accordingly follow this guideline ensuring compliance in this regard.

2.11 "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.

c) Provident Fund & Gratuity

The Company will practice the relevent applicable requirements of Labour Law for the benefit of the employees of the company. The board will time to time take necessary initiative in this regard.

2.12 "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.

2.13 "Revenue Recognition

The Company has applied IFRS-15

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

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

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer.



2.14 "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.

2.15 "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.

2.16 "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.

2.17 "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.

2.18 "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.



2.19 "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.

2.20 "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.

2.21 "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
- f) The Customs Act 1969

2.22 "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.

2.23 "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).

2.24 "Comparative Information

Comparative information has been disclosed in the respect of previous year for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statement.



2.25 "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.

2.26 "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.

2.27 "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 30.00) in the Financial Statement.

2.28 "Events after the Reporting Period"

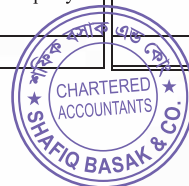
There are no events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

3.01 The entity use it's sister concern's office space for operating head office.

| | Note(s) | Amount in Taka | |
|---|---------|--------------------|--------------------|
| | | 30 June 2024 | 30 June 2023 |
| 4.00 Property, Plant and Equipment | | | |
| A. At Cost | | | |
| Opening Balance | | 121,969,701 | 101,313,201 |
| Add: Addition during the year | | 42,627,137 | 20,656,500 |
| Less: Disposal during the year | | - | - |
| Total Cost | | 164,596,838 | 121,969,701 |
| B. Accumulated Depreciation | | | |
| Opening Balance | | 22,929,513 | 15,209,671 |
| Add: Depreciation charged for the year | | 8,588,411 | 7,719,842 |
| Less: Adjustment on disposal | | - | - |
| Total Charge | | 31,517,924 | 22,929,513 |
| Written down value | | 133,078,914 | 99,040,188 |
| Details are shown in Annexure A | | | |
| 5.00 Capital Work in Progress | | | |
| Opening Balance | | 2,143,489 | - |
| Addition during the year | | - | 2,143,489 |
| | | 2,143,489 | 2,143,489 |
| Transferred to appropriate asset category | | (2,143,489) | - |
| | | - | 2,143,489 |
| 6.00 Inventories | | | |
| Raw Material | 20.01 | 158,738,925 | 125,354,667 |
| Work in Progress | 20.00 | 48,929,101 | 84,499,194 |
| Finished Goods | 20.00 | 246,999,978 | 122,898,378 |
| | | 454,668,004 | 332,752,239 |
| 7.00 Trade Receivables | | | |
| Opening Balance | | 19,333,636 | 132,696,121 |
| Sales during the year | | 730,286,584 | 606,417,920 |
| | | 749,620,220 | 739,114,041 |
| Received from customer during the year | | (724,791,740) | (719,780,405) |
| | | 24,828,480 | 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 | 24,828,480 | 19,333,636 |
| 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 year. | | |
| Total | 24,828,480 | 19,333,636 |



| | Note(s) | Amount in Taka | |
|--|---------|--------------------|-------------------|
| | | 30 June 2024 | 30 June 2023 |
| 8.00 Advance, Deposit & Prepayments | | | |
| Advance Income Tax | 8.01 | 4,298,386 | 4,443,694 |
| Advance to Employees | | 363,800 | 190,809 |
| VAT Current Account | | 193,403 | - |
| Security Deposit CDBL | | 400,000 | 400,000 |
| Linde Bangladesh Ltd. | | 47,422 | 47,422 |
| Insurance Premium | | - | 1,058,328 |
| Advance against LC | | 193,712,928 | 35,398,756 |
| Advance against Margin | | 32,396,840 | - |
| Fahima Corporation | | 1,000,000 | - |
| | | 232,412,779 | 41,539,009 |
| 8.01 Advance Income Tax | | | |
| Opening Balance | | 4,443,694 | - |
| Advance during the year | | 7,599,460 | 7,600,391 |
| | | 12,043,154 | 7,600,391 |
| Adjustment during the year | | (7,744,768) | (3,156,697) |
| | | 4,298,386 | 4,443,694 |

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. | 231,001,557 | 35,398,756 |
| ii) Advance, deposits & prepayment considered good for which the company holds no security. | 1,047,422 | 5,949,444 |
| 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. | 363,800 | 190,809 |
| 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 | 232,412,779 | 41,539,009 |

| | | | |
|---------------------------------------|------|-------------------|-------------------|
| 9.00 Cash and Cash Equivalents | | | |
| Cash in Hand | | 2,662,229 | 2,400,475 |
| Cash at Bank | 9.01 | 12,336,520 | 45,052,020 |
| Fixed Deposit | 9.02 | 27,117,915 | 26,210,289 |
| | | 42,116,664 | 73,662,784 |

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



| Note(s) | Amount in Taka | |
|---------|----------------|--------------|
| | 30 June 2024 | 30 June 2023 |

9.01 Cash at Bank

| Bank Name | Branch Name | A/C Number | | |
|-------------------------------|-------------|------------|-------------------|-------------------|
| Mutual Trust Bank Limited | Agrabad | 0220 | 1,595,598 | 830,155 |
| Mutual Trust Bank Limited | Agrabad | 1264 | 383,618 | - |
| Mutual Trust Bank Limited | Agrabad | 0548 | 1,860,000 | 1,860,000 |
| Mutual Trust Bank Limited | Agrabad | 3791 | 124,194 | 29,268,464 |
| Mutual Trust Bank Limited | Agrabad | 8845 | 58,971 | 75,121 |
| Mutual Trust Bank Limited | Agrabad | 2666 | 300,679 | - |
| Eastern Bank Limited | Agrabad | 5567 | 663,152 | 4,218,365 |
| Eastern Bank Limited | Agrabad | 0014 | 7,300,903 | 8,748,383 |
| Midland Bank Limited | Agrabad | 1613 | 3,475 | 4,625 |
| Al-Arafah Islami Bank Limited | Agrabad | 6096 | 45,930 | 46,907 |
| | | | 12,336,520 | 45,052,020 |

9.02 Fixed Deposit

| Bank Name | Branch Name | A/C Number | | |
|---------------------------|-------------|------------|-------------------|-------------------|
| Mutual Trust Bank Limited | Agrabad | 91221 | 5,231,396 | 5,048,985 |
| Mutual Trust Bank Limited | Agrabad | 89636 | 2,119,636 | 2,046,961 |
| Mutual Trust Bank Limited | Agrabad | 88904 | 8,701,654 | 8,416,405 |
| Mutual Trust Bank Limited | Agrabad | 88833 | 5,599,367 | 5,421,282 |
| Mutual Trust Bank Limited | Agrabad | 85882 | 1,085,587 | 1,049,715 |
| Mutual Trust Bank Limited | Agrabad | 84249 | 4,380,275 | 4,226,940 |
| | | | 27,117,915 | 26,210,289 |

10.00 Share Capital
Authorized Capital:

80,000,000 Ordinary Shares of Tk. 10/- each

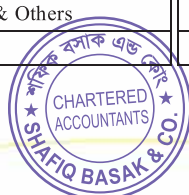
800,000,000
800,000,000
Paid up Capital:

28,500,000 nos. Ordinary Shares of Tk.10 each fully paid-up in cash

285,000,000
285,000,000
10.01 Share Holding Position of the company

The composition of share holders as on the date of Financial Position:

| Sl. No. | Name of Share Holder | Percentage (%) | Number of Shares | Value of Shares (Taka) | Value of Shares (Taka) |
|---------|------------------------------|----------------|-------------------|------------------------|------------------------|
| 1 | Md Kamal Uddin Ahmed | 34.68% | 9,885,000 | 98,850,000 | 98,850,000 |
| 2 | Gazi Mukarram Ali Chowdhury | 30.14% | 8,590,000 | 85,900,000 | 85,900,000 |
| 3 | Matin Uddin Ahmed | 2.00% | 570,000 | 5,700,000 | 5,700,000 |
| 4 | Md Ruhul Amin | 1.05% | 300,000 | 3,000,000 | 3,000,000 |
| 5 | Md Belal Uddin | 0.16% | 45,000 | 450,000 | 450,000 |
| 6 | Farhana Islam | 0.35% | 100,000 | 1,000,000 | 1,000,000 |
| 7 | Satyajit Saha | 0.04% | 10,000 | 100,000 | 100,000 |
| 8 | Qualified Investors & Others | 31.58% | 9,000,000 | 90,000,000 | 90,000,000 |
| | TOTAL | 100% | 28,500,000 | 285,000,000 | 285,000,000 |



| | Note(s) | Amount in Taka | |
|---|---------|--------------------|--------------------|
| | | 30 June 2024 | 30 June 2023 |
| 11.00 Deferred Tax Liability | | | |
| Opening Balance | | 1,632,017 | 1,466,682 |
| Addition during the year | | (40,661) | 165,335 |
| | | 1,591,356 | 1,632,017 |
| 11.01 Deferred Tax Liability | | | |
| Written down value as per financial statements | | 133,078,914 | 99,040,188 |
| Written down value as per 3rd schedule of ITO 1984 | | 119,817,617 | 84,533,371 |
| Unrealized Gain/(Loss) | | - | - |
| Temporary difference | | 13,261,297 | 14,506,817 |
| Current Tax rate on Export Business Income 12% | | 12.00% | 11.25% |
| Closing Deferred Tax Liability | | 1,591,356 | 1,632,017 |
| 12.00 Short Term Loan | | | |
| Mutual Trust Bank Limited (Acceptance Liability) | | 130,058,373 | - |
| | | 130,058,373 | - |
| 13.00 Intercompany Payable | | | |
| Marine Safety System | | 344,752,634 | 339,246,623 |
| Chittagong Ship Breaking Industries | | (31,006,787) | (173,422,084) |
| | | 313,745,847 | 165,824,539 |
| <p>NIALCO Alloys limited is a company having two sister concerns (through common directorship) one is Marine Safety System and another is Chittagong Ship Breaking Industries. NIALCO has a composite credit facility from Mutual Trust Bank Limited, Agrabad Branch for amounting Tk. 45.00 crore sanction ref. MTB/CAD/5024065/MARINE SAFETY SYSTEM/2023/4158.</p> <p>As per Sanction letter advice, 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. 31,37,45,847 represents intercompany credit balance i.e; accounts Payable from other company of the group as on 30th June 2024.</p> <p>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.</p> | | | |
| 14.00 Income Tax Provision | | | |
| Opening Balance | | 6,963,850 | 2,375,779 |
| Addition during the year | | 7,599,460 | 7,744,768 |
| | | 14,563,310 | 10,120,547 |
| Adjustment during the year | | (7,744,768) | (3,156,697) |
| | | 6,818,542 | 6,963,850 |
| 15.00 Workers Profit Participation Fund (WPPF) | | | |
| Opening Balance | | 3,495,198 | 1,062,212 |
| Addition during the year | | 3,036,571 | 3,369,257 |
| | | 6,531,769 | 4,431,469 |
| Paid during the year | | (3,369,257) | (936,271) |
| | | 3,162,512 | 3,495,198 |
| 16.00 Unclaimed Dividend | | | |
| 2021-2022 | | 72,076 | 72,076 |
| 2022-2023 | | 291,715 | - |
| | | 363,790 | 72,076 |



| | Note(s) | Amount in Taka | |
|--|---------|--------------------|--------------------|
| | | 30 June 2024 | 30 June 2023 |
| 17.00 Liabilities for Expenses | | | |
| Salary & Allowances | | 1,070,750 | 1,204,787 |
| Directors Remuneration | | 223,230 | - |
| Security Guard Salary | | - | 25,000 |
| Fahima Corporation | | - | 283,000 |
| Shah Enterprise | | 1,231,381 | 84,950 |
| Utility Bill | | 194,655 | 181,083 |
| Navigation Securities | | - | 84,000 |
| M/S Bhai Bhai Enterprise | | 300,000 | 600,000 |
| Audit Fee (Statutory Audit) | | 230,000 | 200,000 |
| Audit Fee (Use of Proceed) | | 57,500 | - |
| | | 3,307,516 | 2,662,820 |
| 18.00 Net Asset Value Per Share | | | |
| Total Assets | | 887,104,841 | 568,471,345 |
| Total Liabilities | | (459,047,937) | (180,650,500) |
| Net Asset Value (NAV) | | 428,056,904 | 387,820,845 |
| Number of Ordinary Shares Outstanding | | 28,500,000 | 28,500,000 |
| | | 15.02 | 13.61 |
| 19.00 Revenue | | | |
| Sales | | 731,248,100 | 606,417,920 |
| Discount | | (961,516) | - |
| | | 730,286,584 | 606,417,920 |
| 20.00 Cost of Goods Sold | | | |
| Raw Materials Consumption | 20.01 | 695,273,289 | 683,900,952 |
| Manufacturing Overhead | 20.02 | 30,133,608 | 26,244,600 |
| Cost of Manufacturing | | 725,406,897 | 710,145,552 |
| Opening Work in Progress | | 84,499,194 | 6,845,210 |
| | | 809,906,091 | 716,990,762 |
| Closing Work in Progress | | (48,929,101) | (84,499,194) |
| Cost of Goods Manufactured | | 760,976,990 | 632,491,568 |
| Opening Finished Goods | | 122,898,378 | 5,750,120 |
| | | 883,875,368 | 638,241,688 |
| Closing Finished Goods | | (246,999,978) | (122,898,378) |
| | | 636,875,390 | 515,343,310 |
| 20.01 Raw Materials Consumption | | | |
| Opening Stock of Raw Materials | | 125,354,667 | 144,087,364 |
| Purchase during the year | | 728,657,547 | 665,168,255 |
| | | 854,012,214 | 809,255,619 |
| Closing Stock of Raw Materials | | (158,738,925) | (125,354,667) |
| | | 695,273,289 | 683,900,952 |



| | Note(s) | Amount in Taka | |
|-------------------------------------|---------|------------------------------------|------------------------------------|
| | | 01 July 2023 to 30 June 2024 | 01 July 2022 to 30 June 2023 |
| 20.02 Manufacturing Overhead | | | |
| Wages, Salary & Allowance | | 5,949,700 | 3,192,378 |
| Bonus | | 1,370,250 | - |
| Conveyance | | 299,805 | 385,010 |
| Tours & Travel | | 648,803 | 522,490 |
| Chemical Purchase | | 365,700 | - |
| Carriage Inward | | - | 833,200 |
| Utility Bill Expenses | | 2,249,384 | 1,941,218 |
| Entertainment | | 296,246 | 330,276 |
| Fooding | | 408,498 | 438,192 |
| Dry Wood | | 42,140 | 53,910 |
| Internet Expenses | | 15,600 | 36,200 |
| License & Renewal | | 20,900 | 91,432 |
| Loading & Unloading Expenses | | - | 317,800 |
| Insurance Expense | | 1,058,328 | 11,522 |
| Medical Expense | | 210,586 | 63,372 |
| Printing & Stationery | | 3,575 | 156,487 |
| Repairs & Maintenance | | 849,016 | 1,158,549 |
| Fuel, Oil & Lubricants | | 7,529,800 | 6,719,900 |
| Store & Spares | | - | 643,616 |
| C & F Expenses | | - | 482,200 |
| Cutting Expenses | | 589,400 | 842,270 |
| Scale Charge | | 1,200 | 555,720 |
| Uniform & Gloves | | - | 35,750 |
| Miscellaneous Expenses | | 65,687 | 97,973 |
| Depreciation | 4.00 | 8,158,990 | 7,335,135 |
| | | 30,133,608 | 26,244,600 |
| 21.00 Administrative Expense | | | |
| Salary & Allowance | | 3,919,100 | 3,909,230 |
| Bonus | | 1,341,500 | - |
| Managing Directors Salary | | 2,678,760 | 2,678,060 |
| Conveyance | | 339,072 | 349,700 |
| Paper & Periodical | | 14,255 | 15,225 |
| Entertainment | | 276,314 | 333,249 |
| Printing & Stationery | | 221,515 | 249,618 |
| Fees & Renewals | | 175,771 | 67,567 |
| Credit Rating Fee | | 26,875 | 24,375 |
| Utility Bill | | 383,000 | 380,030 |
| Generator Fuel | | 327,617 | 108,631 |
| Audit Fee (Statutory Audit) | | 230,000 | 200,000 |
| Audit Fee (Use of Proceed) | | 97,750 | 68,750 |
| Audit Fee (WPPF) | | 28,750 | - |
| Telephone, Mobile & Internet | | 91,211 | 65,963 |
| Business Development Expenses | | 173,438 | 212,050 |
| Postage & Courier | | 63,600 | 85,790 |
| Repair & Maintenance | | 372,459 | 225,640 |
| Photocopy Charges | | 18,361 | 20,350 |
| Board Meeting Fees | | 55,000 | 55,000 |
| Medical Expenses | | 22,644 | 38,810 |
| Miscellaneous Expenses | | 63,127 | 66,400 |
| EGM Expense | | - | 75,000 |
| AGM Expense | | 75,000 | 121,676 |
| Regulatory Fee - CSE | | 43,500 | 43,500 |
| Regulatory Fee - DSE | | 43,500 | 43,500 |
| Software Expense | | 68,400 | - |
| Depreciation | 4.00 | 429,421 | 384,707 |
| | | 11,579,940 | 9,822,821 |



| | Note(s) | Amount in Taka | |
|--|---------|------------------------------------|------------------------------------|
| | | 01 July 2023 to 30 June 2024 | 01 July 2022 to 30 June 2023 |
| 22.00 Selling & Distribution Expense | | | |
| Salary & Allowances | | 3,166,320 | 2,084,822 |
| Bonus | | 446,300 | - |
| C & F Expense - Export | | 1,416,021 | 1,440,350 |
| Conveyance | | 150,348 | 171,487 |
| Entertainment | | 292,561 | 320,300 |
| Packing Expense | | 288,620 | 182,130 |
| Sales Promotion Expense | | 213,620 | 248,620 |
| Carriage Outward | | 5,300 | 4,600 |
| Export Expense | | 1,352,404 | 1,852,910 |
| Freight Charges | | 3,920,000 | 4,903,433 |
| Postage & Courier | | 15,384 | 19,800 |
| Loading & Unloading | | 297,300 | 383,900 |
| Miscellaneous Expenses | | 22,310 | 25,800 |
| Mobile, Telephone & Fax Expenses | | 60,630 | 78,530 |
| Sample Expense | | 3,000 | 6,000 |
| | | 11,650,118 | 11,722,682 |
| 23.00 Finance Expense | | | |
| Bank Charges and Interest | | 8,354,987 | 5,774,168 |
| | | 8,354,987 | 5,774,168 |
| 24.00 Non Operating Income/ (Loss) | | | |
| Interest Income | | 1,691,318 | 2,026,055 |
| Realized gain/ (loss) | 24.01 | (2,786,039) | 4,973,403 |
| | | (1,094,721) | 6,999,458 |
| 24.01 Realized gain/ (loss) | | | |
| Value of export collection on average rate | | 724,044,362 | 719,780,405 |
| Value of export collection on sales booking rate | | (724,791,740) | (717,394,562) |
| | | (747,379) | 2,385,843 |
| Value of Import Bill Payment in booking rate | | 680,228,392 | 500,437,374 |
| Value of Import Bill Payment in average rate | | (682,267,052) | (497,849,814) |
| | | (2,038,660) | 2,587,560 |
| | | (2,786,039) | 4,973,403 |
| 25.00 Income Tax | | | |
| Current Tax | 25.01 | 7,599,460 | 7,744,768 |
| Deferred Tax | 11.00 | (40,661) | 165,335 |
| | | 7,558,799 | 7,910,103 |
| 25.01 Current Tax | | | |
| Profit before tax as per account | | 57,694,858 | 67,385,140 |
| Profit from business (export) | | 58,789,578 | 60,385,682 |
| Profit from Non-business source (other income) | | (1,094,721) | 6,999,458 |
| Profit from business (export) | | 58,789,578 | 60,385,682 |
| Add: Accounting depreciation | | 8,588,411 | 7,719,842 |
| Less: Tax depreciation | | 7,321,051 | 13,262,057 |
| Taxable profit from business (export) | | 60,056,938 | 54,843,467 |
| Tax on profit from business (export) @12% exclusion from total income under: accounting income tax Act 2023. | | 7,206,833 | 6,169,890 |
| Tax on profit from non-business source in regular rate @22.50% | | 380,547 | 1,574,878 |
| Current Tax | | 7,587,379 | 7,744,768 |



| Note(s) | Amount in Taka | |
|---------|------------------------------------|------------------------------------|
| | 01 July 2023 to 30 June 2024 | 01 July 2022 to 30 June 2023 |

Minimum Tax:

Gross Receipts

Minimum Tax @ 1%

TDS at Source

Whichever is Higher from above calculation (A, B & C)

| | |
|------------------|------------------|
| 730,286,584 | 606,417,920 |
| 7,302,866 | 6,064,179 |
| 7,599,460 | 7,600,391 |
| 7,599,460 | 7,744,768 |

26.00 Basic Earning Per Share (EPS)

Profit Attributable to the Ordinary Shareholders

Weighted Average Number of Shares Outstanding

| | |
|-------------|-------------|
| 50,136,059 | 59,475,037 |
| 28,500,000 | 28,500,000 |
| 1.76 | 2.09 |

Restated EPS as per current outstanding number of share

Earnings per share

Profit Attributable to the Ordinary Shareholders

Weighted Average Number of Shares Outstanding

| | |
|-------------|-------------|
| 50,136,059 | 59,475,037 |
| 28,500,000 | 28,500,000 |
| 1.76 | 2.09 |

Significant deviation in EPS: Despite an increase in turnover this year, the cost of production (due to higher material, freight, and other ancillary costs), as well as the currency loss, had an overall impact on the company's net profitability. As a result, the EPS also impacted negatively.

Earnings per share (Adjusted)

A. Net Profit after Tax

B. Total number of Share outstanding

Earnings per Share (Adjusted)

| | |
|-------------|-------------|
| 50,136,059 | 59,475,037 |
| 28,500,000 | 28,500,000 |
| 1.76 | 2.09 |

| 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 | 28,500,000 |
| Total | 28,500,000 | | 28,500,000 | 28,500,000 |

27.00 Net Operating Cash Flows Per Share (NOCFPS)

Net Operating Cash Flows (Numerator)

Number of Ordinary Shares (Denominator)

Net Operating Cash Flow Per Share (NOCFPS)

| | |
|---------------|-------------|
| (111,512,559) | 179,668,882 |
| 28,500,000 | 28,500,000 |
| (3.91) | 6.30 |

Significant Deviation in NOCFPS: Receipts from customers this year were almost comparable to the previous year. On the other hand payments to suppliers substantially enhanced. Furthermore, Finance and Operating expenses also enhanced. Overall, these factors had a significant impact on the company's NOCFPS.

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

Employee position of the company as at June 30, 2024:

| Salary (Monthly) | Officer & Staff | | Workers |
|--|-----------------|-------------|-----------|
| | Factory | Head Office | |
| Number of employees whose salary below Tk. 3,000 per month | - | - | - |
| Number of employees whose salary above Tk. 3,000 per month | 11 | 6 | 16 |
| Total | 11 | 6 | 16 |

Besides these mentioned above in the schedule the company hire 25 to 30 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.



29.00 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, 2024 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. |

| Note(s) | Amount in Taka | |
|---------|------------------------------------|------------------------------------|
| | 01 July 2023 to 30 June 2024 | 01 July 2022 to 30 June 2023 |

30.00 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 | Opening Balance | Received | Payment | Closing Balance |
|---|-----------------------|-----------------|-------------|---------------|-----------------|
| Marine Safety System | Intercompany loan | 339,246,623 | 496,933,985 | (491,427,974) | 344,752,634 |
| Chittagong ship Breaking & Recycling Ind. | Intercompany loan | (173,422,084) | 395,237,458 | (252,822,161) | (31,006,787) |

During the year Managing Directors of the company has received Tk 26,78,760 (Including Tax) as remuneration by the approval 12th Annual General Meeting.

31.00 Cash flow generated from operating activities under Indirect Method:

| Particulars | Amount in Taka | Amount in Taka |
|---|----------------------|--------------------|
| | 30-Jun-2024 | 30-Jun-2023 |
| Profit before Tax | 57,694,858 | 67,385,140 |
| Add: Depreciation | 8,588,411 | 7,719,842 |
| | 66,283,269 | 75,104,982 |
| (Increase)/Decrease in Inventories | (121,915,765) | (176,069,545) |
| (Increase)/Decrease in Trade Receivable | (5,494,844) | 113,492,624 |
| (Increase)/Decrease in Advance, Deposit & Prepayments | (190,873,770) | 304,906 |
| Increase/(Decrease) in Creditors & Accruals | 148,088,011 | 174,436,308 |
| | (103,913,099) | 187,269,275 |
| Cash payment against Income Tax | (7,599,460) | (7,600,391) |
| Net Cash Generate from Operating Activities | (111,512,559) | 179,668,884 |

32.00 Payment to Suppliers

| | | |
|--|--------------------|--------------------|
| COGS | 636,875,390 | 515,343,310 |
| Increase/(decrease) in inventory | 121,915,765 | 176,069,545 |
| (Increase)/decrease in Accounts payable and liabilities for expenses | (148,088,011) | (174,436,308) |
| Increase/ (Decrease) in Advance | 190,873,770 | - |
| Less: Manufacturing overhead | (30,133,608) | (26,244,600) |
| Paid to Suppliers | 771,443,306 | 490,731,947 |



| Note(s) | Amount in Taka | |
|---------|------------------------------------|------------------------------------|
| | 01 July 2023 to 30 June 2024 | 01 July 2022 to 30 June 2023 |

33.00 Operating expenses paid

| | | |
|---|-------------------|-------------------|
| Office & administrative expenses | 11,579,940 | 9,822,821 |
| Selling & distribution expenses | 11,650,118 | 11,722,682 |
| Add: Worker profit participation Fund(WPPF) | 3,036,571 | 3,369,257 |
| Add: Factory overhead | 30,133,608 | 26,244,600 |
| | 56,400,237 | 51,159,360 |
| Increase/ (Decrease) in Advance | - | (304,906) |
| Less: Non cash Depre. | (8,588,411) | (7,719,842) |
| | 47,811,826 | 43,134,612 |

34.00 Events after reporting year

The Board of Directors of NIALCO ALLOYS LIMITED at its board meeting held on 24st October, 2024 recommended a cash dividend BDT 54,00,000 being 6% of paid-up capital except Sponso'r & Directors (i.e. 90,00,000 shares BDT 0.60 per share) for the year 2023-2024. These dividends are subject to final approval by the shareholders at the forthcoming (AGM) annual general meeting of the company.

35.00 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

36.00 Claim Acknowledgement

There was no claim against the Company not acknowledged as debt as on June 30, 2024.

37.00 Foreign currency earned

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

38.00 Foreign currency payment

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



Property, Plant and Equipment - at Cost Less Accumulated Depreciation

Annexure-A

| Sl. No. | Particular | Cost | | | Rate of Depreciation (%) | Depreciation | | | | Written Down Value (WDV) at 30 June 2024 |
|---------|-----------------------------------|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|-------------------------|---------------------|--|
| | | Balance as on 01 July 2023 | Addition During the Year | Deletion During the Year | | Balance as on 30 June 2024 | Balance as on 01 July 2023 | Charged During the Year | Adjustment/Deletion | |
| 1 | Land & Land Development | 20,609,230 | 27,720,836 | - | 48,330,066 | - | - | - | 704,283 | 48,330,066 |
| 2 | Factory Building | - | 14,085,652 | - | 14,085,652 | - | 704,283 | - | 704,283 | 13,381,369 |
| 3 | Plant & Machinery | 94,411,091 | 85,800 | - | 94,496,891 | 22,276,402 | 7,217,759 | - | 29,494,161 | 65,002,730 |
| 4 | Computer & Printer | 1,303,680 | 493,009 | - | 1,796,689 | 320,758 | 122,943 | - | 443,701 | 1,352,988 |
| 5 | Vehicles | 5,460,000 | - | - | 5,460,000 | 273,000 | 518,700 | - | 791,700 | 4,668,300 |
| 6 | Furniture & Fixture | 183,700 | 220,000 | - | 403,700 | 59,353 | 23,635 | - | 82,988 | 322,712 |
| 7 | CC Camera | - | 21,840 | - | 21,840 | - | 1,092 | - | 1,092 | 20,748 |
| | Balance as on 30 June 2024 | 121,969,701 | 42,627,137 | - | 164,596,838 | 22,929,513 | 8,588,411 | - | 31,517,924 | 133,078,914 |
| | Balance as on 30 June 2023 | 101,313,201 | 20,656,500 | - | 121,969,701 | 15,209,671 | 7,719,842 | - | 22,929,513 | 99,040,188 |

| Allocation of Depreciation | | Basis of Allocation | | Note | |
|----------------------------|--|---------------------|-------|------------------------------|-----------|
| Manufacturing | | 95% | 16.02 | 01 July 2023 to 30 June 2024 | 8,158,990 |
| Administrative | | 5% | 17.00 | 01 July 2022 to 30 June 2023 | 7,335,135 |
| | | 100% | | | 429,421 |
| | | | | | 384,707 |
| | | | | | 8,588,411 |
| | | | | | 7,719,842 |



NIALCO ALLOYS LIMITED
Schedule of Property, Plant & Equipment
As at 30 June 2024

Tax Base:

| Particulars | Cost | | | Rate of Dep. | Depreciation | | | Written Down Value as on 30.06.2024 |
|-----------------------------------|--------------------------|--------------------|--------------------------|--------------|--------------------------|-------------------------|--------------------------|-------------------------------------|
| | Balance as at 01.07.2023 | Addition this year | Balance as on 30.06.2024 | | Balance as at 01.07.2023 | Charged during the year | Balance as on 30.06.2024 | |
| Land and Land Development | 20,609,230 | 27,720,836 | 48,330,066 | 0% | - | - | 48,330,066 | |
| Factory Building | - | 14,085,652 | 14,085,652 | 10% | 704,283 | 704,283 | 13,381,369 | |
| Plant & Machineries | 94,411,091 | 85,800 | 94,496,891 | 10% | 36,783,219 | 42,550,296 | 51,946,595 | |
| Computer & Printer | 1,303,680 | 493,009 | 1,796,689 | 25% | 320,758 | 307,357 | 1,168,574 | |
| Vehicle | 5,460,000 | - | 5,460,000 | 10% | 273,000 | 518,700 | 4,668,300 | |
| Furniture & Fixture | 185,700 | 220,000 | 405,700 | 10% | 59,353 | 23,635 | 322,712 | |
| CC Camera | - | 21,840 | 21,840 | 10% | - | 1,092 | 1,092 | |
| Balance as on 30 June 2024 | 121,969,701 | 42,627,137 | 164,596,838 | | 37,436,330 | 7,321,051 | 44,757,381 | |
| Balance as on 31 June 2023 | 101,313,201 | 20,656,500 | 121,969,701 | | 24,174,273 | 13,262,057 | 37,436,330 | |
| | | | | | | | 84,533,371 | |





Inside Production House



IN Bond Ware House



Factory Machine



Factory Machine



Factory Machine



Factory Machine



Raw Material



Furnish Machine



Furnish Machine



Furnish Machine



Production Belt



Finished Product



Finished Product



Finished Product Shipment



NIALCO ALLOYS LTD.