

Gtctvj v B-uvZ Kgtc- wj wgtUW
407, tZRMvd wkí Gj vKv
XvKv-1208

welq: Avt`k|

Kvgktbi 14 Rb 2012 Bs s Zwi tLi Avt`k bs bs-GmBwm/GbtdvmfgU/1029/2012/336 Gi
mZ`wqZ Abyj uc Avcbvi AeMwZ I ctqvRbxq e`e`v Mbtbi Rb` GZ` mstM mshy³ Kiv ntj v|

wmKDwi wJR I G- tPA Kvgktbi ctq|

gxi tgvkvi i d tnvmb tPšajx
cwi Pvj K

wEZi bt

cäv b wbeñx KgRZP, XvKv óK G- tPA wj wgtUW

cäv b wbeñx KgRZP, PAMg óK G- tPA wj wgtUW

AeMwZi Rb` Abyj uc:

- 1| wbeñx cwi Pvj K, AvBb, GmBwm
- 2| wbeñx cwi Pvj K, GgAvBGm, GmBwm
- 3| wbeñx cwi Pvj K, wAvB, GmBwm
- 4| tPqvi g`vb gtnv` tqi `Bi, GmBwm

Avf`k

thtnZi Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) Gi section 2(g) tgvZvteK Appollo Ispat Complex Limited, ‘issuer’ wnmvte AwfwnZ (AZtci Bmjqvi etj D tj wZ);

thtnZi Bmjqvi 57,150,000 wJ mvavi Y tkqvi ctiZwJi AwfwnZ gj` 10.00 (`k) UvKv Ges Bmj gj` 70.00 (mEi) UvKv (60.00 UvKv wclgqvgmn) tgvU 4,000,000.00 UvKvi c0_wgK Mbcf`vtei Rb` cñtc±vm Rgv w` tqtQ;

thtnZi Bmjqvi 1.5415-0.40=1.1415 GK i fvg Rb 30, 2011 mvtj i Aw_R weeiYxtZ Ašf` Kti tQ hv Zvt` i gwj Kvbvq tbB| AwZwi` 1.1415 GK i fvg Aw_R weeiYxtZ Ašf`i dtj tKv`úvxi m`úwE AwZgj`wqZ n`qtQ| mZivs cñtc±vm G Ašf` Rb 30, 2011 Zwi tLi mgvB eQtii Aw_R weei bxtZ fvg mspvš-wel q Ai` x` Z` msthvRb Kti tQ, hvi dj kñZtZ D` Aw_R weei bxtZ Appollo Ispat Complex Limited Gi Aw_R Ae`vi mZ`, my` i I wbf` Z` cñZdwj Z nqwb| hv Securities and Exchange Ordinance, 1969 Gi my` úo j sNb;

thtnZi Kugkb Dctiwj wZ AvBb cwicvj tb e`Zvi `i`b Appollo Ispat Complex Limited Gi eivefi GKwU show-cause-cum-hearing notice m` bs-SEC/Enforcement/1029/2012/135 Zwi L 10 GwCj 2012 t`Y Kti Ges 17 GwCj 2012 Zwi tL kpvxi w` b avh`Kti Ges avh`KZ Zwi tL Appollo Ispat Complex Limited Gi cñZvwa Dcw`Z n`q` c` bs AICL/Admin/12/85 Zwi L 17 GwCj 2012 Gi gva`tg wj wLZ e`e` wLj Ktib| hvtZ Ab`v`bi gta`, wbtgv` w`l q, wj i D tj wZ AvfQ:-

Appollo Ispat Complex Limited submitted a written explanation vide letter No. AICL/Adm/12/85 dated April 17, 2012 stating, among others, the following :-

1. “You have referred to in paragraph 3 of your aforesaid letter that, before 30th June, 2011 the land measuring 1.5415 acres does not belong to the Company; value of such lands overstated the company's assets as of June 30, 2011. Incorporation of such incorrect financial statement to the Prospectus, in your opinion tantamount to furnishing "false/Incorrect information" and is a contravention of section 18 of the Securities and Exchange Ordinance, 1959.
2. In this regard, the facts are as follows:-
 - (a) The land in question measuring 1.5415 was under the possession of Appollo Ispat Complex Ltd., of which 0.5475 acre in the name of Mr. Md. Ansar Ali, Managing Director, Appollo Ispat Complex Ltd. and 0.9940 acres was in the name of Appollo Power Generation Limited.

(b) Regarding the land measuring 0.5475 acre, the same was under possession of Appollo Ispat Cornplex ltd. In fact, the said land was purchased by Appollo Ispat Complex Ltd. in

1999-2000 and it was in the possession of the company since purchase but inadvertently it was registered as "Md. Ansar Ali, Managing Director, Appollo Ispat Complex Ltd." by deed writer and District Sub-Registrar Office, Narayanganj instead of Appollo Ispat Complex Ltd. represented by Mr. Md. Ansar Ali, Managing Director. Where it seems that the land is owned by Mr. Md. Ansar Ali, which is not the fact. Meanwhile out of the above land of 0.5475 acre; we have already corrected the deed of 0.4000 acre land and mutation of the same have been completed and upto date rent have already been paid. For remaining 0.1475 acre land mutation have been completed in favour of Appollo Ispat Complex Ltd. and upto date rent have also been paid.

It is worth mentioning here that, so far there was no dispute what so ever and Appollo Ispat Complex Ltd. have been enjoying the land peacefully and it could mutate the land in its favour as Appollo Ispat Complex Ltd. was and is the rightful owner of the said land.

- c) Relating to the land in the name of Appollo Power Generation Ltd. the fact is that, in the year 2003, Appollo Ispat Complex Ltd. took a plan to set-up a captive power plant to feed power to its existing operation. Accordingly, a new company was formed in the name and style "Appollo Power Generation Company Ltd." and 0.9940 acres of land was purchased in its name. This land is located inside the present land area of Appollo Ispat Complex Ltd. In the later years due to unavailability of gas and various other problems, the power plant could not be set-up. As there was no operation and Appollo Power Generation Company Ltd. was totally non-functional, it signed an Agreement for Sale with Appollo Ispat Complex Ltd. for transferring of 0.9940 acres of land on 15-07-2007. In line with the same, Appollo Ispat Complex Ltd paid the full consideration and it was in the possession of the said land and was enjoying the economic benefit of the same. Meanwhile the registration of 0.9940 acres of land in the name of Appollo Ispat Complex Ltd. has already been completed and mutation is under process.
- (d) As the lands were under "Agreement for Sale/undertaking" and physical possession of the Company; and the economic benefits from those lands have been enjoying by the Company, the lands were included in the audited accounts since 2008 in terms of paragraph 35 of the Framework for the Preparation and Presentation of Financial Statements issued by the international Accounting Standards Board as the economic benefits of the lands have been enjoying by the Company notwithstanding "registration of such lands" in the Company's name.
- (e) No Bangladesh Accounting Standard (BAS)/ International Accounting Standard (IAS), specifically debar the Company from the aforesaid inclusion in the audited accounts for the year ended 30th June 2011. Conversely, It is a common practice in Bangladesh to make such inclusion in similar circumstances.

3. Because of the foregoing, your judgment that we have submitted "false/incorrect information" in the audited accounts for the year ended 30th June 2011, within the meaning of section 18 of the Securities and Exchange Ordinance, 1969, as mentioned in paragraph 3 of your aforesaid letter, is not correct, based on facts, standards and practice.
4. As we have not submitted any "false/incorrect information" within the meaning of section 18 of the Securities and Exchange Ordinance, 1969 in the audited accounts for the year ended 30th June 2011 (on the basis of which prospectus was submitted) we understand that we do not attract the provision of section 22 of the Securities and Exchange Ordinance, 1969 in relation to the audited accounts for the year ended 30th June 2011, as mentioned in paragraph 4 of your aforesaid letter. Our statement in the audited accounts for the year ended 30th June 2011, is true and fair, not willful and deliberate submission of "false/incorrect information", not attracting the provisions of section 22 of the Securities and Exchange Ordinance, 1969.

We hope that our aforesaid explanations shall be to your satisfaction and by accepting such explanations, you will kindly exempt us from the consequences of your aforesaid notice."

thñZi Appollo Ispat Complex Limited Gi wj wLZ e³e" t_#K my_úó cZxqgvb nq th, i'bvxi tbnU#ki Awf#hMmgñ Appollo Ispat Complex Limited #Kvi K#i#Q hv wmwKDwi wJR AvBb cwi cyj #b e" _Zv weavq section 22 of the Securities and Exchange Ordinance, 1969 Ab#vqx kw_#hM" Aciva, hv tKvbfvteB #lgv#hM" b#n;

thñZi Kwgk#bi we#Pbvq, wmwKDwi wJR AvBb cwi cyj #b Dwj wLZ e" _Zvi Rb", Z_v cyj RevRv#i i Dbq#bi cvkvcwk evRv#i i k#Lj v I ^QZv i #lvi _#_#D³ Bmjqv#i#K Rwi gvbn Kiv c#qvRb I mgxPxb;

AZGe, tmñZi Kwgkb, Dwj wLZ hveZxq weiq we#Pbvce#, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) Gi section 22 [hv The Securities and Exchange (Amendment) Act, 2000 #viv m#kwaZ] G c#E #lgZvetj Appollo Ispat Complex Limited Gi Dci 1 (GK) j #l UvKv Rwi gvbn avh#Kij hv A# Av# #ki Zwi L n#Z 15 (c#bi) w #bi g#a" #mwKDwi wJR I G- #P# Kwgkb# Gi AbK#j BmjKZ e'vsk W#dU/#c-AW#i i gva#tg Kwgk#b Rgv Ki #Z n#e|

wmwKDwi wJR I G- #P# Kwgk#bi Av# k#tg,

Aa'vcK W: Gg Lvqi"j tnv#mb
#Pqvi g'vb

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G#cv#j v B_#vZ Kg#c— wj wgtUW
407, #ZRMw# w#i Gj vKv
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