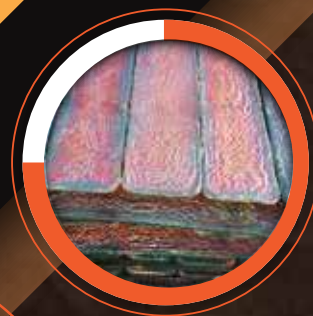


Qualified Investor Offer (QIO)

# Prospectus



NIALCO ALLOYS LIMITED

"পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন"

**"Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions."**

"পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন"

## **Qualified Investor Offer of 7,500,000 Ordinary Shares**

**Issue date of the Prospectus: April 29, 2021**

**Offer price Tk. 10.00 each (at par), Total fund to be raised Tk. 75,000,000**

### **Opening and closing date of subscription**

Opening date of subscription: **May 16, 2021**

Closing date of subscription: **May 20, 2021**

## **PROSPECTUS**

### **Name of Issuer**



**NIALCO ALLOYS LIMITED**  
(100% export oriented company)

### **Name of Issue Manager**



**MTB CAPITAL LTD.**

**(a) Preliminary information and declarations:**

**(i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), Fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable:**

<b>Name &amp; Address</b>	<b>Telephone, Fax, E-mail &amp; Web address</b>	<b>Contact Person</b>
<b>Issuer</b>		
<b>Nialco Alloys Limited</b> Plot: B-28, Block: A, BSCIC Industrial Area, Sagorika Road, Chittagong	Tel: +88-031-2773890 E-mail: info@nialcoalloys.com Web: www.nialcoalloys.com	<b>Kamal Uddin Ahmed</b> Managing Director
<b>Issue Manager</b>		
<b>MTB Capital Ltd.</b> Chandrashila Suvastu Tower (2nd Floor), 69/1, Panthapath, Dhaka-1000	Tel: +88 02 9641158 Fax: +88 02 9641159 E-mail: info.mtbcap@mutualtrustbank.com Web: www.mtbcap.com	<b>Khairul Bashar A. T. Mohammed</b> Chief Executive Officer & SEVP
<b>Underwriter(s)</b>		
<b>MTB Capital Ltd.</b> Chandrashila Suvastu Tower (2nd Floor), 69/1, Panthapath, Dhaka-1000	Tel: +88 02 9641158 Fax: +88 02 9641159 E-mail: info.mtbcap@mutualtrustbank.com Web: www.mtbcap.com	<b>Khairul Bashar A. T. Mohammed</b> Chief Executive Officer & SEVP
<b>Sonar Bangla Capital Management Ltd.</b> Paramount Heights (8th floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000	Tel: +88-02- 9511799 Fax: +88-02- 9515447 E-mail: info@sbcmlbd.com Web: www.sbcmlbd.com	<b>Mr. Emam Hossain</b> Managing Director & Chief Executive Officer (CEO-In charge)
<b>BLI Capital Limited</b> Rupayan Trade Centre (10th Floor), 114, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka- 1000	Tel: +88-02- 41030061 E-mail: blicapltd@gmail.com Web: www.blicapitaltd.com	<b>Md. Israil Hossain ACS</b> Managing Director
<b>Auditor</b>		
<b>G.KIBRIA &amp; CO.</b> Chartered Accountants Sadharan Bima Sadan (5th floor), 24-25, Dilkusha Commercial Area, Dhaka-1000	Tel: +88-02-9568071 Fax: +88-02-9553630 E-mail: gkibria@gkibriaandco.com; Web: www.gkibriaandco.com	<b>Sultan Moheuddin, FCA</b> Partner

The Company has no involvement with Valuer; Credit rating is not applicable for the issuer.

(ii) A person interested to get a prospectus may obtain from the issuer, and the issue manager.

(iii) “If you have any query about this document, you may consult the issuer, issue manager and underwriter”.

“এই প্রোসপেক্টাসে বর্ণিত তথ্য সম্পর্কিত যে কোন জিজ্ঞাসা আপনি প্রোসপেক্টাসে উল্লিখিত ইস্যুয়ার, ইস্যু ব্যবস্থাপক এবং অবলম্বকের সাথে যোগাযোগ করে জেনে নিতে পারেন।”

(iv) “CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANIES) RULES, 2018. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER’S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S) AND/OR VALUER (IF ANY).”

<b>(v) Risks in relation to the First Issue</b>
"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk. 10.00, i.e. the face value. The issue price has been determined and justified at par value/upon bidding by the qualified investors as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."
<b>(vi) General Risk</b>
"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision in this offer. For making an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. Given the emerging nature of small capital companies, there may be a higher investment risk attached to the securities being offered. The securities to be traded on the Small Capital Platform may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be an active market for trading of such securities. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 53-60"
<b>(vii) Nialco Alloys Limited's Absolute Responsibility</b>
"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this red-herring prospectus or prospectus or information memorandum contains all material information with regard to the issuer and the issue, that the information contained in the red-herring prospectus or prospectus or information memorandum is true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

**(b) Availability of Prospectus:**

**(i) Website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus are available in soft form;**

<b>Name of the Institutions</b>	<b>Website addresses and e-mail addresses</b>	<b>Contact Persons</b>
<b>Issuer</b>		
<b>Nialco Alloys Limited</b>	Web: <a href="http://www.nialcoalloys.com">www.nialcoalloys.com</a> E-mail: <a href="mailto:info@nialcoalloys.com">info@nialcoalloys.com</a>	<b>Kamal Uddin Ahmed</b> Managing Director
<b>Issue Manager</b>		
<b>MTB Capital Ltd.</b>	Web: <a href="http://www.mtbcap.com">www.mtbcap.com</a> E-mail: <a href="mailto:info.mtbcap@mutualtrustbank.com">info.mtbcap@mutualtrustbank.com</a>	<b>Khairul Bashar A. T. Mohammed</b> Chief Executive Officer & SEVP
<b>Underwriter(s)</b>		
<b>MTB Capital Ltd.</b>	Web: <a href="http://www.mtbcap.com">www.mtbcap.com</a> E-mail: <a href="mailto:info.mtbcap@mutualtrustbank.com">info.mtbcap@mutualtrustbank.com</a>	<b>Khairul Bashar A. T. Mohammed</b> Chief Executive Officer & SEVP
<b>Sonar Bangla Capital Management Ltd.</b>	Web: <a href="http://www.sbcmlbd.com">www.sbcmlbd.com</a> E-mail: <a href="mailto:info@sbcmld.com">info@sbcmld.com</a>	<b>Mr. Emam Hossain</b> Managing Director & Chief Executive Officer (CEO-In charge)
<b>BLI Capital Limited</b>	Web: <a href="http://www.blicapitaltd.com">www.blicapitaltd.com</a> E-mail: <a href="mailto:blicaplt@gmail.com">blicaplt@gmail.com</a>	<b>Md. Israil Hossain ACS</b> Managing Director
<b>Stock Exchange</b>		
<b>Chittagong Stock Exchange Ltd.</b>	Web: <a href="http://www.cse.com.bd">www.cse.com.bd</a> E-mail: <a href="mailto:habib.ullah@cse.com.bd">habib.ullah@cse.com.bd</a>	<b>Mohammad Habibur Rahman</b> Deputy Manager

**(ii) Definitions and Acronyms or Elaborations:**

**A**

AGM	Annual General Meeting
Allotment	Letter of allotment for shares

**B**

BO A/C	Beneficial owner account or Depository account
BAS	Bangladesh Accounting Standard
BDT	Bangladeshi Taka
BSEC	Bangladesh Securities and Exchange Commission
BFRS	Bangladesh Financial Reporting Standard

**C**

CDBL	Central Depository Bangladesh Ltd.
Companies Act	Companies Act, 1994 (Act. No. XVIII of 1994)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSE	Chittagong Stock Exchange Ltd.
CIB	Credit Information Bureau

**D**

DSE	Dhaka Stock Exchange Ltd.
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**E**

EIs	Eligible Investors
EPS	Earnings per share
EURO	European Union Regional Currency

**F**

FC Account	Foreign currency account
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**G**

GBP	Great Britain Pound
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**I**

Issue	Qualified Investor Offer
Issuer	Nialco Alloys Limited
Issue Manager	MTB Capital Ltd.
IFRS	International Financial Reporting Standards

**M**

MD	Managing Director
MTBCL	MTB Capital Ltd.

**N**

NAV	Net Asset Value
NRB	Non-resident Bangladeshi
NAL	Nialco Alloys Limited

**O**

Offering Price	Price of the Securities of Nialco Alloys Limited being offered
Our Company	Nialco Alloys Limited

**P**

P/E	Price earnings ratio
Pound	United Kingdom Pound

**Q**

QIO	Qualified Investor Offer
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**R**

Registered Office	Registered Office of NAL
RJSC	Registrar of Joint Stock Companies & Firms

**S**

Securities Sponsors	Shares of Nialco Alloys Limited The Sponsor shareholders of NAL.
Subscription	Application Money

**T**

The Company	Nialco Alloys Limited
TIN	Tax Identification Number
Tk.	Taka

**U**

USD	United States Dollar
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**V**

VAT	The value added tax
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**W**

WDV	Written Down Value
WPPF	Workers' Profit Participation Fund

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## SECTION (I): EXECUTIVE SUMMARY

### (i) About the industry:

Copper is a metal that is naturally present in the earth's crust. It is essential to the development of all forms of life and has been a vital metal 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. It is the oldest metal used by man- the first copper coins date from 8700 BC - and, alloyed with tin, it forms the first alloy ever used and called bronze. Copper alloys are highly suited to recycling. Around 40% of the annual consumption of Copper alloys is derived from recycled Copper materials. Today, the process of transforming unalloyed copper scrap into copper alloy ingots (Brass and Bronze) begins with purchasing copper scrap (either pure or alloyed) from a national and international network of scrap processors and brokers. The diversity of uses of copper alloys is evidenced in the range of consumer goods and general products associated with these materials. Consumer goods containing copper alloys (Brass or Bronze) vary from appliances and cooking utensils to automobile parts. Virtually all modes of transportation contain copper alloy products. Marine fittings, bearings and door and furniture fittings are only a few of the many things made with copper alloys (Brass and Bronze).

### (ii) About the Issuer:

<b>Name of the Issuer</b>	Nialco Alloys Limited
<b>Date of Incorporation</b>	June 21, 2011
<b>Date of Commercial Operation</b>	July 5, 2015
<b>The Logo of the Issuer</b>	
<b>Registered &amp; Corporate Office</b>	Plot: B-28, Block: A, BSCIC Industrial Area, Sagorika Road, Chittagong
<b>Factory</b>	Jahanabad, Bhatiary, Shitakunda, Chittagong
<b>Telephone number</b>	+88-031-2773890
<b>E-mail</b>	info@nialcoalloys.com
<b>Contact Person</b>	Kamal Uddin Ahmed, Managing Director
<b>Board of Directors</b>	1. Gazi Mukarram Ali Chowdhury, Chairman 2. Kamal Uddin Ahmed, Managing Director 3. Matin Uddin Ahmed, Director
<b>Auditor's Name</b>	G. KIBRIA & CO., Chartered Accountants
<b>Nature of business</b>	The Principal activity and the nature of the business of Nialco Alloys Limited are to manufacturing of high-grade Bronze and Brass Ingots including Gun Metal, Phosphorus Bronze, Leaded Bronze, Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB), High Tensile Brass (HTB), Die Cast Brass (DCB), Master Alloys, Phosphorus Copper etc. confirming to BS, IS, JIS, DIN, ASTM, UNI and as per all other International Standards.

### (iii) Financial information:

Major financial information of Nialco Alloys Limited is as follows:

(Amount in BDT)						
Particulars	30.09.2020	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
Revenue	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951
Gross Profit	25,504,311	39,685,800	46,959,511	8,086,870	5,601,568	1,993,049
Total Comprehensive Income	13,856,400	15,146,565	19,581,725	1,471,550	706,792	167,917
Total Assets	448,257,962	408,519,497	107,016,295	30,245,494	33,277,286	49,836,266
Share Capital	210,000,000	150,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Retained Earnings	50,930,948	37,074,548	21,927,983	2,346,258	874,709	167,917
Net Asset Value (NAV) per Share	12.43	12.47	20.96	11.17	10.44	10.08
Earnings Per Share	0.91	1.42	9.79	0.74	0.35	0.08

(iv) Features of the issue and its objects:

<b>Offer price</b>	Tk. 10.00
<b>Number of shares</b>	7,500,000 Ordinary shares
<b>Offer size</b>	Tk. 75,000,000.00
<b>Purpose of raising fund</b>	Net proceeds from QIO will be used for Land and land development, procurement of Plant & Machineries and QIO expenses.
<b>Date of implementation</b>	Within 15 months of receiving the QIO fund.

(v) Legal and other Information:

<b>Name of the company</b>	Nialco Alloys Limited
<b>Legal status</b>	Public Limited
<b>Date of incorporation</b>	June 21, 2011
<b>Date of commercial operation</b>	July 5, 2015
<b>Registration number</b>	CH-8784/11

Particulars	License Issuer/ Issuing Authority	Certificate/ License No.	Issue Date	Renewal Date	Expiry Date
Certificate of Incorporation	Register Joint Stock Companies and Firms	CH-8784/11	21.06.2011	N/A	N/A
Certificate for Commencement of Business	Register Joint Stock Companies and Firms	-	21.06.2011	N/A	N/A
TIN Certificate	National Board of Revenue	380448296787	25.07.2013	N/A	N/A
VAT Registration Certificate	Custom Excise and VAT Commissionerate, Chittagong	BIN: 000259663-0505	31.10.2019	N/A	N/A
Trade License	Chittagong City Corporation	15834	27.09.2016	19.09.2020	30.06.2021
Fire License	Fire Service & Civil Defense, Chittagong	এডি-চট্ট-৬৪০-২০১২-২০১৩	10.07.2012	05.07.2020	30.06.2021
Environment Clearance Certificate	Department of Environment Chittagong District Office	21-53218	02.05.2017	17.01.2021	01.01.2022
Export Registration Certificate (ERC)	Office of the Chief Controller of Import and Export	260315210062019	28.03.2012	18.08.2020	30.06.2021
Import Registration Certificate (IRC)	Office of the Chief Controller of Import and Export	260315120037720	16.04.2012	12.08.2020	30.06.2021
Factory License	Department of Inspection for Factories and Establishments	5793/Chittagong	25.03.2019	26.07.2020	30.06.2021
Membership Certificate	The Chittagong Chamber of Commerce & Industry	M/GEN/36/0001432/2020-2021/1473	22.07.2019	25.07.2020	30.06.2021
Bonded Warehouse	Custom Bond Commissionerate	৫(১৩)কাবক/চট্ট/বন্ড (পোঃ)/লাইঃ/৩৩০/২০১৫	10.04.2016	12.05.2020	09.04.2022

(vi) Promoters' background:

Sl.	Name, address, occupation & nationality of the Promoters
1	<b>Gazi Mukarram Ali Chowdhury</b> Father's Name: Late Mozzafar Ali Chowdhury; Mother's Name: Afzalun Nesa Address: 20, Ice Factory Road, Double Mooring, Chittagong Nationality: Bangladeshi; Occupation: Business
2	<b>Kamal Uddin Ahmed</b> Father's Name: Md. Mohiuddin Ahmed; Mother's Name: Jaheda Begum Address: House No- 21, Road: 2, Lane: 3, Block: L, Halishahar housing Estate, Chittagong Nationality: Bangladeshi; Occupation: Business
3	<b>Md. Ruhul Amin</b> Father's Name: Md. Mohiuddin Ahmed; Mother's Name: Jaheda Begum Address: House No- 21, Road: 2, Lane: 3, Block: L, Halishahar Housing Estate, Chittagong Nationality: Bangladeshi; Occupation: Business
4	<b>Md. Iqbal Uddin Ahmed</b> Father's Name: Md. Mohiuddin Ahmed; Mother's Name: Jaheda Begum Address: House No- 21, Road: 2, Lane: 3, Block: L, Halishahar housing Estate, Chittagong Nationality: Bangladeshi; Occupation: Business

5	<b>Mifta Uddin</b> Father's Name: J. M. Mohd. Siddique; Mother's Name: Meherun Nessa Address: House No- 365/A, Gulbug north Agrabad, Chittagong Nationality: Bangladeshi; Occupation: Business
6	<b>Irfan Ali</b> Father's Name: Muzaffar Ali; Mother's Name: Afzalun Nessa Address: 20, Ice Factory Road, Double Mooring, Chittagong Nationality: Bangladeshi; Occupation: Business
7	<b>Md. Hasan</b> Father's Name: Late Hafez Nur Ahmed; Mother's Name: Late Saira Begum Address: Hafez Nur Ahmed Bari, Tulatoli PO, Bhatiyari, Sitakunda, Chittagong Nationality: Bangladeshi; Occupation: Business
8	<b>Md. Mhosin</b> Father's Name: Foyes Ahmed; Mother's Name: Mariyam Begum Address: Ali Shordar Colony, Tulatoli PO, Bhatiyari, Sitakunda, Chittagong Nationality: Bangladeshi; Occupation: Business
9	<b>Md. Salim</b> Father's Name: Late Hafez Nur Ahmed; Mother's Name: Late Saira Begum Address: Muzzafar Member Bari, Tulatoli PO, Bhatiyari, Sitakunda, Chittagong Nationality: Bangladeshi; Occupation: Business

**(vii) Capital structure and history of capital raising:**

Particulars	No. of shares	Face value	Amount in BDT
<b>Authorized capital</b>	<b>80,000,000</b>	10.00	<b>800,000,000</b>
Paid-up capital (as on 30.09.2020)	21,000,000		210,000,000
<b>Pre-QIO Paid-up Capital</b>	<b>21,000,000</b>		<b>210,000,000</b>
To be issued through QIO	7,500,000		75,000,000
<b>Post-QIO Paid-up Capital</b>	<b>28,500,000</b>		<b>285,000,000</b>

The history of capital raising of the Company is as follows:

Allotments	No. of shares	Issue price	Consideration			Amount in BDT
			In cash	Other than cash	Bonus Share	
1st Allotment (As per MOA & AOA)	2,000,000	10.00	20,000,000	-	-	20,000,000
2nd Allotment (30.10.2019)	13,000,000		121,428,000	8,572,000	-	130,000,000
3rd Allotment (28.09.2020)	6,000,000		60,000,000	-	-	60,000,000
<b>Total</b>	<b>21,000,000</b>		<b>201,428,000</b>	<b>8,572,000</b>		<b>210,000,000</b>

**(viii) Summary of valuation report of securities:**

Methods followed		Amount in BDT
<b>Method-1</b>	Net assets value per share	<b>12.43</b>
<b>Method-2</b>	Earning based value per share (Considering average Sector P/E)	<b>11.48</b>
	Earning based value per share (Considering average Market P/E)	<b>11.07</b>
<b>Method-3</b>	Projected earnings for the next three accounting year with rationales of the projection	-
<b>Method-4</b>	Average market price per share of similar stocks	-

## SECTION (II): CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

### Disclosure in respect of issuance of security in Dematerialized Form

As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only;

### Condition imposed by Commission

1. The Company shall follow all requirements of the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, the Depository Act, 1999 and other securities Laws, Rules & Regulations for Qualified Investor Offer (QIO) regarding processing of application, subscription, refund, allotment, listing and trading;
2. Subscription period for qualified investor shall be opened **within 15 (fifteen) working days** from date of consent letter. After fixing subscription period, Issuer and Issue Manager shall inform to the Commission, Exchanges and Qualified Investors accordingly;
3. The issue manager(s) shall carefully examine and compare the issued prospectus vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly communicate with the qualified investor immediately, simultaneously endorsing copies thereof to the Commission and the Exchanges concerned. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of consent letter;
4. The issuer company and the issue manager shall ensure transmission of the vetted prospectus for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of consent letter. A compliance report shall be submitted in this respect to the Exchanges jointly by the Issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus;
5. Qualified investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s). The Issuer, issue manager and exchange(s) shall post the said subscription method on their **websites**;
6. **A qualified investor cannot submit more than one application. In case, an applicant submits more than one application, all applications shall be treated as invalid and shall not be considered for allotment purpose.** The minimum application amount shall be Tk. 2,00,000/- (Taka two lac only) or its multiples;
7. The stock exchanges shall complete the listing procedure and start of trading of securities within **15 (fifteen) working days in case of over-subscription whereas within 25 (twenty five) working days in case of under-subscription** from the closure of subscription period;
8. In case of over-subscription, The Exchange shall refund excess amount to the qualified investor and send final allotment list through e-mail to the allottees, issuer and issue manager **within 3 (three) working days** from the closure of subscription period;
9. The Issuer shall issue allotment letters in the names of allottees in electronic format with digital signatures and credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal **within 5 (five) working days** of receipt of the final allotment list from the exchange;
10. The exchange shall transfer the issue proceeds to the issuer bank account before starting trading of the securities;
11. As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only;
12. The Issuer shall pay the costs related to process the qualified Investors subscription and allotment, if claimed by the Exchange, concerned up to an amount of Tk. 200,000/- (Taka Two Lac only). Moreover Exchange(s) shall not claim any cost to qualified investors;
13. Individual investors shall consider as Qualified Investor who allows to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of Tk. 1,00,00,000/- (Taka one crore only) in the listed securities (matured securities) at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by **5**

- (five) working days** from the first day of starting the subscription. Exchanges shall send the list of BO Accounts who have applied in the QIO to the Central Depository Bangladesh Limited (CDBL). CDBL shall verify the list of BO Accounts provided by the Exchange(s) regarding investment of general applicants in listed securities;
14. The QIO shall stand cancelled in case of under-subscription collectively above 50%, in such an event, the issuer and issue manger shall inform the Commission **within 2 (two) working days** and release the subscription money **within 5 (five) working days** after receiving verification report from CDBL and the information from exchanges regarding subscription;
  15. **If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Otherwise, those shares (shares of Sponsors/ Directors/ Promoters) can be dematerialized and shall remain in lock-in under CDBL system and the issuer shall submit a dematerialization confirmation report generated by CDBL system and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters, the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission;**
  16. **The company shall not declare any dividend/bonus shares before listing with any Exchange from the date of this consent letter;**
  17. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাজোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any Exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000;
  18. All transactions, excluding petty cash expenses, shall be effected by crossed cheques or bank transfers. The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. Any deviation in this respect of purpose and time must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a Board approved agenda thereon and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the Board of Directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information;
  19. The utilization of fund collected through Qualified Investor Offer shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc. **The company shall furnish status report on utilization of Public Offering proceeds audited by panel auditor of the Commission and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each half year until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report in its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus;**
  20. **The company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting;**
  21. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any violation of any provision of the qualified investor offer application process with intimation to the Commission;
  22. The issuer and the issue manager shall ensure due compliance of all the above conditions, and the listing regulations of the Exchanges. Moreover, the Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company;
  23. **Only the Qualified Investors are eligible to participate in trading of securities in SME trading platform.**

**SECTION (III): DECLARATION AND DUE DILIGENCE CERTIFICATES AS PER ANNEXURE- A, B AND C**

**Annexure- A**

**Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the prospectus**

[See rule 4 (1)(d)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this qualified investor offer and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the qualified investors to make a well informed decision for investment.

Sd/-  
**Gazi Mukarram Ali Chowdhury**  
Chairman

Sd/-  
**Kamal Uddin Ahmed**  
Managing Director

Sd/-  
**Matin Uddin Ahmed**  
Director

Date: December 10, 2020

**Annexure B**

**Due diligence certificate to be furnished by issue manager in the prospectus**

**To**

**The Bangladesh Securities and Exchange Commission**

**Sub: Qualified Investor Offer of 7,500,000 Ordinary Shares of Tk. 75,000,000 by Nialco Alloys Limited**

**Dear Sir,**

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

1. We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
2. On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

**WE CONFIRM THAT:**

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed or issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments:



- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the QIO for any further inspection by the Commission:
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any:
- (k) We also declare that we have managed the Qualified Investor Offer of the following issuers in the last 05 (Five) years:

Issuer company	Issue Month/ Year	Issue Price	Dividend Payment History				
			June 2016	June 2017	June 2018	June 2019	June 2020

Place: Dhaka  
Date: December 10, 2020

Sd/-  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer & SEVP  
MTB Capital Ltd.

**Due diligence certificate by the underwriter****MTB Capital Ltd.**

**To**  
**The Bangladesh Securities and Exchange Commission**

**Sub: Qualified Investor Offer of 7,500,000 Ordinary Shares of Tk. 10.00 of Nialco Alloys Limited**

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the prospectus, other documents and materials as relevant to our underwriting decision: and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 356,883,450.00 (Taka thirty five crore sixty eight lac eighty three thousand four hundred fifty) and we have the capacity to underwrite a total amount of Tk. 1,784,417,250.00 (Taka one hundred seventy eight crore forty four lac seventeen thousand two hundred fifty) as per relevant legal requirements. We have committed to underwrite for up to Tk. 12,500,000.00 (Taka one crore twenty five lac) for the upcoming issue.

- b) At present, the following underwriting obligations are pending for us:

(Name of the issue and amount underwritten)

Sl. No.	Name of The Company	Issue Type	Amount Underwritten (in BDT)
1	Electro Battery Com. Ltd.	IPO	39,375,000
2	Gardenia Wears Ltd.	IPO	45,000,000
3	Krishibid Feed Ltd.	IPO	105,000,000
4	Union Insurance Co. Ltd.	IPO	28,000,000
	<b>Total</b>		<b>217,375,000</b>

- c) All information as are relevant to our underwriting decision have been received by us and the prospectus forwarded to the Commission has been approved by us:
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer: and
- e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-

**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer & SEVP  
 MTB Capital Ltd.

Place: Dhaka

Date: December 10, 2020

**Sonar Bangla Capital Management Limited.**

**To**  
**The Bangladesh Securities and Exchange Commission**

**Sub: Qualified investor offer (QIO) of 7,500,000 Ordinary Shares of Tk. 10.00 each of Nialco Alloys Limited**

**Dear Sir,**

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 153,999,300 (Taka fifteen crore nine lacs ninety nine thousand three hundred) and we have the capacity to underwrite a total amount of Tk. 769,996,500 (Taka seventy six crore ninety nine lacs six thousand five hundred) as per relevant legal requirements. We have committed to underwrite for up to Tk. 12,500,000 (Taka One Crore Twenty Five Lac) for the upcoming issue.

- (b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of the Company	Underwritten amount in BDT
01	SBS Cables Limited	21,600,000
02	Summit Uttaranchal Power Company Limited	51,000,000
03	GQ Ball pen Industries Limited	19,500,000
04	The Dacca Dying & Manufacturing Co. Ltd.	40,000,500
05	Union Insurance Company Limited	28,000,000
06	Krishibid Seed Ltd.	30,000,000
	<b>Total</b>	<b>190,100,500</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-

**Enam Hussain**

Managing Director/CEO (In Charge)  
Sonar Bangla Capital Management Ltd

Place: Dhaka

Date: December 10, 2020

**BLI Capital Limited**

**To**  
**The Bangladesh Securities and Exchange Commission**

**Sub: Qualified investor offer of 7,500,000 Ordinary Shares of Tk. 75,000,000.00 of Nialco Alloys Limited**

**Dear Sir,**

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

**WE CONFIRM THAT:**

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and qualified to carry out the underwriting activities. Our present paid-up capital stands at Tk. 1,750,000,000 (One Hundred Seventy Five Crore Only) and we have the capacity to underwrite a total amount of Tk. 8,750,000,000 (Eight Hundred Seventy Five Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 12,500,000 (Taka One Crore Twenty Five Lac) for the upcoming issue.

- (b) At present, the following underwriting obligations are pending for us:

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Underwritten amount in BDT</b>
01	Lub-rref (Bangladesh) Limited	90,000,000
02	Dragon Sweater And Spinning Ltd.	20,000,000
03	BD Thai Food & Beverage Ltd.	26,250,000
04	Orzo Agro Industries Ltd.	21,875,000
05	NRB Commercial Bank Limited	60,000,000
06	Krishibid Seed Ltd.	30,000,000
	<b>Total</b>	<b>248,125,000</b>

- (c) All information as are relevant to our underwriting decision have been received by us and the prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

**For the Underwriter:**

Sd/-

**Md. Israil Hossain ACS**


Managing Director

BLI Capital Limited

Date: December 10, 2020

#### SECTION (IV): ABOUT THE ISSUER


(a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, FAX number, contact person, website address and e-mail address:

<b>Name of the issuer</b>	Nialco Alloys Limited
<b>Date of incorporation</b>	June 21, 2011
<b>Date of commercial operations</b>	July 5, 2015
<b>Logo</b>	
<b>Registered &amp; Corporate Office</b>	Plot: B-28, Block: A, BSCIC Industrial Area, Sagorika Road, Chittagong
<b>Factory</b>	Jahanabad, Bhatiary, Shitakunda, Chittagong
<b>Telephone number</b>	+88-031-2773890
<b>Fax number</b>	-
<b>Contact person</b>	Kamal Uddin Ahmed, Managing Director
<b>Website address</b>	www.nialcoalloys.com
<b>E-mail address</b>	info@nialcoalloys.com


(b) The names of the sponsors and directors of the issuer:

<b>Name of the sponsors</b>	<b>Name of the Directors</b>
1. Gazi Mukarram Ali Chowdhury 2. Kamal Uddin Ahmed 3. Md. Ruhul Amin 4. Md. Iqbal Uddin Ahmed 5. Miftah Uddin 6. Irfan Ali 7. Md. Hasan 8. Md. Mhosin 9. Md. Salim	1. Gazi Mukarram Ali Chowdhury 2. Kamal Uddin Ahmed 3. Matin Uddin Ahmed


(c) The name, logo and address of the auditors along with their telephone numbers, FAX numbers, contact persons, website and e-mail addresses:

<b>Name of the auditor</b>	G. KIBRIA & CO., Chartered Accountants
<b>Logo</b>	
<b>Address</b>	Sadharan Bima Sadan (5th floor), 24-25, Dilkusha Commercial Area, Dhaka-1000
<b>Telephone number</b>	+88-02-9568071
<b>Fax number</b>	+88-02-9553630
<b>Contact person</b>	Sultan Moheuddin, FCA, Partner
<b>Website address</b>	www.gkibriaandco.com
<b>E-mail address</b>	gkibria@gkibriaandco.com

(d) The name(s) of the stock exchange(s) where the specified securities are proposed to be listed:

<b>Name &amp; Address</b>	<b>Logo</b>	<b>Contact details</b>
<b>Chittagong Stock Exchange Ltd.</b>		Tel: +88(0) 31-714632-3 Tel: +880-2-9513911-15 Fax: +88(0) 31-714101 Web: www.cse.com.bd E-mail: habib.ullah@cse.com.bd
<b>Chittagong Office:</b> CSE Building, 1080 Sk. Mujib Road, Agrabad C/A, Chittagong		
<b>Dhaka Office</b> 52-53, Dilkusha C/A, (level-15), Dhaka-1000, Bangladesh		

**SECTION (V): CORPORATE DIRECTORY OF THE ISSUER**

Company name	:	Nialco Alloys Limited	
Company logo	:		
Legal position	:	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.	
Date of incorporation	:	June 21, 2011	
Date of commercial operation	:	July 5, 2015	
Authorized capital	:	Tk. 800,000,000	
Paid-up capital	:	Tk. 210,000,000	
Registered & Corporate Office	:	Plot: B-28, Block: A, BSCIC Industrial Area, Sagorika Road, Chittagong	
Factory	:	Jahanabad, Bhatiary, Shitakunda, Chittagong	
Board of Director	:	Gazi Mukarram Ali Chowdhury	Chairman
	:	Kamal Uddin Ahmed	Managing Director
	:	Matin Uddin Ahmed	Director
Issue manager	:	<b>MTB Capital Ltd.</b> Chandrashila Suvastu Tower (2nd Floor), 69/1, Panthapath, Dhaka-1000	
Auditor	:	<b>G.KIBRIA &amp; CO.</b> Chartered Accountants Sadharan Bima Sadan (5th floor), 24-25, Dilkusha Commercial Area, Dhaka-1000; Phone: +88-02-9568071; Fax: +88-02-9553630; E-mail: gkibria@gkibriaandco.com; Web: www. gkibriaandco.com	
Lead Banker	:	Mutual Trust Bank Limited. Agrabad Branch	
Compliance officer of issuer	:	Kamal Uddin Ahmed, Managing Director	

**SECTION (VI): DESCRIPTION OF THE ISSUER****(a) Summary:****(i) The summary of the industry and business environment of the issuer:**

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 to manufacturing of high-grade Bronze and Brass Ingots including Gun Metal, Phosphorus Bronze, Leaded Bronze, Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB), High Tensile Brass (HTB), Die Cast Brass (DCB), Master Alloys, Phosphorus Copper etc. confirming 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 copper & copper alloy market is primarily driven by increasing demand from the construction, electrical & electronics industries, marine, automotive, industrial, and aerospace & defense is expected to drive the demand for bronze in the future. In addition, the rise in demand among the other end-users is expected to lead the market for the global copper and copper alloy foil market in the coming years.

**Business environment of the issuer:**

The company is 100% export-oriented company. The demand for copper products increasing globally. The company has a good supply of raw materials. Govt. policy is favorable to this sector. The wage of labor is reasonable. The company's location gives an extra benefit to shipping the products. Overall, it is a business-friendly situation.

**(ii) Summary of consolidated financial, operating and other information:**

This information is not applicable for Nialco Alloys Limited. Since the Company has no associates, subsidiary or holding company.

**(b) General Information:**

**(i) The board of directors of the issuer:**

Sl.	Name of the director	Designation
1.	Gazi Mukarram Ali Chowdhury	Chairman
2.	Kamal Uddin Ahmed	Managing Director
3.	Matin Uddin Ahmed	Director

**(ii) Names, addresses, telephone numbers, FAX numbers and E-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer:**

Name	Position	Address	Telephone, Fax & E-mail
Gazi Mukarram Ali Chowdhury	Chairman	20, Ice Factory Road, Double Mooring, Chittagong	Tel: +88-031-2773890 E-mail: babluctg1@yahoo.com
Kamal Uddin Ahmed	Managing Director	House No: 21, Road No: 02, Lane No: 03, Block No: L, Haliashahar H/E, Chittagong	Tel: +88-031-2773890 E-mail: kamaluddin.nialco@gmail.com
Matin Uddin Ahmed	Director	House No: 21, Road No: 02, Lane No: 03, Block No: L, Haliashahar H/E, Chittagong	Tel: +88-031-2773890 E-mail: martinuddin.nialco@gmail.com

**(iii) Names, addresses, telephone numbers, FAX numbers and E-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer:**

Name	Position	Address	Telephone, Fax & E-mail
Md. Yousuf Ali	Chief Financial Officer	Plot: B-28, Block: A, BSCIC Industrial Area, Sagorika Road, Chittagong	Tel: +88-031-2773890 E-mail: yousuf.cabd@gmail.com
S.M Tariqul Islam Chisty	Company Secretary	Plot: B-28, Block: A, BSCIC Industrial Area, Sagorika Road, Chittagong	Tel: +88-031-2773890 E-mail: jollyrogers6262@gmail.com
G.KIBRIA & CO.	Auditors	Sadharan Bima Sadan (5th floor), 24-25, Dilkusha Commercial Area, Dhaka-1000	Tel: +88-02-9568071 Fax: +88-02-9553630 E-mail: gkibria@gkibriaandco.com
Md. Yousuf Ali	Compliance Officer	Plot: B-28, Block: A, BSCIC Industrial Area, Sagorika Road, Chittagong	Tel: +88-031-2773890 E-mail: yousuf.cabd@gmail.com

The company has no legal advisor.

**(iv) Names, addresses, telephone numbers, FAX numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc.:**

Name	:	MTB Capital Ltd.
Address	:	Chandrashila Suvastu Tower (2nd Floor), 69/1, Panthapath, Dhaka-1000
Telephone number	:	+88 02 9641158
Fax number	:	+88 02 9641159
Contact person	:	Khairul Bashir A. T. Mohammed Chief Executive Officer & SEVP
Website address	:	www.mtbcap.com
E-mail address	:	info.mtbcap@mutualtrustbank.com

**(v) Following details of underwriting:**

**a) The names, addresses, telephone numbers, FAX numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them:**

Name and address	Telephone number, fax number & e-mail address	Contact person	Amount Underwritten (BDT)
MTB Capital Ltd. Chandrashila Suvastu Tower (2nd Floor), 69/1, Panthapath, Dhaka-1000	Tel: +88-02-9641158 Fax: +88-02-9641159 E-mail: info.mtbcap@mutualtrustbank.com Web: www.mtbcap.com	Khairul Bashir A. T. Mohammed Chief Executive Officer & SEVP	12,500,000

<b>Sonar Bangla Capital Management Ltd.</b> Paramount Heights (8th floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000	Tel: +88-02-9511799 Fax: +88-02-9515447 E-mail: info@sbcmlbd.com Web: www.sbcmlbd.com	<b>Mr. Emam Hossain</b> Managing Director & Chief Executive Officer (CEO-In charge)	12,500,000
<b>BLI Capital Limited</b> Rupayan Trade Centre (10th Floor), 114, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000	Tel: +88-02-41030061 Fax: - E-mail: blicapltd@gmail.com Web: www.blicapitaltd.com	<b>Md. Israil Hossain ACS</b> Managing Director	12,500,000
<b>Total</b>			<b>37,500,000</b>

**b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations:**

**Declaration by MTB Capital Ltd.**

We are one of the underwriters of the Qualified Investor Offer (QIO) of Nialco Alloys Limited. We will underwrite Tk. 12,500,000.00 (Taka one crore twenty five lac) only for the upcoming issue on a firm commitment basis. In this connection we hereby declare that,

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

Place: Dhaka  
Date: December 10, 2020

Sd/-  
**Khairul Bashar Abu Taher Mohammed**  
Chief Executive Officer & SEVP  
MTB Capital Ltd.

**Declaration by Sonar Bangla Capital Management Ltd.**

We are one of the underwriters of the Qualified Investor Offer (QIO) of Nialco Alloys Limited. We will underwrite Tk. 12,500,000.00 (Taka one crore twenty five lac) only for the upcoming issue on a firm commitment basis. In this connection we hereby declare that,

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

Place: Dhaka  
Date: December 10, 2020

Sd/-  
**Emam Hossain**  
Managing Director/CEO (In Charge)  
Sonar Bangla Capital Management Ltd.

**Declaration by the BLI Capital Limited**

We are one of the underwriters of the Qualified Investor Offer (QIO) of Nialco Alloys Limited. We will underwrite Tk. 12,500,000.00 (Taka one crore twenty five lac) only for the upcoming issue on a firm commitment basis. In this connection we hereby declare that,

We have sufficient resources as per the regulatory requirements to discharge our respective obligations.

Place: Dhaka  
Date: December 10, 2020

Sd/-  
**Md. Israil Hossain ACS**  
Managing Director  
BLI Capital Limited



**(c) Capital Structure:**

**(i) Authorized, issued, subscribed and paid-up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration):**

Particulars	No. of shares	Class of securities	Nominal price	Issue price	Amount in BDT
Authorized capital	80,000,000	Ordinary Shares	10.00	10.00	800,000,000
Issued, subscribed and paid-up capital	21,000,000	Ordinary Shares	10.00	10.00	210,000,000

**The Company has raised its paid-up capital in following phases:**

Allotments	No. of shares	Issue price	Consideration			Amount in BDT
			In cash	Other than cash	Bonus Share	
1st Allotment (As per MOA & AOA)	2,000,000	10.00	20,000,000	-	-	20,000,000
2nd Allotment (30.10.2019)	13,000,000		121,428,000	8,572,000	-	130,000,000
3rd Allotment (28.09.2020)	6,000,000		60,000,000	-	-	60,000,000
<b>Total</b>	<b>21,000,000</b>		<b>201,428,000</b>	<b>8,572,000</b>		<b>210,000,000</b>

**(ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount):**

Description	Securities to be offered	Number of Securities	Nominal Value	Issue Price	Issue Amount (BDT)
Qualified Investor Offer of Tk. 10.00 each at Par, Total size of fund to be raised <b>Tk. 75,000,000</b>	Eligible Investors (EIs)	7,500,000	10.00	10.00	75,000,000
<b>Total</b>		<b>7,500,000</b>	<b>10.00</b>	<b>10.00</b>	<b>75,000,000</b>

**(iii) Paid-up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue):**

Particulars	Before the present issue	After the present issue
Paid-up capital	210,000,000	285,000,000
Convertible instruments	N/A	N/A
Share premium account	N/A	N/A

**(iv) Category-wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any):**

Category of Shareholders	No. of Ordinary Shares Hold		% of Holding	
	Pre-QIO	Post-QIO	Pre-QIO	Post-QIO
Director and Sponsors	20,845,000	20,845,000	99.26%	73.14%
Other than Director and Sponsor	155,000	155,000	0.74%	0.54%
Qualified Investor (QI)	-	7,500,000	-	26.32%
<b>Total</b>	<b>21,000,000</b>	<b>28,500,000</b>	<b>100.00%</b>	<b>100.00%</b>

There is no convertible instrument, so no conversion is required.

**(v) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue:**

Date of issue	Persons to whom those are issued	Relationship with the issuer	Issue price	Consideration	Valuation thereof	Reasons for the issue
30.10.2019	Gazi Mukarram Ali Chowdhury	Director	Tk. 10.00	62.75 decimal Land	Tk. 85,72,000/-	Land transferred to the Company
	Kamal Uddin Ahmed					

**(vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted:**

The Company has not allotted any shares in terms of merger, amalgamation or acquisition scheme.

**(vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued:**

The Company has not issued any equity shares under one or more employee stock option schemes.

**(viii) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof:**

The Company has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

**(ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue:**

The Company has no such decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

(x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock-in period and the number and percentage of pledged shares, if any, held by each of them:

Name	Nature of issue	Date of allotment/ transfer of fully paid-up shares	No. of ordinary shares	Cumulative no. of equity shares	Face value & Issue price	Conside-ration	Percentage (%)		Lock In	Number & percentage of pledged shares
							Pre-QIO	Post-QIO		
Gazi Mukarram Ali Chowdhury Sponsor & Director	Ordinary Share	21.06.2011	400,000	9,340,000	10.00	Cash	44.48%	32.77%	1 Years	No Pledge Share
		15.04.2014	(400,000)			Transfer				
		25.04.2015	750,000			Transfer				
		30.10.2019	5,890,000			Cash & other than Cash				
		28.09.2020	2,700,000			Cash				
Kamal Uddin Ahmed Sponsor & Director	Ordinary Share	21.06.2011	400,000	10,635,000	10.00	Cash	50.64%	37.32%	1 Years	No Pledge Share
		15.04.2014	(100,000)			Transfer				
		25.04.2015	450,000			Transfer				
		30.10.2019	6,655,000			Cash & other than Cash				
		28.09.2020	3,230,000			Cash				
Matin Uddin Ahmed Director	Ordinary Share	25.04.2015	45,000	570,000	10.00	Transfer	2.71%	2.00%	1 Years	No Pledge Share
		30.10.2019	455,000			Cash & other than Cash				
		28.09.2020	70,000			Cash				
Md. Ruhul Amin Sponsor	Ordinary Share	21.06.2011	200,000	300,000	10.00	Cash	1.43%	1.05%	1 Years	No Pledge Share
		15.04.2014	(200,000)			Transfer				
		25.04.2015	300,000			Transfer				

\* Lock-in period of shares starts from the 1<sup>st</sup> trading date of stock exchange(s).

**(xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus:**

There was no such purchase or sale or otherwise transfer by the sponsor and/or by the directors of the Nialco Alloys Limited and their related parties within six months immediate preceding the date of filing the prospectus.

**(xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument:**

Name of shareholder	Position	Address	Amount of securities owned	Percentage of ownership
Gazi Mukarram Ali Chowdhury	Sponsor & Director	20, Ice Factory Road, Double Mooring. Chittagong	9,340,000	44.48%
Kamal Uddin Ahmed	Sponsor & Director	House No: 21, Road No: 02, Lane No: 03, Block No: L, Halishahar H/E, Chittagong	10,635,000	50.64%

\*There is no event or intent of exercising warrant, option or right to convert any convertible instrument.

**(xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned:**

There is no salaried officers holding any securities of the Company.

#### **(d) Description of Business:**

**(i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in:**

<b>Date of incorporation</b>	:	June 21, 2011
<b>Date of commercial operation</b>	:	July 5, 2015
<b>Nature of business</b>	:	The Principal activity and the nature of the business of Nialco Alloys Limited is to manufacturing of high grade Bronze and Brass Ingots including Gun Metal, Phosphorus Bronze, Leaded Bronze, Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB), High Tensile Brass (HTB), Die Cast Brass (DCB), Master Alloys, Phosphorus Copper etc. confirming to BS, IS, JIS, DIN, ASTM, UNI and as per all other International Standards.
<b>Subsidiaries company</b>	:	The Company has no subsidiary company.

#### **(ii) Location of the project:**

<b>Registered &amp; Corporate Office</b>	Plot: B-28, Block: A, BSCIC Industrial Area, Sagorika Road, Chittagong
<b>Factory</b>	Jahanabad, Bhatiary, Shitakunda, Chittagong

#### **(iii) Plant, machinery, technology, process, etc.:**

Nialco Alloys Limited has started its journey on June 21, 2011 and launched the commercial operation on July 5, 2015. To meet the growing demand for its products NAL gradually enhanced the Capacity of its production plant. Now the capacity of the plant has stood at 5,425 MT per year.

#### **MACHINERY**

Nialco Alloys Limited is using the most modern machinery and equipment in that era imported from renowned suppliers & manufacturers across the globe especially in Korea & India to get the high quality and finest products in the hands of customers.

#### **TECHNOLOGY**

In its manufacturing process, NAL has employed best technology to produce high quality products.

## PROCESS

Being a capital-based metal manufacturing company, NAL is ready to meet the market demand & minimize the competition risk. On receiving the orders from its customers, NAL manufactures the products and export those to the customer as per their requirement. Total quality management lead by the trained professionals, strict monitoring, good quality and true measurement always provided competitive advantage.

(iv) Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/ or key management personnel etc.:

<b>Date of incorporation</b>	Nialco Alloys Limited was incorporated in June 21, 2011 as a public limited company under Registrar of Joint Stock Companies and Firms (RJSC) vides registration number CH-8784/11 under the companies Act 1994.
<b>Installed capacity (3 month)</b>	1,512 MT
<b>Actual production (3 month)</b>	446 MT
<b>Launching of plant</b>	July 5, 2015
<b>Launching of products</b>	July 5, 2015
<b>First Export product</b>	October 03, 2016
<b>Change in ownership or key management personnel</b>	<ul style="list-style-type: none"><li>• Matin Uddin Ahmed is appointed as Director on 30.09.2019;</li><li>• Md. Ruhul Amin is resigned from the Director on 30.09.2019;</li></ul>

(v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data:

### Principal products or services:

The Principal activity and the nature of the business of Nialco Alloys Limited is to manufacturing of high grade Bronze and Brass Ingots including Gun Metal, Phosphorus Bronze, Leaded Bronze, Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB), High Tensile Brass (HTB), Die Cast Brass (DCB), Master Alloys, Phosphorus Copper etc. confirming to BS, IS, JIS, DIN, ASTM, UNI and as per all other International Standards.

### Markets for products or services:

At present the company export its product to Japan, Germany, Belgium, Italy, New Zealand and other countries.

**Past Trends:** Last 5 years sales of the Nialco Alloys Limited:

Particulars	30.09.2020	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
Revenue	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951

### Future prospects:

Demand for copper is growing globally. Global copper demand is set to increase 28% during the next decade. It is predicted that global copper consumption will grow from a little under 30 Million Tons in 2020 to 38 Million Tons by 2030. Several long-term trends are presently driving growth in copper demand and are expected to continue to do so in the coming decades. These trends include increased consumer use of electronics, wider uptake of electric vehicles (EVs), increased use of renewable energy sources and energy efficiency and all require significant amounts of copper to function. Therefore, this sector has remarkable growth and huge scope of contribution to the global demand for copper. **Data Source:** <https://rb.gy/aupmjk>

### (e) Description of property:

(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof:

<b>Registered &amp; Corporate Office</b>	Plot: B-28, Block: A, BSCIC Industrial Area, Sagorika Road, Chittagong
<b>Factory</b>	Jahanabad, Bhatiary, Shitakunda, Chittagong

#### 1. Land

Area of land	Value	Location	Condition
62.75	8,572,000	At Factory	Position hold by the company and factory building is situated on the land.

## 2. Plant & Machineries

Sl.	Name of the Machineries	Quantity	Origin	W.D.V
1	1 UNIT COMPETE PLANT AND FURNANCE OF 600 KW, 1 TON	01	India	35,281,396
2	1 UNIT COMPETE PLANT AND FURNANCE OF 600 KW, 2 TON	01	India	
3	CAPACITOR RACK	01	India	
4	MANUAL INJECTION LADDEL ASSY	2	Korea	
5	INGOT MOLD	160	Korea	
6	BRASS CUTTING MACHINE	1	Korea	
7	DRIER	1	Korea	
8	DESK	1	Korea	
9	SOLID STATE POWER SUPPLY UNIT	1	India	
10	"DISEL GENERATOR: SSANGYONG M.A.N B & W MODEL -6 L 23/30, BORE – 225 MM, 8IROK -300MM NO OF CYL -06, RPM-720, OUTPUT-1100 PS WITH ALTERNATOR – HYUNDAI: AC-PASH, TYPE-HFCS 564-10, VOLT-450, AMPS-1203, KVA- 937.5, RPM-720, HZ-60"	2	Korea	
11	"SPARE PARTS: CYL COVER COMPLIT-06 PCS, PISTON – 06 PCS, CANCKTING-06 PCS, CYL LINAR- 06 PCS, TURBO CHARGER- 01, FOUL PUMP- 06 PCS LOB OIL PUMP-06 PCS, CRANK SHAFT-01 PC, CAM SHAFT- 01 PC, F.W CONDENSOR-01PC, WATER PUMP01 PC, SHEL BIARING 06 SET/12 PCS, BIGEN BIARING 06 SET/12 PCS, COOLER 01 PC, ALTERNATOR-01 PC."	1	Korea	

## 3. Other properties:

Particulars	Location and Area	Condition of the Property
Computer & Printer	At office and factory	Working and good condition
Furniture & Fixture	At office and factory	Working and good condition

### (ii) Whether the property is owned by the Company or taken on lease:

All the assets of the Company are in its own name except corporate office which is owned by its sister concern.

### (iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof:

Deed no	Date of purchase	Last payment date	Mutation date	Deed value	Area (decimal)	Current use
4450/19	06.09.2019	10.12.2020	07.11.2019	8,572,000	62.75	Factory production sheds, Bonded Warehouse
				<b>8,572,000</b>	<b>62.75</b>	

### (iv) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee:

No mortgage or other type of charge on the property of the Company.

### (v) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment:

No Property is taken by the Company under lease agreement.

(vi) A physical verification report by the issue manager regarding the properties as submitted to the Commission:

#### PHYSICAL VERIFICATION REPORT BY THE ISSUE MANAGER OF NIALCO ALLOYS LIMITED

This is to certify that we have visited the registered & corporate office and factory of Nialco Alloys Limited several times and lastly we visited on November 23, 2020 and we found the registered office and factory as details below:

##### Purpose of Visit:

As a part of Issue Manager's due diligence process in order to verify the operational status and assets of Nialco Alloys Limited before Qualified Investor Offer of ordinary shares.

##### Visited and accompanied by:

<b>Visited by Issue Manager</b> MTB Capital Ltd.	<b>Khairul Bashar A. T. Mohammed</b> Chief Executive Officer & SEVP	<b>Nasimul Islam</b> Manager Public Issue & Corporate Advisory	<b>G. M. Fazle Rabbi</b> Assistant Manager Public Issue & Corporate Advisory
<b>Accompanied by Issuer</b> Nialco Alloys Limited	<b>Md. Yousuf Ali</b> Chief Financial Officer	<b>Shahidul Islam Shuman</b> Asst. Manager (Commercial)	-

##### Address:

<b>Registered &amp; Corporate Office</b>	Plot: B-28, Block: A, BSCIC Industrial Area, Sagorika Road, Chittagong
<b>Factory</b>	Jahanabad, Bhatiary, Shitakunda, Chittagong

##### Company overview:

Nialco Alloys Limited is Public Limited Company, registered under the Companies Act, 1994. The Company was incorporated on June 21, 2011 vide registration no.CH-8784/11.

The Principal activity and the nature of the business of Nialco Alloys Limited is to manufacturing of high grade Bronze and Brass Ingots including Gun Metal, Phosphorus Bronze, Leaded Bronze, Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB), High Tensile Brass (HTB), Die Cast Brass (DCB), Master Alloys, Phosphorus Copper etc. confirming to BS, IS, JIS, DIN, ASTM, UNI and as per all other International Standards.

##### Products:

Nialco Alloys Limited produce high grade Bronze and Brass Ingots including Gun Metal, Phosphorus Bronze, Leaded Bronze, Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB), High Tensile Brass (HTB), Die Cast Brass (DCB), Master Alloys, Phosphorus Copper etc.

##### Description of property:

We have identified the registered & corporate office and factory of Nialco Alloys Limited. All the assets of the Company are in its own name except registered & corporate office which is owned by its sister concern. Details of the property are as follows:

##### 1. Land:

We have found that the Company owns total 62.75 decimal of land. The land is situated at Jahanabad, Bhatiary, Shitakunda, Chittagong.

##### 2. Buildings and Civil work:

Sl.	Building Description	Types of Buildings	Total Building Area
01	Warehouse-1	Steel Structure	1,927.00 sq.ft.
02	Warehouse-2	Steel Structure	1,025.00 sq.ft.
03	Production Shed	Floor- RCC, Pillar-RCC, Wall-Brick, Roof-Steel Structure	4,997.20 sq.ft

**3. Plant & Machinery and Office Equipment:** In factory, we found all the machineries mentioned in the prospectus are in good condition and running.

**4. Fire Fighting Equipment:** The Company placed significant number of fire extinguisher, sand bucket, hose pipe and nozzles in various place to prevent accident from fire.

## 5. Power, Gas and Water facility:

### Power:

The Company meets its required power from Bangladesh Power Development Board. The total sanctioned electricity load for the company is 1,000 KW.

### Gas:

The company required 2.88 cubic meters monthly and the required gas fulfilled by cylinder from local market.

### Water:

The Company requires around 50,000 liter water per day for its production. The required water are sourced from own motor pump.

**6. Signboard:** The signboard of the Company is well displayed at the factory premises.

Besides these assets we have also found other assets like Furniture & Fixture, Electrical Installation & Equipment, Office Equipment, Firefighting equipment and others.

All Civil Construction of the factory has already been completed and the factory was in full operation during our visit except Capital Work in Process for land development.

It is mentionable here that during our visit, we have checked inventory register and roster (Workers' duty register) and found 32 no. of workers including 8 no. of daily basis casual workers are present on that day. All machineries are in good condition and the company is in operation fully.

Sd/-

**Khairul Bashar A. T. Mohammed**

Chief Executive Officer & SEVP

MTB Capital Ltd.

Place: Dhaka

Date: December 10, 2020

## (f) Plan of operation and discussion of financial condition:

**(i) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among there, include the following information:**

Nialco Alloys Limited was incorporated on June 21, 2011 and started its commercial operation on July 5, 2015. Therefore, it is not applicable for the company.

**(ii) If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:**

### Revenue and results from operation:

(Amount in BDT)

Particulars	30.09.2020	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
Revenue	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951
Less: Cost of Goods Sold	180,096,572	285,023,873	340,317,529	107,088,955	75,568,053	23,725,902
<b>Gross Profit/(Loss)</b>	<b>25,504,311</b>	<b>39,685,800</b>	<b>46,959,511</b>	<b>8,086,870</b>	<b>5,601,568</b>	<b>1,993,049</b>
Less: Operating Expenses	6,417,167	16,814,889	18,002,195	5,779,167	4,329,007	1,638,566
<b>Profit from Operation</b>	<b>19,087,144</b>	<b>22,870,911</b>	<b>28,957,316</b>	<b>2,307,703</b>	<b>1,272,561</b>	<b>354,483</b>
Less: Financial Expenses	2,340,139	5,011,319	5,092,125	43,782	9,227	32,252
<b>Net Operating Profit</b>	<b>16,747,006</b>	<b>17,859,592</b>	<b>23,865,191</b>	<b>2,263,921</b>	<b>1,263,334</b>	<b>322,231</b>
Add: Other Income/(Loss)	336,865	1,350,969	1,812,758	-	-	-
<b>Net Profit before WPPF</b>	<b>17,083,871</b>	<b>19,210,562</b>	<b>25,677,949</b>	<b>2,263,921</b>	<b>1,263,334</b>	<b>322,231</b>
Contribution to WPPF	813,518	914,789	1,222,759	-	-	-
<b>Profit Before Tax</b>	<b>16,270,353</b>	<b>18,295,773</b>	<b>24,455,190</b>	<b>2,263,921</b>	<b>1,263,334</b>	<b>322,231</b>



<b>Less: Income Tax Expenses</b>	<b>2,413,953</b>	<b>3,149,208</b>	<b>4,873,465</b>	<b>792,372</b>	<b>556,542</b>	<b>154,314</b>
Current Tax Expenses	2,741,104	3,048,093	4,596,891	792,372	556,542	154,314
Deferred Tax Expenses /(Income)	(327,151)	101,114	276,574	-	-	-
<b>Total Comprehensive Income</b>	<b>13,856,400</b>	<b>15,146,565</b>	<b>19,581,725</b>	<b>1,471,550</b>	<b>706,792</b>	<b>167,917</b>
<b>Earnings Per Share</b>	<b>0.91</b>	<b>1.42</b>	<b>9.79</b>	<b>0.74</b>	<b>0.35</b>	<b>0.08</b>

**Statement of financial position:**

(Amount in BDT)

Particulars	30.09.2020	30.06.2020	30.06.2019 (Restated)	30.06.2018	30.06.2017	30.06.2016
<b>ASSETS</b>						
<b>Non-Current Assets</b>	<b>53,907,102</b>	<b>31,446,835</b>	<b>14,284,725</b>	<b>15,987,618</b>	<b>17,898,306</b>	<b>20,004,944</b>
Property, Plant & Equipment	44,621,602	22,161,335	14,284,725	15,871,918	17,635,464	19,594,960
Capital Work In Progress	9,285,500	9,285,500	-	-	-	-
Pre-operative expenses	-	-	-	-	147,142	294,284
Preliminary expenses	-	-	-	115,700	115,700	115,700
<b>Current Assets</b>	<b>394,350,860</b>	<b>377,072,662</b>	<b>92,731,569</b>	<b>14,257,876</b>	<b>15,378,980</b>	<b>29,831,322</b>
Inventories	180,721,161	288,038,349	48,181,608	6,809,983	12,480,000	25,829,850
Trade and others Receivable	41,281,942	50,021,929	4,331,600	5,073,942	2,000,000	2,000,000
Advance, Deposit and Prepayments	76,334,181	8,149,439	436,938	58,858	601,542	198,114
Cash and Cash Equivalents	96,013,576	30,862,945	39,781,423	2,315,093	297,438	1,803,358
<b>Total Assets</b>	<b>448,257,962</b>	<b>408,519,497</b>	<b>107,016,295</b>	<b>30,245,494</b>	<b>33,277,286</b>	<b>49,836,266</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Shareholders' Equity</b>	<b>260,930,948</b>	<b>187,074,548</b>	<b>41,927,983</b>	<b>22,346,258</b>	<b>20,874,709</b>	<b>20,167,917</b>
Share Capital	210,000,000	150,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Retained Earnings	50,930,948	37,074,548	21,927,983	2,346,258	874,709	167,917
<b>Non-Current Liabilities</b>	<b>50,537</b>	<b>377,688</b>	<b>276,574</b>	<b>-</b>	<b>-</b>	<b>-</b>
Long Term Borrowings	-	-	-	-	-	-
Deferred Tax Liability	50,537	377,688	276,574	-	-	-
<b>Current Liabilities</b>	<b>187,276,477</b>	<b>221,067,262</b>	<b>64,811,739</b>	<b>7,899,236</b>	<b>12,402,577</b>	<b>29,668,349</b>
Current Portion of Long Term Loan	-	-	-	-	-	-
Short Term Borrowings	158,902,048	210,776,454	53,187,033	-	-	-
Accounts payable	22,800,000	5,687,305	-	-	-	-
Liabilities for Expenses	5,574,428	4,603,501	11,624,706	7,899,236	12,402,577	29,668,349
<b>Total Liabilities</b>	<b>187,327,015</b>	<b>221,444,950</b>	<b>65,088,312</b>	<b>7,899,236</b>	<b>12,402,577</b>	<b>29,668,349</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>448,257,962</b>	<b>408,519,498</b>	<b>107,016,295</b>	<b>30,245,494</b>	<b>33,277,286</b>	<b>49,836,266</b>
<b>Net Asset Value (NAV) per Share</b>	<b>12.43</b>	<b>12.47</b>	<b>20.96</b>	<b>11.17</b>	<b>10.44</b>	<b>10.08</b>

**Statement of changes in financial position:**

Particulars	Ordinary share capital	Retained earnings	Total
Balance as on 30.09.2020	210,000,000	50,930,948	260,930,948
Balance as on 30.06.2020	150,000,000	37,074,548	187,074,548
Balance as on 30.06.2019	20,000,000	21,927,983	41,927,983
Balance as on 30.06.2018	20,000,000	2,346,258	22,346,258
Balance as on 30.06.2017	20,000,000	874,709	20,874,709
Balance as on 30.06.2016	20,000,000	167,917	20,167,917

**Statement of cash flows:**

(Amount in BDT)

Particulars	30.09.2020	30.06.2020	30.06.2019 (Restated)	30.06.2018	30.06.2017	30.06.2016
<b>A. Cash Flows From Operating Activities</b>						
Receipts from customers	214,340,871	279,019,344	388,019,382	-	-	-
Receipts from others Income	336,865	1,350,969	1,812,758	-	-	-
Payment to Suppliers	(53,973,423)	(520,780,153)	(373,860,034)	-	-	-
Operating expenses paid	(77,411,700)	(30,814,300)	(25,503,236)	-	-	-
Finance expenses paid	(2,340,138)	(5,011,319)	(5,092,125)	-	-	-
Cash Receipt from Customers & Others	-	-	-	112,101,883	81,169,621	28,718,951
Cash Paid to Suppliers, employees & Others	-	-	-	(109,291,856)	(64,418,999)	(48,919,013)
<b>Cash Generate from Operating Activities</b>	<b>80,952,475</b>	<b>(276,235,459)</b>	<b>(14,623,255)</b>	<b>2,810,027</b>	<b>16,750,622</b>	<b>(20,200,062)</b>
Income Taxes Paid	(1,127,438)	(1,642,941)	(1,097,446)	(792,372)	(556,542)	(154,314)
<b>Net Cash Flows from Operating Activities</b>	<b>79,825,037</b>	<b>(277,878,400)</b>	<b>(15,720,701)</b>	<b>2,017,655</b>	<b>16,194,080</b>	<b>(20,354,376)</b>
<b>B. Cash Flows From Investing Activities</b>						
Acquisition of Property, Plant and Equipment	(22,800,000)	(18,629,500)	-	-	-	(1,812,897)
Investment	-	-	-	-	-	-
Capital Work in Progress	-	-	-	-	-	-
Advance Against Land Purchase	-	-	-	-	-	-
<b>Net cash used in Investing Activities</b>	<b>(22,800,000)</b>	<b>(18,629,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,812,897)</b>
<b>C. Cash Flows From Financing Activities</b>						
Increase/(Decrease) in Share Capital/Share Money Deposit	60,000,000	130,000,000	-	-	-	-
Net Received /Payment in Long Term Borrowings	-	-	-	-	-	-
Net Received /Payment in Short Term Borrowing	(51,874,406)	157,589,421	53,187,033	-	(17,700,000)	23,950,000
Net Payment for Financial Expenses	-	-	-	-	-	-
<b>Net Cash Flows from Financing Activities</b>	<b>8,125,594</b>	<b>287,589,421</b>	<b>53,187,033</b>	<b>-</b>	<b>(17,700,000)</b>	<b>23,950,000</b>
<b>D. Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>65,150,631</b>	<b>(8,918,479)</b>	<b>(1,810,804)</b>	<b>2,017,655</b>	<b>(1,505,920)</b>	<b>1,782,727</b>
<b>E. Opening Cash &amp; Cash Equivalents</b>	<b>30,862,945</b>	<b>39,781,423</b>	<b>2,315,094</b>	<b>297,438</b>	<b>1,803,358</b>	<b>20,631</b>
<b>F. Closing Cash &amp; Cash Equivalents (E + D)</b>	<b>96,013,576</b>	<b>30,862,945</b>	<b>39,781,423</b>	<b>2,315,094</b>	<b>297,438</b>	<b>1,803,358</b>

**a) Internal and external sources of cash:**

(Amount in BDT)

Particulars	30.09.2020	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
<b>Internal sources of cash</b>						
Share Capital	210,000,000	150,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Retained Earnings	50,930,948	37,074,548	21,927,983	2,346,258	874,709	167,917
<b>Sub Total</b>	<b>260,930,948</b>	<b>187,074,548</b>	<b>41,927,983</b>	<b>22,346,258</b>	<b>20,874,709</b>	<b>20,167,917</b>
<b>External sources of cash</b>						
Long Term Borrowings	-	-	-	-	-	-
Current Portion of Long Term Loan	-	-	-	-	-	-
Short Term Borrowings	158,902,048	210,776,454	53,187,033	-	-	-
<b>Sub Total</b>	<b>158,902,048</b>	<b>210,776,454</b>	<b>53,187,033</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>419,832,996</b>	<b>397,851,002</b>	<b>95,115,016</b>	<b>22,346,258</b>	<b>20,874,709</b>	<b>20,167,917</b>

**b) Any material commitments for capital expenditure and expected sources of funds for such expenditure:**

The Company has no material commitment for capital expenditure other than as specified in “use of proceeds” section of this prospectus.

**c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income:**

The Company’s revenue and other income as well as operating expenses and net income have continued to change due to increasing business volume and increase in capacity utilization.

(Amount in BDT)

Particulars	30.09.2020	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
Revenue	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951
Cost of goods sold	180,096,572	285,023,873	340,317,529	107,088,955	75,568,053	23,725,902
Operating expenses	6,417,167	16,814,889	18,002,195	5,779,167	4,329,007	1,638,566
Total Comprehensive Income	13,856,400	15,146,565	19,581,725	1,471,550	706,792	167,917

**Causes for changes:**

**Revenues:**

Revenue from the year 2016 to 2018 was flourishing gradually. In the year 2019, sales increased 3.36 times before the year due to the increase of export orders for the global demand for the products. In the year June 30, 2020 sales decreases due to Covid-19 affected the whole world as the international shipment was closed for 2.5 months.

**Cost of goods sold:**

The costs of materials changes with the global price of raw material changes and exchange rate fluctuation.

**Other operating expenses:**

Change of operating expenses in period to period is in the line with production and sale volume.

**Net income:**

Net income is also changed in period to period in line with the sales volume.

**d) Any seasonal aspects of the issuer’s business:**

There is no significant seasonal aspect on the company’s business.

**e) Any known trends, events or uncertainties that may have material effect on the issuer’s future business:**

Though there is no known trend, events and uncertainties that shall have a material impact on the company’s future business, the operation of the company may be affected by the following events:

- |                            |                                |
|----------------------------|--------------------------------|
| i) Political unrest        | ii) Natural disaster           |
| iii) Increased competition | iv) Entrance of new technology |

**f) Any assets of the company used to pay off any liabilities:**

No assets of the Company have been used to pay off any liability.

**g) Any loan taken from or given to any related party or connected person of the issuer with details of the same:**

The Company did not take from or given any loan to any related party or connected person except transaction with the following companies under common management as the normal course of business:

Name	Nature of transaction	Received	Payment	Balance
Chittagong Ship Breaking & Recycling Ind.	Purchase of generator	-	-	22,800,000
Marine Safety System	Intercompany loan	59,100,489	134,118,374	69,330,580

**h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer:**

The Company has no plan to enter into any contractual liabilities other than the normal course of business within next one year that would impact the financial fundamental of the company.

**i) The estimated amount, where applicable, of future capital expenditure:**

The Company does not have any plan for future capital expenditure other than as specified in **use of proceeds** section in this prospectus.

**j) Break down of all expenses related to the qualified investor offer:**

Sl.	Particulars	Nature of Expenditure	Amount in BDT
<b>A</b>	<b>ISSUE MANAGEMENT FEES</b>		
	Managers to the Issue Fee	Maximum Tk. 300,000.00	300,000
	VAT	15% on Issue Management Fee	45,000
<b>B</b>	<b>BANGLADESH SECURITIES AND EXCHANGE COMMISSION</b>		-
	Application Fees	At Actual	5,000
	BSEC Consent Fees	At Actual	10,000
<b>C</b>	<b>UNDERWRITING FEES</b>		-
	Underwriting Commission	0.25% on underwritten amount	93,750
<b>D</b>	<b>AUDITOR'S FEE</b>		
	Auditor certification fees	At Actual	75,000
<b>E</b>	<b>EXCHANGE LISTING FEE</b>		-
	Application Fee	At Actual	25,000
	Listing Fee	Up to Taka 10 crore of paid-up capital @0.125%, Above Taka 10 crore of paid-up capital @0.075%	263,750
	<b>Total</b>		<b>817,500</b>

**k) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission:**

The Company has not made any revaluation of its assets.

**l) Where the issuer is a holding/subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor:**

The Company has no subsidiary nor operated under a holding company. Hence, no transaction has taken place.

**m) Financial information of Group Companies under common ownership by more than 50%:**

As there are no companies under common ownership more than 50%, this section is not applicable for Nialco Alloys Limited.

**n) Defaults or rescheduling of borrowings with financial institutions/ banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company:**

The Company neither has defaulted nor rescheduled of its borrowings with financial institute/ Banks nor has converted any of its loan into equity since incorporation.

## **SECTION (VII): MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **(a) Overview of business and strategies:**

#### **Overview of Business:**

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 to manufacturing of high grade Bronze and Brass Ingots including Gun Metal, Phosphorus Bronze, Leaded Bronze, Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB), High Tensile Brass (HTB), Die Cast Brass (DCB), Master Alloys, Phosphorus Copper etc. confirming to BS, IS, JIS, DIN, ASTM, UNI and as per all other International Standards.

#### **Business strategies:**

- Using modern machineries and manufacturing technology;
- Maintain total quality management in every aspect;
- Focusing on customer need;
- Ensuring product delivery in right time;
- Continuous expansion and improvement of products;
- To expand market position;
- Continuous finding new market for products;
- Taking necessary precaution to reduce environmental impact to a minimum level;

### **(b) SWOT Analysis:**

SWOT analysis is a structured planning method that helps to evaluate the strengths, weakness, opportunities and threats involved in the business venture. It identifies the internal and external factors that affect a business venture. Strength and weakness are evaluated with internal factors where opportunity and threat are evaluated by external factors. The SWOT analysis of Nialco Alloys Limited is as follows:

#### **STRENGTHS**

1. Experienced Management;
2. Lower cost of workforce;
3. Trained and experienced staff;
4. Good reputation of products brand in market;
5. Modern machineries and technology;
6. High quality products;

#### **WEAKNESSES**

1. Strict controls over labor efficiency need to be observed to reduce the waste production to a minimum level

#### **OPPORTUNITIES**

1. Huge volumes of demand from globally.
2. It's an emerging sector and Govt. policy is favorable to this industry.

#### **THREATS**

1. Fluctuating exchange rates
2. Rising Raw Material, Energy and Transport cost.
3. Global competition in this sector may affect the profitability of the company.

**(c) Analysis of the financial statements of last five years with reasons of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense, changes of inventories, net profit before & after tax, EPS etc.**

(Amount in BDT)

Particulars	30.09.2020	30.06.2020	30.06.2019	30.06.2018	30.06.2017	30.06.2016
Revenue	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951
Other Income/(Loss)	336,865	1,350,969	1,812,758	-	-	-
Total Income	205,937,749	326,060,642	389,089,798	115,175,825	81,169,621	25,718,951
Cost of Goods Sold	180,096,572	285,023,873	340,317,529	107,088,955	75,568,053	23,725,902
Financial Expenses	2,340,139	5,011,319	5,092,125	43,782	9,227	32,252
Depreciation	339,733	2,573,687	1,587,193	1,763,546	1,959,496	502,435
Amortization expense	-	-	-	-	-	-
Other expense	-	-	-	-	-	-
Changes of inventories	(107,317,188)	239,856,741	41,371,625	(5,670,017)	(13,349,850)	25,829,850
Net profit before tax	16,270,353	18,295,773	24,455,190	2,263,921	1,263,334	322,231
Total Comprehensive Income	13,856,400	15,146,565	19,581,725	1,471,550	706,792	167,917
EPS	0.91	1.42	9.79	0.74	0.35	0.08

#### **Reason of Fluctuation:**

##### **Revenue**

Revenue from the year 2016 to 2018 was flourishing gradually. In the year 2019, sale increased 3.36 times before the year due to the increase of export orders due to the global demand for the products. In the year June 30, 2020 sales decreases due to Covid-19 affected the whole world as the international shipment was closed for 2.5 months.

##### **Other Income**

Other income has been generated from Interest income and Foreign exchange gain/(loss).

##### **Total Income**

Total income is steady growth during last five years due to increases of revenue except June 30, 2020 for Covid-19.

##### **Cost of Material**

The costs of materials changes with the global price of raw material changes and exchange rate fluctuation.

##### **Finance Cost**

The company has taken short term loan from bank for importing raw materials. So the finance cost and bank charges are in line with the borrowings. The trend is relevant to the production and also consistent with the revenue.

##### **Depreciation & Amortization expenses**

The depreciation is relevant with the procurement and installation of machineries. No significant changes have been occurred.

##### **Other Expenses:**

The company did not incur any other expenses other than regular expenses during the last five years.

##### **Change in Inventory**

We have to maintain sufficient amount of inventory in order to meet the sales order. Inventory changes with the demand of products, raw material price changes in globally.

##### **Net profit before & after Tax and Earning per Share (EPS)**

Net profit before and after tax changed in the last five years in line with the revenue. No unusual changes have been occurred during the last five years on the above matters.

Earnings per Share are properly calculated through using weighted average number of ordinary shares for each year.

**(d) Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business:**

There are no known trends demands, commitments, events or uncertainties that are likely to have an effect on the Company's business except the following:

- Technological change.
- Increased competition.
- Govt. policy changes towards the industry.
- Political unrest.
- Natural disaster

**(e) Trends or expected fluctuations in liquidity:**

There are no trends of expected fluctuations in liquidity.

**(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:**

There are no off-balance sheet agreements those have or likely to have a current or future effect on financial condition.

**SECTION (VIII): DIRECTORS AND OFFICERS**

**(a) Name, father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which the nomination has been made and the name of the organization which has nominated him:**

Name	Father's name	Age	Residential address	Educational qualification	Experience	Position
Gazi Mukarram Ali Chowdhury	Late Mozzafar Ali Chowdhury	49	20, Ice Factory Road, Double Mooring, Chittagong	M. Com (Accounting)	16	Chairman
Kamal Uddin Ahmed	Md. Mohiuddin Ahmed	50	House No: 21, Road No: 02, Lane No: 03, Block No: L, Haliashahar H/E, Chittagong	M. Com (Accounting)	17	Managing Director
Matin Uddin Ahmed	Md. Mohiuddin Ahmed	42	House No: 21, Road No: 02, Lane No: 03, Block No: L, Haliashahar H/E, Chittagong	B.Com	8	Director

There is no nominated or represented director in the Company.

**(b) The date on which he first became a director and the date on which his current term of office shall expire:**

Name	Position	Date of becoming director for the first time	Expiry of current term
Gazi Mukarram Ali Chowdhury	Chairman	Incorporation	Next AGM
Kamal Uddin Ahmed	Managing Director	Incorporation	Next AGM
Matin Uddin Ahmed	Director	30.09.2019	Next AGM

**(c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations:**

Directors interest in other Business:

Name	Position at NAL	Directorship/Ownership	
		Name of the Company	Types of business
Gazi Mukarram Ali Chowdhury	Chairman	Chittagong Ship Breaking & Recycling Ind.	Ship Breaking
		Marine safety System	Non-Ferrous metal Import & Export
Kamal Uddin Ahmed	Managing Director	Chittagong Ship Breaking & Recycling Ind.	Ship Breaking
		Marine safety System	Non-Ferrous metal Import & Export

		K. Ahmed & Brothers	C& F
Matin Uddin Ahmed	Director	Blue Metal	Import & Export
		All metal Recycling Limited	Import & Export

**(d) Statement of if any Directors of the issuer are associated with the securities market in any manner and any director of the issuer company is also director of any issuer of other listed securities during last three years with dividend payment history and market performance of that issuer:**

None of the Directors are involved in securities market and not involved with other listed securities during last three years.

**(e) Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:**

There is no relationship among the directors except Managing Director Mr. Kamal Uddin Ahmed is the brother of Director Mr. Matin Uddin Ahmed.

**(f) A very brief description of other businesses of the directors:**

Sl.	Name of the company	Incorporation Number	Date of Incorporation	Types of business	Legal status
1	Chittagong Ship Breaking & Recycling Ind.	N/A	N/A	Ship Breaking	Partnership
2	Marine safety System	PF-1130(116)/2009	14.06.2009	Non-Ferrous metal Import & Export	Partnership
3	K. Ahmed & Brothers	N/A	N/A	C & F	Sole Proprietorship
4	Blue Metal	PF-1725(109)/2012	27.06.2012	Import & Export	Partnership
5	All metal Recycling Limited	CH-10537/13	14.11.2013	Import & Export	Private Limited

**(g) Loan status of the issuer, its directors and shareholders who hold 5% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:**

Neither Nialco Alloys Limited nor any of its sponsors/ directors or shareholders who hold 5% or more shares in paid-up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

**(h) If the Chairman or any director or any shareholder receives any monthly salary then this information should also be included;**

Chairman or any director or any shareholder does not receives any monthly salary.



(i) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position:

Name	Father's name	Address	Age	Qualification	Experience	Position		Holding in other venture
						Past	Present	
Gazi Mukarram Ali Chowdhury	Late Mozzafar Ali Chowdhury	20, Ice Factory Road, Double Mooring, Chittagong	49	M.Com (Accounting)	16	Chairman	Chairman	Marine Safety System
								Chittagong Ship Breaking & Recycling Industries
Kamal Uddin Ahmed	Md. Mohiuddin Ahmed	House No: 21, Road No: 02, Lane No: 03, Block No: L, Halishahar H/E, Chittagong	50	M.Com (Accounting)	17	Managing Director	Managing Director	Marine Safety System
								Chittagong Ship Breaking & Recycling Industries
Md. Ruhul Amin	Md. Mohiuddin Ahmed	House No: 21, Road No: 02, Lane No: 03, Block No: L, Halishahar H/E, Chittagong	53	B.Com	18	Sponsor Shareholder	Sponsor Shareholder	-
Md. Iqbal Uddin Ahmed	Md. Mohiuddin Ahmed	House No: 21, Road No: 02, Lane No: 03, Block No: L, Halishahar H/E, Chittagong	50	B.Com	15	Sponsor Shareholder	-	-
Mifta Uddin	J. M. Mohd. Siddique	House No- 365/A, Gulbug north Agrabad, Chittagong	50	B.Com	13	Sponsor Shareholder	-	-
Irfan Ali	Muzaffar Ali	20, Ice Factory Road, Double Mooring, Chittagong	42	B.Com	6	Sponsor Shareholder	-	-
Md. Hasan	Late Hafez Nur Ahmed	Hafez Nur Ahmed Bari, Tulatoli PO, Bhatiyari, Sitakunda, Chittagong	46	B.Com	11	Sponsor Shareholder	-	-
Md. Mhosin	Foyes Ahmed	Ali shordar Colony, Tulatoli PO, Bhatiyari, Sitakunda, Chittagong	49	B.Com	13	Sponsor Shareholder	-	-
Md. Salim	Late Hafez Nur Ahmed	Muzzafar Member Bari, Tulatoli PO, Bhatiyari, Sitakunda, Chittagong	60	B.Com	21	Sponsor Shareholder	-	-

(j) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.:

Name	Acquisition of Control	Date of Acquisition	Terms of Acquisition	Consideration paid for such Acquisition
Matin Uddin Ahmed	30.09.2019	25.04.2015	N/A	Cash

(k) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/ managed:

The Issuer intended to issue share for the expansion of existing business and has vast experience in this sector. The Board of Directors believes, their experience in this sector with the capability of the management shall facilitate the proposed expansion. All the Directors have adequate knowledge to carry out this line of business.

(l) Interest of the key management persons:

There is no Interest of the key management persons.

(m) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:

No other pecuniary or non-pecuniary facilities enjoyed by the directors.

(n) Number of shares held and percentage of shareholding (pre-issue):

Sl.	Name of shareholder	Position	No. of shares	Percentage (%)
1	Gazi Mukarram Ali Chowdhury	Chairman	9,340,000	44.48%
2	Kamal Uddin Ahmed	Managing Director	10,635,000	50.64%
3	Matin Uddin Ahmed	Director	570,000	2.71%
	<b>Total</b>		<b>20,545,000</b>	<b>97.83%</b>

(o) Change in board of directors during last three years:

The following changes in the board of directors were happened during last three years:

- Matin Uddin Ahmed is appointed as Director of Nialco Alloys Limited on 30.09.2019;
- Md. Ruhul Amin is resigned from the Director of Nialco Alloys Limited on 30.09.2019;

(p) Director's engagement with similar business:

Name	Position	Directorship/ Ownership with Other Companies	
		Companies	Position
Gazi Mukarram Ali Chowdhury	Chairman	Marine Safety System	Partner
		Chittagong Ship Breaking & recycling Industries	Managing Partner
Kamal Uddin Ahmed	Managing Director	Marine Safety System	Managing Partner
		Chittagong Ship Breaking & recycling Industries	Partner
Matin Uddin Ahmed	Director	Blue Metal	Managing Partner
		All metal Recycling Limited	Managing Director

## SECTION (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

a) The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely:

### TO WHOM IT MAY CONCERN

This is to certify that the company does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons:

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

Except the transactions described in the following table:

Related Parties	Relation ship	Nature of Transaction	September 30, 2020	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Marine Safety System	Common Director/ ownership	Inter company loan	69,330,580	5,687,305	6,243,941	7,737,310	11,737,310	29,437,310
Chittagong Ship Breaking & Recycling Industries	Common Director/ ownership	Purchase of generator	22,800,000	-	-	-	-	-

Place: Dhaka

Date: November 24, 2020

Sd/-  
**G.KIBRIA & CO.**  
*Chartered Accountants*

**(b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus:**

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/ holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in Section (ix)(a).

**(c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.**

No loan was taken or given from or to any Directors or any person connected with the Directors of Nialco Alloys Limited.

**SECTION (X): EXECUTIVE COMPENSATION**

No detailed information is incorporated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018. Thus, no information is provided.

**SECTION (XI): OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES**

No detailed information is incorporated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018. Thus, no information is provided.

## **SECTION (XII): TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM**

**(a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received:**

No directors and subscribers to the memorandum receive any amount of anything of value directly or indirectly from the issuer during last five years.

**(b) If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them:**

Gazi Mukarram Ali Chowdhury, Kamal Uddin Ahmed and Matin Uddin Ahmed transferred total 62.75 decimal of land in the name of company. The value of the land is determined Tk. 8,572,000/- on the basis of Mouja Value. The Company issued 857,200 ordinary shares @Tk. 10/- each against the value of land. Details of land valuation is given below:

Mouja: Jahanabad; Union: Bhatiary; Thana: Sitakundu; District: Chittagong

Type of Land	Area of Land	Mouja Rate	Mouja value	Transferred Value (as par deed)
Poundy	52	126,916	6,599,632	6,600,000
Nal	8	196,282	1,570,256	1,572,000
Pukur	2.75	145,446	399,977	400,000
<b>Total</b>	<b>62.75</b>	<b>468,644</b>	<b>8,569,865</b>	<b>8,572,000</b>

### SECTION (XIII): OWNERSHIP OF THE COMPANY'S SECURITIES

(a) The names, addresses, BO ID Number of all shareholders of the company before QIO, indicating the amount of securities owned and the percentage by such ownership:

Sl.	Name of subscriber	Address	BO ID	Holding	%
1	Gazi Mukarram Ali Chowdhury	20, Ice Factory Road, Double Mooring, Chittagong	1605070068827678	9,340,000	44.48%
2	Kamal Uddin Ahmed	House No: 21, Road No: 02, Lane No: 03, Block No: L, Halishahar H/E, Chittagong	1605070068827619	10,635,000	50.64%
3	Matin Uddin Ahmed	House No: 21, Road No: 02, Lane No: 03, Block No: L, Halishahar H/E, Chittagong	1605070068827661	570,000	2.71%
4	Md. Ruhul Amin	House No: 21, Road No: 02, Lane No: 03, Block No: L, Halishahar H/E, Chittagong	1201600015566556	300,000	1.43%
5	Md. Belal Uddin	House No: 21, Road No: 02, Lane No: 03, Block No: L, Halishahar H/E, Chittagong	1201820068820759	45,000	0.21%
6	Farhana Islam	20, Ice Factory Road, Double Mooring, Chittagong	1201950068823222	100,000	0.48%
7	Satyajit Saha	Kuti Gunsaghar, Vill+P.O.: Kuti, Kusba, Brahmanbaria	1204970010148631	10,000	0.05%
<b>Total</b>				<b>21,000,000</b>	<b>100.00%</b>

(b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue;

Name	Address	Age	Expe rience	BO ID	TIN Number	No. of shares held (Pre-QIO)		Position held in other company
						Shares	%	
Gazi Mukarram Ali Chowdhury	20, Ice Factory Road, Double Mooring, Chittagong	48	15	1605070068827678	132290998488	9,340,000	44.48%	Marine Safety System Chittagong Ship Breaking & recycling Industries
Kamal Uddin Ahmed	House No: 21, Road No: 02, Lane No: 03, Block No: L, Halishahar H/E, Chittagong	49	16	1605070068827619	145698787114	10,635,000	50.64%	Marine Safety System Chittagong Ship Breaking & recycling Industries
Matin Uddin Ahmed	House No: 21, Road No: 02, Lane No: 03, Block No: L, Halishahar H/E, Chittagong	41	7	1605070068827661	494883956749	570,000	2.71%	Blue Metal All metal Recycling Limited

**(c) The average cost of acquisition of equity shares by the directors certified by the auditors:**

**Certificate on average cost of acquisition of equity share by the Directors of Nialco Alloys Limited**

**Certificate on average cost of acquisition of equity share by the Directors of  
NIALCO ALLOYS LIMITED**

This is to certify that the average cost of acquisition of equity shares by the Directors of **NIALCO ALLOYS LIMITED** have been allotted at face value in cash and other than cash. The average cost of acquisition of equity by the directors is Tk. 10.00 each. Name-wise shareholding position, allotment date and consideration are given below:

Name	Position	Transfer/Allotment		Consideration	Total Share holding	Total amount	Average cost of acquisition (TAKA)
		Date of allotment	No. of ordinary shares				
Gazi Mukarram Ali Chowdhury	Chairman	Incorporation	400,000	Cash	9,340,000	93,400,000	10.00
		15.04.2014	(400,000)	Cash (Transfer)			
		25.04.2015	750,000	Cash (Transfer)			
		30.10.2019	5,890,000	Cash and other than cash			
		28.09.2020	2,700,000	Cash			
Kamal Uddin Ahmed	Managing Director	Incorporation	400,000	Cash	10,635,000	106,350,000	10.00
		15.04.2014	(100,000)	Cash (Transfer)			
		25.04.2015	450,000	Cash (Transfer)			
		30.10.2019	6,655,000	Cash and other than cash			
		28.09.2020	3,230,000	Cash			
Matin Uddin Ahmed	Director	25.04.2015	45,000	Cash	570,000	5,700,000	10.00
		30.10.2019	455,000	Cash and other than cash			
		28.09.2020	70,000	Cash			

The above information is based on books and records provided by the management.

Place: Dhaka

Date: November 24, 2020

Sd/-

**G.KIBRIA & CO.**  
Chartered Accountants

## SECTION (XIV): VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER

**(a) The valuation report of securities to be offered shall be prepared and justified by the issue manager on the basis of the financial and all other information pertinent to the issue:**

The valuation report of the securities offers of Nialco Alloys Limited prepared by issue manager (MTB Capital Ltd.) on the basis of financial and all other information pertinent issues.

**(b) To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information:**

### **Qualitative Justification:**

- 1. Quality Products** : The Company has to maintain producing quality products that increase sales volume over the period.
- 2. Modern Machineries** : The Company has been using latest machineries that smooth its operation.
- 3. Technology** : The Company has latest tools and technologies to support production.
- 4. Dedicated Workforce** : The Company has dedicated human resources.
- 5. Board of Director** : Visionary Board of Directors.
- 6. Management** : Management is highly experienced and their leading persons in their area

### **Quantitative Justification:**

Primary Valuation method for the Company is considered on the basis of Net Assets Value based valuation and Earnings based valuation per share.

**(c) While preparing the valuation report, the issue manager shall avoid exaggeration and biasness and shall exercise independence and due diligence:**

The issue manager while preparing the valuation report avoided the exaggeration and biases and exercise independence and due diligence.

**(d) The issue manager(s) shall, among others, consider the following methods for valuation of the securities:**

The valuation report of securities shall be prepared on the basis of the financial and all other information pertinent to the issue. The fair value is determined under different valuation methods referred in Clause No. Annexure-E(B)(11) of Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018. The following table illustrates the calculation of fair value of Nialco Alloys Limited under different methods:

Methods followed		Amount in BDT
<b>Method-1</b>	Net assets value per share	<b>12.43</b>
<b>Method-2</b>	Earning based value per share (Considering average Sector P/E)	<b>11.48</b>
	Earning based value per share (Considering average Market P/E)	<b>11.07</b>
<b>Method-3</b>	Projected earnings for the next three accounting year with rationales of the projection	-
<b>Method-4</b>	Average market price per share of similar stocks	-

The detailed valuation workings under the above-mentioned methods are furnished under the head of “**Valuation under different methods as prescribed in clause no. Annexure-E(B)(11) of Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018**” described in this section.

**“Valuation under different methods as prescribed in clause no. Annexure-E(B)(14) of Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018”**



**Method-1: Calculation of net asset value (NAV) per share:**

(As per audited financial statements)

Particulars	30.09.2020
Total assets	448,257,962
Less: Total liabilities	187,327,015
<b>A. Net assets</b>	<b>260,930,948</b>
B. Number of ordinary shares outstanding	21,000,000
<b>Net asset value (NAV) per share (A/B)</b>	<b>12.43</b>

**Method-2: Earning-based-value calculated on the basis of weighted average of net profit after tax for immediate preceding five years or such shorter period during which the issuer was in commercial operation:**

Historical earning based value calculated on the basis of weighted average net profit after tax for immediate preceding 5 years. Information extracted from audited financial statements.

Year/ period end	No. of shares outstanding	Net profit after tax (Amount in BDT)	Weight of total No. of shares	Weighted net profit after tax (BDT)
30.09.2020	21,000,000	13,856,400	0.48	6,613,282
30.06.2020	15,000,000	15,146,565	0.34	5,163,602
30.06.2019	2,000,000	19,581,725	0.05	890,078
30.06.2018	2,000,000	1,471,550	0.05	66,889
30.06.2017	2,000,000	706,792	0.05	32,127
30.06.2016	2,000,000	167,917	0.05	7,633
<b>Total</b>	<b>44,000,000</b>	<b>50,930,949</b>	<b>1.00</b>	<b>12,773,610</b>
<b>Weighted average number of Share outstanding (as on 30.09.2020)</b>				<b>15,260,870</b>
Weighted average earnings per share				0.84
03 Months Average DSE Engineering Sector P/E				13.71
03 Months Average DSE Market P/E				13.23
<b>Earning based value per share (Considering average Sector P/E)</b>				<b>11.48</b>
<b>Earning based value per share (Considering average Market P/E)</b>				<b>11.07</b>

**Average Price Earnings of Market & Engineering Sectorial:**

Month	Engineering Sectorial	Market
Nov-2020	13.35	12.98
Oct-2020	13.30	13.21
Sept-2020	14.49	13.51
<b>Average</b>	<b>13.71</b>	<b>13.23</b>

*Sources: Monthly review published by Dhaka Stock Exchange Ltd.*

**Method-3: Projected earnings for the next three accounting year with rationales of the projection, if not in commercial operation:**

Nialco Alloys Limited incorporated on June 21, 2011 and started its commercial production from June 21, 2011. So for this company Projected earnings for the next three accounting year with rationales of the projection is not required.

**Method 4: Average market price per share of similar stocks for the last one year:**

There is no similar company listed in the stock exchanges.

**Justification of Issue Price:**

Based on the above-mentioned valuation methodologies as per Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018, the management of the company in consultation with the Issue Manager has set the issue price at Tk. 10.00 each at par value.

Sd/-

**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer & SEVP  
MTB Capital Ltd.

Date: March 2, 2021

## SECTION (XV): DEBT SECURITIES

**(a) The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, Yield to Maturity, encumbrance of any assets of the issuer against such securities and any other rights the holders of such securities may have:**

The Company has not issued or is planning to issue any debt security within 6 (six) months.

**(b) All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios:**

The Company has not issue any debt security.

**(c) Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders:**

The Company has not issue any debt security. Therefore, there is no trustee for this issue

**(d) Repayment or redemption or conversion status of such securities.**

The Company has not issue any debt security. Therefore, there is no repayment or redemption or conversion status of such securities.

## SECTION (XVI) PARTIES INVOLVED AND THEIR RESPONSIBILITIES, AS APPLICABLE

Parties involved with NAL		Responsibilities
<b>(a) Issue Manager</b>	MTB Capital Ltd.	The Issue Manager will act as the manager to the issue for the Qualified Investor Offer as described in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018.
<b>(b) Underwriter</b>	MTB Capital Ltd., Sonar Bangla Capital Management Ltd. and BLI Capital Limited	The Underwriter is responsible to underwrite the qualified investor Offer on a firm- commitment basis as per requirement of Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018. In case of under- subscription by up to 50% of total qualified investor offer, the unsubscribed portion of securities shall be taken up by the underwriter.
<b>(c) Auditor</b>	G. KIBRIA & CO. Chartered Accountants	Auditor's responsibility is to express an opinion on the financial statements based on their audit. An Auditor will conduct the audit in accordance with International Standards on Auditing (ISA) is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud and error. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs.
<b>(d) Cost and Management Accountants;</b>	N/A	N/A
<b>(e) Valuer</b>	N/A	N/A

## SECTION (XVII): MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business, which have been entered into by the Company:

### (a) Major agreements entered into by the issuer:

- i) Issue management agreement between the company and the manager to the issue.
- ii) Underwriting agreement between the company and the underwriter.

### (b) Material parts of the agreements:

#### Issue Management

Agreements	Material parts of the agreement	
Issue Management Agreement with MTB Capital Ltd.	Signing Date	November 4, 2019
	Tenure	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.
	Principal Terms and Condition	<p><b>1. Nialco Alloys Limited's role</b></p> <p>Nialco Alloys Limited upon advice, assistance and consent from MTB Capital, will appoint competent auditors, tax specialists, legal advisers and other consultants, as required for the completion of the following tasks:</p> <ol style="list-style-type: none"> <li>(a) Provide audited accounts within 2 months of account closer.</li> <li>(b) Provide all the documents as par Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018 and required by BSEC, DSE, CSE time to time.</li> <li>(c) Provide all the information to prepare the Prospectus.</li> <li>(d) Miscellaneous.</li> </ol> <p><b>2. Issue Manager's Role</b></p> <p><b>(i) Public offering:</b></p> <ol style="list-style-type: none"> <li>a. Act as issue manager and corporate advisor to Nialco Alloys Limited for their upcoming QIO.</li> <li>b. Advise on valuation and pricing of the QIO.</li> <li>c. Prepare the prospectus for the QIO.</li> <li>d. Advise and assist the Issuer to arrange an underwriting syndicate for the QIO.</li> <li>e. Advise and assist the Issuer in dealings with regulatory authorities and the stock exchange(s).</li> <li>f. Advise on financial strategy for the restructuring of offer and modification of projects, if required.</li> </ol> <p><b>3. Compliance</b></p> <p>The Issue Manager shall ensure compliance of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018, Listing of Small Capital Companies Regulations 2019, Companies Act 1994, Securities and Exchange Ordinance, 1969 and other relevant rules, regulations, practices, directives, guidelines etc.</p>

#### Underwriting

Agreement	Material parts of the agreement	
Underwriting Agreement with	Signing Date	December 10, 2020
	Tenure	This Agreement shall be valid until completion of subscription of shares and unless this Agreement is extended or earlier terminated in accordance with the terms of this Agreement.

<p><b>MTB Capital Ltd., Sonar Bangla Capital Management Ltd. and BLI Capital Limited</b></p>	<p><b>Principal Terms and Condition</b></p>	<ol style="list-style-type: none"> <li>1. The Company shall issue 7,500,000 Ordinary Shares of Tk. 10/- each at par for Qualified Investor's subscription through publishing a prospectus in accordance with the consent of the Bangladesh Securtas and Exchange Commission (BSEC) and the provision of this Agreement.</li> <li>2. Prior to publication of the prospectus the Company shall have to obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission not exceeding 0.25% (zero point two five percent) on the amount underwritten and no additional commission will be paid on the amount of shares required to be subscribed by the Underwriter.</li> <li>3. The company shall make media campaign and publicity of the offer for subscription to the extent as may be reasonably requested by the Issue Manager prior to opening and during offer period of subscription list with publicly material as approved by BSEC.</li> <li>4. The Company shall comply with any other formalities required under the laws of the land for raising fund through Qualified Investor Offer.</li> <li>5. If and to the extent that the shares offered to the qualified investor by a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within <b>10 (ten) days</b> of the closure of subscription call upon the Underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe or procure subscriber to subscribe the shares not so subscribed within the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within <b>15 (fifteen) days</b> after being called upon to do so. The amount so received shall be credited in the share subscription account of the Company within the said period. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled its obligation towards its underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's share subscription account credited. In any case within <b>7 (Seven) days</b> after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.</li> </ol> <p>In the case of failure by the Underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as it fulfills its underwriting commitment under this Agreement and also other penalties as may be determined by the BSEC.</p> <p>In the case of failure by the Underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.</p> <p>In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its directors shall individually and collectively be held responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.</p>
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		<p>6. That the signatories to this Agreement have duly been authorized by the Board of Directors of both the Company and the underwriter to execute and give effect to this Agreement from the date written herein above.</p> <p>7. The liability of the underwriter under this clause shall be in proportion to but not exceeding the shares agreed to be underwritten by it; provided that the aforementioned request of the Company shall be supported by official certificates and other documents of subscription obtained from the Bankers to the Issue and a declaration of the Company as to the final result of the qualified investor subscription.</p> <p>8. The Company shall pay to the Underwriter an underwriting commission at the rate of 0.25% (zero point two five percent) of the amount underwritten hereby agreed to be underwritten by it.</p>
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**(c) Fees payable to different parties:**

Sl.	Particulars	Fees/ Commission (BDT)
a)	Underwriting agreement with the aforesaid underwriter	0.25% on Underwritten Amount
b)	Issue management agreement with MTB Capital Ltd.	Tk. 300,000/-

**SECTION (XVIII): OUTSTANDING LITIGATIONS, FINE OR PENALTY**

**(a) There are no litigations including outstanding litigations against the issuer or any of its directors and no fine or penalty has been imposed by any authority regarding the followings:**

The Issuer or director or of Nialco Alloys Limited was not involved in any of the following types of legal proceedings are mentioned below:

<b>(i) Litigation involving Civil Laws</b>	There is no litigation of the Issuer or director(s) in a civil proceeding.
<b>(ii) Litigation involving Criminal Laws</b>	There is no litigation of the Issuer or director(s) in a criminal proceeding.
<b>(iii) Litigation involving Securities, Finance and Corporate Laws</b>	There is no order, judgment or decree of any court of competent jurisdiction against the Issuer or director(s) permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director(s) or officer in any type of Securities, Finance and Corporate Laws.
<b>(iv) Litigation involving Labor Laws</b>	There is no litigation of the Issuer or director(s) in connection to applicable Labor Laws.
<b>(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties)</b>	There is no litigation of the Issuer or director(s) in connection to taxation (Income tax, VAT, Customs Duty and any other taxes or duties).
<b>(vi) Litigation involving any other Laws</b>	There is no litigation involving any other Laws.

**(b) There are no outstanding cases filed by the company or any of its directors relating to the followings:**

<b>(i) Litigation involving Civil Laws</b>	No cases filed by the company or any of its directors.
<b>(ii) Litigation involving Criminal Laws</b>	No cases filed by the company or any of its directors.
<b>(iii) Litigation involving Securities, Finance and Corporate Laws</b>	No cases filed by the company or any of its directors.
<b>(iv) Litigation involving Labor Laws.</b>	No cases filed by the company or any of its directors.
<b>(v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties)</b>	No cases filed by the company or any of its directors/ authority.
<b>(vi) Litigation involving any other Laws</b>	No cases filed by the company or any of its directors.

## **SECTION (XIX): RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS**

An investment in shares involves a high degree of risk. The Company operates in a field involving some internal/ external risk factors and among those some are avoidable others are beyond control which may cause loss. Investors should carefully consider all the information disclosed in this prospectus including the risks and uncertainties described below before making an investment decision in company's shares. The management of Nialco Alloys Limited perceives the risk factors which are as follows:

### **(i) Internal risk factors**

#### **a) Credit risk:**

This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always a credit risk as there is always lending and borrowing between parties in the form of money and goods.

#### ***Management perception:***

Credit Risk mainly lies with banks and Financial Institutions. Nialco Alloys Limited is 100% export oriented company and it has no long term loan from any financial institution.

#### **b) Liquidity risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they falls due. Liquidity risk arises due to insufficient fund to meet up short and long term liability.

#### ***Management perception:***

Nialco Alloys Limited has been dealing with its working capital in an efficient way to maintain liquidity risk. Management is dealing with accounts payable, inventory and accounts receivable efficiently.

#### **c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:**

The risk may arise when the issuer has subsidiaries, joint ventures and associates concern.

#### ***Management perception:***

The Company does not have any interest in subsidiaries, joint venture and associates companies. So there are no such possibilities of arisen risk in this respect.

#### **d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer's business:**

There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

#### ***Management perception:***

The Company is always keen to find out new buyers which boost up the sales. A large number of global customers are regularly buying its product. If any customer cancels its order it shall have no significant impact on its total revenue. We are not dependent on any particular or limited number of customers to operate our business.

#### **e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:**

Nialco Alloys Limited is not depended on a limited number of suppliers. Knowing the consequence of potential concentration risk of depending on few suppliers, NAL always keeps on its strategy of exploring new suppliers. Therefore, it does not dependent on any particular or limited number of suppliers to operate its business.

#### ***Management perception:***

The Company is not dependent on a single or few suppliers of raw materials. NAL has a good number of suppliers for its raw materials at home and abroad. Further, we assume that sourcing raw material would be comparatively easier in times to come due to globalization.

#### **f) Risk of generating more than 20% revenue of the issuer's sister concern or associate or subsidiary:**

Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

#### ***Management perception:***

As the Company has no associate or subsidiary and no sales with any other sister concern, there is no such risk.

**g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any:**

Negative earnings, negative cash flows from operating activities, declining turnover or profitability is the going concern risk for the entity.

***Management perception:***

The company has positive earnings, turnover and profitability over the last five years except in the period 2019-2020 profitability decreases due to Covid-19. Cash flows from operating activities is positive during the period September 30, 2020.

**h) Loss making associate or subsidiary or group companies of the issuer:**

Subsidiary/group companies of the issuer are loss making, it affect the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

***Management perception:***

The Company has no associate or subsidiary, so no such risk arises.

**i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates:**

Financial performance have material impact on the sustainability of the Company as going concern.

***Management perception:***

The Company has no associate or subsidiary, so no such risk arises.

**j) Decline in value of any investment:**

The value of any type of investment may decline.

***Management perception:***

The Company has no such investment. Therefore, no such risk arises.

**k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:**

There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there is high risk of repair and maintenance which has impact on profitability of the company.

***Management perception:***

The Company has been using brand new machineries since inception. It has no plan to purchase second hand/ reconditioned machineries. Hence, no such risk arises.

**l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled:**

It is loan given and taken from related party and directors as well. If company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loan are taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

***Management perception:***

No director was given to or taken from loan from the Company. So no risk shall arise or possibilities to be arisen in future.

**m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors:**

Conflict of interest between the issuer and its suppliers or major customer arise due to common management may create an impediment in the day to day business operational process.

***Management perception:***

No sponsor or director hold any position or own any stake in the business of its supplier or customer. So no conflict would be arisen in this respect.

**n) Related party transactions entered into by the company those may adversely affect competitive edge:**

Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

***Management perception:***

The Company did not engage with any such transaction, which may adversely affect competitive edge.

**o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities:**

All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in threat.

***Management perception:***

There is no such agreement with any shareholders, sponsors or any agreement relating to debt or preference shares having restrictive covenants or any restrictive covenants of banks in respect of loan or credit limit and other banking facilities.

**p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:**

In such case, company's business operation will be hampered.

***Management perception:***

Employee unrest is part of the business and it is important to deal with labor unrest efficiently. NAL has different incentive packages for their employees so that they can be beneficial. Because the Company believe that employees are a very important part of the business.

**q) Seasonality of the business of the issuer:**

Revenue of the Company would be affected if the business is seasonal.

***Management perception:***

There is no significant seasonal aspect on the company's business.

**r) Expiry of any revenue generating contract that may adversely affect the business:**

The revenue would be squeezed if any contract for which revenue generated had expired.

***Management perception:***

There are no such contract for which the future revenue would be squeezed.

**s) Excessive dependence on debt financing which may adversely affect the cash flow:**

Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

***Management perception:***

The company has no long term loan from any financial institution.

**t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:**

Key management personnel have key role in the organization for smooth operation of the company. If key management personnel turnover is high that's have adverse impact on the organizational day to day activities.

***Management perception:***

Since the inception of the Company, the employee rotation rate is low. The organizational structure is well designed and maintained in such a way that the absence of any key management person will have no significant impact on Company's overall performance.

**u) Enforcement of contingent liabilities which may adversely affect financial condition:**

Contingent liabilities are likely to have a negative impact on a company's stock share price because they threaten to reduce the company's assets and net profitability. The extent of the impact on share price depends on the estimated probability of the contingent liabilities becoming actual liabilities.



***Management perception:***

The Company does not have any contingent liabilities which may adversely affect financial condition.

**v) Insurance coverage not adequately protect against certain risks of damages:**

The Company shall expose to significant loss if its assets are not properly covered by insurance.

***Management perception:***

The company has different insurance coverage for all the relating issues that are risky to operating business.

**w) Absence of assurance that directors will continue its engagement with company after expiry of lock-in period:**

Directors run the company with the accumulated finance from public and other financing source. If directors discontinue to run the business, there will be negative impact on business and share price as well.

***Management perception:***

The Directors of the Company are engaged in the business with substantial equity participation. As the directors of the Company are the owner so there is a reasonable guarantee that they will continue the business as directors. So, there is very little possibility that the Directors will discontinue running the business after the expiry of the lock-in period.

**x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:**

Any future dividend payment depends on the future revenue generation. Any negative earnings in the future shall hindered the financial stability of the company.

***Management perception:***

We have been a profitable entity over a long time and the profit is on the uptrend. So we are in belief that we will be able to pay dividend from our earning profit. Our board of directors has a strong intention to declare a handsome dividend to the shareholders of the company in every year.

**y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:**

History of non-operation indicates weak operational management of the company. Non-operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

***Management perception:***

Since inception, the company has grown consistently. It has achieved successes in every instance. Expertise and discretion of our management have made it possible. The company has, thus, never been in non-operative state.

**z) Risks related to engagement in new type of business, if any:**

If it is new business, there is risk of viability of the new business.

***Management perception:***

There is no such risk as we are not engaged in any new type of business.

**aa) Risk in investing the securities being offered with comparison to other available investment options:**

The company would be exposed off potential financial distress if the return on investment is low compared to alternative investment options they have.

***Management perception:***

Nialco Alloys Limited is a profitable entity and the management operates the business efficiently. There is the presence of a certain degree of risk associated with investing in securities in the capital market. The potential investors are requested to carefully read the prospectus and understand the business potential of the company before making an investment decision.

**bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:**

The company shall have a risk to expose of eroded its brand name and goodwill in case of penalty or action taken by the regulatory authority.

***Management perception:***

No penalty or action taken by any regulatory authorities for non-compliance with provisions of any law.

**cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:**

Any litigation in terms of unsettled tax, VAT or any other Govt. claim may hamper business operation of The Company as well as may create future potential financial losses.

***Management perception:***

The company doesn't have any litigation relating to Tax, VAT or other government claims against the company.

**dd) Registered office or factory building or place of operation is not owned by the issuer:**

Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the period to come and threat of shifting the factory as well.

***Management perception:***

The land and factory building are owned by the Company. The corporate and registered office is owned by another entity that is under common management. So it is not a risk.

**ee) Lack of renewal of existing regulatory permissions or licenses:**

Non-renewal of license may hamper day to day business operation of the Company.

***Management perception:***

All licenses are valid and up dated. The management of the company always taken timely steps to renewal of all its regulatory licenses. So scope of arising any risk in this respect is low.

**ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:**

Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

***Management perception:***

NAL do not have any listed securities and it does not have any subsidiary or associates.

**gg) Issuances of securities at lower than the QIO offer price within one year:**

The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

***Management perception:***

NAL has no plan to issue any sort of securities within one year of QIO. As such, this issue is not applicable for the Company.

**hh) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.**

Any refusal of application for public issue of any securities of the issuer may hinder confidence of the Company or convey negative impression about the financial status to the shareholders.

***Management perception:***

The Company applied for QIO application to Bangladesh Securities and Exchange commission previously and the Commission requested to submit fresh application in Compliance with the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018.

**(ii) External risk factors may include among others:**

**a) Interest rate risk:**

Interest rate risk is associated with the fluctuations in market interest rates which cause a company's cost of debt to increase. Changes in the Government's monetary policy also tend to increase the interest rates. High rate of interest may adversely affect the operating results and financial performance of the company with additional financial charges and squeezes the profit of the company.

***Management perception:***

Management of Nialco Alloys Limited always emphasizes to manage its finance to an optimum capital structure of the company so that the cost of capital & debt remains minimum. The management always prefers to take loan with reasonable competitive rate. At present NAL has no long-term debt. We have only short-term bank loan for working capital.

**b) Exchange rate risk:**

Exchange rate risk occurs due to changes in foreign currency exchange rates. As the company imports raw material and equipment from abroad and earns revenue in local currency, unfavorable volatility or currency fluctuation may affect the profitability of the company. If exchange rate is decreased against local currency opportunity will be created for generating more profit.

***Management perception:***

The company receives the entire export proceeds in foreign currency and makes the import payments in foreign currency as well. For a given depreciation of Taka against a particular foreign currency like US Dollar, the import payment and export proceeds will both be higher in terms of Taka. In case of an appreciation of Taka against the same currency, the opposite will occur. Hence, the company has a natural hedge against exchange rate risk.

**c) Industry risks:**

Industry risk arises due to risk associated with business and macro-economic factors of the industry such as labor unrest, shortage of power, rising of raw material cost or shortage of raw material supply etc. If risk factor pertaining to industry is high, the growth of the industry shall be lower or may be eroded the entire potentiality of that industry.

***Management perception:***

Nialco Alloys Limited is aware of the above fact. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business.

**d) Economic and political risks:**

**Economic risks:**

Economic risk arises due to some various factors such as political or regulatory policy change, including adverse impact of globalization, social disturbances due to political unrest, terrorist attacks and other acts of violence or war, natural calamities, commodity and hike commodity & energy prices and various other factors. Any significant change may adversely effect on business and profitability of the Company.

***Management perception:***

Bangladesh economy is booming for last few years. Bangladesh economy is enjoying 7% economic growth and expected economic growth by the government is 7.5%. As a result, huge development work is underway by the govt. Hence, huge expensive infrastructure has been under construction that will create employment and per capita income is going up as well. As economy is expanding as per our business viability and profitability.

**Political risks:**

The risk that an investment returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers, or military control.

***Management perception:***

Now-a-days calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2014. Government is industry friendly and trying to make it favorable in its level best to boost up economic activities in the country.

#### **e) Market and technology related risks:**

##### **Market risk**

Market risk is the risk that any change in the market such as demand of the product, foreign exchange rates fluctuation, prices of the product, increase of competition, a squeeze of business through the cancellation of work order, shifting of the buyer to another market will affect the company's business. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

##### ***Management perception:***

Market risk dealt with efficiently by the experienced management of Nialco Alloys Limited.

##### **Technology-related risks**

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency.

##### ***Management perceptions:***

The company is aware of technological changes and has adopted new technology according to its needs. Furthermore, routine and proper maintenance of the equipment carried out by the company ensures longer service life for the existing equipment and facilities.

#### **f) Potential or existing Government regulations:**

The company operates under Companies Act 1994, Customs Act 1969, and Labor Law 2006, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991, Value Added Tax (VAT) Rules 1991 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

##### ***Management perception:***

Since The Company Operates in the engineering sector, the Government regulations are mostly investment-friendly. However, unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected. It is an emerging sector & our Government is encouraging the industry with investment-friendly policy measures.

#### **g) Potential or existing changes in global or national policies:**

Changes in the existing global or national policies can have either positive or negative impact on the Company's profitability. The performance of the Company may be affected due to unavoidable circumstances in Bangladesh, as such any structural change in metal industry, war, terrorism, political unrest, natural and man-made disasters may adversely affect the economy in general.

##### ***Management perception:***

Nowadays global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation.

#### **h) Statutory clearances and approvals that are yet to be received by the issuer:**

Statutory clearance and approval is imperative for any business to start off. There are many statutory clearances and approvals need by the regulatory authority in order to be monitored, controlled and guided.

##### ***Management perception:***

The company has collected all the statutory clearance and approval to operate the business. The necessary update and renewal is a continuous process. Hence, there is a limited degree of such risk associated with the company.

#### **i) Competitive condition of the business:**

Nialco Alloys Limited is operating in a free market economy. The company has to face stiff competition from its competitors.

##### ***Management perception:***

Nialco Alloys Limited has been in the market over the period. We are doing our level best to be competitive with our competitors. Hence, there is always check and balance existed among the rivalry companies.

**j) Complementary and supplementary products or services which may have an impact on the business of the issuer:**

Complementary and supplementary products may have an impact on the sale of the existing product of the Company.

**Management perception:**

The Company has not faced any challenges relating to supplementary and complementary products and Management is concerned with the issue. In the future, if necessary, management may diversify the product to be competitive over the competitors.

**SECTION (XX): DESCRIPTION OF THE ISSUE**

**(a) Issue size:**

Qualified Investor Offer of 7,500,000 ordinary shares of Tk. 10.00 each (at par) totaling to Tk. 75,000,000/-

**(b) Number of securities to be issued:**

7,500,000 ordinary shares.

**(c) Authorized capital and paid-up capital:**

Authorized capital is Tk. 800,000,000/-, pre-QIO paid-up capital is Tk. 210,000,000/- and post-QIO paid-up capital will be Tk. 285,000,000/-

**(d) Face value, premium and offer price per unit of securities:**

Face value is Tk. 10.00 each, no premium and offer price is Tk. 10.00 per share.

**(e) Holding structure of different classes of securities before and after the issue;**

Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
	Pre-QIO	Post-QIO	Pre-QIO	Post-QIO
Director and Sponsors	20,845,000	20,845,000	99.26%	73.14%
Other than Director and Sponsor	155,000	155,000	0.74%	0.54%
Qualified Investor (QI)	-	7,500,000	-	26.32%
<b>Total</b>	<b>21,000,000</b>	<b>28,500,000</b>	<b>100.00%</b>	<b>100.00%</b>

**(f) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.**

Net proceeds from QIO will be used for Land and land development, procurement of Plant & Machineries and QIO expenses.

Sl.	Particulars	Amount in BDT
1	Land and land development	25,582,500
2	Plant and Machineries	48,600,000
3	QIO Expenses	817,500
	<b>Grand Total</b>	<b>75,000,000</b>

## SECTION (XXI): USE OF PROCEEDS

- (a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up:

### Sources of fund:

Sources of Fund: Issue Size (Number of share to be issued)	Amount in Taka
7,500,000 Shares (Issue price 10 each)	75,000,000
Less: QIO Expenses	817,500
<b>Net QIO Proceeds</b>	<b>74,182,500</b>

### Use of Net proceeds from QIO

Net proceeds from QIO will be used for Land and land development and procurement of Plant & Machineries.

Details of the amount to be used for each purpose are as under:

Sl.	Particulars	Amount in BDT	Implementation Schedule of QIO Proceeds
01	Land and land development	25,582,500	Within 09 months of receiving QIO fund
02	Plant and Machineries	48,600,000	Within 15 months of receiving QIO fund
	<b>Total</b>	<b>74,182,500</b>	

### 01. Land and land development

Particulars	Total Amount in BDT (Estimated)
Land and land development	25,582,500

### 02. Plant and Machineries

Sl.	Name of the Machineries	Description	Qty	Unit Price (Tk)	Total price (Tk)
1	Terrain Crane	Recondition 35 Ton Rough Terrain Crane Tadano (2017)	1	11,000,000	11,000,000
2	Fork Lift	Recondition 5 Ton Fork Lift	2	1,700,000	3,400,000
3	Magnet Excavator	Magnet Excavator Kobelco 0.9M3 (2017)	1	9,500,000	9,500,000
4	Cargo Crane	Cargo Crane (11T Truck, 10T Crane)-2010	1	9,000,000	9,000,000
5	Cover Van	-	3	3,500,000	10,500,000
6	Spare Parts	CYL Cover Complit-06 Pcs, Piston-06 Pcs, Canekting-06 Pcs, CYL Linar-06 Pcs, Turbo Charger-01 Pc, Foul pump-06 Pcs, Lob Oil Pump-06 Pcs, Crank Shaft-01 Pc, Cam Shaft-01 Pc, F.W Condenser-01 Pc, Water Pump-01 Pc, Shel Biaring 06 Set/12 Pcs, Bigen Biaring 06 set/12 Pcs, Cooler 01 Pc, Alternator-1 Pc	1 Pkg	5,200,000	5,200,000
				<b>39,900,000</b>	<b>48,600,000</b>

### Terms of contract:

As per Annexure-E (B)(18)(f) of the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2018 there is no contract covering any of the activities of the issuer company for which the proceeds of sale of securities from QIO is to be used.

Sd/-  
**Kamal Uddin Ahmed**  
Managing Director

Sd/-  
**Md. Yousuf Ali**  
Chief Financial Officer

**(b) Where the sponsors' contribution or privately placed fund has been brought prior to the qualified investor offer and has already been deployed by the issuer, indication of use of such funds in the cash flow statement;**

**Utilization of the total amount of paid-up capital:**

Year	Item	Amount in BDT	Reflected in cash flows
30.06.2012	Plant & Machinery with installation	2,105,600	In the statement of Cash Flows, the figure is included in total amount of acquisition of property, plant and equipment under the head of Investing Activities.
30.06.2013		9,323,815	
30.06.2014		8,570,585	
30.06.2020	Working Capital	121,428,000	In the statement of Cash Flows, this figure is included as Payment to suppliers under the head of operating Activities.
	Land value	8,572,000	Land acquired against of issuing ordinary shares.
30.09.2020	Unutilized	60,000,000	N/A
	<b>Total</b>	<b>210,000,000</b>	

**(c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture:**

The Company has no objects to investment in such type of ventures by using QIO proceeds.

**(d) If QIO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds:**

QIO proceeds are sufficient to complete the intended objective.

**(e) A schedule mentioning the stages of implementation and utilization of funds received through qualified investors' offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Managing Director or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer:**

Sl.	Particulars	Progress made so far	Approximate date of Completion	Projected date of full commercial operation
01	Land and land development	The company will start the work after receipt of QIO fund	Within 09 months of receiving QIO fund	After 03 months of the completion of the project
02	Plant and Machineries	Acquisition and installation of machineries and equipment's will be started after receiving of QIO fund.	Within 15 months of receiving QIO fund	

Sd/-  
**Kamal Uddin Ahmed**  
Managing Director

Sd/-  
**Md. Yousuf Ali**  
Chief Financial Officer

**(f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be closed as annexure to the prospectus:**

There is no such contract yet to be engaged by the Company.

**(g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection:**

The company does not utilize the issue proceed for working capital.

**(h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be:**

The Company has a plan to implement the expansion by using QIO proceeds, which have been mentioned in use of proceeds section in this prospectus.

**(i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented:**

The Company has a plan to implement the expansion by using QIO proceeds, which have been mentioned in use of QIO Proceeds and project implementation schedule.

**(j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies:**

There is no such material transaction with sponsors, directors, key management personnel, associates and group companies in relation to utilization of the issue proceeds.

**(k) Summary of the project appraisal or feasibility report by the relevant professional not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report:**

The company will use the net proceed from QIO to existing project expansion. Therefore summary of the project appraisal or feasibility report is not applicable.

## **SECTION (XXII): LOCK-IN**

**(a) Provisions for lock in as per these Rules;**

All ordinary shares of the issuer at the time of according consent shall be subject to lock-in for 1 (one) year:

Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in for 1 (one) year.

**(b) Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked-in.**

Sl.	Name of subscriber	BO account number	Number of securities	Lock-in period
1	Gazi Mukarram Ali Chowdhury	1605070068827678	9,340,000	1 Year
2	Kamal Uddin Ahmed	1605070068827619	10,635,000	1 Year
3	Matin Uddin Ahmed	1605070068827661	570,000	1 Year
4	Md. Ruhul Amin	1201600015566556	300,000	1 Year
5	Md. Belal Uddin	1201820068820759	45,000	1 Year
6	Farhana Islam	1201950068823222	100,000	1 Year
7	Satyajit Saha	1204970010148631	10,000	1 Year
	<b>Total</b>		<b>21,000,000</b>	

## **SECTION (XXIII): MARKETS FOR THE SECURITIES BEING OFFERED**

No detailed information is incorporated in the Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2018. Thus, no information is provided.



## **SECTION (XXIV): DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED**

### **(a) Dividend voting and preemption rights:**

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

### **(b) Conversion and liquidation rights:**

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

### **(c) Dividend policy:**

Major dividend policy as par memorandum and Articles of Association:

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.

### **(d) Other rights of the securities holders:**

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as par law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

## SECTION (XXV): FINANCIAL STATEMENTS

(a) The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Companies Act, 1994, International Financial Reporting Standards (IFRS) for small and medium sized entities;

**Independent Auditor's Report  
To the shareholders of  
NIALCO ALLOYS LIMITED  
Report on the Audit of the Financial Statements**

### Opinion

We have audited the financial statements of NIALCO ALLOYS LIMITED (the Company), which comprise the Statement of Financial Position as at 30 September 2020, and Statement of profit or loss & other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the company as at 30 September 2020, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the securities and Exchange Rules 1987 and other applicable laws and regulations.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide opinion on these matters.

Risk	Our response to the risk
<b>Revenue-Export</b>	
At period end the reported total revenue of Tk. 205,600,884	We have tested the design and operating effectiveness of key controls focusing on the following:
The company generates revenue from sale of goods to export customers. The timing of the revenue recognized and realized increases the risk of exposure of revenue to foreign exchange fluctuations.	➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period.
There is also a risk that revenue may be overstated due to fraud through manipulation of the timing of the opening of letter of credit and timing of goods exported.	➤ Segregation of duties in invoice creation and modification and timing of revenue recognition.
We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.	➤ Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards.
	➤ Obtain supporting documentation for sale transaction recorded either side of period end to determine whether revenue was recognized in the current period.
	➤ Comparing a sample of revenue transactions recognized during the period with the sale invoices and other relevant underlying documentation.
	➤ Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
See note no 15.00 to the statement of profit or loss & other comprehensive income.	

<b>Valuation of inventory</b>	
<p>The inventory of Tk. 180,721,161 at 30 September 2020 held in warehouses and across multiple product lines in factory.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provision by:</p> <ul style="list-style-type: none"> <li>➤ Evaluating the design and implementation of key inventory controls operating across the factory and warehouse.</li> <li>➤ Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data.</li> <li>➤ Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the period; and challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.</li> <li>➤ Comparing the net realizable value obtained through a detailed review of sales subsequent to the period-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;</li> <li>➤ Opening and closing inventory were properly checked along with purchase of raw materials and consumption determined as balancing figure which seems more rationale.</li> </ul>
See note no. 5.00 to the financial statements	
<b>Measurement of deferred tax liability</b>	
<p>The net deferred tax liability totaling Tk. 50,537 as at 30 September 2020.</p> <p>Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years.</p>	<p>We additionally carried out the following substantive testing for this item:</p> <ul style="list-style-type: none"> <li>➤ We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the company's future taxable income.</li> <li>➤ We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</li> <li>➤ We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities.</li> <li>➤ We also assessed the appropriateness of presentation of disclosures against IAS-12 income tax.</li> </ul>
See note no. 11.00 to the financial statements	
<b>Valuation of Property, Plant and Equipment</b>	
<p>The carrying value of the PPE amounted to Tk. 44,621,602 at 30 September 2020. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> <li>➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.</li> <li>➤ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals.</li> <li>➤ We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate.</li> <li>➤ We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.</li> <li>➤ We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to ready for use, with the date of the act of completion of the work.</li> </ul>
See note no. 3.00 to the financial statements	

Workers Profit participation Fund	
Workers Profit Participation Fund (WPPF) provision totaling Tk. 1,850,914 as at 30 September 2020.	Our audit included the following procedures: ➤ We assess whether adequate provision has been created against profit as per regulatory requirement.
Management of the company has opened a separate bank account for the WPPF. Management has created provision for WPPF as per respective law.	
See note no. 14.02 to the financial statements	
Fresh Capital Injection and share allotment	
Fresh capital injected by the existing shareholders of the company through Bank in this reporting period totaling of the amount Tk. 60,000,000 and respective share has been allotted to the shareholders. There is a risk that whether the cash amount injected through banking channel as per regulatory requirement.	Our audit included the following procedures: ➤ We checked and verified the related bank statements of the company to identify those transactions related to fresh capital injection. ➤ We also checked RJSC documents related to share allotment (Form-XV) to assess the completeness of the allotment process.
See note no. 9.00 to the financial statements	

### Other Information

Management is responsible for the other information. The other information comprises all of the information in the prospectus other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company. In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statement we are responsible for the direction, supervision and performance of the group audit. We solely responsible for our audit opinion.

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

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

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

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received by us;
- c) The information and explanations required by us have been received and found satisfactory;
- d) The statement of Financial Position, Statement of profit or loss & other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of account and returns;
- e) The expenditure was incurred for the purpose of the Company's business.

Dated, Dhaka  
24 November, 2020

**Sd/-**  
**Sultan Moheuddin, FCA**  
Partner  
**G. KIBRIA & CO.**  
Chartered Accountants

**NIALCO ALLOYS LIMITED**  
**Statement of Financial Position**  
**As at 30 September 2020**

Particulars	Notes	Amount in Taka	
		As at	
		30 Sept. 2020	30 June 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant & Equipment	3.00	44,621,602	22,161,335
Capital Work In Progress	4.00	9,285,500	9,285,500
		<b>53,907,102</b>	<b>31,446,835</b>
<b>Current Assets</b>			
Inventories	5.00	180,721,161	288,038,349
Accounts Receivable	6.00	41,281,942	50,021,929
Advance, Deposit & Prepayments	7.00	76,334,181	8,149,439
Cash & Cash Equivalents	8.00	96,013,576	30,862,945
		<b>394,350,860</b>	<b>377,072,662</b>
<b>TOTAL ASSETS</b>		<b>448,257,962</b>	<b>408,519,497</b>
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share Capital	9.00	210,000,000	150,000,000
Retained Earnings	10.00	50,930,948	37,074,548
		<b>260,930,948</b>	<b>187,074,548</b>
<b>Non-Current Liabilities</b>			
Long Term Loan		-	-
Deferred Tax Liabilities	11.00	50,537	377,688
		<b>50,537</b>	<b>377,688</b>
<b>Current Liabilities</b>			
Current Maturity of Term Loan		-	-
Short Term Borrowings	12.00	158,902,048	210,776,454
Accounts payable	13.00	22,800,000	5,687,305
Liabilities for Expenses	14.00	5,574,428	4,603,501
		<b>187,276,476</b>	<b>221,067,261</b>
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>		<b>448,257,961</b>	<b>408,519,497</b>
<b>Net Asset Value (NAV) Per Share</b>	23.00	<b>12.43</b>	<b>12.47</b>

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

Sd/-  
**Chief Financial Officer**

Sd/-  
**Company Secretary**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed as per our annexed report of even date.

Dated: 24 November, 2020  
Place: Dhaka

Sd/-  
**G.KIBRIA & CO.**  
Chartered Accountants

**NIALCO ALLOYS LIMITED**  
**Statement of Profit or Loss and other Comprehensive Income**  
**For the period from 1st July 2020 to 30th September 2020**

Particulars	Notes	Amount in Taka	
		July-September 2020	July-September 2019
Revenue	15.00	205,600,884	107,509,547
Less: Cost of Goods Sold	16.00	180,096,572	94,035,699
<b>Gross Profit</b>		<b>25,504,311</b>	<b>13,473,848</b>
<b>Less: Operating Expenses</b>		<b>6,417,167</b>	<b>4,169,120</b>
Administrative Expenses	17.00	1,417,239	1,119,429
Selling & Distributing Expenses	18.00	4,999,928	3,049,691
<b>Profit from Operation</b>		<b>19,087,144</b>	<b>9,304,729</b>
Less: Financial Expenses	19.00	2,340,139	1,320,657
Add: Non-operating Income	20.00	336,865	(541,108)
<b>Profit/(Loss) before Contribution to WPPF</b>		<b>17,083,871</b>	<b>7,442,964</b>
<b>Less: Contribution to WPPF</b>		<b>813,518</b>	<b>354,427</b>
<b>Profit/(Loss) before Tax</b>		<b>16,270,353</b>	<b>7,088,537</b>
<b>Income Tax</b>		<b>2,413,953</b>	<b>1,515,264</b>
Current Tax	21.00	2,741,104	1,335,188
Deferred Tax expense / (Income)	11.00	(327,151)	180,076
<b>Profit after tax for the period</b>		<b>13,856,400</b>	<b>5,573,273</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>13,856,400</b>	<b>5,573,273</b>
<b>Earnings per share (EPS)</b>	22.00	<b>0.91</b>	<b>0.37</b>

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

Sd/-  
**Chief Financial Officer**

Sd/-  
**Company Secretary**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed as per our annexed report of even date.

Dated: 24 November, 2020  
Place: Dhaka

Sd/-  
**G.KIBRIA & CO.**  
Chartered Accountants

**NIALCO ALLOYS LIMITED**  
**Statement of Changes in Equity**  
**For the period ended 30 September 2020**

*(Amount in Taka)*

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01 July 2020	150,000,000	37,074,548	187,074,548
New share Issued	60,000,000	-	60,000,000
Net Profit for the period	-	13,856,400	13,856,400
<b>Balance as on 30 September 2020</b>	<b>210,000,000</b>	<b>50,930,948</b>	<b>260,930,948</b>

**NIALCO ALLOYS LIMITED**  
**Statement of Changes in Equity**  
**For the period ended 30 September 2019**

*(Amount in Taka)*

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01 July 2019	20,000,000	21,927,983	41,927,983
Net Profit for the period	-	5,573,273	5,573,273
<b>Balance as on 30 September 2019</b>	<b>20,000,000</b>	<b>27,501,256</b>	<b>47,501,256</b>

Sd/-  
**Chief Financial Officer**

Sd/-  
**Company Secretary**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Signed as per our annexed report of even date.

Dated: 24 November, 2020  
Place: Dhaka

Sd/-  
**G.KIBRIA & CO.**  
Chartered Accountants



**NIALCO ALLOYS LIMITED**  
**Statement of Cash Flows**  
**For the period ended 30th September 2020**

Particulars		Amount in Taka	
		30 Sept. 2020	30 Sept. 2019
<b>A. Cash Flows from Operating Activities</b>			
Receipts from customers		214,340,871	101,697,581
Receipts from others Income		336,865	(541,108)
Payment to Suppliers	29.00	(53,973,423)	(156,951,140)
Operating expenses paid	30.00	(77,411,700)	(13,302,181)
Finance expenses paid		(2,340,138)	(1,320,657)
<b>Cash Generate from Operation</b>		<b>80,952,475</b>	<b>(70,417,505)</b>
Income Tax paid		(1,127,438)	(360,513)
<b>Net Cash Generate from Operating Activities</b>		<b>79,825,037</b>	<b>(70,778,018)</b>
<b>B. Cash Flows from Investing Activities</b>			
Acquisition of Property, Plant and Equipment		(22,800,000)	-
<b>Net Cash used in Investing Activities</b>		<b>(22,800,000)</b>	<b>-</b>
<b>C. Cash Flows from Financing Activities</b>			
Increase/(Decrease) Share Capital		60,000,000	-
Increase/(Decrease) Short Term Borrowing		(51,874,406)	64,867,386
Increase/(Decreases) Loan Liabilities (Long term)		-	-
<b>Net Cash Provided by Financing Activities</b>		<b>8,125,594</b>	<b>64,867,386</b>
<b>D. Net increase/(Decrease) in Cash and Cash Equivalent (A+B+C)</b>		<b>65,150,631</b>	<b>(5,910,633)</b>
E. Cash and Bank Balances at beginning the period (30-06-2019)		30,862,945	39,781,423
<b>F. Cash and Bank Balances at end of the period (D+E)</b>		<b>96,013,576</b>	<b>33,870,790</b>
<b>Net Operating Cash Flows (NOCF) Per Share</b>	23	5.23	(4.72)

Sd/- Chief Financial Officer      Sd/- Company Secretary      Sd/- Director      Sd/- Managing Director

Dated: 24 November, 2020  
 Place: Dhaka

**NIALCO ALLOYS LIMITED.**  
**Notes, summary of significant accounting policies and other explanatory information**  
**For the period ended September 30, 2020**

**1.00 REPORTING ENTITY:**

**1.01 Background of the Company**

The company “NIALCO ALLOYS LIMITED” as “NIALCO” or “The Company” was incorporated on 21<sup>ST</sup> June, 2011 vide registration No.CH-8784 as a public limited company in Bangladesh under the Companies Act 1994.

**1.02 Registered Office of the Company**

The registered office & factory of the Company are located at Plot: B-28, Block: A, BSCIC Industrial Area, Sagorika Road, Chittagong. and Jahanabad, Bhatary Shitakunda, Chittagong respectively.

**1.03 Nature of the Business**

The principal activities of NIALCO ALLOYS LIMITED are to manufacture of high grade Bronze and Brass Ingots including Gun Metal, Phosphorus Bronze, Leaded Bronze, Aluminum Bronze, Manganese Bronze, Sand Cast Brass (SCB), High Tensile Brass (HTB), Die Cast Brass (DCB), Master Alloys, Phosphorus Copper etc. confirming to BS, IS, JIS, DIN, ASTM, UNI and as per all other International Standards.

**2.00 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

**2.01 Statements of Compliance:**

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws & regulation in Bangladesh.

**2.02 Going Concern:**

The company has adequate resources to continue its operation for the foreseeable future. As such, the directors intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

**2.03 Accrual Basis:**

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

**2.04 Components of the Financial Statements:**

According to IAS-1 “presentation of the Financial Statements” the complete set of financial statement includes the following components

- a) Statement of Financial Position as at September 30, 2020;
- b) Statement of Profit or Loss and other Comprehensive Income for the period ended September 30, 2020;
- c) Statement of Changes in Equity for the period ended September 30, 2020;
- d) Statement of Cash Flows for the period ended September 30, 2020; and
- e) Notes, summary of significant accounting policies and other explanatory information

**2.05 Accounting Policies & Estimates:**

The preparation of these financial statements is in conformity with IASs/IFRSs which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation.

**2.06 Responsibility for Preparation and Presentation of Financial Statements:**

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

**2.07 Statement of Cash flows:**

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

**2.08 Applicable accounting standards:**

The following IASs and IFRSs are applicable for the financial statements for the period under review:

**IASs:**

IAS-1	Presentation of Financial Statements;
IAS-2	Inventories;
IAS-7	Statements of Cash flows;
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors;
IAS 10	Events after the reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 33	Earnings per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets

**IFRSs:**

IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers

**2.09 Reporting Period**

The financial period of the Company under audit covers 03 months period from 01 July 2020 to 30 September 2020.

**2.10 Property, Plant and Equipment:**

**2.10.1 Recognition and Measurement**

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The cost of the day to day maintaining cost on PPE is recognized in the Statements of Profit or Loss and other Comprehensive Income as incurred.

**2.10.2 Depreciation:**

Depreciation on Property, Plant and Equipment other than Land and Land development has been computed during the year using the reducing balance method. Depreciation has been charged on addition of assets when the related Property, Plant and Equipment are available for use as per management intention. Depreciation has charged as following rate:

Name of Assets	Rate	Rate
	2020	2019
Land and Land Development	0%	0%
Plant & Machinery	10%	10%
Computer and Printer	10%	10%
Furniture & Fixtures	10%	10%

### 2.10.3 Retirement and Disposals:

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

### 2.10.4 Impairment:

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

### 2.11 Borrowing Cost:

Interest and other cost incurred in the company in connection with the borrowing of fund are recognized as expenses in the year in which they are incurred unless such borrowings cost related to acquisition/construction of assets in progress that are required to be capitalized as per IAS-23: Borrowing Cost.

### 2.12 Revenue Recognition:

The Company has applied IFRS 15:

- (a) Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer.
- (b) The company recognizes revenue when it satisfies a performance obligation by transferring control over goods or services to a customer.
- (c) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer.

### 2.13 Valuation of Current Assets:

#### Trade and Other Receivable:

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount has been provided for as bad debt in the current period's account.

#### Inventories:

In compliance with the requirements of IAS-2 Inventories, the Inventories have been valued at Cost or Net Realizable value whichever is lower, which is consistent with the previous period's practice. Net realizable value is based on estimated selling price in the ordinary course of business less any further cost expected to be incurred to make the sale.

### 2.14 Provisions:

A provision is recognized on the balance sheet date if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### 2.15 Employees' Benefit

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

**a) Short Term Employee Benefits**

Short-term employee benefits include wages, salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

**b) Contribution to Workers' Profit Participation and Welfare Funds**

This represents 5% of net profit before tax, contributed by the company as per provisions of the Bangladesh Labor (amendment) Act, 2013. The fund transfer is under process and will be paid after completion of necessary legal process.

**2.16 Advances, Deposits and Prepayments**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.

**2.17 Functional and Presentational Currency:**

The financial statements are prepared in Bangladeshi Taka which is the Company's functional currency.

**2.18 Income Tax:**

**Current Tax:**

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate in compliance with Finance Act, 2021.

Provision for corporate income tax is made in accordance with the income tax laws.

**Deferred Tax:**

The company recognized deferred tax as per IAS 12 Income Tax. Deferred tax is recognized for all temporary timing difference arising between the carrying value of assets and liabilities and its tax base values. The rate prevailing at the Financial Position date is used for determine the deferred tax.

**2.19 Earnings per share:**

The company calculates Earnings per Share (EPS) in accordance with IAS-33 "Earnings per Share" which has been shown on the face of the Profit or Loss and other Comprehensive Income.

**Basic Earnings**

This represents profit or loss at the end of the period attributable to ordinary shareholders of the entity

**Basic Earnings per Share**

This has been calculated by dividing profit or loss attributable to ordinary shareholders of the entity by the weighted average number of ordinary shares outstanding during the period.

**Diluted Earnings per Share**

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, no dilution of EPS is applicable for these financial statements as there were no potential ordinary shares during the relevant period.

**2.20 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per IAS-39 "Financial Instruments Recognition and Measurement."

**Financial Assets:**

Financial assets of the company include cash and cash equivalents, equity instrument to another entity, Trade receivables and other receivables. The company initially recognize a financial asset in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognize a financial asset when, and only when; the contractual rights to the cash flows from the financial asset expire or transfer the contractual rights to receive the cash flows of the financial asset.

**Financial Liabilities:**

The company initially recognize a financial liability in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognize a financial liability from its statement of financial position when, and only when, it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires.

**2.21 Cash and Cash Equivalents:**

According to IAS 7 Statement of Cash Flows, cash comprises cash in hand, short term deposit and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

**2.22 Events after the Reporting Period:**

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

Adjusting Events - those that provide evidence of conditions that existed at the end of the reporting period.

Non adjusting Events- those that are indicative of conditions that arose after the reporting period.

Management of the company has taken close look whether any events after the reporting period exist that need to take into account during the preparation of Financial Reports. No event after the reporting period exists and management of the company has prepared the financial reports in accordance.

**2.23 Authorization date for issuing Financial Statements**

The financial statements were authorized by the Board of Directors on November 22, 2020.

**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 Segmental Reporting:**

As required by IFRS-8 "Operating Segments", if an entity operates business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker and for which discrete financial information is available

The company considers the operation on aggregate basis and manages the operations as a single operating segment. Hence it is felt that such segment reporting is not required to be disclosed.

**2.26 Related Party Disclosure**

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS-24: Related Party Disclosures has been disclosed in a separate note to the accounts.

**2.27 General:**

- i) The figure has been rounded off to the nearest taka.

		Amount in Taka	
		30 Sept. 2020	30 June 2020
<b>3.00</b>	<b>Property, Plant and Equipment</b>		
	<b>A. At Cost</b>		
	Opening Balance	29,441,395	20,097,395
	Add: Addition during the period	22,800,000	-
	Less: Disposal during the period	-	-
	<b>Total Cost</b>	<b>52,241,395</b>	<b>20,097,395</b>
	<b>B. Accumulated Depreciation</b>		
	Opening Balance	7,280,060	5,812,670
	Add: Depreciation charged for the period	339,733	1,467,390
	Less: Adjustment on disposal	-	-
	<b>Total Charge</b>	<b>7,619,793</b>	<b>7,280,060</b>
	<b>Written down value (A-B)</b>	<b>44,621,602</b>	<b>12,817,335</b>

Details are shown in Annexure-A

<b>4.00</b>	<b>Capital Work in Progress</b>		
	Opening Balance	9,285,500	-
	Add: Addition during the period	-	9,285,500.00
	Less: Transferred to appropriate asset category	-	-
	<b>Closing Balance</b>	<b>9,285,500</b>	<b>9,285,500</b>

Capital work in progress represents costs incurred to date for land development purposes which is still under construction at the balance sheet date. Capital work in progress will be transferred to appropriate asset category after completion of construction as per IAS-16.

<b>5.00</b>	<b>Inventories</b>				
	Raw Material	Note-	16.01	149,187,364	259,087,364
	Work in Progress	Note-	16.00	13,538,332	14,265,350
	Finished Goods	Note-	16.00	17,995,465	14,685,635
				<b>180,721,161</b>	<b>288,038,349</b>

Inventories are valued at lower of cost price and net realizable value. Inventory count of the above stock and stores was conducted by the management at the end of the period. The valuation of inventory was done and certified by the management. Details are given in Annexure - B.

<b>6.00</b>	<b>Accounts Receivables</b>			
	Trade Receivables	Note- 6.01	41,281,942	49,769,371
	FDR Interest Receivables	Note- 6.02	-	252,558
			<b>41,281,942</b>	<b>50,021,929</b>

6.01	Trade Receivable		
	Opening Balance	49,769,371	4,331,600
	Add: Sales During the period	205,600,884	324,709,673
	Less: Received From Customer	214,088,313	279,271,902
	Closing Balance	41,281,942	49,769,371

**Ageing of Trade Receivables**

More than six months	-	-
Less than six months	41,281,942	49,769,371
	<b>41,281,942</b>	<b>49,769,371</b>

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

i) Receivables considered good and in respect of which the company is fully secured.		
ii) Receivables considered good for which the company holds no security other than the debtor's personal security.	41,281,942	49,769,371

iii) Receivables considered doubtful or bad.		
iv) Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member.		
v) Receivables due by companies under the same management.		
vi) The maximum amount due by directors or other officers of the company at any time during the period.		
<b>Total</b>	<b>41,281,942</b>	<b>49,769,371</b>

Details are as follows:

Name of the customers	Amount
SOJITZ KYUSHU CORPORATION, JAPAN	41,281,942
<b>Total</b>	<b>41,281,942</b>

<b>6.02</b>	<b>FDR Interest Receivables</b>			
	Accrued Interest on FDR		-	252,558
			-	-
			-	<b>252,558</b>
<b>7.00</b>	<b>Advance, Deposit &amp; Prepayments</b>			
	Advance Income Tax	Note- 7.01	-	-
	Advance to Employees		260,850	186,635
	Advance to Inter-company	Note- 7.02	69,330,580	-
	Advance against purchase (L/C Margin in MTB)		6,742,751	7,962,804
			<b>76,334,181</b>	<b>8,149,439</b>
<b>7.01</b>	<b>Advance Income Tax</b>			
	Income Tax deduction at source - opening		-	-
	Add: Advance income tax during the period		1,127,437	1,642,941
			<b>1,127,437</b>	<b>1,642,941</b>
	Less: Adjustment during the period		1,127,437	1,642,941
			-	-
<b>7.02</b>	<b>Advance to Intercompany</b>			
	Opening Balance		-	-
	Add: Addition during the period ( Note : 13.01.02)		69,330,580	-
	Less: Adjustment during the period		-	-
			<b>69,330,580</b>	-
	Balance with Marine Safety System			

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.	6,742,751	7,962,804
ii) Advance, deposits & prepayment considered good for which the company holds no security.		
iii) Advance, deposits & prepayment considered doubtful or bad.		
iv) Advance, deposits & prepayment due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member.	260,850	186,635
v) Advance, deposits & prepayment due by companies under the same management.	69,330,580	
vi) The maximum amount due by directors or other officers of the company at any time during the period.		
<b>Total</b>	<b>76,334,181</b>	<b>8,149,439</b>



<b>8.00</b>	<b>Cash and cash equivalents</b>		
	<b>(i) Cash in hand</b>	290,918	522,266
	<b>(ii) Cash at bank:</b>		
	Mutual Trust Bank Ltd. A/C No. 0005-0210020220	253,798	42,582
	Mutual Trust Bank Ltd. A/C No. 0005-0260001264	158,747	158,747
	Mutual Trust Bank Ltd. A/C No. 0109-0260000868	9,053	-
	City Bank Ltd. A/c No. 1101784511001	312	312
	Eastern Bank Ltd. A/c No. 0011060785567	767,193	767,193
	Midland Bank Ltd. A/c No. 0003-1090001613	7,975	7,975
	Mutual Trust Bank Ltd. A/C No. 0005-0320003791	60,051,755	42,581
	<b>(iii) Fixed Deposit</b>		
	Eastern Bank Ltd.	-	-
	Mutual Trust Bank Ltd.	34,473,826	29,321,289
	<b>Total</b>	<b>96,013,577</b>	<b>30,862,945</b>

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

<b>9.00</b>	<b>Share Capital</b>		
<b>A.</b>	<b>Authorized Capital</b>		
	80,000,000 Ordinary Shares of Tk. 10/- each	<b>800,000,000</b>	<b>800,000,000</b>
<b>B.</b>	<b>Issued, Subscribed &amp; Paid-up Capital</b>		
	21,000,000 Ordinary Shares of Tk. 10/- each fully paid up	<b>210,000,000</b>	<b>150,000,000</b>

<b>C.</b>	<b>Shareholding Position</b>		
	Percentage	No. of Share	Amount
Sponsor/Director	99.26%	20,845,000	208,450,000
Companies and Financial Institution	0.00%	-	-
Other Shareholders	0.74%	155,000	1,550,000
<b>Total:</b>	<b>100.00%</b>	<b>21,000,000</b>	<b>210,000,000</b>

Details are shown in Annexure-C

<b>10.00</b>	<b>Retained Earnings</b>		
	Opening Balance	37,074,548	21,927,983
	Net profit for the period	13,856,400	15,146,565
		<b>50,930,948</b>	<b>37,074,548</b>

<b>11.00</b>	<b>Deferred Tax Liability</b>		
	Opening Balance	377,688	276,574
	Less: Adjustment During the period	(327,151)	101,114
		<b>50,537</b>	<b>377,688</b>

<b>12.00</b>	<b>Short Term Borrowings</b>		
	Bank Loan	158,902,048	210,776,454
		<b>158,902,048</b>	<b>210,776,454</b>

<b>12.01</b>	<b>Bank Loan</b>		
	Accepted liability	147,542,598	207,676,558
	Trust Receipt	11,359,450	3,099,896
		<b>158,902,048</b>	<b>210,776,454</b>

**Terms and Conditions**

Name of Bank	Mutual Trust Bank Ltd.
Nature	Short Term
Sanction Limit	450 Million

Purpose of Loan	To import ferrous and nonferrous items like aluminum, nickel, copper, bronze, brass scrap, zinc and other permissible items.
Margin	10%
Rate of Interest	9.00%
Mode of Adjustment	120 days to 360 days

<b>13.00</b>	<b>Accounts Payable</b>			
	Intercompany payable	13.01	22,800,000	5,687,305
			<u>22,800,000</u>	<u>5,687,305</u>
<b>13.01</b>	<b>Intercompany payable</b>			
	Chittagong Ship Breaking & Recycling Industries	13.01.01	22,800,000	-
			<u>22,800,000</u>	<u>-</u>
<b>13.01.01</b>	Opening Balance		-	-
	Add: Addition during the period		22,800,000	-
	Less: Adjustment / payment during the period		-	-
			<u>22,800,000</u>	<u>-</u>
<b>13.01.02</b>	Opening Balance		5,687,305	6,243,941
	Add: Addition during the period		59,100,489	129,034,131
	Less: Adjustment / payment during the period		(134,118,374)	(129,590,767)
	<b>Balance with Marine Safety System</b>		<u>(69,330,580)</u>	<u>5,687,305</u>
<b>14.00</b>	<b>Liabilities for Expenses</b>			
	Salary & Allowance		674,517	693,183
	Income Tax provision	14.01	1,613,666	1,405,152
	WPPF	14.02	1,850,914	1,008,791
	Security guard salary		25,000	25,000
	Utility Bill		25,420	25,420
	Audit Fees		80,000	120,000
	Other Expenses		19,411	40,455
	Payable Against Capital Work-In-Progress ( CWIP)	14.03	1,285,500	1,285,500
			<u>5,574,428</u>	<u>4,603,501</u>
<b>14.01</b>	<b>Income Tax provision</b>			
	Opening Balance		1,405,152	3,499,445
	Add: Addition during the period		2,741,104	3,048,093
	Less: Adjustment during the period		2,532,589	5,142,386
			<u>1,613,666</u>	<u>1,405,152</u>
<b>14.02</b>	<b>Workers profit participation fund (WPPF)</b>			
	Opening Balance		1,008,791	1,222,759
	Add: Addition during the period		813,518	914,789
	Add: Interest accrued on undistributed amount of last year		28,605	94,002
	Less: Adjustment during the period		-	1,222,759
			<u>1,850,914</u>	<u>1,008,791</u>
<b>14.03</b>	<b>Payable Against Capital Work-In-Progress ( CWIP)</b>			
	Opening Balance		1,285,500	-
	Add: Addition during the period		-	9,285,500
	Less: Adjustment during the period		-	(8,000,000)
			<u>1,285,500</u>	<u>1,285,500</u>
<b>15.00</b>	<b>Revenue</b>			
	Gross Sales (Export)		205,600,884	107,509,547
	Less: VAT		-	-
			<u>205,600,884</u>	<u>107,509,547</u>

Details are shown in Annexure-D

<b>16.00 Cost of Goods Sold</b>			
Raw Materials Consumption	16.01	180,343,378	88,468,530
Manufacturing overhead	16.02	2,336,006	1,735,723
<b>Cost of Manufacturing</b>		<b>182,679,384</b>	<b>90,204,253</b>
Work in Progress-Opening		14,265,350	2,164,874
Work in Progress-Closing		(13,538,332)	(983,500)
<b>Cost of goods Manufactured</b>		<b>183,406,402</b>	<b>91,385,627</b>
Finished goods-Opening		14,685,635	3,245,715
Finished goods-Closing		(17,995,465)	(595,643)
		<b>180,096,572</b>	<b>94,035,699</b>
<b>16.01 Raw Materials Consumption</b>			
Opening Balance		259,087,364	42,771,019
Add: Purchase during the period		70,443,378	159,156,144
		<b>329,530,742</b>	<b>201,927,163</b>
Less: Purchase discount		-	-
<b>Raw materials available for production</b>		<b>329,530,742</b>	<b>201,927,163</b>
Raw Materials-Closing		(149,187,364)	(113,458,634)
<b>Less: Consumption during the period</b>		<b>180,343,378</b>	<b>88,468,530</b>
<b>16.02 Manufacturing overhead</b>			
Wages, Salary & Allowance		766,131	455,590
Conveyance		71,288	61,342
Tours & Travel		86,214	95,868
Carriage Inward		150,588	95,918
Utility Bill Expenses		163,182	163,428
Entertainment		43,164	26,154
Internet Expenses		6,000	6,000
License & Renewal		58,195	50,918
Loading & Unloading Expenses		102,538	68,418
Medical Expenses		57,580	17,122
Mobile, Telephone & Fax Expenses		44,631	21,433
Printing & Stationery		29,146	18,483
Repairs & Maintenance		93,164	68,461
Store & Spares		89,531	46,233
Cutting Expenses		199,739	166,406
Scale charge		19,311	9,091
Uniform & Gloves		18,533	3,303
Miscellaneous Expenses		17,039	5,962
Depreciation (Annexure-A)		320,036	355,595
		<b>2,336,006</b>	<b>1,735,723</b>
<b>17.00 Administrative Expenses</b>			
Salary & Allowance		755,386	671,887
Conveyance		273,229	211,865
Paper & Periodical		6,040	3,240
Entertainment		47,506	31,540
Printing & Stationery		19,125	11,620
Fees and Renewals		49,222	31,770
Utility Bill		45,124	32,108
Audit Fee		40,000	17,500
Telephone, Mobile & Internet bill		24,661	13,547
Business Development expenses		55,591	30,849
Postage & Courier		18,131	7,248
Repairs & Maintenance		21,491	10,233
Photocopy charges		5,060	2,775
Preliminary expenses written off		-	28,925
Medical Expenses		21,914	7,091
Miscellaneous Expenses		15,064	5,712
Depreciation (Annexure-A)		19,697	1,523
		<b>1,417,239</b>	<b>1,119,429</b>

<b>18.00 Selling &amp; Distributing Expenses</b>				
Salary & Allowance		502,033	473,533	
C & F Expenses-export		1,269,125	722,750	
Conveyance		52,141	29,908	
Entertainment		45,581	23,091	
Packing Expenses		494,906	172,318	
Sales Promotion Expense		296,405	87,343	
Carriage Outward		782,311	444,884	
Export expenses		436,300	296,365	
Freight charges		686,342	573,895	
Postage & Courier		35,688	23,433	
Loading & Unloading		253,189	90,956	
Miscellaneous Expenses		11,475	3,211	
Mobile, Telephone & Fax Expenses		35,696	23,408	
Sample Expense		98,739	84,598	
Depreciation (Annexure-A)		-	-	
		<b>4,999,928</b>	<b>3,049,691</b>	
<b>19.00 Financial Expenses</b>				
Bank Interest		2,057,969	1,043,229	
Bank Charges		253,564	239,741	
Interest on WPPF (undistributed amount for the FY 2019-20)		28,605	37,688	
		<b>2,340,139</b>	<b>1,320,657</b>	
<b>20.00 Non-operating Income</b>				
FDR interest		425,043	65,521	
Realized gain / (loss)	Note	20.01	172,935	(127,381)
Unrealized gain / (loss)	Note	20.02	(261,113)	(479,248)
			<b>336,865</b>	<b>(541,108)</b>
<b>20.01 Realized gain / (loss)</b>				
Value of export collection on average sales booking rate USD 24,70,504.00@ 84.63			209,078,754	107,636,928
Value of export collection on average realized rate USD 24,70,504.00@ 84.70			209,251,689	107,509,547
			<b>172,935</b>	<b>(127,381)</b>
<b>20.02 Unrealized gain / (loss)</b>				
Value Import Payable on average rate USD 1736816.92@ 84.95			147,542,597	162,848,385
Value of Import Bill Payment on average rate USD 1736816.92@ 85.12			147,837,856	162,369,138
			<b>(295,259)</b>	<b>(479,248)</b>
Value of closing receivable on sales booking rate			41,281,942	-
Value of closing receivable on year end rate			41,316,087	-
			34,146	-
			<b>(261,113)</b>	<b>(479,248)</b>
<b>21.00 Income Tax Expenses</b>				
Current Tax	21.01	2,741,104	1,335,188	
Deferred Tax	21.02	50,537	180,076	
		<b>2,791,641</b>	<b>1,515,264</b>	
<b>21.01 Current Tax</b>				
<b>Profit before tax as per account</b>		<b>16,270,353</b>	<b>7,088,537</b>	
Profit from business (export)		15,672,374	7,629,645	
Profit from Non-business source (other income)		597,978	(541,108)	
Tax on profit from business (export) @50% exclusion from total income under: para-28, Part-A, 6th schedule of ITO, 1984.		2,546,761	1,335,188	
Tax on profit from non-business source in regular rate @32.5%		194,343	-	
<b>A. Current Tax @ 32.5%</b>		<b>2,741,104</b>	<b>1,335,188</b>	

Minimum Tax:		
Gross Receipts	205,600,884	107,509,547
<b>B. Minimum Tax @ 0.6%</b>	<b>1,233,605</b>	<b>645,057</b>
<b>C. TDS at Source</b>	<b>1,127,437</b>	<b>360,513</b>
Whichever is Higher from above calculation (A, B & C)	<b>2,741,104</b>	<b>1,335,188</b>

<b>21.02 Deferred Tax</b>		
Written down value as per 3rd schedule of ITO 1984	44,310,604	12,898,601
Written Down Value as per financial statements	44,621,602	13,927,607
<b>Temporary difference</b>	<b>310,998</b>	<b>1,029,006</b>
Current Tax rate on Export Business Income (32.5/2=16.25%)	16.25%	17.50%
<b>Deferred Tax during the period</b>	<b>50,537</b>	<b>180,076</b>

<b>22.00 Earnings per share (Basic)</b>		
A. Net Profit after Tax	13,856,400	5,573,273
B. Weighted average number of Share outstanding	15,260,870	15,000,000
<b>Earnings per Share (A/B)</b>	<b>0.91</b>	<b>0.37</b>

<b>Earnings per share (Adjusted)</b>		
A. Net Profit after Tax	13,856,400	5,573,273
B. Total number of Share outstanding	21,000,000	21,000,000
<b>Earnings per Share (Adjusted)</b>	<b>0.66</b>	<b>0.27</b>

Particulars	Number of Share	Weight	Weighted average no of Shares	No of Shares outstanding
Opening No. of Shares	15,000,000	92/92	15,000,000	15,000,000
New allotment No. of shares during the period (as on 30.09.2020)	6,000,000	4/92	260,869.57	-
<b>Total</b>	<b>21,000,000</b>		<b>15,260,870</b>	<b>15,000,000</b>

<b>23.00 Net Asset Value (NAV) Per Share</b>		
Total Assets	448,257,962	408,519,497
Less: Total Liabilities	187,327,014	221,444,949
<b>A. Net Asset Value (NAV)</b>	<b>260,930,948</b>	<b>187,074,548</b>
B. Total Number of Share outstanding	21,000,000	15,000,000
<b>Net Asset Value (NAV) Per Share (A/B)</b>	<b>12.43</b>	<b>12.47</b>

<b>24.00 Net Operating Cash Flows Per Share (NOCFPS)</b>		
Net Operating Cash Flows (Numerator)	79,825,037	(70,778,018)
Number of Ordinary Shares (Denominator)	15,260,870	15,000,000
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>5.23</b>	<b>(4.72)</b>

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

Employee position of the company as at September 30, 2020:

Salary (Monthly)	Officer & Staff		Worker
	Factory	Head Office	
Number of employees whose salary below Tk. 3,000 per month	0	0	0
Number of employees whose salary above Tk. 3,000 per month	9	12	25
<b>Total</b>	<b>9</b>	<b>12</b>	<b>25</b>

Besides these mentioned above in the schedule the company hire 10 to 15 daily payment basis casual worker as on requirement to whom paid cash, all these casual worker are hired from Local area in reference of internal and external source without making any fixed contract

**26.00 Payment information to Directors as per requirement of schedule XI, part II, Para 4**

No Payment has been paid to directors within the period ending 30 September, 2020 in any of the following:

(a)	Managerial Remuneration paid or payable during the financial period to the directors, including managing director, a managing agent or manager.
(b)	Expenses reimbursed to the managing agent;
(c)	Commission or other remuneration payable separately to a managing agent or his associate;
d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.;
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.
(f)	Any other perquisites or benefits in cash or in kind stating, approximate money value where practicable;
(g)	Other allowances and commission including guarantee commission.
(h)	Pensions etc.
	(i) Pensions
	(ii) Gratuities
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon
	(iv) Compensation for loss of office
	(v) Consideration in connection with retirement from office.

**27.00 Related Party Transaction:**

As per IAS 24: Related party disclosure and as defined in the Securities & Exchange Rules 1987 the related party transaction are as follows :

The Company carried out a number of transactions with related parties in the normal course of business, The nature of transactions and their values are shown below:

Name	Nature of transaction	Received	Payment	Balance
Chittagong Ship Breaking & Recycling Industries	Purchase of generator	-	-	22,800,000
Marine Safety System	Intercompany loan	59,100,489	134,118,374	69,330,580

**28.00 Cash flow generated from operating activities under Indirect Method:**

Particulars	Amount (Tk.)
Profit before Tax	16,270,353
Add: Depreciation	339,733
	<u>16,610,086</u>
(Increase)/Decrease in Inventories	107,317,188
(Increase)/Decrease in Trade Receivable	8,739,987
(Increase)/Decrease in Advance, Deposit & Prepayments	(68,184,742)
Increase/(Decrease) in Creditors & Accruals	16,469,955
	<u>80,952,475</u>
Cash payment against Income Tax	(1,127,438)
<b>Net Cash Generate from Operating Activities</b>	<b><u>79,825,037</u></b>

29.00 Payment to Suppliers

COGS	180,096,572	94,035,699
Increase/(decrease) in inventory	(107,317,188)	65,856,169
(Increase)/decrease in Accounts payable and liabilities for expenses	(16,469,955)	(1,205,005)
Less: Manufacturing overhead	(2,336,006)	(1,735,723)
<b>Paid to Suppliers</b>	<b>53,973,423</b>	<b>156,951,140</b>

30.00 Operating expenses paid

Office & administrative expenses	1,417,239	1,119,429
Selling & distribution expenses	4,999,928	3,049,691
Add: Worker profit participation Fund(WPPF)	813,518	354,427
Add: Factory overhead	2,336,006	1,735,723
	<b>9,566,691</b>	<b>6,259,270</b>
Increase/(Decrease) In Prepaid exp.( Advance)	68,184,742	7,400,029
Less: Non cash Depre.	(339,733)	(357,118)
Less: Preliminary expenses written off	-	-
	<b>77,411,700</b>	<b>13,302,181</b>

31.00 Events after reporting period

There is no significant events between financial statements closing date and auditors report signing date.

32.00 Production Capacity

The production capacity and utilization of this reporting period (3 months) are as follows:

Particulars	Quantity in M. Ton
Installed Capacity	1,512
Actual Production	446
Capacity Utilization (%)	29%

Production Capacity is significantly unused due to lower quantity of export order.

33.00 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

34.00 Claim Acknowledgement

There was no claim against the Company not acknowledged as debt as on September 30, 2020.

35.00 Foreign currency earned

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

36.00 Foreign currency payment

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

**NIALCO ALLOYS LIMITED**  
**Schedule of Property, Plant & Equipment**  
**As at 30 Sept. 2020**

Particulars	Cost			Rate of Dep.	Depreciation			Annexure-A
	Balance as at 01.07.2020	Addition this period	Balance as on 30.09.2020		Balance as at 01.07.2020	Charged during the period	Balance as on 30.09.2020	Written Down Value as on 30.09.2020
Land and Land Development	8,572,000.00		8,572,000	0%	-	-	-	8,572,000
Plant & Machineries	20,011,695	22,800,000	42,811,695	10%	7,210,263	320,036	7,530,299	35,281,396
Computer & Printer	782,000		782,000	10%	51,353	18,266	69,619	712,381
Furniture & Fixture	75,700		75,700	10%	18,444	1,431	19,875	55,825
<b>Balance as on 30 September 2020</b>	<b>29,441,395</b>	<b>22,800,000</b>	<b>52,241,395</b>		<b>7,280,060</b>	<b>339,733</b>	<b>7,619,793</b>	<b>44,621,602</b>

**Allocation of Depreciation:**

Manufacturing	320,036
Administration	19,697
<b>Total</b>	<b>339,733</b>

As at 30 September 2019

Particulars	Cost			Rate of Dep.	Depreciation			Annexure-A
	Balance as at 01.07.2019	Addition this period	Balance as on 30.09.2019		Balance as at 01.07.2019	Charged during the period	Balance as on 30.09.2019	Written Down Value as on 30.09.2019
Land and Land Development	-	-	-	0%	-	-	-	-
Plant & Machineries	20,011,695	-	20,011,695	10%	5,787,882	355,595	6,143,477	13,868,218
Computer & Printer	38,500	-	38,500	10%	11,136	684	11,820	26,680
Furniture & Fixture	47,200	-	47,200	10%	13,652	839	14,491	32,709
<b>Balance as on 30 September 2019</b>	<b>20,097,395</b>	<b>-</b>	<b>20,097,395</b>		<b>5,812,670</b>	<b>357,118</b>	<b>6,169,788</b>	<b>13,927,607</b>

**Allocation of Depreciation:**

Manufacturing	355,595
Administration	1,523
Selling & Distributing	-
<b>Total</b>	<b>357,118</b>



**NIALCO ALLOYS LIMITED**  
For the period ended 30 September 2020

**Annexure-B**

The Details of Closing Inventory are given below:

		<b>Opening</b>		<b>Purchase</b>		<b>Transferred To Production</b>		<b>Closing</b>	
		<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>
<b>1. Raw Material:</b>									<b>149,187,364</b>
<b>A.</b>	Copper Alloys Scrap	452272.21 Kg	181,361,155	88215.33 Kg	34,403,979	280060.72 Kg	109,223,681	260426.82 Kg	104,431,155
<b>B.</b>	Brass Scrap	95202.71 Kg	36,272,231	26783.77 Kg	9,157,639	67166.98 Kg	22,971,106	54819.50 Kg	20,886,231
<b>C.</b>	Aluminum Scrap	95252.71 Kg	12,954,368	86401.93 Kg	9,901,661	126806.34 Kg	14,582,729	54848.30 Kg	7,459,368
<b>D.</b>	PB ( Lead) Scrap	174844.23 Kg	28,499,610	135838.56 Kg	16,980,099	210004.20 Kg	26,250,525	100678.59 Kg	16,410,610
<b>2. Work-in-progress :</b>									
		<b>Opening</b>		<b>Received</b>		<b>Transferred to Finished Product</b>		<b>Closing</b>	<b>13,538,332</b>
<b>A.</b>	Copper Alloys Scrap	24902.11 Kg	9,985,745	280060.72 Kg	2,436,900	281329.83 Kg	1,318,087	23633.00 Kg	9,476,832
<b>B.</b>	Brass Scrap	5241.86 Kg	1,997,149	67166.98 Kg	541,533	67434.12 Kg	702,564	4974.72 Kg	1,895,366
<b>C.</b>	Aluminum Scrap	5244.61 Kg	713,268	126806.34 Kg	3,655,350	127073.62 Kg	152,728	4977.33 Kg	676,917
<b>D.</b>	PB ( Lead) Scrap	9626.92 Kg	1,569,189	210004.20 Kg	6,904,549	210494.82 Kg	287,532	9136.30 Kg	1,489,217
<b>3. Finished Goods:</b>									
		<b>Opening</b>		<b>Production During the Year</b>		<b>Sold During the Year</b>		<b>Closing</b>	<b>17,995,465</b>
<b>A.</b>	Sorted Copper	28795.36 Kg	11,748,508	357454.13 Kg	127,611,126	363944.00 Kg	149,949,311	35285.23 Kg	14,396,372
<b>B.</b>	Copper Alloys (PB Brass )	7454.64 Kg	2,937,127	89305.89 Kg	31,167,754	90986.00 Kg	37,487,328	9134.75 Kg	3,599,093
	<b>Total</b>								<b>180,721,161</b>

**NIALCO ALLOYS LIMITED**  
For the period ended 30 September 2020

**Annexure-C**

**Name wise Shareholding position**

Sl.	Name of Subscriber	Position	No. of Share	Amount Subscribed (BDT)
1	Gazi Mokarram Ali Chowdhury	Chairman	9,340,000	93,400,000
2	Kamal Uddin Ahmed	Managing Director	10,635,000	106,350,000
3	Matin Uddin Ahmed	Director	570,000	5,700,000
4	Md. Ruhul Amin	Shareholder	300,000	3,000,000
5	Md. Belal Uddin	Shareholder	45,000	450,000
6	Farhana Islam	Shareholder	100,000	1,000,000
7	Satyajit Saha	Shareholder	10,000	100,000
<b>Total</b>			<b>21,000,000</b>	<b>210,000,000</b>

**NIALCO ALLOYS LIMITED**  
For the period ended 30 Sept. 2020

**Annexure-D**

The details of net Sales (product & quantity wise)

Particulars	Quantity	Sales (Excluding VAT)
<b>Sorted Copper</b>		
	363,944.00 Kg	164,480,706.94
	<b>Sub Total</b>	<b>164,480,707</b>
<b>Copper Alloys (PB Brass )</b>		-
	90,986.00 Kg	41,120,176.73
	<b>Sub Total</b>	<b>41,120,177</b>
	<b>Total</b>	<b>205,600,884</b>

**(b) Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;**  
The Company is not a holding company.

**(d) Selected ratios as specified in Annexure-D:**

**NIALCO ALLOYS LIMITED**

**Statement of Ratio Analysis**

The following Ratios have been calculated by the management based on audited financial statements of NIALCO ALLOYS LIMITED for the period ended 31 September 2020, 30 June 2020, 30 June 2019, 30 June 2018, 30 June 2017 & 30 June 2016. Selected Ratio as specified in rule 4(1)(d) Annexure D of the Securities and Exchange Commission (Qualified Investor Offer by small companies) Rules, 2018.

Particulars	Sept. 30, 2020	June. 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
	Result	Result	Result	Result	Result	Result

**I. Liquidity Ratios:**

(i) Current Ratio (Times)	Current Assets/ Current Liability	2.11	1.71	0.82	1.80	1.24	1.01
	(Current Assets - Inventory)/ Current Liability	1.14	0.40	0.08	0.94	0.23	0.13

**II. Operating Efficiency Ratios:**

(i) Accounts Receivable Turnover Ratio	Net Sales/ Average Accounts Receivables	6.45	16.39	101.87	38.08	40.58	12.86
	(ii) Inventory Turnover Ratio (Times)	1.05	2.49	15.13	7.12	3.95	-
(iii) Assets Turnover Ratio (Times)	Sales/ Average Total Assets	0.64	1.78	6.81	3.05	1.95	0.52

**III. Profitability Ratios:**

(i) Gross Margin Ratio (%)	Gross Profit/ Net Sales	12.40%	12.22%	12.13%	7.02%	6.90%	0.00%
	(ii) Operating Profit Ratio (%)	9.28%	7.04%	7.48%	2.00%	1.57%	0.00%
(iii) Net Profit Ratio (%)	Net Profit after Tax/ Net Sales	6.74%	4.66%	5.06%	1.28%	0.87%	0.00%
	(iv) Return on Assets Ratio (%)	4.31%	8.33%	34.45%	3.89%	1.70%	0.34%

(v) Return on Equity Ratio (%)	Net Profit after Tax/	8.48%	18.08%	68.99%	6.96%	3.44%	0.83%
	Average Total Shareholders' Equity						
(vi) Basic Earnings Per Share (EPS)	Net Profit after Tax/	0.91	1.42	9.79	0.74	0.35	0.08
	Weighted Average Number of Ordinary Shares Outstanding						
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) Margin	EBITDA/	9.45%	7.46%	7.95%	2.00%	1.57%	0.00%
	Net Sales						

#### IV. Solvency Ratios:

(i) Debt to Total Assets Ratio	Total Debt/	0.35	0.52	0.50	-	-	-
	Total Assets						
(ii) Debt to Equity Ratio (Times)	Total Debt/	0.61	1.13	1.27	-	-	-
	Total Equity						
(iii) Times Interest Earned Ratio (Times)	EBIT/	8.30	4.83	6.04	52.71	137.92	-
	Financial Expense						
(iv) Debt Service Coverage Ratio	Net Operating Profit/	8.16	4.56	5.69	52.71	137.92	-
	Total Debt Service						

#### V. Cash Flow Ratios:

(i) Net Operating Cash Flows per Share (NOCFPS)	Net Operating Cash Flow/	5.23	(25.99)	(7.86)	1.01	8.10	(10.18)
	No. of Ordinary Shares Outstanding						
(ii) NOCFPS to EPS Ratio	Net Operating Cash Flow per Share/	5.76	(18.35)	(0.80)	1.37	22.91	-
	EPS						

We have examined the calculation procedure of the above ratios of NIALCO ALLOYS LIMITED for the period ended 30 September 2020, 30 June 2020, 30 June 2019, 30 June 2018, 30 June 2017 & 30 June 2016 no material deviation found in the result.

The details calculation is presented in Annexure-A

Dated: November 24, 2020  
Place: Dhaka

Sd/-  
**G.KIBRIA & CO.**  
Chartered Accountants

**NIALCO ALLOYS LIMITED**  
Calculation of ratio analysis

(Annexure-A)

Particulars		Sept. 30, 2020	June. 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	Sept. 30, 2020	June. 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
		Calculation	Calculation	Calculation	Calculation	Calculation	Calculation	Result	Result	Result	Result	Result	Result
<b>I. Liquidity Ratios:</b>													
(i) Current Ratio (Times)	Current Assets/	394,350,860	377,072,662	53,454,433	14,257,876	15,378,980	29,831,322	2.11	1.71	0.82	1.80	1.24	1.01
	Current Liability	187,276,477	221,067,262	64,811,739	7,899,236	12,402,577	29,668,349						
(ii) Quick Ratio (Times)	(Current Assets - Inventory)/	213,629,699	89,034,313	5,272,825	7,447,893	2,898,980	4,001,472	1.14	0.40	0.08	0.94	0.23	0.13
	Current Liability	187,276,477	221,067,262	64,811,739	7,899,236	12,402,577	29,668,349						
<b>II. Operating Efficiency Ratios:</b>													
(i) Accounts Receivable Turnover Ratio	Net Sales/	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951	6.45	16.39	101.87	38.08	40.58	12.86
	Average Accounts Receivables	31,878,490	19,809,157	3,801,847	3,024,647	2,000,000	2,000,000						
(ii) Inventory Turnover Ratio (Times)	Cost of Goods Sold/	180,096,572	285,023,873	340,317,529	107,088,955	75,568,053	23,725,902	1.05	2.49	15.13	7.12	3.95	-
	Average Inventory	172,313,706	114,343,313	22,490,530	15,039,944	19,154,925	25,829,850						
(iii) Assets Turnover Ratio (Times)	Sales/	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951	0.64	1.78	6.81	3.05	1.95	0.52
	Average Total Assets	321,264,585	181,927,095	56,846,358	37,786,349	41,556,776	49,836,266						
<b>III. Profitability Ratios:</b>													
(i) Gross Margin Ratio (%)	Gross Profit/	25,504,311	39,685,800	46,959,511	8,086,870	5,601,568	1,993,049	12.40%	12.22%	12.13%	7.02%	6.90%	0.00%
	Net Sales	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951						
(ii) Operating Profit Ratio (%)	Operating Profit/	19,087,144	22,870,911	28,957,316	2,307,703	1,272,561	354,483	9.28%	7.04%	7.48%	2.00%	1.57%	0.00%
	Net Sales	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951						
(iii) Net Profit Ratio (%)	Net Profit after Tax/	13,856,400	15,146,565	19,581,725	1,471,550	706,792	167,917	6.74%	4.66%	5.06%	1.28%	0.87%	0.00%
	Net Sales	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951						
(iv) Return on Assets Ratio (%)	Net Profit after Tax/	13,856,400	15,146,565	19,581,725	1,471,550	706,792	167,917	4.31%	8.33%	34.45%	3.89%	1.70%	0.34%
	Average Total Assets	321,264,585	181,927,095	56,846,358	37,786,349	41,556,776	49,836,266						
(v) Return on Equity Ratio (%)	Net Profit after Tax/	13,856,400	15,146,565	19,581,725	1,471,550	706,792	167,917	8.48%	18.08%	68.99%	6.96%	3.44%	0.83%
	Average Total Shareholders' Equity	163,311,160	83,782,930	28,382,983	21,129,628	20,521,313	20,167,917						
(vi) Basic Earnings Per Share (EPS)	Net Profit after Tax/	13,856,400	15,146,565	19,581,725	1,471,550	706,792	167,917	0.91	1.42	9.79	0.74	0.35	0.08
	Weighted Average Number of Ordinary Shares Outstanding	15,260,870	10,690,411	2,000,000	2,000,000	2,000,000	2,000,000						
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) Margin	EBITDA/	19,424,009	24,221,881	30,770,074	2,307,703	1,272,561	354,483	9.45%	7.46%	7.95%	2.00%	1.57%	0.00%
	Net Sales	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951						

IV. Solvency Ratios:														
(i) Debt to Total Assets Ratio	Total Debt/	158,902,048	210,776,454	53,187,033	-	-	-	0.35	0.52	0.50	-	-	-	
	Total Assets	448,257,962	408,519,497	107,016,295	30,245,494	33,277,286	49,836,266							
(ii) Debt to Equity Ratio (Times)	Total Debt/	158,902,048	210,776,454	53,187,033	-	-	-	0.61	1.13	1.27	-	-	-	
	Total Equity	260,930,948	187,074,548	41,927,983	22,346,258	20,874,709	20,167,917							
(iii) Times Interest Earned Ratio (Times)	EBIT/	19,424,009	24,221,881	30,770,074	2,307,703	1,272,561	354,483	8.30	4.83	6.04	52.71	137.92	-	
	Financial Expense	2,340,139	5,011,319	5,092,125	43,782	9,227	32,252							
(iv) Debt Service Coverage Ratio	Net Operating Profit/	19,087,144	22,870,911	28,957,316	2,307,703	1,272,561	354,483	8.16	4.56	5.69	52.71	137.92	-	
	Total Debt Service	2,340,139	5,011,319	5,092,125	43,782	9,227	32,252							
V. Cash Flow Ratios:														
(i) Net Operating Cash Flow per Share	Net Operating Cash Flow/	79,825,037	(277,878,400)	(15,720,701)	2,017,655	16,194,080	(20,354,376)	5.23	(25.99)	(7.86)	1.01	8.10	(10.18)	
	No. of weighted average Shares	15,260,870	10,690,411	2,000,000	2,000,000	2,000,000	2,000,000							
(ii) Net Operating Cash Flow per Share/EPS	Net Operating Cash Flow per Share/	5.23	(25.99)	(7.86)	1.01	8.10	(10.18)	5.76	(18.35)	(0.80)	1.37	22.91	-	
	EPS	0.91	1.42	9.79	0.74	0.35	0.08							

#### Comparison with Industry average:

There is no similar stock listed in the stock exchange who produces same products. Thus the information is not provided.

(d) Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation:

#### NIALCO ALLOYS LIMITED

#### Auditors' report in pursuance of section 135(1) under Para 24(1) of Part-II of the Third Schedule of the Companies Act, 1994

As required under section 135(1), Para 24(1), Part II of the Third Schedule of Companies Act 1994, we appended below the following financial information of NIALCO ALLOYS LIMITED for the period ended 30 Sept. 2020, 30 June 2020 & 30 June 2019 audited by us (G. Kibria & Co., Chartered Accountants), 30 June 2018, 30 June 2017 & 30 June 2016 audited by SARWAR SALAMAT & CO., Chartered Accountants.

1. NIALCO ALLOYS LIMITED was incorporated on 21st June, 2011.
2. The Operating results of the company over the last 5 years of operation is as follows:

#### A) Statement of Financial Position:

Assets and Properties	Sept. 30, 2020 Taka	June. 30, 2020 Taka	June 30, 2019 Taka	June 30, 2018 Taka	June 30, 2017 Taka	June 30, 2016 Taka
<b>ASSETS</b>						
<b>Non-Current Assets</b>	<b>53,907,102</b>	<b>31,446,835</b>	<b>53,561,861</b>	<b>15,987,618</b>	<b>17,898,306</b>	<b>20,004,944</b>
Property, Plant & Equipment	44,621,602	22,161,335	14,284,725	15,871,918	17,635,464	19,594,960
Capital Work In Progress	9,285,500	9,285,500	-	-	-	-
Pre-operative expenses	-	-	-	-	147,142	294,284
Preliminary expenses	-	-	-	115,700	115,700	115,700
Investment	-	-	39,277,136	-		
<b>Current Assets</b>	<b>394,350,860</b>	<b>377,072,662</b>	<b>53,454,433</b>	<b>14,257,876</b>	<b>15,378,980</b>	<b>29,831,322</b>
Inventories	180,721,161	288,038,349	48,181,608	6,809,983	12,480,000	25,829,850
Trade and others Receivable	41,281,942	50,021,929	4,331,600	5,073,942	2,000,000	2,000,000
Advance, Deposit and Prepayments	76,334,181	8,149,439	436,938	58,858	601,542	198,114
Cash and Cash Equivalents	96,013,576	30,862,945	504,287	2,315,093	297,438	1,803,358
<b>Total Assets</b>	<b>448,257,962</b>	<b>408,519,497</b>	<b>107,016,295</b>	<b>30,245,494</b>	<b>33,277,286</b>	<b>49,836,266</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Shareholders' Equity</b>	<b>260,930,948</b>	<b>187,074,548</b>	<b>41,927,983</b>	<b>22,346,258</b>	<b>20,874,709</b>	<b>20,167,917</b>
Share Capital	210,000,000	150,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Retained Earnings	50,930,948	37,074,548	21,927,983	2,346,258	874,709	167,917

<b>Non-Current Liabilities</b>	<b>50,537</b>	<b>377,688</b>	<b>276,574</b>	<b>-</b>	<b>-</b>	<b>-</b>
Long Term Borrowings	-	-	-	-	-	-
Deferred Tax Liability	50,537	377,688	276,574	-	-	-
<b>Current Liabilities</b>	<b>187,276,477</b>	<b>221,067,262</b>	<b>64,811,739</b>	<b>7,899,236</b>	<b>12,402,577</b>	<b>29,668,349</b>
Current Portion of Long Term Loan	-	-	-	-	-	-
Short Term Borrowings	158,902,048	210,776,454	53,187,033	-	-	-
Accounts payable	22,800,000	5,687,305				
Liabilities for Expenses	5,574,428	4,603,501	11,624,706	7,899,236	12,402,577	29,668,349
<b>Total Liabilities</b>	<b>187,327,015</b>	<b>221,444,950</b>	<b>65,088,312</b>	<b>7,899,236</b>	<b>12,402,577</b>	<b>29,668,349</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>448,257,962</b>	<b>408,519,498</b>	<b>107,016,295</b>	<b>30,245,494</b>	<b>33,277,286</b>	<b>49,836,266</b>
<b>Net Asset Value (NAV) per Share</b>	<b>12.43</b>	<b>12.47</b>	<b>20.96</b>	<b>11.17</b>	<b>10.44</b>	<b>10.08</b>

**B. Statement of Operating Result:**

<b>Particulars</b>	<b>Sept. 30, 2020</b>	<b>June. 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
Revenue	205,600,884	324,709,673	387,277,040	115,175,825	81,169,621	25,718,951
Less: Cost of Goods Sold	180,096,572	285,023,873	340,317,529	107,088,955	75,568,053	23,725,902
<b>Gross Profit/(Loss)</b>	<b>25,504,311</b>	<b>39,685,800</b>	<b>46,959,511</b>	<b>8,086,870</b>	<b>5,601,568</b>	<b>1,993,049</b>
Less: Operating Expenses	6,417,167	16,814,889	18,002,195	5,779,167	4,329,007	1,638,566
<b>Profit from Operation</b>	<b>19,087,144</b>	<b>22,870,911</b>	<b>28,957,316</b>	<b>2,307,703</b>	<b>1,272,561</b>	<b>354,483</b>
Less: Financial Expenses	2,340,139	5,011,319	5,092,125	43,782	9,227	32,252
<b>Net Operating Profit</b>	<b>16,747,006</b>	<b>17,859,592</b>	<b>23,865,191</b>	<b>2,263,921</b>	<b>1,263,334</b>	<b>322,231</b>
Add: Other Income/(Loss)	336,865	1,350,969	1,812,758	-	-	-
<b>Net Profit before WPPF</b>	<b>17,083,871</b>	<b>19,210,562</b>	<b>25,677,949</b>	<b>2,263,921</b>	<b>1,263,334</b>	<b>322,231</b>
Contribution to WPPF	813,518	914,789	1,222,759	-	-	-
<b>Profit Before Tax</b>	<b>16,270,353</b>	<b>18,295,773</b>	<b>24,455,190</b>	<b>2,263,921</b>	<b>1,263,334</b>	<b>322,231</b>
<b>Less: Income Tax Expenses</b>	<b>2,413,953</b>	<b>3,149,208</b>	<b>4,873,465</b>	<b>792,372</b>	<b>556,542</b>	<b>154,314</b>
Current Tax Expenses	2,741,104	3,048,093	4,596,891	792,372	556,542	154,314
Deferred Tax Expenses / (Income)	(327,151)	101,114	276,574	-	-	-
<b>Total Comprehensive Income</b>	<b>13,856,400</b>	<b>15,146,565</b>	<b>19,581,725</b>	<b>1,471,550</b>	<b>706,792</b>	<b>167,917</b>
<b>Earnings Per Share (Basic)</b>	<b>0.91</b>	<b>1.42</b>	<b>9.79</b>	<b>0.74</b>	<b>0.35</b>	<b>0.08</b>
<b>**Earnings Per Share (Adjusted)</b>	<b>0.66</b>	<b>0.72</b>	<b>0.93</b>	<b>0.07</b>	<b>0.03</b>	<b>0.01</b>



\*\*Adjusted Earnings Per Share (EPS) for all the years is calculated considering the latest outstanding number of share i.e 21,000,000

**C) Dividend declared:**

Particulars	Sept. 30, 2020	June. 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
	Taka		Taka	Taka	Taka	Taka
Cash dividend %	-			-	-	-
Stock dividend %	-			-	-	-

D) NIALCO ALLOYS LIMITED was registered as a public limited company under the Companies Act-1994 on 21st June 2011 vides Registration No.CH-8784.

E) The Company started its commercial operation in 5th July, 2015

F) The Company has no Subsidiary company.

G) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

H) The Company prepared accounts for the period ended Sept. 30, 2020 and year ended June 30, 2020.

I) Figures related to previous years have been rearranged wherever considered necessary.

Dated: November 24, 2020

Place: Dhaka

Sd/-

**G. KIBRIA & CO.**

*Chartered Accountants*

(e) Financial spread sheet analysis for the latest audited financial statements:

**Nialco Alloys Limited**  
**Statement of Financial Position**  
**As at September 30, 2020**

Particulars	Amount	Percentage on Total Asset	Grand Percentage
<b>Non-Current Assets</b>	<b>53,907,102</b>		<b>12.03%</b>
Property, Plant & Equipment	44,621,602	9.95%	
Capital Work In Progress	9,285,500	2.07%	
Pre-operative expenses	-	-	
Preliminary expenses	-	-	
Investment			
<b>Current Assets</b>	<b>394,350,860</b>		<b>87.97%</b>
Inventories	180,721,161	40.32%	
Trade and others Receivable	41,281,942	9.21%	
Advance, Deposit and Prepayments	76,334,181	17.03%	
Cash and Cash Equivalents	96,013,576	21.42%	
<b>TOTAL ASSETS</b>	<b>448,257,962</b>		<b>100.00%</b>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>	<b>260,930,948</b>		<b>58.21%</b>
Share Capital	210,000,000	46.85%	
Retained Earnings	50,930,948	11.36%	
<b>Non-Current Liabilities</b>	<b>50,537</b>	<b>0.01%</b>	
Long Term Loan	-	-	
Deferred Tax Liabilities	50,537	0.01%	
<b>Current Liabilities</b>	<b>187276476</b>		<b>41.78%</b>
Current Portion of Long Term Loan	-	-	
Short Term Borrowings	158,902,048	35.45%	
Accounts payable	22,800,000	5.09%	
Liabilities for Expenses	5,574,428	1.24%	
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>448,257,962</b>		<b>100.00%</b>

**Nialco Alloys Limited**  
**Statement of profit or loss & other comprehensive income**  
**For the period ended September 30, 2020**

Particulars	For the period ended September 30, 2020	Percentage on total revenue
<b>Revenue</b>	<b>205,600,884</b>	<b>100.00%</b>
Less: Cost of Goods Sold	180,096,572	87.60%
<b>Gross Profit/(Loss)</b>	<b>25,504,311</b>	<b>12.40%</b>
Less: Operating Expenses	6,417,167	3.12%
<b>Profit from Operation</b>	<b>19,087,144</b>	<b>9.28%</b>
Less: Financial Expenses	2,340,139	1.14%
<b>Net Operating Profit</b>	<b>16,747,006</b>	<b>8.15%</b>
Add: Other Income/(Loss)	336,865	0.16%
<b>Net Profit before WPPF</b>	<b>17,083,871</b>	<b>8.31%</b>
Contribution to WPPF	813,518	0.40%
<b>Profit Before Tax</b>	<b>16,270,353</b>	<b>7.91%</b>
Less: Income Tax Expenses	2,413,953	1.17%
Current Tax Expenses	2,741,104	1.33%
Deferred Tax Expenses / (Income)	(327,151)	-0.16%
<b>Total Comprehensive Income</b>	<b>13,856,400</b>	<b>6.74%</b>

(f) Earnings per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS:

(Amount in BDT)	
Particulars	30.09.2020
Net profit after Tax	13,856,400
Total existing number of Share	21,000,000
Weighted average number of Share	15,260,870
<b>Earnings per Share (EPS) considering existing no. of shares</b>	<b>0.66</b>
<b>Earnings per Share (EPS) considering weighted average no. of shares</b>	<b>0.91</b>

**Calculation of weighted average number of share**

Particulars	Number of Share	Weight	Weighted average no of Shares
Opening No. of Shares	15,000,000	92/92	15,000,000
New allotment No. of shares during the period (as on 30.09.2020)	6,000,000	4/92	260,869.57
<b>Total</b>	<b>21,000,000</b>		<b>15,260,870</b>

(g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings per Share:

(Amount in BDT)	
Particulars	30.09.2020
<b>Profit before tax</b>	<b>16,270,353</b>
Less: Non-operating Income	336,865
<b>Net profit before tax except other income</b>	<b>15,933,488</b>
Less: Income Tax Expenses	2,413,953
<b>Net profit after tax except other income</b>	<b>13,519,535</b>
Total existing number of Share	21,000,000
Weighted average number of Share	15,260,870
<b>Earnings per Share (EPS) considering existing no. of shares</b>	<b>0.64</b>
<b>Earnings per Share (EPS) considering weighted average no. of shares</b>	<b>0.89</b>

(h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS:

The Company did not annualize quarterly or half yearly EPS.

(i) Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

Particulars	Amount in Taka
Share Capital	210,000,000
Retained Earnings	50,930,948
<b>Total Shareholders' Equity</b>	<b>260,930,948</b>
Total Number of ordinary shares	21,000,000
<b>Net Assets Value (NAV) at Tk. 10.00 per share</b>	<b>12.43</b>

(j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.

If any circumstances arises as above respect, the Company shall follow the Commission guideline in due course

**SECTION (XXVI): APPLICATION PROCEDURE**

As per consent letter from Bangladesh Securities and Exchange Commission and the method as determined by exchange(s).



NIALCO ALLOYS LIMITED