



APOLLO ISPAT COMPLEX LIMITED

Registered & Corporate Office: 407, Tejgaon Industrial Area, Dhaka-1208 Tel: +88(02)9114946, 9115098, 9110974, 9137533-4, 8117559
Fax: +88(02) 9126291 E-mail: rani@accessstel.net, rani@apollo-ispac.com Web: www.apollo-ispac.com

PUBLIC OFFER OF 100,000,000 ORDINARY SHARES OF TK. 10/- PER SHARE AT AN ISSUE PRICE OF TK. 22/- EACH, INCLUDING A PREMIUM OF TK. 12/- PER SHARE TOTALING TO TK. 2,200,000,000/-

SUBSCRIPTION FOR GENERAL PUBLIC

Opening date:
March 03, 2013

Closing date:
March 07, 2013

MANAGER TO THE ISSUE



ICB CAPITAL MANAGEMENT LIMITED
(A SUBSIDIARY OF ICB)
BDBL Bhaban (level-16), 8, Rajuk Avenue, Dhaka-1000.
Phone: 7160326-7, Fax: 02-9555707, Website: www.icbcm.com.bd

SUBSCRIPTION FOR NRB APPLICANTS

Opening date:
March 03, 2013

Closing date:
March 16, 2013

CREDIT RATING STATUS:

| Credit Rating Agency of Bangladesh Limited (CRAB) | | | |
|---|--|---|---|
| Entity | BDT 2,129.68 million aggregate long term outstanding | BDT 1,025.40 million aggregate short term fund based limits | BDT 592.00 Million aggregate short term non fund based limits |
| Rating | BBB1 | BBB1 (Lr) | ST-3 |
| Date of Rating | 19 July 2012 | | |
| Validity | The entity rating is valid up to 30 June 2013 and the loan ratings are valid up to limit expiry date of respective credit facilities or 30 June 2013 whichever is earlier. | | |

DISCLAIMER:

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE / OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUE/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/ CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND /OR AUDITOR."

SPECIAL NOTE

Please read the prospectus carefully which includes "Risk Factors" before taking your investment decision. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money shall be forfeited by the commission and the balance amount will be refunded to the applicant. The application shall provide with the same bank account number in the application form as it is in the BO account of the application. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.

"শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।"

APOLLO ISPAT COMPLEX LIMITED- COMPANY PROFILE

Apollo Ispat Complex Limited (hereinafter referred to as AICL) was incorporated on December 31, 1994 as a Private Limited Company vide certificate no C-27541(133)94 under the Companies Act, 1994. Thereafter, the Company has been converted into a Public Limited Company on March 30, 2010. The registered office of the Company is located at 407 Tejgaon Industrial Area, Dhaka - 1208. Its factory is situated at Shirmal, Siddhigang, Narayanganj, only 14km, away from Dhaka. The project area is comprised of 14.614 acres of land. The Company went into commercial production in its 1st CGL in early July 1997 and 2nd CGL in early 2002 and Cold Rolled Manufacturing unit in January 2005. Initially the Authorized Capital of the Company was Tk. 1,000,000,000/- divided into 10,000,000 ordinary shares of Tk. 100/- each. Subsequently, the Company changed the face value of shares from Tk.100/- to Tk.10/- each and increased its Authorized Capital to Tk. 5,000,000,000/- divided into 500,000,000 ordinary shares of Tk. 10/- each on March 30, 2010.

Apollo is the pioneer in CI sheet business in Bangladesh. It started its journey by establishing modern and sophisticated Continuous Galvanizing Line (CGL). Today, Apollo is much ahead by producing its own raw materials at its own art-of-the-state Cold Rolling Mill and established itself as one of the largest CI Sheet manufacturing of the country.

The entire production facilities are highly sophisticated, operated by a group of skilled technician and managed by a resourceful management team. With the best precision Japanese technology, sincere and skilled human resources, the company is producing the best quality CI sheets for the country. The company maintains high standard in its manufacturing process and ensures quality as per international standards such as ASTM, JIS, SI & BS. The reputed trading base and quality product helps the company to achieve a large marketing network around the country. "Rani Marka Dheutim". Apollo is planning to expand its operating capacity through installation of a high quality NOF (RTF technology) Galvanizing plant and captive power plant. NOF plant produces environment friendly shiner CI sheets that looks better and catch customer attention from the distant. Shiner roll views are still used as symbol of aristocracy in rural areas. NOF products can command a premium price over regular CI sheets. Moreover, as no Acid and lead is used in the manufacturing process, the products is environment friendly.

| Important Date | Date |
|---|---|
| Particulars | |
| Date of Incorporation | December 31, 1994 |
| Date of Commercial Production | 1st CGL - July 1997, 2nd CGL - early 2002, CRM - January 2005 |
| Converted into Public Limited Company | March 30, 2010 |
| Authorized Capital increased | March 30, 2010 |
| Split the face value from Tk.100/- to Tk.10/- | March 30, 2010 |
| Certified ISO 9001-2008 | March 07, 2011 |

NATURE OF BUSINESS

The Company is engaged in manufacturing and selling of CI (Corrugated Iron) Sheet at different thickness, ranging from 0.120 mm to 0.420 mm, which is marketed mainly in rural and semi-urban areas of Bangladesh under its well established brand "Rani Marka Dheutim". The details of the product and production process are as under:-

| Sl. No. | Product | Grade | Thickness | Width |
|---------|--|---|--------------------|----------------|
| 1. | Cold Rolled Full Hard Coil (C.R. Coil) | JIS G3141 SPCC-18/1D for base metal for use of galvanizing plant to produce GPC/Sheet | 0.095mm to 0.420mm | 762mm to 914mm |
| 2. | Galvanized Plain and Corrugated Sheet | JIS G3302 with regular Spangle, Zinc Coated 2-90GSM to 2-180GSM with regular Spangle, Chromated and bright finish for uses in roofing, fencing doors etc. | 0.110mm to 0.500mm | 650mm to 850mm |

NAME AND ADDRESS OF THE AUDITOR

A.Matin & Co.
Chartered Accountants
M1, Kakrali,(3rd Floor),Flat No.-08, Dhaka-1000 Phone: 8318191, Cell: 01199-835489,01713-453596, E-mail: akmatinmatin@yahoo.com

AVAILABILITY OF PROSPECTUS

Prospectus of Apollo Ispat Complex Limited may be obtained from following addresses:

| Company | Contact person | Contact Number |
|--|---|--|
| Apollo Ispat Complex Limited 407, Tejgaon Industrial Area, Dhaka-1208 | Mr. Hafizur Rahman Sarker FCMA Chief Financial Officer | Tel: 9114946, 9137533-4 Fax: 88-02-9126291 |
| Manager to the Issue: | Contact Person | Contact Number |
| ICB Capital Management Limited BDBL Bhaban (Level - 16), 8 Rajuk Avenue, Dhaka-1000. | Mr. Md. Moshirur Rahman Chief Executive Officer | Tel: 7160326-7 Fax: 88-02-9555707 |
| Underwriters: | Contact person | Contact Number |
| ICB Capital Management Ltd. BDBL Bhaban (Level - 16), 8 Rajuk Avenue, Dhaka-1000. | Mr. Md. Moshirur Rahman Chief Executive Officer | Tel: 02-7160326-7 Fax: 88-02-9555707 |
| Phoenix Insurance Co. Ltd. 1/A, Dilkusha C/A, Dhaka-1000. | Mr. Md. Rafiqur Rahman Company Secretary | Tel: 9563609 Fax: 9563766 |
| BMSL Investment Limited Sachchidan Bima Tower(7th Floor) Dilkusha C/A, Dhaka-1000. | Chief Executive Officer | Tel: 9567002, 9570624 Fax: 88-02-7123820 |
| Rupali Life Insurance Co. Ltd. Rupali Bima Bhaban (9th Floor), 7 Rajuk Avenue, Dhaka-1000. | Biswajit Kumar Mondal Dy. Managing Director & Company Secretary | Tel: 9571355, 9566541 9566527 Fax: 88-02-9570580 |
| Bank Asia Limited Rangs Tower(2nd to 6th Floor), 68 Purana paltan, Dhaka-1000. | Imran Ahmed, FCA, CISA CFO | Tel: 7115881, 9515128-30, 7115524 Fax: 88-02-7111164 |
| Sonal Investment Limited Sara Tower, 11th Floor, 11/A Toyneeb Circular Road, Motijheel C/A, Dhaka-1000. | Dr. Md. Wajiar Rahman Chief Executive Officer | Tel: 9568777, 9556940 Fax: 88-02-7170001 |
| Prime Finance Capital Management Ltd 63, Dilkusha C/A (3rd Floor), Dhaka-1000. | M. Mosharraf Hossain Phd, FCA MD & CEO | Tel: 9569883 Fax: 88-02-9563692 |

| Stock Exchanges: | Available at | Contact Number |
|---|--------------------|-------------------------------|
| Dhaka Stock Exchange Ltd. 9/F, Motijheel C/A, Dhaka-1000. | DSE Library | 02-9564601-7, 02-7175705-9 |
| Chittagong Stock Exchange Ltd. CSE Building, 1080, Sheikh Mujib Road, Chittagong-4100. | CSE Library | 031-714632-3 031-720871-3 |

Prospectus would also be available on the web site of SEC (www.secd.org), DSE (www.dsebd.org), CSE (www.csebd.com), Apollo Ispat Complex Limited (www.apollo-ispac.com) and Issue Manager (www.icbcm.com.bd) and Public Reference Room of the Securities and Exchange Commission (SEC) for reading and studying.

REFUND OF SUBSCRIPTION MONEY

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form:-

- Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
- Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription.

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected. remittance has been effected.

Auditors' certificate regarding calculation of EPS and other ratios

We have examined the following earning per share (EPS) and other ratios of Apollo Ispat Complex Limited for the years ended 30 June 2012, 2011, 2010, 2009, and 2008 which have been produced by the applicant in the application form to us. The preparation of the EPS and other ratios is the responsibility of the company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using acceptable principles on the basis of the audited financial statements for the years ended 30 June 2012, 2011, 2010, 2009, and 2008.

Based on our review, we certify that the company has properly prepared the following EPS and other ratios using acceptable principles on the basis of audited financial statements for the years ended 30 June 2012, 2011, 2010, 2009, and 2008

| For the year ended | 30-Jun-12 | 30-Jun-11 | 30-Jun-10 | 30-Jun-09 | 30-Jun-08 |
|--|-----------|-------------|------------|-----------|-----------|
| Liquidity ratios | | | | | |
| Current ratio | 1.8 | 2.1 | 1.8 | 5.4 | 239.6 |
| Quick (Acid Test) ratio | 0.5 | 0.6 | 0.4 | 1.4 | 114.1 |
| Times interest earned ratio | 2.8 | 2.2 | 1.7 | 1.4 | 0.6 |
| Debt to equity ratio | 1.0 | 1.8 | 7.4 | 12.7 | 21.0 |
| Operating ratios | | | | | |
| Accounts receivable turnover ratio (Times) | 6.9 | 7.2 | 9.3 | 7.1 | 3.2 |
| Inventory turnover ratio (Times) | 1.2 | 1.4 | 1.6 | 1.6 | 2.1 |
| Asset turnover ratio (Times) | 0.7 | 0.9 | 1.0 | 0.9 | 0.8 |
| Profitability ratios | | | | | |
| Gross profit margin | 21.2% | 18.3% | 18.2% | 17.2% | 9.3% |
| Operating profit margin | 19.2% | 16.4% | 16.4% | 14.9% | 7.0% |
| Net profit margin | 7.1% | 5.9% | 5.6% | 4.1% | -7.8% |
| Return on Assets (ROA) | 4.8% | 5.1% | 5.6% | 3.5% | -6.1% |
| Return on Equity (ROE) | 10.4% | 14.7% | 47.5% | 48.5% | -134.3% |
| Earning Per Share (Take) | 2.36 | 2.80 | 6.14 | 32.91 | -46.87 |
| Weighted No. Of Share | 150,000 | 100,958,333 | 43,000,000 | 4,300,000 | 4,300,000 |

| Liquidity ratios | Formula |
|-----------------------------|--|
| Current (Acid Test) ratio | Current assets / Current liabilities |
| Times interest earned ratio | (Current assets - Inventories - goods in transit) / Current liabilities |
| Debt to equity ratio | (Net profit before interest expense + other income) / Net finance cost |
| Debtors turnover ratio | Total debt / Total equity |
| Inventory turnover ratio | Net credit sales / (net receivable) |
| Asset turnover ratio | Cost of sales / (inventory + goods in transit) |
| Gross profit margin | Turnover total assets |
| Operating profit margin | Gross profit / Turnover |
| Net profit margin | Operating profit / Turnover |
| Return on Assets (ROA) | Net profit after tax / Total assets |
| Return on Equity (ROE) | Net profit after tax / Total equity |
| Earnings Per Share (Take) | Net profit after tax attributable to ordinary shareholders / Number of ordinary shares outstanding |

Auditors' report under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994

We have examined the Financial Statements of Apollo Ispat Complex Limited for the years ended 30 June 2012, 2011, 2010, 2009 and 2008. In pursuance of Section-135 (1) and Para-24 (1) of Part-I of Schedule-III of the Companies Act 1994, we report that:

| A) The statement of assets and liabilities of the company was as under | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| For the year ended | 30-Jun-12 | 30-Jun-11 | 30-Jun-10 | 30-Jun-09 | 30-Jun-08 |
| Non-Current Assets | Taka | Taka | Taka | Taka | Taka |
| Property, plant and equipments | 2,534,845,438 | 1,408,959,822 | 1,439,478,383 | 1,509,346,490 | 1,149,220,140 |
| Property, plant and equipments Cost | 4,042,540,702 | 2,808,842,935 | 2,721,365,769 | 2,663,157,171 | 2,134,022,473 |
| Less: Accumulated depreciation | 1,507,695,265 | 1,399,883,313 | 1,281,887,386 | 1,153,810,681 | 984,802,333 |
| Deferred Exp | | | | 1,380,705 | 1,511,894 |
| Investments | 106,500,000 | 106,500,000 | 106,500,000 | | |
| Total Non-Current Assets | 2,641,345,438 | 1,515,459,622 | 1,545,978,383 | 1,510,707,195 | 1,150,732,034 |
| Current Assets | Taka | Taka | Taka | Taka | Taka |
| Trade debtors | 3,315,217,388 | 2,886,393,490 | 2,419,173,931 | 1,825,458,264 | 1,131,221,763 |
| Current debtors | 21,637,949 | 673,711,027 | 505,641,710 | 490,679,406 | 819,676,783 |
| Advances and deposits | 383,385,149 | 275,136,005 | 163,663,424 | 110,727,870 | 127,432,579 |
| Advance income tax | 235,378,519 | 189,884,632 | 68,805,935 | 47,308,372 | 54,600,198 |
| Cash and cash equivalents | 61,493,794 | 58,197,995 | 38,562,270 | 25,531,646 | 26,055,555 |
| Total current Assets | 4,717,112,799 | 4,083,323,149 | 3,195,847,270 | 2,499,705,558 | 2,158,986,878 |
| Total Assets | 7,358,458,237 | 5,598,782,771 | 4,741,825,653 | 4,010,412,753 | 3,309,718,912 |
| Equity & Liabilities | Taka | Taka | Taka | Taka | Taka |
| Shareholders' equity | | | | | |
| Share capital | 1,500,000,000 | 1,500,000,000 | 430,000,000 | 430,000,000 | 430,000,000 |
| Retained earnings | 774,891,232 | 420,841,617 | (43,390,376) | (265,343,253) | (406,873,146) |
| Revaluation Reserve | 1,141,578,189 | | 169,068,916 | 126,926,584 | |
| Tax holiday reserve | | | | | |
| Total shareholders' equity | 3,416,469,481 | 1,920,841,617 | 555,598,542 | 291,583,331 | 150,053,438 |
| Non-Current liabilities | Taka | Taka | Taka | Taka | Taka |
| Term Loan - Long Term Portion | | | | | |
| Long term borrowings | 1,358,026,425 | 1,773,657,711 | 2,372,290,736 | 3,251,772,007 | 3,150,654,619 |
| Current liabilities | Taka | Taka | Taka | Taka | Taka |
| Short term finance | 1,343,518,830 | 1,061,167,199 | 996,589,838 | 451,644,775 | — |
| Bank Overdraft | 168,405 | 5,228,018 | 59,241,821 | — | — |
| Liabilities for expense | 204,076,670 | 16,740,383 | 13,121,748 | 14,369,140 | 9,010,855 |
| Current Portion of Long Term Loan | 769,652,921 | 598,633,024 | 674,634,206 | — | — |
| Provision against Investment | 2,150,000 | 1,000,000 | — | — | — |
| Provision for income tax | 348,459,784 | 204,527,209 | 60,692,348 | — | — |
| Trade creditors | 3,558,384 | 3,513,389 | 1,243,580 | 1,043,500 | — |
| Liabilities for Deferred Taxes | 77,944,593 | | | | |
| Provision for Bad Debt | 14,432,759 | 13,474,221 | 10,112,834 | — | — |
| Total current liabilities | 2,583,962,331 | 1,904,283,443 | 1,813,836,375 | 467,057,415 | 9,010,855 |
| Total equity and liabilities | 7,358,458,237 | 5,598,782,771 | 4,741,825,653 | 4,010,412,753 | 3,309,718,912 |

| B) The statement of operating results of the company was as follow | | | | | |
|--|----------------------|--------------------|--------------------|--------------------|----------------------|
| For the year ended | 30-Jun-12 | 30-Jun-11 | 30-Jun-10 | 30-Jun-09 | 30-Jun-08 |
| | Taka | Taka | Taka | Taka | Taka |
| Turnover | 4,998,531,483 | 4,820,320,983 | 4,701,086,562 | 3,491,389,195 | 2,600,346,610 |
| Cost of sales | 3,939,225,965 | 3,937,002,169 | 3,644,397,268 | 2,891,790,902 | 2,358,410,728 |
| Gross profit | 1,059,305,518 | 882,718,814 | 856,689,294 | 599,598,293 | 241,935,882 |
| Administrative expenses | 75,138,088 | 64,631,379 | 55,210,471 | 65,840,944 | 51,601,619 |
| Selling and distribution expenses | 25,214,011 | 26,611,233 | 32,079,439 | 13,195,403 | 9,511,787 |
| Profit from operation | 958,952,698 | 791,476,202 | 771,399,384 | 520,761,946 | 180,822,476 |
| Financial expense | 352,300,394 | 378,360,425 | 456,932,206 | 395,914,458 | 492,308,554 |
| Net profit from operation | 606,652,304 | 413,115,777 | 314,467,178 | 124,847,488 | (31,486,077) |
| Non operating income | 18,785,715 | 26,862,159 | 10,340,381 | 16,682,405 | 109,956,363 |
| Net profit before provisions | 625,438,019 | 439,977,936 | 324,807,559 | 141,529,893 | (201,529,714) |
| Provision against investment | 1,150,000 | 1,000,000 | — | — | — |
| Net profit before tax | 624,288,019 | 438,977,936 | 324,807,559 | 141,529,893 | (201,529,714) |
| Provision for income tax | 192,293,751 | 156,166,013 | 60,692,348 | — | — |
| Deferre Tax Liabilities | 77,944,593 | — | — | — | — |
| Net profit after tax | 354,049,675 | 282,811,923 | 264,115,211 | 141,529,893 | (201,529,714) |