bs-GmBwm/Gb‡dvm‡g›U/1029/2012/343 ZwiLt 14 Rb 2012 Bs

gwmn gwnZ nK G¨vÛ †Kvs
PvUvW GKvD‡›U›Um
BDwUwm wewìs(†j‡fj 13)
XvKv-1015

welq: Av‡`k|

Kwgk‡bi 14 Rb 2012 Bs s Zwi‡Li Av‡`k bs bs-GmBwm/Gb‡dvm‡g›U/1029/2012/342 Gi mZ¨wqZ Abwjwc Avcbvi AeMwZ I c‡qvRbxq e¨e¯'v Mn‡bi Rb¨ GZ`ms‡M msh³ Kiv n‡jv|

wmwKDwiwUR I G·‡PÄ Kwgk‡bi c‡¶

gxi †gvkviid †nv‡mb †PŠaix
cwiPvjK

weZibt

cavb wbevnx KgKZv, XvKv óK G·‡PÄ wjwg‡UW

cavb wbevnx KgKZv, PÆMvg óK G·‡PÄ wjwg‡UW

AeMwZi Rb¨ Abwjwc:

1| wbevnx cwiPvjK, AvBb, GmBwm
2| wbevnx cwiPvjK, GgAvBGm, GmBwm
3| wbevnx cwiPvjK, wmAvB, GmBwm
4| Bbw÷wUDU Ae PvUvW GKvDb‡U›U Ae evsjv‡`k
5| †Pqvig¨vb g‡nv`‡qi `ßi, GmBwm

bs-GmBwm/Gb‡dvm©‡g›U/1029/2012/ ZvwiLt Rb 2012 Bs

Av‡`k

‡h‡nZ, M/s Masih Muhith, Haque & Co. Chartered Accountant, Appollo Ispat Complex Ltd. Gi Valuer wnmv‡e 1.5414-0.40=1.1415 GKi fwg Bm¨qv‡ii Aw_K weeiYx‡Z Ašf©³ K‡i (hv Appollo Ispat Complex Ltd. Gi gvwjKvbvaxb b‡n) m¤úwË AwZgj¨vqb K‡i‡Qb Ges Valuation Report c`vb K‡i‡Qb hv Securities and Exchange Ordinance, 1969 Gi m¯úó jsNb;

‡h‡nZ, Kwgkb Dc‡iwjwLZ AvBb cwicvj‡b e¨_Zvi `i"b M/s Masih Muhith, Haque & Co. Chartered Accountant Gi eive‡i GKwU show-cause-cum-hearing notice mÎ bs-SEC/Enforcement/1029/2012/138 ZwiL 10 Gwcj 2012 †ciY K‡i Ges 17 Gwcj 2012 Zvwi‡L kbvbxi w`b avh¨ K‡i Ges avh¨KZ Zvwi‡L M/s Zoha Zaman Kasir Rashid & Co., Chartered Accountants Gi cwZwbwa Dcw¯Z n‡q 17 Gwcj 2012 Zvwi‡Li c‡Îi gva¨‡g wjwLZ e³e¨ `vwLj K‡ib| hv‡Z Ab¨v‡b¨i g‡a¨, wb‡gv³ welq¸wji D‡jL Av‡Q:-

M/s. Masih Muhith Haque & Co., Chartered Accountants- the valuer of Appollo Ispat Complex Limited submitted a written explanation vide letter dated April 17, 2012 stating, among others, the following :-

"The land has been historically showed under the ownership of Appollo Ispat Complex Ltd. (AICL) in the auditor's Report causing us to continue well as before about ownership title of the land for AICL. However, as part of our due diligence, during the course of valuation of land and land development we requisitioned for land title deed from AICL. On submission of land title deeds we found land measuring .1475 acre under deed # 2362 dated 23.06, 1999 and land measuring, 40 acres under deed # 2041 dated 26.06.2000 totaling .5475 acre land is in the name of Mr. Ansar Ali. We enquired about the fact to the management and they responded to us that the land has been purchased from AICL money but wrongly registered in the name of Mr. Ansar Ali Managing Director AICL. However AICL was reaping full economic benefit from the land over the years. Subsequently we found a deed of correction for .40 acre land (Copy of original deed and correction deed enclosed) in the name of AICL.

Though the rest of land measuring .1475 acre was in the name of Mr. Ansar Ali Managing Director, AICL but AICL was reaping complete economic benefit from the land over the years. Indeed, ACIL was also the sole defacto owner. Mr. Ansar Ali's title (registered as Mr. Ansar Ali, Managing Director AICL not as Mr. Md. Ansar Ali alone) was virtually absorbed in that of ACIL for an practical purpose.

This is to be noted here that mutation of .1475 acre land which w2as in the name of Mr. Ansar Ali Managing Director, AICL was made in the name of AICL on 04.04.2012, JL No.-01. It is evident from the mutation that the land is in the name of AICL. This is also be noted that registration address was the address of AICL, not the address of Mr. Ansar Ali.

The land measuring .9940 acres was bought in the name of Appollo Power Generation Limited between 2004 to 2006. These registered in five parts lime .33 acres, .1714 acres, .0643 acres, .0643acres and .3640 acres respectively on 30/10/2004, 21/03/2004, 28/12/2004 and 13/03/2006. Appollo Power Generation Limited (APGL) reached into an agreement for sale with AICL on 15 July 2007. Under this agreement AICL agreed to pay Tk. 22,00,000 (Twenty Two lacs) only to APGL as consideration for the total land. This agreement was signed by Mr. Deen Mohammad, Chairmen APGL and Mr. Md. Ansar Ali Managing Director, AICL. The price was paid to APGL by AICL. This land has been in full use by AICL alone since this was located within the AICL compound. As the APGL was became the only user to the land. Moreover virtual title was with AICL due to non-functioning of APGL.

In continuation & sequence to the agreement for sale of .9940 acres, the land measuring .92 acres was registered on 28/03/2012 vide deed # 2633 in the name of AICL. The balance of land measuring .074acres was transferred to AICL on 03/04/2012 vide deed # 2791 in the Narayangonj Sadar Sub-Registry Office, Narayangonj. Thus currently AICL is the full title owner of this land measuring .9940 acres.

After observing above facts we have checked the basis of land ownership in the name of AICL as referred to in the Bangladesh Financial Reporting Standards (BFRS) framework, preparation and presentation of financial statements for external users para 35. We were in the opinion that the land measuring .1475 acre in the name of Mr. Ansar Ali Managing Director, AICL and .9940 acre land in the name of Appollo Power Generation Limited may be treated as the land of AICL. Para 35 of the framework reads as follows:

Substance over from: "If information is to represent faithfully the transaction and other events that it purports to represent. It is necessary that they are accounted for and presented in accordance with their substance and economic reality and not merely their legal form. The substance of transactions or other events is not always consistent with that which is apparent from their legal or contrived form."

Under the above mentioned explanation we appeal to your good salf to draw a logical conclusion about our role in the issue as we banked on historical audit report, physical possession & economic benefit reaped since long by AICL from the evidence about land in the Auditor's Report. While we request you to consider our position and look forward to your considerate look over this matter."

‡h‡nZ, M/s Masih Muhith, Haque & Co. Chartered Accountant Gi wjwLZ e³e¨ †_‡K m¯úó cZxqgvb nq †h, ïbvbxi †bwU‡ki Awf‡hvMmgn M/s Masih Muhith, Haque & Co. Chartered Accountant ¯xKvi K‡i‡Q hv wmwKDwiwUR AvBb cwicvj‡b e¨_Zv weavq section 22 of the Securities and Exchange Ordinance, 1969 Abhvqx kw¯‡hvM¨ Aciva, hv †Kvbfv‡eB ¶gv‡hvM¨ b‡n;

‡h‡nZ, Kwgk‡bi we‡ePbvq, wmwKDwiwUR AvBb cwicvj‡b DwjwLZ e¨_Zvi Rb¨, Z_v cwRevRv‡ii Dbq‡bi cvkvcwk evRv‡ii ksLjv I ¯"QZv i¶vi ¯v‡_ D³ wbix¶†K Rwigvbv Kiv c‡qvRb I mgxPxb;

AZGe, †m‡nZ, Kwgkb, DwjwLZ hveZxq welq we‡ePbvceK, Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969) Gi section 22 [hv The Securities and Exchange

(Amendment) Act, 2000 Øviv ms‡kvwaZ] G c`Ë ¶gZve‡j M/s Masih Muhith, Haque & Co. Chartered Accountant Gi Dci 2 (`B) j¶ UvKv Rwigvbv avh© Kij hv AÎ Av‡`‡ki ZwiL n‡Z 15 (c‡bi) w`‡bi g‡a¨ ÔwmwKDwiwUR I G·‡PÄ KwgkbÕ Gi AbK‡j Bm¨KZ e¨vsK WªvdU/†c-AW©‡ii gva¨‡g Kwgk‡b Rgv Ki‡Z n‡e|

wmwKDwiwUR I G·‡PÄ Kwgk‡bi
Av‡`kµ‡g,

Aa¨vcK W: Gg Lvqi“j †nv‡mb
‡Pqvig¨vb

<u>weZibt</u>

gwmn gwnZ nK G¨vÛ †Kvs
PvUvW© GKvD‡›U›Um
BDwUwm wew'ìs(†j‡fj 13)
XvKv-1015