

RIGHTS SHARE OFFER DOCUMENT

Date: March 07, 2018

Rights Offer of **98,552,700** Ordinary Shares of **Tk.10.00** each at per, totaling **Tk. 985,527,000.00** offered on the basis of **01[R]:01**, i.e. 01 (one) Rights Share for every 01 (one) existing share held on the record date.

Record Date For Entitlement Of Rights Offer	April 05, 2018
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PERIOD OF SUBSCRIPTION

Opening date of subscription	July 29, 2018
Closing date of subscription	August 26, 2018
Within banking hours	

MANAGERS TO THE ISSUE



GSP Investments Limited

1, Paribagh, Mymensingh Road
Dhaka-1000, Bangladesh.

PABX: 880-2-9674306, Fax: 880-2-9674194

E-mail: info@gspfinance.com; Web: www.gspfinance.com



MTB Capital Ltd.

MTB Tower (Level 3), 111 Kazi Nazrul Islam Avenue
Bangla Motor, Dhaka-1000

Phone: +88(02) 8321760, Fax: +88(02) 8321543

E-mail: info.mtbcap@mutualtrustbank.com; Web: www.mtbcap.com

FULLY UNDERWRITTEN BY

MTB Capital Ltd. MTB Tower (Level 3), 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka 1000	GSP Investments Limited 1, Paribagh, Mymensingh Road, Dhaka-1000
Banco Finance And Investment Limited Shefali Complex (4th Floor), 218/3/A West Kafrul Begum Rokeya Sharani, Taltola, Sher-e-Bangla Nagar, Dhaka-1207	

BANKERS TO THE ISSUE

Mutual Trust Bank Limited MTB Centre 26 Gulshan Avenue Gulshan 1 Dhaka 1212, Bangladesh	South Bangla Agriculture and Commerce Bank Limited Sun Moon Star Tower 37, Dilkusha C/A, Dhaka-1000
Investment Corporation of Bangladesh (ICB) 8, DIT Avenue (Level 14-17), Dhaka-1000	



Zaheen Spinning Limited

House # 59/A, Road # 12/A (6th & 7th floor), Near Takwa Masjid
Dhanmondi, Dhaka-1209, Bangladesh

Phone: +88-02-8191588, 8191522; Fax: +88-02-8191522

Email: info@zaheenspinningltd.com; Web: www.zaheenspinningltd.com

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

TABLE OF CONTENTS

Reference	Particulars	Page Number
Rule-8(a)	Date of the rights share offer document	1
Rule-8(b)	Amount of rights share, divided into number of shares, per value and the issue price of each share, and number of right offered for each existing share.	1
Additional	Definition and Elaboration of the abbreviated words.	4
	Corporate Information	6
Rule – 8 (c)	Highlight of the rights offer, risk factors, and management plans for reduction of such risks	7-12
	Highlight of the rights offer [History of the Company, Corporate Status and Background, Nature of Business, The Rights Issue and Issue Price]	7
	Risk Factor and Management Perception About the Risks	7-12
Rule – 8 (d)	Date and Time of Opening and Closing of Subscription	13
Rule – 8 (e)	Purposes of raising fund through rights share, specifying clearly the heads and amount of the fund utilization, and identifying various proposed projects with heads and amount of expenditure for each projects, and also highlights of such projects	13
	Purpose of the raising fund through rights issue	13
Additional	Five years Information Regarding AGM Held and Dividend Declared	13
Rule – 8 (f)	Name of the products manufactured or to be manufactured or services rendered or to be rendered by the issuer together with capacity or proposed capacity of the existing and proposed projects vis-a-vis capacity utilized by the existing project during the last three years or such shorter period during which the issuer was in commercial operation.	13-14
	Existing Services Rendered by the Company	13
Additional	Equity Structure of the Company	14
	Financial Highlights of the Previous Years	14
Rule – 8 (g)	If the issue price of rights share is higher than the par value thereof, justification of the premium should be stated with reference to	14-16
	Net Asset Value Per Share	15
	Average Market Price Per Share	16
Rule – 8 (h)	Cash flows statement, profit and loss account, balance sheet, changes in equity and notes to the accounts of the issuer	17-41
	Auditors' report to the shareholders of Zaheen Spinning Limited	17
	Statements of Financial Position	18
	Statement of Comprehensive Income	19
	Statement of Changes in Equity	20
	Statement of Cash Flows	21
	Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Information	22-41
Rule – 8 (i)	Summarized cash-flows statement, profit and loss account and balance sheet, and dividend declared and paid for each of the 5 (five) years immediately preceding the issue of rights share offer document or for such shorter period during which the issuer was in commercial operation.	42-45
	Auditors Report in pursuance of section 135(1) under Para 24(1) of part – II of the Third Schedule of Companies Act 1994 and Ratio of Zaheen Spinning Limited	42-45
	Auditors' Certificate Of Compliances Of Conditions Of The Corporate Governance Guidelines to the shareholders [SEC/CMRRCD/2006-158/134/Admin/44 Dated 7august 2012]	46
Rule – 8 (j)	Length of time during which the issuer has carried on business	46
Rule – 8 (k)	Implementation schedule for completion of each segment of the project alongwith the proposed dates of trial and commercial operation of the proposed project	46-48
Rule – 8 (l)	Quantity of shares held by each director and persons who hold 5% or more of the paid-up share capital of the issuer on the date of the rights share offer document.	49
	Quantity of shares held by each director on the date of the rights share offer document.	49
	Composition of shareholding position of the company	49
	Beneficial owners holding shares 5% or Above	49
Rule – 8 (m)	Name, address, description and occupation of directors; managing director, managers and company secretary of the company	50

	Board of Directors	50
	Management & Executives	50
Rule – 8 (n)	Name of the public listed companies under common management	51
Rule – 8 (o)	Name and address of the underwriter(s) along with the number of shares underwritten by each underwriter, and also the name and address of issue manager, auditors, legal adviser and banker to the rights issue	51
	Classified Information and Underwriters	51
	Underwriters' Obligation	51
Rule – 8 (p)	Particulars along with the terms and conditions of the material contracts including vendors' agreement, underwriting agreement, issue management agreement, agreement with the banker to the issue and contract for acquisition of property, plant and equipment	52-53
	Terms and Condition of Right Issue [Basis of the Offer, Entitlement, Acceptance of Offer, Renunciation. General, Condition of Subscription, Payment of Share Price, Lock-in on Rights Share and Other]	52
	Material Contracts [Bankers to the Issue, Underwriters, Manager to the Issue, Vendor's agreement & Contract for Acquisition of property]	53
Rule – 8 (q)	Number of rights shares that the directors are going to subscribe, and in case they propose to make renunciation, the reasons and extent of such renunciation	54
	Directors' take-up in the Rights Offer	54
Rule – 8 (r)	Statement of actual utilization of fund raised by public offering of shares or rights shares, if any, prior to the proposed rights issue vis-a-vis plan thereof.	54
	Declaration regarding utilization of previous fund (IPO)	54
Rule – 8 (s)	Application form for depositing the subscription money with the bankers to the issue for the rights share, with the provision for renunciation of the rights offer	59-63
	Application Form-A, Bankers to the Issue	59-61
	Renunciation Form-B & C	62-63
Rule – 8 (t)	Declaration about the responsibility of the issue manager, the underwriter, the auditors and the directors in Forms-A, B, C, and D respectively	55-57
	Form-A & Form-B	55
	Form-C & Form-D	56-57
Rule – 8 (u)	A statement that a lock-in on the rights shares of the directors (including their renounced shares) for a period of three years from the date of closure of the rights share subscription shall be operative	57
	Statement of Lock-in on the Rights Shares	57
Rule – 8 (v)	A declaration that the rights shares to be issued in dematerialized form and that the subscribing shareholders have to apply with respective depository accounts	1

**DEFINITION AND ELABORATION OF THE ABBREVIATED
WORDS AND TECHNICAL TERMS USED IN THE RIGHTS OFFER DOCUMENT**

Acronym	Elaboration
Allotment	: Letter of Allotment for Shares
BB	: Bangladesh Bank
BSEC	: Bangladesh Securities and Exchange Commission
BO A/C	: Beneficial Owner Account or Depository Account
CDBL	: Central Depository Bangladesh Ltd.
Commission	: Bangladesh Securities and Exchange Commission
Companies Act	: Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	: Chittagong Stock Exchange Limited
DSE	: Dhaka Stock Exchange Limited
EPS	: Earnings Per Share
Issue	: Rights Issue
Issuer Company	: Zaheen Spinning Limited
Issue Managers	: GSP Investments Limited & MTB Capital Ltd.
NAV	: Net Asset Value of the Company
Offering Price	: Price of the Securities of Zaheen Spinning Limited being Offered
Registered Office	: Head Office of the Company
RI	: Rights Issue
Rights Issue Rules	: Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	: Registrar of Joint Stock Companies & Firms
ROD	: Rights Share Offer Document
Securities	: Shares of Zaheen Spinning Limited
Share Market	: Market of the Securities in Bangladesh
ZSL	: Zaheen Spinning Limited
Sponsors	: The Sponsor Shareholders of Zaheen Spinning Limited
Stockholders	: Shareholders
Subscription	: Application Money
The Company	: Zaheen Spinning Limited



Zaheen Spinning Limited

House # 59/A, Road # 12/A (6th & 7th floor), Near Takwa Masjid
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RIGHTS ISSUE OF SHARES

Date: March 08, 2018

Dear Shareholder(s)

We are pleased to inform you that the shareholders of the Company in its 10th Annual General Meeting (AGM) held on 05.10.2017 approved Rights Shares issue proposal of 98,552,700 Ordinary Shares of Tk. 10.00 each at per totaling Tk. 985,527,000 offered on the basis of 1(R):1 i.e. 01 rights share for every 01 existing share held on the record date. The purpose of issuance of Rights Share is to raise further paid up capital for expansion of the existing project, to meet the requirement of working capital and partial loan repayment of the company.

Having satisfactory operation, the Company has earned Net Profit (after Tax) of Tk. 119,249,204 for the period ended on June 30, 2017. The success could have been possible with the support of our customers and efficient direction of the Board of Directors as well as patronization and active participation of our valued shareholders.

To maintain the growth and to increase the capital base of your Company, we hope you would come forward with full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared according to the Securities and Exchange Commission (Rights Issue) Rules, 2006 of the Bangladesh Securities and Exchange Commission is enclosed for your kind information and evaluation.

On behalf of the Board of Directors,

Sd/-

A. M. Badruzzaman Khashroo
Managing Director

CORPORATE INFORMATION



ZAHEEN SPINNING LIMITED

COMPANY MILESTONES			
Stock Summary & Financial Information			
Authorized Capital	Tk.	4,000.00 Million	As per Audited Financial Statements for the period ended 30 June 2017
Paid up Capital	Tk.	856.98 Million	
Total Shareholders' Equity	Tk.	1,205.78 Million	
Total Assets	Tk.	1,354.19 Million	
Total Operating Profit	Tk.	158.11 Million	
Net Cash Generated from Operating activities	Tk.	63.91 Million	
No. of Employees		501 Persons	
Corporate History			
Particulars	Registration/License No.		Issue Date
Incorporation of the Company	C-67789(340)/07		July 22, 2007
Commencement of Business	N/A		February 15, 2010
Conversion to Public Ltd. Company	N/A		August 14, 2012
BOI Registration	L-52050801020-H		January 23, 2008
TIN Certificate	899220336050		June 01, 2016
VAT Registration	000167544		May 23, 2017
Trade License	104		August 04, 2016
Import Registration Certificate	Ba-0191390		October 14, 2008
Head/Regeistered Office	House # 59/A, Road # 12/A (6th & 7th floor), Near Takwa Masjid Dhanmondi, Dhaka-1209, Bangladesh		
Factory Premises	Jhawgara, Araihasar, Narayangonj industrial city in Narayangonj - Bangladesh.		
Board of Directors			
Chairman	Mrs. Farida Khanam		
Managing Director	A. M. Badruzzaman Khashroo		
Director	Mahmudur Rahman		
	Mrs. Nusrat Jahan		
Independent Director	Md. Md. Abbas Ali Khan		
Corporate Officials			
Company Secretary	Md. Mohin Uddin		
Chief Financial Officer	Md. Faruq Hossain		
Others Information			
Statutory Auditors	Ahmad & Akhtar Chartered Accountants BCIC Bhaban (3 rd Floor), 30-31, Dilkusha C/A, Dhaka-1000.		
Legal Advisor	The Legal Edge Akram Tower (11 th Floor), Suit-02, 15/5 Bijoy Nagar, Dhaka-1000.		

Corporate Status and Background

Zaheen Spinning Limited was incorporated in Bangladesh as a private limited company on July 22, 2007 and subsequently converted into public limited company on 2012.

ZSL became listed with Dhaka Stock Exchanges Limited on March 11, 2015 and with Chittagong Stock Exchange Limited on February 19, 2015. The registered office and principal place of business of the company is located at House # 59/A, Road # 12/A (6th & 7th floor), Near Takwa Masjid Dhanmondi, Dhaka-1209, Bangladesh and its factory is situated at Jhawgara, Araihasar, Narayangonj industrial city in Narayangonj, Bangladesh.

Nature of Business

The company is committed to produce fine quality cotton yarn from different counts, 100%, cotton yarn normal or high bulk. The yarn is used in different end markets such as knitwear, fabrics, socks and weaving. We currently have an estimated annual production capacity of 720 Tons. The owner of the company had spent a long time in this field as he was since 25 years.

History of the Company

Zaheen Spinning Ltd. a Public Limited Company has been envisaged by a group of dynamic entrepreneurs who have been immense contribution to development of the textile sector of Bangladesh. The sponsors have a very long history in industrial management. The Company was incorporated on July 22, 2007 as Private Limited Company under the Companies Act, 1994 vide registration no. C-67789(340)/07 and started trial run of operation in February 15, 2010. Subsequently ZSL was converted into a Public Limited Company on August 14, 2012. The existing project is located at Jhawgara, Araihasar, Narayangonj. Presently the project has in total 13,560 spindles with daily production capacity of 5320 kg Carded Cotton Yarn. ZSL is a deemed exporter and majority of its goods are supplied to Knit industries for export.

The Rights Issue

Zaheen Spinning Limited plans to increase paid-up capital through issuance of Rights Shares. The Board of Directors of Zaheen Spinning Limited in its meeting held on April 29, 2017, recommended for issuance of Rights Share on the basis of 01[R]:01, i.e. 01 (one) right shares for every 01 (one) existing share held on the record date for entitlement. The Rights offer is issuance of **98,552,700** Ordinary Shares of **Tk. 10.00** each at per, totaling **Tk. 985,527,000.00** offered on the basis of 01[R]:01, i.e. 01 (one) right share for every 01 (one) existing share held on the record date which has been approved by the shareholder in the 10th AGM held on 05.10.2017.

Issue Price

The Rights offer is issuance of **98,552,700** Ordinary Shares of **Tk. 10.00** each at per, totaling **Tk. 985,527,000.00** offered on the basis of **01[R]:01**, i.e. 01 (one) right share for every 01 (one) existing share held on the record date.

RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT THE RISKS [see rule-8(c)]

Risk is always associated with investments and investing in any company belonging to whatever sector has its own both internal and external risk factors. Some of these risk factors, are specific to Zaheen Spinning Limited and of a general nature, which may affect the future operating and financial performance of the Company and the value of an investment. Some of these factors can be overcome by the use of good internal control system, provision of risk mitigation strategies and by providing appropriate safeguards in place. However, some risks cannot be avoided and mitigated by the Company as they are uncontrollable. Still Zaheen Spinning Ltd has its own risk management system to prevent any kind of threat and fraud. It has good security system for safeguards of its major assets, as well system to identify, measure and manage risks in order to ensure the company's asset and product quality and protection of our various stakeholders.

The information given below does not assert to be exhaustive. Additional risks or uncertainties are presently not known to the company or that are currently deemed immaterial may also have a material adverse effect on the Company's business, financial condition and operating results. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

Prior to accepting their Entitlements, Applicants should carefully consider the following risk factors, as well as the other information contained in this right offer documents.

(i) Internal risk factors may include, among others:**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 credit risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

Management Perception:

Credit Risk mainly lies with Financial Institutions. Since ZSL is concentrating in manufacturing yarn of different counts and exporting the same, there is no such credit risk. However, there is interest free loan given to employees against salary which are recovered from salary on monthly basis. Apart from this, sometimes advances are given to the suppliers to book supplies of raw-materials.

Liquidity Risk:

The risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business

Management Perception:

Finance is an arts and science of managing fund so that it can manage working capital in efficient way. ZSL is also doing its level best to manage working capital management in efficient way to maintain liquidity risk. Management is dealing with accounts payable, inventory and accounts receivable efficiently.

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

If the subsidiaries make loss, it affects parent company's balance sheet. In case of associate, there is chance of decline value of investment in associate company.

Management Perception:

ZSL have only one subsidiaries which is called Zaheen Polymar Limited of which it owns 51% share. However, the company has not yet started its commercial operation and so no significant investment yet been made. Therefore, no risks related as such.

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

There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

Management Perception:

In business, having many suppliers of raw materials helps to get competitive advantage of cheaper price of raw materials. Because, it helps to bargain over price with suppliers. In addition, having many supplier helps to maintain doing business efficiently. As we hold the views, we are not dependent on a single or few suppliers.

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

Negative earning and negative operating cash flow is risk the going concern risk for the entity.

Management Perception:

We have been operating our business efficiently. However, there was negative operating cash flow in the year 2014. It is happened due to large payment been made to suppliers for raw-materials, as well cash payment for expenses, advances, deposits and finance costs which were not left due. On other hand accounts receivable had increased in the year 2014 that affected our operating cash flow. But it was not threat for going concern because most of the sales are consider as deemed exports.

Financial weakness and poor performance of the issuer or any of its subsidiary or associates;**Management Perception:**

Sales and good profit margin is one of the key indicators of success of a business. However, ZSL has experienced mixed result with growth in sales and decline in the last five years, which contributed to mixed results of high and less profit in these last 5 years. Current and quick ratios are also in favor of the company as well its Debt to Equity ratio is less than 1 and it is in decreasing trend which means that company is reducing its dependency on debt capital. Adding to that, its has no risk from its newly formed subsidiary as it has not yet commenced its commercial operation.

Decline in value of any investment:

The value of any type of investment may decline.

Management Perception:

We do not have any investment.

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 high risk of repair and maintenance which has impact on profitability of the company.

Management Perception:

We are used to using new branded machineries. Hence, there is no chance to use second hand or reconditioned machineries.

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

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 is taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

Management Perception:

Zaheen Spinning Limited has taken some loan from related parties and provided some loans to related parties, which are interest free. The net effect of the loan is nearer to zero. The amount is insignificant and the management of the company is planning to reduce such transactions in future.

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:

In these cases, there is high chance of compromise among the related companies because of conflict of Interest.

Management Perception:

There is common management with one or more ventures but business activities are not in the same line.

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 management of Zaheen Spinning made some related party transactions in the normal course of business and on an arms' length basis. These transactions are properly accounted for. Since there are both payable and receivable and the total amount is not significant, the management believes that related party transactions will not affect competitive edge of the Company.

OPERATIONAL RISK

Shortage of power supply, labour unrest, unavailability or price increase of rawmaterial, natural calamities like flood, cyclone, and earthquake etc. may disrupt the production of the Company and can adversely affect the profitability of the company.

Management Perception

A good compensation and benefit package as per policy of the company are in place for its employees to keep them motivated to work for ZSL without creating a labour unrest. The factory of the company is built on high land which has less record of flood. Adding to that factory building has strong RCC foundation, RCC floor, pre-fabricated steel structure to withstand wind, storm, rain etc and has good drainage system. Some of the risks is also mitigated through cover of insurance.

Seasonality of the business of the issuer:

It is the risk involving that company is not doing business round the year.

Management Perception:

Garment sector is the leading industry of our country. It is also the 2nd largest industry of the world. Bangladesh is looking forward to earn 50 billion US dollar from this industry in near future. We run our business throughout the year. Therefore, it is not seasonal business.

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

This is the risk of losing customers affecting future sales.

Management Perception:

In our country there is huge demands for yarn to make T-shirts and other RMG products from the garments industry. But, in Bangladesh, there are more than 300 companies who supply a huge quantity of yarn to the local industries but it still falling behind to meet up the rising demand. Therefore, there is great opportunity to increase the manufacturing capacity of yarn as we are not at risk of losing any revenue generating contract that may adversely affect the business.

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:

For last five years we have been reducing our dependence on debt financing and it is now less than 1 in comparison with debt to equity ratio.

Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:

Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

Management Perception:

Corporate Governance is well practiced in our company. We have also well placed organogram in our company. So any change in the key management can be replaced with other person. It is mentioned-worthy that the industry is growing over 30 years. So we can hire key management as per our needs.

Enforcement of contingent liabilities which may adversely affect financial condition:

It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

Management Perception:

We do not have any contingent liabilities, which may adversely affect financial condition.

Insurance coverage not adequately protect against certain risks of damages:

Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

Management Perception:

We have different insurance coverage for all the relating issues that are risky to operating our business.

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

Dividend payment is highly dependent on company's ability to generate positive cash flow from operating profit of the business. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

Management Perception:

We have been a profitable entity over a long time and the profit is on the uptrend. So we believe that we will be able to pay dividend from our earning profit.

HISTORY OF NON-OPERATION, IF ANY:

Is there any history of non-operations of ZSL?

Management Perception

There is no history of non-operation so far since its commencement of commercial operation. Management believes that there is minimum possibility for ZSL to be non-operative in near future because it has a good risk management system in place to prevent any type of risk and risks that may hamper the company's operation.

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 as such risk relating to engagement in new type of business.

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:

Management Perception:

Zaheen Spinning does not have any litigation relating to Tax, VAT or other government claims against of our company. The Company enjoyed tax holiday facilities for a period of 5 (five) years starting from February 01, 2010 to January 31, 2015

Lack of renewal of existing regulatory permissions/ licenses:

In this case, company is not following the law to renew its all licenses.

Management Perception:

There is no such issue relating to lack of existing regulatory permissions/ licenses.

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:

There is no incident of failure in holding AGM, the company is holding AGM after listing.

External risk factors may include among others:

INTEREST RATE RISK

Interest rate risk is the risk that Company faces for paying more interest on loan taken due to unfavorable movement in the interest rates for Government's monetary policy changes, Furthermore, increased demand for loans is another reason for hike in interest rates. Such interest rates rise affect Companies mostly if they have loans of floating interest rate or Companies investing in debt securities.

Management Perception

The management of the company are aware of risk associated with interest rate, which is connected with the cost of Company's fund. Therefore, it prefers longterm fund, for major procurement or expansion, which has low fixed interest and so the management is emphasizing again on raising equity based finance for low cost of capital.

EXCHANGE RATE RISK

Exchange rate risk occurs due to unfavorable changes in exchange rates. For say if Company import equipments/raw materials from abroad and the foreign currency value appreciates then it has to pay more now than what it was suppose to pay before. On otherhand, if foreign currency value depreciates of market where it sells its product then the company will loose its competitive edge in foreifgn maket, as buyer of foreign country have to pay more now for the same product than before.

Management Perception

Zaheen Spinning Limited mainly buys raw cotton from abroad where its currency fluctuation is of minimum to its local currency. Adding to that it produces yarn from raw cotton which it sells locally and internationally so there is no exposure of exchange rate risk of receiving less from sales as well paying more for rawmaterials as payment can be offset against receipts in foreign currency.

INDUSTRY RISK

Industry risk is an overall business risk of the company associated with industry it belongs. This risks can be for many reasons such as changes in government policy, environmental policy, lack of financial help and unstable political condition and lack of subsidy and increased competition.

Management Perception

The company has entered successfully in to the market by offering better quality products at competitive terms as well as the textile industry of Bangladesh has also successfullty coped with the post Multi Fiber Agreement(MFA) competitive situation.The force which is helping the sector for its strong existence, is emergence of backward linkage industry.Backward linkage industries are supporting for minimizing lead time and cost of production.The company is a first state of backwars linkage industry of cotton yarn producing that facilities for better existence.

Economic risks:

Our performance and growth are dependent on the health of the Bangladesh economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials.

Management Perception:

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the Per Capita Income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country.

Political risks:

Bangladesh is prone to serious unrest in the political condition which produces Hartal, Road-Block and many other barriers to the business. This could also propel the cost of the product upwards.

Management Perception:

During the last forty years of post-independence period, Bangladesh has gone through a variety of political situations. But presently, a sound political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country. Last democratic national assembly election and local council polls are instances of peaceful political situation in Bangladesh.

MARKET RISKS

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management Perception

Zaheen Spinning Limited is a company which has the ability to produce quality yarn at affordable price. The company's main focus is to serve local market mainly and foreign market as its alternative another market which is it trying to gain and achieve a considerable market share for foreign export. The company has so far established good relationship with potential local buyers across the country and trying to do so the same with foreign buyers. On the other hand, banks and financial institution are providing adequate financial support to the textile sector by providing credit facilities to RMG and Knitting industries to acquire textile for their final product. So ZSL has every possible good prospect to penetrate local and foreign market and to increase its market share in near future.

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 Perception

From time to time ZSL upgrades its technology in terms of machinery and other things relevant to production. It also benchmarks its advancement and upgradation of technology with other local and foreign spinning company from time to time to stay updated in technology. To stay updated with latest technology it has vast value chain network of suppliers of product to get the latest updated technology.

POTENTIAL OR EXISTING GOVERNMENT REGULATIONS

The Company operates under Company's Act, Taxation policy as per guide line of NBR and rules of regulatory organization. Any abrupt changes of the policies formed by those bodies will impact the business of company adversely. Unless adverse policies are taken, which may materially affect the industry as a whole; the business of other company will not be affected.

Management Perception

Government emphasize on the growth of yarn industry to boost up the export of RMG. So management believes unfavorable policies, law and legislation is unlikely. Still the promoters and the sponsors of the Yarn and RMG industry need to collaborate with the policy makers in making good policy and convince them to pass policy which is eventually favorable to the yarn manufacturers of Bangladesh, so that it can compete with farms in low cost locations.

POTENTIAL CHANGES IN THE GLOBAL OR NATIONAL POLICIES

The performance of the Company may be affected due to unstable local political situation and overall recession in world economy and for war in country where the company exports yarn. Adding to that changes in global or national policies may also adversely affect the economy in general.

Management Perception

The risk due to changes in global or national policies and recession of economy where company exports, is beyond control of any company. The management of the company is always concerned about the prevailing and future changes in the global and national policy and shall response appropriately and timely to safeguard its interest. The company's strong brand image and worldwide customer base will enable it to withstand any such potential threats.

Statutory clearances and approvals those are yet to be received by the issuer;

Management Perception:

We have been in the business over 8 years. We have collected all the statutory clearance to operate our business. Hence, there are no as such risk for our company.

Competitive condition of the business:

ZSL is operating in a free market economy regime. The company might have to face stiff competition from its competitors. Easily availability of global products in the local markets adds to the competition, challenging the profitability of the business.

Management Perception:

Bangladesh is the prime source of cheapest labor in the world, gaining comparative advantages for its industries over their global competitors. Other overhead costs are also low in Bangladesh. As a result, the company has been able to maintain its cost of products most competitive. Moreover, over the last few years the company has built a trustworthy relationship with its customers, which helps the company avoid competition with others.

DATE & TIME OF OPENING AND CLOSING OF SUBSCRIPTION [see rule-8(d)]

Subscription opens for the rights shares offer on **July 29, 2018** and subscription closes for the rights shares offer on **August 26, 2018**.

PURPOSE OF RAISING FUND THROUGH RIGHTS ISSUE [see rule-8(e)]

The purpose of issuance of Rights Share is to raise further paid up capital for expansion of the existing project, to meet the requirement of working capital and partial repayment of term loan of the company.

Sd/-
A. M. Badruzzaman Khashroo
Managing Director

Sd/-
Md. Faruq Hossian
Chief Financial Officer

**5 (FIVE) YEARS INFORMATION REGARDING
AGM HELD AND DIVIDEND DECLARED BY THE COMPANY**

Accounting year	AGM Title	Date of AGM held & Dividend Declared	Declared Dividend Rate (%)
31 December 2012	6 th	25.09.2013	Stock-24%
			Cash-Nil
31 December 2013	7 th	25.08.2014	Stock-Nil
			Cash-Nil
31 December 2014	8 th	23.06.2015	Stock-15%
			Cash-Nil
01.01.2015 to 30.06.2016	9 th	20.12.2016	Stock-15%
			Cash-Nil
30 June 2017	10 th	05.10.2017	Stock-15%
			Cash-Nil

EXISTING SERVICES RENDERED BY THE COMPANY [see rule-8(f)]**Manufacturing:**

The company is involve in produce fine quality cotton yarn from different counts, 100%, cotton yarn normal or high bulk. The yarn is used in different end markets such as knitwear, fabrics, socks and weaving. We currently have an estimated annual production capacity of 720 Tons.

Sales and marketing:

The company used to sell yarn of type 50s/1 counts but now it sells of various type of yarn as per demand through various agents across the countries and its customers with his own expenses and risk collect the finished products and transfer them in their secured location.

Service providing:

ZSL only produces yarn of various counts as per requirement and market demand of the product. Though there are number of agents, which sells and distribute its product to the end customer, it has created some end customer of its own. Some of them are:

Sl.No.	Customers Name
01	M/S Provati Yarn Trading
02	M/S Raya Spinning Mills
03	M/S Shakib Traders
04	M/S Babul Textile
05	M/S Prime Print Shari
06	M/S Humayun Textile
07	M/S Ashraful Textile
08	M/S Muazuddin Knit Fashion Ltd
09	M/S Masco Industries Ltd
10	M/S Scandex Knitwear Ltd
11	M/S Mark Sweaters Ltd
12	M/S Genetic Fashion Ltd
13	M/S Unitex Knitwear Ltd
14	M/S Gramtech Knit Dyeing Finishing
15	M/S MK Fashion Ltd

Market for product & services:

The company is involve in produce fine quality cotton yarn from different counts, 100%, cotton yarn normal or high bulk for variety customer who are local and foreign. The main beneficiaries of its products and services are garments manufacturers who are involved in manufacturing large number of T-Shirts, shirts and other garments product which in return are exported by these RMG sector abroad in Europe, USA and all over the world.

EQUITY STRUCTURE OF THE COMPANY

Sl. No.	Particulars	June 30, 2017 Taka
A	Paid-up Capital	856,980,000
	Tax Holiday reserve	31,538,864
	Revaluation Surplus	136,926,183
	Retained earnings	180,335,564
	Total Shareholders' Equity	1,205,780,611
B	Total Number of Share Outstanding (Considering 15% Stock Dividend)	98,552,700
C	Equity Based Value per share with revaluation reserve	12.23
D	Equity Based Value per share without revaluation reserve	10.85

FINANCIAL HIGHLIGHTS OF THE PREVIOUS YEARS

(Amount in BDT)

Particulars	30 June 2017	30 June 2016*	31 December 2015	31 December 2014	31 December 2013	31 December 2012	
Share Capital	856,980,000	745,200,000	745,200,000	528,000,000	528,000,000	93,000,000	
Tax Holiday Reserve	31,538,864	31,538,864	31,538,864	30,765,086	24,123,803	18,455,087	
Revaluation Reserve	136,926,183	136,926,183	-	-	-	-	
Retained earnings	180,335,564	172,866,361	131,378,452	126,505,989	54,505,935	25,061,868	
Net Profit after Tax	119,249,204	41,487,909	105,577,965	72,000,054	29,444,067	13,544,456	
Cash flow from Operating activities	117,733,221	20,865,547	160,489,611	(52,737,718)	42,541,254	23,475,509	
Net Operating Cash Flow per Share (NOCFPS)	0.75	0.28	2.15	(1.00)	0.81	2.52	
Number of Shares	98,552,700**	745,200,00	745,200,000	528,000,00	528,000,00	93,000,00	
Face Value	10	10	10	10	10	10	
NAV Per Share	14.07	14.58	12.19	12.98	11.49	14.68	
EPS	1.39	0.56	1.47	1.36	1.01	2.35	
Dividend	Stock	15%	-	15%	15%	-	24%
	Cash	-	-	-	-	-	-

*In order to comply with the provision of Section 9 of the Finance Act, 2015 as per BSEC Directive No. SEC/SRMIC/2011/1240/445 dated April 27, 2016, the company Zaheen Spinning Limited prepared 18 months Financial Statement for the year ended 30th June 2016 and declared 15% stock dividend. No dividend been declared by the company for the 6 months' period from January 01, 2016 to June 30, 2016.

** Considering 15% Stock Dividend

IF THE ISSUE PRICE OF RIGHTS SHARE IS HIGHER THAN THE PAR VALUE THEREOF, JUSTIFICATION OF THE PREMIUM SHOULD BE STATED WITH REFERENCE TO- [see rule-8(g)]

The rights issue price at Tk.10.00 each per share is justified as per the guidelines of the Bangladesh Securities and Exchange Commission (BSEC) as given in the table below:

Valuation Methods		Offer Price (Taka)
Method (i)	Net Asset Value per Share considering revaluation reserve	12.23
	Net Asset Value per Share without considering revaluation reserve	10.85
Method (ii)	Average Market Price per Share	22.07

Method (i): Net Assets Value per share

Particulars		As on 30.06.2017 Amount (BDT)
A	Non-Current Assets:	
	Property, Plant & Equipment	548,070,684
	Capital Work-in-progress	205,387,034
	Total Non-Current Assets	753,457,718
	Current Assets	
	Inventories	273,038,889
	Trade and Other Receivables	297,721,545
	Advances, deposits and prepayments	26,562,934
	Cash and cash equivalents	3,411,591
	Total Current Assets	600,734,959
Total Assets	1,354,192,677	
B	Non-Current Liabilities	
	Deferred Tax Liability	9,402,593
	Long Term Loan (Non-current portion)	5,961,309
	Total Non-Current Liabilities	15,363,902
	Current Liabilities	
	Trade & Other Payable	21,659,918
	Short Term Bank Loan	18,179,000
	Long Term Loan (Current Portion)	26,253,810
	Liabilities for Income Tax	44,285,107
	Liabilities for WPPF	7,024,343
Others Liabilities	15,645,986	
Total Current Liabilities	133,048,164	
Total Liabilities	148,412,066	
C	Revaluation Surplus	136,926,183
D=(A-B)	Net Asset Value considering revaluation reserve	1,205,780,611
E=(A-B-C)	Net Asset Value without considering revaluation reserve	1,068,854,428
F	Total Number of Share Outstanding (Considering 15% Stock Dividend)	98,552,700
G=(D/F)	Net Asset Value Per Share considering revaluation reserve	12.23
H=(E/F)	Net Asset Value Per Share without considering revaluation reserve	10.85

NAV is also equivalent to the Equity Based Value per share which is depicted below:

Sl. No.	Particulars	30.06.2017 Taka
A	Paid-up Capital	856,980,000
	Tax Holiday reserve	31,538,864
	Revaluation Surplus	136,926,183
	Retained earnings	180,335,564
	Total Shareholders' Equity	1,205,780,611
B	Total Number of Share Outstanding (Considering 15% Stock Dividend)	98,552,700
C	Equity Based Value per share considering revaluation reserve	12.23
D	Equity Based Value per share without considering revaluation reserve	10.85

Method (ii): Average Market Price per Share**(Amount in BDT)**

Date	Market Performance	
	Face Value	Price
Market price per shares as on 31-August-2017	10	26.3
Market price per shares as on 28-September-2017	10	20.7
Market price per shares as on 31-October-2017	10	20.3
Market price per shares as on 31-November-2017	10	22.9
Market price per shares as on 28-December-2017	10	22.6
Market price per shares as on 31-January-2018	10	19.6
Average Market Price per Share	10	22.07

(Source: DSE Monthly Review, Considering Taka 10.00 per share)

**INDEPENDENT AUDITOR'S REPORT
To the Shareholders of
Zaheen Spinning Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Zaheen Spinning Limited (the company), which comprises the Statement of Financial Position as at 30 June 2017 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 01 July 2016 to 30 June 2017 then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Zaheen Spinning Limited as at 30 June 2017 and of its financial performance and its cash flows for the period from 01 July 2016 to 30 June 2017 then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and The Securities and Exchange Rules 1987, 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 purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purpose of the company's business.

Date: 19 August 2017
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

ZAHEEN SPINNING LIMITED
Statement of Financial Position
As at 30 June 2017

	Notes	30 June 2017 Taka	30 Jun 2016 Taka
Assets			
Non-Current Assets			
Property, Plant and Equipment	4.00	548,070,684	463,045,206
Work in Progress	Annex-A/1	205,387,034	266,718,987
Current Assets			
Inventories	5.00	273,038,889	266,732,188
Trade & Other Receivables	6.00	297,721,545	197,235,590
Advances, Deposits & Prepayments	7.00	26,562,934	13,453,710
Cash & Cash Equivalents (Restated 30 June 2016)	8.00	3,411,591	1,349,253
Investment in FDR	9.00	-	-
Total Assets		1,354,192,677	1,208,534,935
Shareholders Equity and Liabilities			
Shareholders Equity			
Share Capital	10.00	856,980,000	745,200,000
Tax Holiday Reserve	12.00	31,538,864	31,538,864
Revaluation Surplus	13.00	136,926,183	136,926,183
Retained Earnings	14.00	180,335,564	172,866,361
Non-Current Liabilities			
Deferred Tax Liability	11.00	9,402,593	7,097,176
Long Term Loan (Non-Current Portion)	20.01	5,961,309	19,318,517
Current Liabilities			
Trade & Other Payable	15.00	21,659,918	11,303,093
Short Term Bank Loan	16.00	18,179,000	18,237,321
Long Term Loan (Current Portion)	20.02	26,253,810	24,587,203
Liabilities for Income Tax	17.00	44,285,107	25,352,867
Liabilities for WPPF	18.00	7,024,343	8,839,210
Others Liabilities	19.00	15,645,986	7,268,141
Total Shareholders Equity and Liabilities		1,354,192,677	1,208,534,935
Net Asset Value (NAV) Per Share	21.00	14.07	14.58
Net Asset Value (NAV) Per Share (Restated)	21.00	-	12.68

The accompanying notes form an integral part of these financial statements.

Sd/-
Mrs. Farida Khanam
Chairman

Sd/-
A. M. Badruzzaman Khashroo
Managing Director

Sd/-
Mahmudur Rahman
Director

Sd/-
Md. Faruq Hossian
Chief Financial Officer

Sd/-
Md. Mohin Uddin
Company Secretary

Signed as per our report on even date.

Sd/-
AHMAD & AKHTAR
Chartered Accountants

Dated: 19 August 2017
Place: Dhaka

ZAHEEN SPINNING LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2017

Particulars	Notes	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
Sales Revenue (Net off VAT)	22.00	869,044,896	794,954,249
Less: Cost of Goods Sold	23.00	678,505,379	650,382,747
Gross Profit/ (Loss)		190,539,517	144,571,502
Add: Other Income	26.00	1,646,276	4,063,275
		192,185,793	148,634,777
Less: Operating Expenses		34,073,831	40,811,431
Administrative Expenses	24.00	29,593,176	37,200,245
Marketing Expenses	25.00	4,480,655	3,611,186
Profit from Operations		158,111,962	107,823,346
Less: Financial Expenses	27.00	10,600,758	11,402,991
Net Profit/ (Loss) before Charging WPPF		147,511,203	96,420,354
Less: Provision for WPPF	18.00	7,024,343	4,591,445
Profit/ (Loss) before Income Tax		140,486,860	91,828,909
Less: Tax Expenses		21,237,657	15,166,065
Current Tax	17.00	18,932,240	11,574,391
Deferred Tax	11.00	2,305,416	3,591,675
Net Profit/ (Loss) after Tax		119,249,204	76,662,844
Add: Other Comprehensive Income		-	136,926,183
Revaluation surplus of Land & Land Development		-	136,926,183
Total Comprehensive Income		119,249,204	213,589,027
Earnings Per Share (EPS)	28.00	1.39	1.03
Earnings Per Share (Restated)		-	0.89

The accompanying notes form an integral part of these financial statements.

The accompanying notes form an integral part of these financial statements.

Sd/-
Mrs. Farida Khanam
Chairman

Sd/-
A. M. Badruzzaman Khashroo
Managing Director

Sd/-
Mahmudur Rahman
Director

Sd/-
Md. Faruq Hossian
Chief Financial Officer

Sd/-
Md. Mohin Uddin
Company Secretary

Signed as per our report on even date.

Sd/-
AHMAD & AKHTAR
Chartered Accountants

Dated: 19 August 2017
Place: Dhaka

ZAHEEN SPINNING LIMITED
Statement of Changes in Equity
For the Period from 01 July 2016 30 June 2017

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Revaluation Surplus	Total Equity
Balance as on July 01, 2016	745,200,000	31,538,864	172,866,361	136,926,183	1,086,531,408
Bonus Share	111,780,000	-	(111,780,000)	-	-
Net Profit after Tax for the period	-	-	119,249,204	-	119,249,204
Balance as on June 30, 2017	856,980,000	31,538,864	180,335,564	136,926,183	1,205,780,611

For the Period from 01 July 2015 30 June 2016

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Revaluation Surplus	Total Equity
Balance as on July 01, 2015	648,000,000	31,783,833	198,208,608	-	877,992,441
Bonus Share	97,200,000	-	(97,200,000)	-	-
Net profit after Tax for the period	-	-	76,662,844	-	76,662,844
Adjustment of tax holiday reserve as per BAS-8	-	(244,969)	244,969	-	-
Adjustment of current tax as per BAS-8	-	-	(1,544,557)	-	(1,544,557)
Revaluation surplus of land & land development	-	-	-	136,926,183	136,926,183
Adjustment of deferred tax expenses as per BAS-8	-	-	(3,505,502)	-	(3,505,502)
Balance as on June 30, 2016	745,200,000	31,538,864	172,866,361	136,926,183	1,086,531,408

Sd/-
Mrs. Farida Khanam
Chairman

Sd/-
A. M. Badruzzaman Khashroo
Managing Director

Sd/-
Mahmudur Rahman
Director

Sd/-
Md. Faruq Hossian
Chief Financial Officer

Sd/-
Md. Mohin Uddin
Company Secretary

Signed as per our report on even date.

Sd/-
AHMAD & AKHTAR
Chartered Accountants

Dated: 19 August 2017
Place: Dhaka

ZAHEEN SPINNING LIMITED
Statement of Cash Flows
For the year ended 30 June 2017

Particulars	Notes	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
A. Cash Flows from Operating Activities			
Collection from Customers & Others		770,205,217	765,228,484
Payment to Suppliers & Others		(650,366,940)	(648,695,052)
Tax Paid		(2,105,056)	(15,583,053)
Cash Generated from Operating Activities		117,733,221	100,950,379
Cash payment for Expenses		(32,215,707)	(36,429,748)
Payment against Advance, Deposits & Prepayments		(11,004,168)	89,441,303
Finance Cost		(10,600,758)	(11,402,991)
Net Cash Flows from Operating Activities		63,912,587	142,558,943
B. Cash Flows from Investing Activities			
Acquisition of Fixed Assets		(1,319,490)	(6,813,169)
Work in Progress		(48,781,839)	(266,718,987)
Net Cash Flows from Investing Activities		(50,101,329)	(273,532,156)
C. Cash Flows from Financing Activities			
Changes in short term bank loan		(58,321)	54,445
Payment of long term loan		(11,690,601)	(2,040,444)
Net Cash Flows from Financing Activities		(11,748,921)	(1,985,999)
D. Net Cash inflow/(outflow) for the year (A+B+C)		2,062,338	(132,959,212)
E. Cash & Cash Equivalent at beginning of the period		1,349,253	134,308,466
F. Cash & Cash Equivalent at end of the year (D+E)		3,411,591	1,349,253
Net Operating Cash Flows (NOCF) Per Share		0.75	1.91
Net Operating Cash Flows (NOCF) Per Share (Restated)		-	1.66

Sd/-
Mrs. Farida Khanam
Chairman

Sd/-
A. M. Badruzzaman Khashroo
Managing Director

Sd/-
Mahmudur Rahman
Director

Sd/-
Md. Faruq Hossian
Chief Financial Officer

Sd/-
Md. Mohin Uddin
Company Secretary

Dated: 19 August 2017
Place: Dhaka

Zaheen Spinning Limited
Notes, Summary of Significant Accounting Policies
and other Explanatory Information
For the period from 01 July 2016 to 30 June 2017

1.00 Background of the Company

1.01 Legal Status

Zaheen Spinning Limited was incorporated on July 22, 2007 as private limited companies under the Companies Act 1994 vide registration no. C-67789(340)/07. The company started its commercial operation on February 15, 2010. On August 14, 2012 it was converted into a public limited company. Bangladesh Securities and Exchange Commission (BSEC) has accorded consent for IPO on November 11, 2014 and on March 25, 2015 trading of shares of Zaheen Spinning Limited started on both the bourses namely Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).

1.02 Registered office & location of the factory of the company

The registered office of the company is located at House-9, Road-10, Flat-A/1, Dhanmondi, Dhaka-1205 and Factory is situated at Jhawgara, Araihasar, and Narayanganj, Bangladesh.

1.03 Nature of business activities

The company is a 100% cotton yarn manufacturer of different counts.

1.04 Capital Structure of the Company

Particulars	Taka
Authorized Capital	3,000,000,000
300,000,000 Ordinary Shares of Tk. 10.00 each	1,000,000,000
100,000,000 Preference Shares of Tk. 10.00 each	
Issued, subscribed, called-up and paid-up capital	856,980,000
85,698,000 Ordinary Shares of Tk. 10.00 each	

1.05 Board of Directors

The composition of the Board of Directors is as follows:

Name	Position
Mrs. Farida Khanam	Chairman
Mr. A.M Badruzzaman Khashroo	Managing Director
Mr. Mahmuddur Rahman	Director
Mrs. Nusrat Jahan	Director
Mr. Md. Abbas Ali Khan	Independent Director

2.00 Basis of Preparation of Financial Statements

2.01 Measurement bases and going concern

The financial statement have been prepared on historical cost convention under mercantile system, accounting for all accruals and pre-payments, on the assumption that the company will function as a going concern in the foreseeable future.

2.02 Reporting framework and compliance thereof:

The financial statement have been prepared in compliance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the listing regulation of Dhaka and Chittagong Stock Exchanges Limited and other relevant local laws as applicable, and in accordance with the applicable Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

2.03 Presentation of financial statements

The presentation of these financial statements is in accordance with the guidelines provided by BAS: 1 'Presentation of Financial Statements'.

- (i) statement of financial position as at 30 June 2017;
- (ii) statement of profit or loss and other comprehensive income for the year ended 01 July 2016 to 30 June 2017;
- (iii) statement of changes in equity for the year ended 01 July 2016 to 30 June 2017;
- (iv) statement of cash flows for the year ended 01 July 2016 to 30 June 2017; and
- (v) notes, summary of significant accounting policies and other explanatory information for the year ended 01 July 2016 to 30 June 2017.

2.04 Risk and Uncertainties for use of Estimates in preparation of financial statements.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure requirements for contingent assets and liabilities during and at the date of financial statements. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS-8: Accounting Policies, Changes in Accounting Estimates and Errors.

In particular, information about significant areas of estimation on uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognized in the financial statements are included in the following notes:

- Note: 4 Properties, Plant and Equipment
- Note: 5 Inventories
- Note: 6 Trade & Other Receivables
- Note: 7 Advances, Deposits and Pre-payments
- Note: 15 Trades & Other Payable
- Note: 17 Liabilities for Income Tax

2.05 Reporting period

The financial statements cover 12 (Twelve) months period from 01 July 2016 to 30 June 2017.

2.06 Authorization for issue

The financial statements were authorized for issue by the Board of Directors of the company on 19 August 2017.

2.07 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest taka except where indicated otherwise.

2.08 Statement of Cash Flows

The statement of cash flows has been prepared in accordance with the requirements of BAS-7: 'Statement of Cash Flows'. The cash generating from operating activities has been reported using the direct method as prescribed by the Securities and Exchange Rules-1987 and as the benchmark treatment of BAS-7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

2.09 BAS and BFRS Adopted by the Management

The following BAS and BFRS are applicable and adopted by management for preparation of financial statements for the year ended 30 June 2017;

Sl. No.	Name of the BAS	BAS's No.	Status
1	Presentation of Financial Statements	1	Applied
2	Inventories	2	Applied
3	Statement of Cash Flows	7	Applied
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
5	Events after the Reporting Period	10	Applied
6	Construction Contracts	11	N/A
7	Income Taxes	12	Applied
8	Property, Plant and Equipment	16	Applied
9	Leases	17	N/A
10	Revenue	18	Applied
11	Employees Benefits	19	Applied
12	Accounting for Government Grants & Disclosure of Government Assistance	20	N/A
13	The Effects of Changes in Foreign Exchange Rates	21	Applied
14	Borrowing Costs	23	Applied
15	Related Party Disclosures	24	Applied
16	Accounting and Reporting by Retirement Benefit Plans	26	N/A
17	Separate Financial Statements	27	N/A

Sl. No.	Name of the BAS	BAS's No.	Status
18	Investment in Associates and Joint Ventures	28	N/A
19	Financial Reporting in Hyperinflationary Economics	29	N/A
20	Financial Instruments: Presentation	32	Applied
21	Earnings Per Share	33	Applied
22	Interim Financial Reporting	34	N/A
23	Impairment of Assets	36	Applied
24	Provision, Contingent Liabilities and Contingent Assets	37	Applied
25	Intangible Assets	38	N/A
26	Financial Instruments: Recognition & Measurement	39	Applied
27	Investment Property	40	N/A
28	Agriculture	41	N/A

SL. No.	Name of the BFRS/IFRS	BFRS/ IFRS No.	Status
1	First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
2	Share based payment	2	N/A
3	Business Combinations	3	N/A
4	Insurance Contracts	4	N/A
5	Non-Current Assets held for sale and discontinued operations	5	N/A
6	Exploration for and evaluation of mineral resources	6	N/A
7	Financial Instruments: Disclosures	7	Applied
8	Operating Segments	8	N/A
9	Financial Instruments	9	N/A
10	Consolidated Financial Statements	10	N/A
11	Joint Arrangements	11	N/A
12	Disclosure of Interests in Other Entities	12	N/A
13	Fair Value Measurement	13	N/A
14	Regulatory Deferral Accounts	14	N/A
15	Revenue from Contracts with Customers	15	N/A

The financial statements are in compliance with the Bangladesh Financial Reporting Standards (BFRS) which are adopted from the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3.00 Significant Accounting Policies

3.01 Principal Accounting Policies

The accounting policies and methods of computation used in preparation of the financial statements for the year ended 30 June 2017 are consistent with those adopted in the financial statements for the period ended 30 June 2016.

3.02 Revenue Recognition

In compliance with the requirements of BAS 18: 'Revenue', revenue represents the Sales proceeds of finished goods which are recognized when delivery were made from factory go-down to carriers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

3.03 Property, Plant and Equipment

3.03.1 Recognition and Measurement

Property, Plant and Equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of BAS 16: 'Property, Plant and Equipment'. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non refundable taxes. Capital work-in-progress represents cost of effluent treatment plant & civil work-in-progress for such plant.

3.03.2 Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit and loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.03.3 Depreciation

Depreciation is recognized in statement of profit or loss and other comprehensive income on diminishing balance method over the estimated useful lives of fixed assets. Depreciation is charged on addition from the date of the assets when available for use. Depreciation is provided on a diminishing balance method at the rate(s) shown below:

Particulars	Rate
Land & land development	0%
Plant & machinery	10%
Building	10%
Office equipment	15%
Furniture & fixture	15%
Generator	15%
Vehicles	15%
Electrical equipment	10%

Depreciation is provided on all fixed assets except land and land development.

3.03.4 Retirement and disposal

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 asset and is recognized as gain or loss from disposal of asset under other income in the statement of comprehensive income. There was no disposal of assets during the year.

3.03.5 Revaluation of Fixed Assets

The company revalued its Land & Land Development for the 1st time in the year ended 31 December 2015 by WASO Engineers & Consultants (BD) Ltd. dated on 12 March 2016 and subsequently the auditor (AHMAD & AKHTAR, Chartered Accountant) certified the revaluation report dated on 15 March 2016. Revaluation Surplus have arisen Tk. 136,926,183.

3.03.6 Inventories

Inventories are valued at the lower of cost or net realizable value with cost determined by weighted average cost basis. The cost of inventories comprises of expenditure incurred (raw materials, work-in process, finished goods, waste cotton, packing materials, store and spares and stock-in transit) in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

3.03.7 Impairment of Assets

In accordance with the provision of BAS - 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 year.

3.04 Borrowing Costs

Borrowing costs comprise of interest expense on long and short term loan. The costs are charged to revenue except those are capitalized in accordance with BAS - 23: Borrowing Costs.

3.05 Financial Assets

Financial assets of the company include cash and cash equivalents and accounts receivable.

3.06 Trade & Other Receivables

Trade receivables are created at original invoice amount less any provision for doubtful debts. Provision is made where there is evidence of a risk of non-payment, taking into account ageing, provision experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of comprehensive income.

3.07 Advance, Deposits and Prepayment

Advance is initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to statement of profit or loss comprehensive income.

3.08 Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and include cash in hand; fixed deposit receipts (FDR) and with banks on current deposit and marginal deposits accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.09 Financial Liability

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.10 Provision

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation.

3.11 Tax holiday

The national board of revenue (NBR) had granted tax holiday for a period of 5 (Five) years vide Ref. No. 11(23) Abz-1/2010 dated-27-06-2010 under Income Tax Ordinance 1984 (XXXVI of 1984) section 46A(3). The company is maintaining tax holiday reserve @ 30.00% of Net Profit before Tax in the statement of financial position.

3.12 Tax holiday reserve

This is being created out of tax holiday profit to invest in the same undertaking or in any new industrial undertaking or in stocks and shares of listed companies or in government bonds or securities or for other purposes as required by the Income Tax Ordinance 1984.

3.13 Taxation

3.13.1 Current Tax

Current tax is the expected tax payable on the taxable income for the period ended, 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 and non-compliance with Finance Act, 2017.

3.13.2 Deferred tax

Deferred tax arises due to temporary difference deductible or taxable for the transaction which is recognized in the statement of profit or loss and other comprehensive income. A temporary difference between the tax base of an asset or liability and its carrying amount/or amount in the Statement of Financial Position. Deferred tax assets or liability is the year income tax recoverable or payable in future period recognized in the current period as per "BAS 12: Income Tax".

3.14 Earnings per share (EPS)

This has been calculated by dividing the earnings attributable to the ordinary shareholders by total number of ordinary shares outstanding during the year. The company calculated earning per share (EPS) in accordance with BAS - 33: 'Earnings per Share' which has been shown on the face of profit and loss account and the computation of EPS is stated in Note no: 28.

3.14.1 Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax holiday reserve for the period has been considered as fully attributable to the ordinary shareholders.

3.14.2 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.

3.15 Foreign Currencies Transaction

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date in accordance with BAS 21 'the Effects of changes in Foreign Exchange Rates'. Foreign currency transactions translated at the financial position date are charged/ credited to the statement of Profit or Loss and Other Comprehensive Income whenever arise.

3.16 Workers Profit Participation Fund

The Board of Directors of the Company in their 32nd meeting has decided to comply with the Labor Law 2006 and introduced workers profit participation fund (5% of profit before tax). The company has decided to establish a contributory provident fund and gratuity fund and to form a trusty body for operation of provident fund which will be effective after due approval of relevant authority. The management of the company have paid Tk. 8,839,210 out of the outstanding balance among the employees dated on 12 April 2017 and 18 June 2017.

3.17 Segment Reporting

No segment reporting is applicable for the company as required by "BFRS 8: 'Operating Segments' as the company operates in a single industry segment and within as geographical segment.

3.18 Events after the Reporting Period

In compliance with the requirements of BAS 10: 'Events after the Reporting Period', provided additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

3.19 Related Party Disclosures

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 BAS 24: 'Related Party Disclosures' has been disclosed in a separate note (Note no: 32) to the accounts.

3.21 Comparative information and General

- i) Comparative figures have been re-arranged where considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.
- ii) Figures for the year ended 30th June 2016 have been rearranged wherever considered necessary to ensure comparability with the current period.

01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
Taka	Taka

4.00 Property, Plant and Equipment

The details of Fixed Assets and allocation of depreciation has been shown in **Annexure-A** of the enclosed Financial Statement. The Break up is given below:

Name of Assets	Cost Value	Accumulated Depreciation	Written Down Value	Written Down Value
Land & Land Development	87,538,917	-	87,538,917	86,929,317
Plant & Machinery	403,017,391	156,667,769	246,349,622	174,359,700
Building	86,091,552	23,884,845	62,206,707	48,171,152
Office Equipment	3,384,455	1,535,374	1,849,081	1,836,705
Furniture & Fixture	2,597,126	1,198,339	1,398,787	1,293,955
Generator	2,079,427	1,097,041	982,386	1,155,748
Vehicles	11,721,300	5,321,651	6,399,649	7,528,999
Electrical Equipment	7,135,310	2,715,958	4,419,352	4,843,447
Revaluation Surpluse of Land & Land Development	136,926,183	-	136,926,183	136,926,183
Total	740,491,661	192,420,977	548,070,684	463,045,206

Since inception, the company revalued its Land & Land Development for the 1st time in the year ended 31 December 2015 by WASO Engineers & Consultants (BD) Ltd. dated on 12 March 2016 and subsequently the auditor (Ahmad & Akhtar Chartered Accountant) certified the revaluation report dated on 15 March 2016. Revaluation Surplus has arisen Tk. 136,926,183

5.00 Inventories

Raw Materials	247,297,800	245,387,050
Work-in-Process	2,298,700	3,496,890
Finished Goods	18,348,000	14,341,618
Wastage Goods	1,598,780	1,653,780
Spare Parts	3,495,609	1,852,850
	273,038,889	266,732,188

a) Quantity reconciliation of products were done properly.

b) The valuation of closing inventory has been made on the basis of lower of cost and net realizable value as per BAS-2.

c) The company has conducted a test (physical verification/stock taking) of above inventories as on 30.06.2017.

Details Shown in Annexure-B

6.00 Trade & Other Receivables

Opening Balance	197,235,590	163,446,550
Add: Sales during the year	869,044,896	794,954,249
Total	1,066,280,486	958,400,799
Less: Realised during the year	768,558,941	761,165,209
Closing Balance	297,721,545	197,235,590

This is considered as fully secured and is considered good & realizable within one year. The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

Particulars	30 June 2017 (Taka)	30 June 2016 (Taka)
i. Receivables considered good in respect of which the company is fully secured	297,721,545	197,235,590
ii. Receivables considered good in respect of which the company holds no security other than the debtor personal security		
iii. Receivables considered doubtful or bad		
iv. Receivables due by directors or other officers & staffs		
v. Receivables due from companies under same management		
vi. The maximum amount of receivable due by any director or other officer of the company		
Total	297,721,545	197,235,590

Ageing of the above Trade Receivable is given below:

Particular	1-3 Months	3-6 Months	6 Months Above	Total
Customers	211,382,297	86,339,248	-	297,721,545

Details Shown in Annexure-C

7.00 Advance, Deposit & Prepayments**Advances:**

Salary & others	60,235	638,288
Tax, Vat & Others	5,122,586	2,831,884
Others Expenses	2,120,000	980,000
Contractor/ Supplier	5,360,197	8,464,192
Sub Total=	12,663,018	12,914,364

Deposits:

Margin & Deposit	4,185,538	39,346
Security Deposit	9,714,378	500,000
Sub Total=	13,899,916	539,346
Grand Total=	26,562,934	13,453,710

There is no amount of loans advances due for payment for a period of more than 12 months from the date of Balance Sheet.

There is no aggregate amount due from Directors.

All advance and deposit amount considered good and recoverable.

There is no agreement with director and officers of the company regarding advance or due amount

There are no claims against the company, which can be acknowledged as bad debt.

8.00 Cash & Cash Equivalents**a) Cash in Hand**

1,765,490	574,130
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b) Cash at Bank (Restated 30 June 2016)

1,646,101	775,123
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MTBL A/C No - 4589	861,025	-
MTBL A/C No - 4920	88,389	32,118
MTBL A/C No -01356	240,910	299,217
MTBL A/C No -0086	26,892	27,292
MTBL A/C No -01612	191,780	191,780
MTBL A/C No -9037	5,803	5,206
SBAC A/C No -81390/117	45,058	188,465
Southeast Bank A/C no -0064	60,607	3,797
BRAC Bank Ltd. A/C No-249001	113,418	6,859
Janata Bank Ltd. A/C No- '001029586	-	462
UCBL A/C No- 01221110001608	5,055	6,205
UCBL A/C No- 0332101000000026	570	3,272
Exim Bank Ltd. A/C No-597322	447	1,022
Al-Arafa Islami Bank Ltd A/C No- 96988	-	1,443
AB Bank Ltd. A/c No-4017-794013-000	6,148	7,988
Total Cash & Cash Equivalents (a+b)	3,411,591	1,349,253

Foreign currency account balances have been converted to Taka at the ruling rate at the reporting date.

9.00 Investment in FDR

Opening Balance	-	-
Add: Investment during the year	19,500,000	998,000
Add: Interest in FDR (Net off TDS)	427,770	5,240
	19,927,770	1,003,240
Less: Encashment during the year	19,927,770	1,003,240
Closing Balance	-	-

10.00 Share Capital**Authorized Share Capital**

300,000,000 Ordinary Shares of Tk. 10.00 each	3,000,000,000	1,000,000,000
100,000,000 Preference Shares of Tk. 10.00 each	1,000,000,000	-

Issued, subscribed and paid up capital :

85,698,000 Ordinary Shares of Tk. 10.00 each	856,980,000	745,200,000
Shareholding Position:	No. of Share	No. of Share
Sponsors & Directors	26,654,875	26,282,500
Institutions	21,300,509	23,545,998
General Public	37,742,616	24,691,502
	85,698,000	74,520,000

11.00 Deferred Tax Liability

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment as per financial statements and tax based written down value and financial position's liability method for gratuity obligation.

Opening Balance	7,097,177	3,505,502
Expenses/ (Income) of Deferred Tax during the year	2,305,416	3,591,675
Deferred Tax Liability /(Assets) as on 30 June 2017	9,402,593	7,097,177

Details Shown in Annexure-D

12.00 Tax Holiday Reserve

Opening Balances	31,538,864	31,783,833
Add: Provision made during the year	-	-
	31,538,864	31,783,833
Less: Adjustment of tax holiday reserve as per BAS-8	-	244,969
	31,538,864	31,538,864

i) This have been provided as per provisions of section 46(A) of the Income Tax Ordinance, 1984.

ii) Tax holiday reserve have been adjusted as per BAS-8, Para-42 for the period ended 30 June 2016 due to over provision of Tax holiday reserve for the period ended 30 June 2015.

Para-42: Subject to paragraph 43, an entity shall correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

(a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or

(b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Para-43: A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

13.00 Revaluation Surplus

Opening Balance	136,926,183	-
Add: Revaluation Surplus for current year	-	136,926,183
	136,926,183	136,926,183

14.00 Retained Earnings

Opening Balance	172,866,361	198,208,607
Add: Net Profit/during the year	119,249,204	76,662,844
Add: Adjustment of over Provision of Tax Holiday Reserve as per BAS-8	-	244,969
Less: 15% bonus shares capitalised	(111,780,000)	(97,200,000)
Less: Current Tax liability as per BAS-8	-	(1,544,557)
Less: Deferred Tax liability as per BAS-8	-	(3,505,502)
Closing retained earnings	180,335,564	172,866,361

15.00 Trade & Others Payable

Trade Payable	11,889,283	3,573,740
Others Payable	9,770,635	7,729,353
Total	21,659,918	11,303,093

This represents the amount payable to regular suppliers, packing materials, utilities and others services rendered to the company. All suppliers were paid on a regular basis.

16.00 Short Term Bank Loan

(MTBL A/C No - 0398 (Cash Credit))	18,179,000	18,237,321
	18,179,000	18,237,321

17.00 Liabilities for Income Tax

Opening Balances	25,352,867	24,996,679
Add: Adjustment of Current tax expenses as per BAS-8	-	1,544,557
Add: Provision for current year	18,932,240	11,574,391
	44,285,107	38,115,627
Less: Tax Paid/Adjustment for the year	-	12,762,760
Closing balance	44,285,107	25,352,867

Current Tax have been adjusted for the period ended 30 June 2016 as per BAS-8, Para-42 due to under provision of current tax for the period ended 30 June 2015.

Para-42: Subject to paragraph 43, an entity shall correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

- (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
(b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Para-43: A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

Details shown in Annexure-E

18.00 Liabilities for Workers Profit Participation Fund (WPPF)

Opening Balances	8,839,210	8,675,286
Add: Provision for current year	7,024,343	4,591,445
	15,863,553	13,266,731
Less: Current year payment	8,839,210	4,427,522
Closing balance	7,024,343	8,839,210

Note: Subsequently the management of the company have paid Tk. 8,839,210 out of the outstanding balance among the employees dated on 12 April 2017 and 18 June 2017.

19.00 Liabilities for Expenses

Salary & Allowance	1,064,273	126,764
Wages & Salary	1,815,258	1,473,545
Director Remuneration	6,865,000	3,085,000
Director Bonus	995,000	365,000
Overtime	45,081	69,670
Income Tax Payable (Employee)	55,500	31,500
Unauthorised leave & others	39,274	23,916
Gas Bill	4,305,934	1,929,638
AIT on Gas Bill	133,171	58,839
Audit Fee	140,000	62,500
Other Expenses (Payable)	41,369	-
Electricity & Utility Bill	136,626	32,269
Accommodation Expenses	9,500	9,500
Total	15,645,986	7,268,141

AIT deducted on gas bill payable, which has not yet been paid.

20.00 Long Term Loan

20.01 Long Term Loan (Non-Current Portion):

Name of Bank	Type of A/C	Branch	Account No	30 June 2017	30 June 2016
MTBL	Term Loan	Dilkusha	0012-5161000314	775,946	1,605,766
MTBL	Term Loan	Dilkusha	0012-5161000225	-	2,267,429
MTBL	Term Loan	Dilkusha	0012-5161000252	5,185,363	15,445,322
Total				5,961,309	19,318,517

20.02 Long Term Loan (Current Portion)

Name of Bank	Type of A/C	Branch	Account No	30 June 2017	30 June 2016
MTBL	Term Loan	Dilkusha	0012-5161000314	2,128,836	2,043,702
MTBL	Term Loan	Dilkusha	0012-5161000225	3,950,074	2,885,818
MTBL	Term Loan	Dilkusha	0012-5161000252	20,174,900	19,657,683
Total				26,253,810	24,587,203

Mode of adjustment	Quarterly Installment
Security	The loan are secured by registered mortgage of 354.59 decimals land owned by company, Factory Building, Hypothecation Import & Local machineries and Master cheque covering the total loan amount.

21.00 Net Asset Value (NAV) Per Share (including revaluation surplus)		
Share capital	856,980,000	745,200,000
Tax Holiday Reserve	31,538,864	31,538,864
Revaluation Surplus	136,926,183	136,926,183
Retained earnings	180,335,564	172,866,361
A. Total shareholders equity	1,205,780,611	1,086,531,408
B. No. of ordinary shares outstanding	85,698,000	74,520,000
Net asset value (NAV) per share (A/B)	14.07	14.58
Net asset value (NAV) per share (Restated)	-	12.68
Net Asset Value (NAV) Per Share (Excluding revaluation surplus)		
A. Net asset value (NAV)	1,068,854,428	949,605,225
B. No. of ordinary shares outstanding	85,698,000	74,520,000
Net Asset Value (NAV) Per Share (Excluding revaluation surplus) (A/B)	12.47	12.74
Net Asset Value (NAV) Per Share (Excluding revaluation surplus) (Restated)	-	11.08
22.00 Sales Revenue		
Gross Sales	870,179,700	796,304,307
Less: Value Added Tax (VAT)	1,134,804	1,350,058
Net Sales	869,044,896	794,954,249
23.00 Cost of Goods Sold		
Raw material consumed (Note-23.01)	601,312,835	550,873,077
Add: Work-in-process- Opening	3,496,890	14,571,890
	604,809,725	565,444,967
Less: Work-in-process-Closing	2,298,700	3,496,890
Material consumed	602,511,025	561,948,077
Add: Factory overhead (Note-23.02)	79,945,736	87,843,670
Cost of goods manufactured	682,456,761	649,791,747
Add: Opening Finished goods	14,341,618	15,576,618
Add: Opening Wastage goods	1,653,780	1,009,780
Cost of goods available for sale	698,452,159	666,378,145
Less: Closing Finished goods	18,348,000	14,341,618
Less: Closing Wastage goods	1,598,780	1,653,780
Cost of goods sold for the period	678,505,379	650,382,747
23.01 Raw Material Consumed		
Opening stock	245,387,050	209,287,050
Add: Purchase during the year	603,223,585	586,973,077
Raw material available for consumption	848,610,635	796,260,127
Less: Closing stock	247,297,800	245,387,050
Raw material consumed	601,312,835	550,873,077
Details shown in Annexure-B		
23.02 Factory Overhead		
Wages & salary	26,507,594	35,929,717
Over time	616,006	819,859
Gas bill	13,544,634	10,214,228
Packaging expenses	3,809,349	3,162,108
Spare parts consumed	3,101,865	6,431,582
Daily labour	302,861	216,474
Loading & unloading expenses	485,517	461,385
Fire protection	9,000	76,005
Transport & Others	1,441,634	995,490
Miscellaneous expenses	777,766	518,578
Electricity, Utility & others bill	1,580,176	153,167
Repair & maintenance	1,674,118	1,075,945
Mobil, Oil & Lubricant	1,403,249	1,954,490
Workshop expenses	322,700	219,810
Fax, Phone & Fooding exp.	280,952	226,046
Depreciation (Annexure-A)	24,088,315	25,388,786
	79,945,736	87,843,670

24.00 Administrative Expenses		
Salaries and allowances	4,398,632	3,274,422
Directors remuneration	4,410,000	4,939,000
Vehicle fuel & lubricants	188,070	168,365
Vehicle maintenance	208,500	46,289
Stationery & printing	198,706	233,277
Medical expenses	325,700	132,905
Meeting exp. & others	405,165	215,000
Insurance	120,951	390,216
Travelling, tour and conveyance	2,788,103	479,023
Fax, telephone & photocopy expenses	215,607	120,514
Electric & others expenses	248,900	172,541
Renewal & others fees	3,963,677	163,983
Consultancy Fees	990,105	798,075
Audit Fees	255,000	62,500
Other Professional Expenses	1,340,000	566,200
Office rent	1,140,000	1,012,000
C & F Charge	1,235,500	586,357
Office expenses	59,679	49,265
Regulatory & others Expenses	1,938,830	1,447,184
IPO Expenses	-	18,603,876
Fooding & Entertainment	111,576	75,750
Electric & Utility bill	439,408	139,248
News paper, books & forms	8,565	11,814
Entertainment	359,800	212,803
Repairs & maintenance	493,044	93,100
Misc. & Others exp.	1,430,169	695,560
Depreciation (Annexure-A)	2,319,489	2,510,979
	29,593,176	37,200,245
25.00 Marketing Expenses		
Business promotional expenses	734,655	531,620
Commission & Others	3,746,000	3,079,566
	4,480,655	3,611,186
26.00 Other Income		
Wastage sales	1,148,920	-
Interest Income from Bank (Note-26.01)	497,356	4,063,275
	1,646,276	4,063,275
26.01 Interest Income from Bank		
Interest Income	497,356	4,063,275
Total Income	497,356	4,063,275
27.00 Financial Expenses		
Bank charge & commission	219,808	252,491
Interest on long term loan	6,280,510	7,310,556
Interest on other loan	1,115,000	615,000
Interest on CC hypo	2,985,440	3,224,945
	10,600,758	11,402,991
28.00 Earning Per Share (EPS)		
Earnings attributable to ordinary shareholders during the period	119,249,204	76,662,844
Weighted average number of shares (Note-28.01)	85,698,000	74,520,000
Earnings Per Share (EPS)	1.39	1.03
Earnings Per Share (Restated)	1.39	0.89
EPS Excluding Extra Ordinary Income		
Earnings attributable to ordinary shareholders during the period	119,249,204	76,662,844
Less: Other income	1,646,276	4,063,275
Earnings excluding extra ordinary income during the period	117,602,928	72,599,569
Weighted average no. of ordinary shares outstanding	85,698,000	74,520,000
EPS excluding extra ordinary income	1.37	0.97
EPS excluding extra ordinary income (Restated)	1.37	0.85

28.01 Weighted Average Number of Shares

Particulars	Number of Share outstanding	Weight average no. of Share	Weight average no. of Share
Opening Shares Capital	52,800,000	52,800,000	52,800,000
IPO Shares	12,000,000	12,000,000	12,000,000
Bonus Shares-2014	9,720,000	9,720,000	9,720,000
Bonus Shares-2015-16	11,178,000	11,178,000	-
Total	85,698,000	85,698,000	74,520,000

29.00 Employees Position (as on 30 June 2017)

Employee Position of Zaheen Spinning Limited as per requirement of schedule XI, Part II, Para 3 of company Act 1994.

Salary range (Monthly)	Total	Officer & Worker	
		Head Office	Factory
Below 5,500	-	-	-
Above 5,500	501	25	476

30.00 Bank Guarantee

The company have no Bank Guarantee on the reporting date.

31.00 Capital Commitment

The company have no Capital Commitment at the reporting date.

32.00 Proposed Dividend

The Board of Director of the company in their 59th board meeting held on 19 August 2017 have recommended stock dividend on paid up capital @ 15% for the period from 01 July 2016 to 30 June 2017.

32.00 Related Party Transaction

During the period the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of BAS-24: Related Party Disclosures.

Particulars	Relationship	Transacti on during the year / period	Outstanding as on 30.06.2017	Outstanding as on 30.06.2016
Dainik Desh Bortoman	Sister Concern	67,300	91,260	23,960
Zaheen Polimer	Subsidiary	-	45,000	45,000
Zaheen Green Tech	Sister Concern	-	268,970	268,970
Zaheen Capital Ltd	Sister Concern	-	3,200	3,200
Mrs. Farida Khanam	Chairman	700,000	1,150,000	450,000
Mr. A.M Badruzzaman Khashroo	Managing Director	700,000	1,300,000	600,000
Mr. Mahmuddur Rahman	Director	2,800,000	4,550,000	1,750,000
Mrs. Sadia Amneen	Director	-	-	500,000
Mrs. Nusrat Jahan	Director	210,000	860,000	150,000
Total		4,477,300	8,268,430	3,791,130

Board of Directors of Zaheen Spinning Limited till now have not taken any board meeting attendance fees.

During the period from 01-07-2016 to 30-06-2017, there were 7 (Seven) Board Meetings held. The attendance status of all the meetings is as follows:

Name of Directors	Designation	No. of Meetings Attended
Mrs. Farida Khanam	Chairman	7
Mr. A.M. Badruzzaman Khashroo	Managing Director	7
Mr. Mahmuddur Rahman	Director	7
Mrs. Nusrat Jahan	Director	7
Dr. Md. Abbas Ali Khan	Independent Director	7

Transaction with Key Management Personnel of the entity:

(a)	Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager.	7,860,000
(b)	Expenses reimbursed to Managing Agent	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(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.	Nil
(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 year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(i)	Share Based payments	Nil

As per BAS- 24:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits	4,410,000
(b) Post-employee benefits	
(c) Other long term benefits	
(d) termination benefits and	
(e) share- based payment	

33.00 VAT, Income Tax, Customs Duty or Other Tax Liability Including Contingent Liabilities which is yet to be paid with reason for non-payment:

(i) VAT: There is no VAT liability by the Company as on June 30, 2017.

(ii) Income Tax: Zaheen Spinning Limited enjoyed tax holiday facilities for a period of 5 (five) years starting from February 01, 2010 to January 31, 2015; first two years 100%, next two years 50% and last one year 25% Tax Holiday as per approval granted by the National Board of Revenue (NBR) vide their letter bw_ bs-11(23) Aby-1/2010 dated 27/06/2010 under section 46A & 46(A) (1A)(I) of Income Tax Ordinance 1984.

The Company's tax assessment position is as under:

Income year	Assessment year		Remarks
2010	2011-2012	The company is enjoyed Tax holiday.	Assessment completed
2011	2012-2013		Assessment completed
2012	2013-2014		Assessment completed
2013	2014-2015		Assessment completed
2014	2015-2016		Assessment completed
01 January 2015 to 30 June 2016	2016-2017		Assessment not yet completed

(iii) Custom duty or other Tax and contingent liabilities:

There is no custom duty or any other tax & contingent liability by the Company.

ZAHEEN SPINNING LIMITED
Schedule of Property, Plant and Equipment
As at 30 June 2017

Annexure-A

(Amount in Taka)

A. At Cost

Sl. No.	Particulars	Cost			Rate %	Depreciation			W.D.V.
		Balance as at 01.07.2016	Addition During the year	Balance as at 30.06.2017		Balance as at 01.07.2016	Charged During the year	Total Charges 30.06.2017	Balance as at 30.06.2017
1	Land & Land Development	86,929,317	609,600	87,538,917	-	-	-	-	87,538,917
2	Plant & Machinery	312,075,806	90,941,585	403,017,391	10%	137,716,106	18,951,663	156,667,769	246,349,622
3	Building & Constructions	66,919,345	19,172,207	86,091,552	10%	18,748,193	5,136,652	23,884,845	62,206,707
4	Office Equipment	3,065,065	319,390	3,384,455	15%	1,228,360	307,014	1,535,374	1,849,081
5	Furniture & Fixture	2,270,626	326,500	2,597,126	15%	976,671	221,668	1,198,339	1,398,787
6	Generator	2,079,427	-	2,079,427	15%	923,679	173,362	1,097,041	982,386
7	Vehicles	11,721,300	-	11,721,300	15%	4,192,301	1,129,350	5,321,651	6,399,649
8	Electrical Equipment	7,071,310	64,000	7,135,310	10%	2,227,863	488,095	2,715,958	4,419,352
	A. Sub-Total	492,132,196	111,433,282	603,565,478		166,013,173	26,407,804	192,420,977	411,144,501

B. At Revaluation

1	Land & Land Development	136,926,183	-	136,926,183	-	-	-	-	136,926,183
	B. Sub-Total	136,926,183	-	136,926,183	-	-	-	-	136,926,183
Balance as on 30 June 2017 (A+B)		629,058,379	111,433,282	740,491,661	-	166,013,173	26,407,804	192,420,977	548,070,684
Balance as on 30 June 2016		490,742,026	138,316,353	629,058,379		153,094,045	12,919,128	166,013,173	463,045,206

Allocation of Depreciation:

Note: Depreciation Charged in the following Manner:

Particulars	Rate	Amount
Factory Overhead	91%	24,088,315
Administrative Expenses	9%	2,319,489
Total	100%	26,407,804

ZAHEEN SPINNING LIMITED
Schedule of Capital Work in Progress
as at 30 June 2017

Annexure-A/1

Sl. No.	Particulars	Cost				Rate %	Depreciation			Balance
		Balance as at 01.07.2016	Addition During the year	Transferred to Fixed Asset	Balance as at 30.06.2017		Balance as at 01.07.2016	Charged During the year	Total Charges 30.06.2017	Balance as at 30.06.2017
1	Plant & Machinery	247,546,780	1,030,000	90,941,585	157,635,195	0%	-	-	-	157,635,195
2	Generator	-	28,365,761	-	28,365,761	0%	-	-	-	28,365,761
3	Building & Constructions	19,172,207	19,386,078	19,172,207	19,386,078	0%	-	-	-	19,386,078
	A. Sub-Total	266,718,987	48,781,839	110,113,792	205,387,034	-	-	-	-	205,387,034

ZAHEEN SPINNING LIMITED
Quantity-wise break- up of Inventory
As at June 30, 2017

Annexure-B

Raw Materials:

(Amount in Taka)

Items Name	Balance as on 01.07.2016		Purchased		Consumed/Used		Balance as on 30.06.2017	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
Sankar-6	753,527	53,538,298	2,400,510	181,238,525	2,335,599	176,337,733	818,438	58,439,091
MCU-5	1,813,288	141,262,464	5,419,102	419,980,405	4,883,999	378,509,923	2,348,391	182,732,947
Australia	49,102	2,935,968	-	-	49,102	2,935,968	-	-
CIS	507,106	35,627,092	-	-	507,106	35,627,092	-	-
Loose Cotton	152,390	12,023,228	100,118	7,004,655	184,316	12,902,120	68,192	6,125,763
Sub Total		245,387,050		608,223,585		606,312,835		247,297,800

Finished Goods:

Items Name	Balance as on 01.07.2016		Production		Delivered		Balance as on 30.06.2017	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
50 (Auto) Yarn	44,302	6,527,569	5,488,746	806,845,662	5,470,189	804,117,886	62,859	9,255,345
50 Normal Yarn	41,962	7,814,049	398,989	58,651,383	390,291	57,372,777	50,660	9,092,655
60 Normal Yarn	-	-	-	-	-	-	-	-
Sub Total:		14,341,618		865,497,045		861,490,663		18,348,000

Work in Process:

Items Name	Balance as on 01.07.2016		Production		Delivered		Balance as on 30.06.2017	
	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount	Quantity (LBS)	Amount
Blow room : Mixing	500	37,485	93,328	6,999,600	93,007	6,975,525	821	61,560
Lap	3,066	229,425	44,745	3,355,875	47,143	3,535,725	668	49,575
Carding Lap	6,066	456,450	73,428	5,507,100	76,090	5,706,750	3,404	256,800
Silver	2,639	197,925	88,567	6,642,525	88,896	6,667,200	2,310	173,250
D/Breaker : Card Silver	9,281	696,075	104,899	7,867,425	111,890	8,391,750	2,290	171,750
B/ Silver	5,826	436,950	24,980	1,873,500	28,142	2,110,715	2,664	199,735
D/Finisher: B/ Silver	5,377	403,275	100,338	7,525,350	104,600	7,845,000	1,115	83,625
F/Silver	629	47,175	141,379	10,603,425	141,913	10,643,475	95	7,125
Simplex : F/ Silver	583	43,725	110,657	8,299,275	108,625	8,146,875	2,615	196,125
Roving	2,092	157,455	80,076	6,005,700	78,307	5,873,025	3,861	290,130
Ring : Roving	1,968	147,600	140,459	10,534,425	141,082	10,581,150	1,345	100,875
Ring Cops	1,177	87,900	150,879	11,315,925	150,500	11,287,500	1,556	116,325
Finishing : Cone	2,137	160,275	78,898	5,917,350	79,450	5,958,750	1,585	118,875
Ring Cops	877	65,775	90,541	6,790,575	87,960	6,597,000	3,458	259,350
Pneumatic	4,392	329,400	70,024	5,251,800	71,568	5,367,600	2,848	213,600
Sub Total:		3,496,890		104,489,850		105,688,040		2,298,700

Wastage Goods:

Items Name	Balance as on 01.07.2016		Production/Production Loss		Delivered		Balance as on 30.06.2017	
	Quantity (Kg)	Amount	Quantity (Kg)	Amount	Quantity (Kg)	Amount	Quantity (Kg)	Amount
Drofiging -1	4,765	242,925	27,314	518,966	23,893	453,966	8,186	307,925
Drofiging -2	11,431	36,193	25,098	250,980	25,513	255,130	11,016	32,043
Filter - 1	485	187,962	15,980	639,200	14,909	596,360	1,556	230,802
Filter - 2	3,616	236,163	12,765	191,475	14,900	223,500	1,481	204,138
Tuckering	2,114	217,004	11,765	352,950	11,900	357,000	1,979	212,954
Sweeping	1,444	188,220	11,899	154,687	10,940	142,220	2,403	200,687
Roving	4,331	405,986	15,143	1,060,010	17,224	1,205,680	2,250	260,316
Hardwest	331	134,796	7,990	399,500	7,800	390,000	521	144,296
Old PP Bag (Pcs.)	204	4,531	1,009	17,153	945	16,065	268	5,619
Sub Total:		1,653,780		3,584,921		3,639,921		1,598,780
Spare Parts		1,852,850		3,101,865		1,459,106		3,495,609
Total Amount:		266,732,188		1,584,897,266		1,578,590,565		273,038,889

Zaheen Spinning Limited
Schedule of Accounts Receivable
as at June 30, 2017

Annexure-C
(Amount in Taka)

SL. No.	Name of the Party	Items	Address of the Party	Less than 3 Months	Over 3 Months less than 6 Months	Above 6 Months	30-Jun-17	30-Jun-16
							Total BDT	Total BDT
1	M/s. Provati Yarn Traders	Yarn	40, SM Maleha Road, Tan Bazar, Narayangonj	63,254,551	24,569,275	-	87,823,826	45,678,000
2	M/s. Raya Spinning Mills Ltd	Yarn	Duptara, Araihasar, Narayangonj	9,612,370	7,860,430	-	17,472,800	10,983,700
3	M/s. Sakib Traders	Yarn	Kali Bari, Araihasar, Narayangonj	15,533,726	5,674,968	-	21,208,694	17,679,800
4	M/s. Babul Textile	Yarn	Elomdi, Araihasar, Narayangonj	10,135,800	7,998,700	-	18,134,500	14,579,090
5	M/s. Prime Print Shari	Yarn	Nowradi, Araihasar, Narayangonj	9,004,200	9,867,800	-	18,872,000	15,698,010
6	M/s. Humayun Textile	Yarn	Elomdi, Araihasar, Narayangonj	13,037,422	4,580,300	-	17,617,722	16,759,900
7	M/s. Asraful Islam Traders	Yarn	Kali Bari, Araihasar, Narayangonj	13,589,700	4,190,870	-	17,780,570	15,857,090
8	M/s. Muazuddin Knit Fashion Ltd	Yarn	235-236, East Chandura, Shafipur, Kaliakoir, Gazipur, Bangladesh.	12,551,635	2,782,175	-	15,333,810	25,874,532
9	M/s. Masco Industries Ltd	Yarn	Knit Germents, 221-223, Khartail, Shataish Road, Tongi, Gazipur-1712	13,500,109	6,790,443	-	20,290,552	8,574,525
10	M/s. Scandex Knitwear Ltd	Yarn	Polt 42-51, AEPZ, Adamjee Nagar, Sidhirgonj, Narayangonj, BD	13,416,887	2,890,865	-	16,307,752	5,478,459
11	M/s. Mark Sweaters Ltd	Yarn	Naypara, Kashampur, Gazipur, Bangladesh	13,617,052	1,890,643	-	15,507,695	-
12	M/s. Genetic Fashion Ltd	Yarn	Vill+Post: Zirabo, PS-Ashulia, Savar, Dhaka	10,705,732	1,570,122	-	12,275,854	5,485,786
13	M/s. Unitex Knitwear Ltd	Yarn	Bokran, Monipur, Mirzapur, Gazipur Sadar, Gazipur	6,703,734	1,900,434	-	8,604,168	5,874,156
14	M/s. Gramtech Knit Dyeing Finishing	Yarn	Dahargoan, Baliapara, Rupgonj, Narayangonj	3,315,281	1,791,957	-	5,107,238	8,712,542
15	M/s. MK Fashion Ltd	Yarn	Araihasar, Narayangonj	3,404,098	1,980,266	-	5,384,364	-
Total				211,382,297	86,339,248	-	297,721,545	197,235,590

ZAHEEN SPINNING LIMITED
Deferred Tax Calculation
as at 30 June 2017

Annexure-D

Deferred tax assets/liability recognized in accordance with the provision of BAS's-12, is arrived as follows:

(Amount in Taka)

Particulars	Amount in BDT		
	30 June 2017		30 Jun 2016
Opening Balance	7,097,177		3,505,502
Deffered Tax Liability /(Assets) as on 30 June 2017	9,402,593		7,097,177
Increase/(Decrease) of Deffered Tax Liability	2,305,416		3,591,675
Particulars	Carrying Amount on Balance Sheet date (Taka)	Tax Base (Taka)	Temporary Differences (Taka)
At 30 June 2017			
Property, Plant & Equipment (excluding land), Annexure-A	323,605,584	253,897,288	69,708,296
Addition during the period	-	-	-
Temporary difference for lease Assets	-	-	-
Liability to Employees	(7,024,343)	-	(7,024,343)
Net temporary difference	316,581,241	253,897,288	62,683,953
Applicable Tax rate			15%
Deferred Tax Liability/(Asset)			9,402,593
At 30 June 2016			
Fixed Assets (At Cost less Accumulated Depreciation)-Excluding Land	239,189,706	183,035,985	56,153,721
Temporary difference for lease Assets	-	-	-
Liability to Employees	(8,839,210)	-	(8,839,210)
Net temporary difference	230,350,496	183,035,985	47,314,511
Applicable Tax Rate			15%
Deferred Tax Liability/(Asset)			7,097,177

Zaheen Spinning Limited
Income Tax Liabilities
as at 30 June 2017

Annexure-E

Particulars	Amount in BDT	
	30 June 2017	30 June 2016
Computation of Total Income		
Accounting Profit before other Income and Tax	138,840,584	87,765,634
Add: Other Inadmissible Allowances		
Accounting Depreciation	26,407,804	27,899,765
Provision for WPPF	7,024,343	4,591,445
Less: Items for Separate Consideration		
Depreciation as per 3rd Schedule	39,962,379	45,438,843
Payment for WPPF (Previous)	8,839,210	4,427,522
Total Taxable Income	123,471,143	70,390,479
Rate	15%	15%
A. Tax on Total Taxable Income	18,520,671	10,558,572
Other Income	1,646,276	4,063,275
Rate	25%	25%
B. Tax from Other Income	411,569	1,015,819
Total Tax Expenses (A+B)	18,932,240	11,574,391

SUMMARIZED CASH-FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT AND BALANCE SHEET, AND DIVIDEND DECLARED AND PAID FOR EACH OF THE 5 (FIVE) YEARS IMMEDIATELY PRECEDING THE ISSUE OF RIGHTS SHARE OFFER DOCUMENT OR FOR SUCH SHORTER PERIOD DURING WHICH THE ISSUER WAS IN COMMERCIAL OPERATION [see rule-8(i)]

ZAHEEN SPINNING LIMITED

Auditors' Report under section 135(1) and paragraph 24(1) of Part-II of 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 ZAHEEN SPINNING LIMITED for the year/period ended 30 June 2017, 30 June 2016 and 31 December 2015 audited by us and the year ended 31 December 2014, 2013 and 2012 audited by M/s. Mohammad Ata Karim & Co., Chartered Accountants.

1. ZAHEEN SPINNING LIMITED was incorporated on July 22, 2007.
2. The Operating results of the company over the last 5 years operation is as follows:

A. Financial Position:

(Amount in Taka)

Particulars	30-06-2017	30-06-2016	31-12-2015	31-12-2014	31-12-2013	31-12-2012
Assets						
Non-Current Assets	753,457,718	729,764,193	585,423,571	342,869,438	361,033,632	330,186,442
Property, Plant & Equipment	548,070,684	463,045,206	585,423,571	342,869,438	361,033,632	330,186,442
Capital Work in Progress	205,387,034	266,718,987	-	-	-	-
Preliminary Expenses	-	-	-	-	-	-
Current Assets	600,734,959	478,770,742	442,711,929	439,205,420	345,187,349	220,904,378
Inventory	273,038,889	266,732,188	270,998,188	289,494,631	226,597,624	204,122,622
Accounts Receivable	297,721,545	197,235,590	152,594,977	135,160,873	24,223,390	15,915,888
Investment in listed Company Shares	-	-	27,292	2,577,463	16,225,400	-
Advances, Deposits and Prepayments	26,562,934	13,453,710	16,351,444	8,704,202	8,560,830	625,250
Cash and Cash Equivalents	3,411,591	1,349,253	1,736,787	3,268,251	69,580,105	240,618
Investment in FDR	-	-	1,003,240	-	-	-
Total Assets	1,354,192,677	1,208,534,935	1,028,135,500	782,074,858	706,220,981	551,090,820
Shareholders Equity & Liabilities						
Shareholders Equity	1,205,780,611	1,086,531,408	908,117,316	685,271,075	606,629,738	371,516,955
Share Capital	856,980,000	745,200,000	745,200,000	528,000,000	528,000,000	93,000,000
Share Money Deposit	-	-	-	-	-	235,000,000
Tax Holiday Reserve	31,538,864	31,538,864	31,538,864	30,765,086	24,123,803	18,455,087
Revaluation Surplus	136,926,183	136,926,183	-	-	-	-
Retained Earnings	180,335,564	172,866,361	131,378,452	126,505,989	54,505,935	25,061,868
Non-Current Liabilities	15,363,902	26,415,694	21,818,231	58,186,275	74,827,062	84,207,089
Long Term Loan	5,961,309	19,318,517	18,949,143	58,186,275	74,827,062	84,207,089
Deferred Tax liabilities	9,402,593	7,097,177	2,869,088	-	-	-
Current Liabilities	133,048,164	95,587,833	98,199,953	38,617,508	24,764,181	95,366,776
Accounts Payable	21,659,918	11,303,093	15,710,448	1,780,371	1,932,540	3,075,047
Short Term Bank Loan	18,179,000	18,237,321	18,444,226	18,319,441	18,227,454	89,550,697
Current portion of Long Term Loan	26,253,810	24,587,203	26,699,718	-	-	-

Provision for Income Taxes	44,285,107	25,352,865	23,498,268	12,762,760	2,853,658	-
Provision for WPPF	7,024,343	8,839,210	6,190,225	4,427,522	-	-
Liabilities for Expenses	15,645,986	7,268,141	7,657,068	1,327,414	1,750,529	2,741,032
Total Shareholders Equity & Liabilities	1,354,192,677	1,208,534,935	1,028,135,500	782,074,858	706,220,981	551,090,820
Net Assets Value (NAV) Per Share	14.07	14.58	12.19	12.98	11.49	14.68
Net Assets Value (NAV) Per Share without Revaluation Surplus	12.47	12.74	-	-	-	-

B. Statement of Operating Result:

(Amount in Taka)

Particulars	For the year ended					
	30-06-2017	30-06-2016	31-12-2015	31-12-2014	31-12-2013	31-12-2012
Revenue	869,044,896	444,671,611	883,604,672	725,564,768	455,707,340	399,719,712
Less: Cost of Goods Sold	678,505,379	370,936,422	725,412,318	613,174,440	383,515,154	337,472,785
Gross Profit	190,539,517	73,735,189	158,192,354	112,390,328	72,192,186	62,246,927
Add: Other non-operation Income	1,646,276	12,309	27,094,054	13,715,107	4,920,879	1,845,800
	192,185,793	73,747,498	185,286,408	126,105,435	77,113,065	64,092,727
Less: Operating Expenses	34,073,831	12,596,808	43,065,158	19,249,631	17,406,462	11,408,110
Operating Income	158,111,962	61,150,690	142,221,250	106,855,804	59,706,603	52,684,617
Less: Financial Expenses	10,600,758	5,522,008	12,226,529	13,877,843	21,740,162	33,321,108
Net Operating Income	147,511,203	55,628,682	129,994,721	92,977,961	37,966,441	19,363,509
Provision for Workers Profit Participation Fund	7,024,343	2,648,985	6,190,225	4,427,522	-	-
Net Profit/ (Loss) before Income Tax	140,486,860	52,979,697	123,804,496	88,550,439	37,966,441	19,363,509
Less: Tax Holiday Reserve	-	-	773,778	6,641,283	5,668,716	5,809,053
Profit before Tax	140,486,860	52,979,697	123,030,718	81,909,156	32,297,725	13,554,456
Less: Provision for Income Tax	21,237,657	11,491,788	17,452,753	9,909,102	2,853,658	-
Net Profit after Tax	119,249,204	41,487,909	105,577,965	72,000,054	29,444,067	13,554,456
Earnings per Share (EPS)	1.39	0.56	1.47	1.36	1.01	2.35
Earnings per Share (Restated)	-	0.48	1.42	1.00	0.56	0.46

C. Dividend declared:

Particulars	01 July 2016 to 30 June 2017	01 January 2016 to 30 June 2016	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
	Taka	Taka	Taka	Taka	Taka	Taka
Cash dividend %	-	-	-	-	-	-
Stock dividend %	15%	-	15%	15%	-	24%

- D. The company was incorporated as a Private Limited Company on July 22, 2007 and converted into a Public Limited Company on August 14, 2012 with the Registrar of Joint Stock Companies and Firms (RJSC) in Bangladesh;
- E. Zaheen Polymer Limited was incorporated and registered with the Registrar of Joint Stock Companies and Firms of Bangladesh under the Companies Act (Act XVIII) of 1994 in 3 November 2015 vide Registration No. C-126648/2015. The activities of the subsidiary are yet to be commenced.
- F. The Company prepared accounts for the period ended June 30, 2017.
- G. Figure have been restated as per BAS-8 (Accounting Policies, Changes in Accounting Estimate and Errors) where necessary and no materials impact is found in the financial statements.
- H. The accounting year of Zaheen Spinning Limited was for the period from January to December. To comply uniform year ending of all companies (except financial institutions) as on 30 June on the basis of amended law by section 2(35) of Income Tax Ordinance 1984 and Financial Act 2015. The Board of Directors of Zaheen Spinning Limited has decided to close the accounts as on 30 June. Therefore, these accounts have been prepared for the period from 1 January 2015 to 31 December 2015 and 01 January 2016 to 30 June 2016.

Dated: 15 October 2017
Place : Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

ZAHEEN SPINNING LIMITED
Statement of Ratio Analysis

The following Ratios have been calculated by the management based on audited financial statements of ZAHEEN SPINNING LIMITED for the period/year ended 30 June 2017, 30 June 2016, 31 December 2015 and the year ended 31 December 2014, 2013, 2012.

Particulars	30-06-2017	30-06-2016	31-12-2015	31-12-2014	31-12-2013	31-12-2012
	Result	Result	Result	Result	Result	Result
Liquidity Ratios						
Current Ratio	4.52	5.01	4.51	11.37	13.94	2.32
Quick Ratio	2.46	2.22	1.75	3.88	4.79	0.18
Operating Ratios						
Accounts Receivable Turnover Ratio	3.51	2.54	6.14	9.10	22.71	47.11
Inventory-Turnover Ratio	2.51	1.38	2.59	2.38	1.78	1.77
Asset - Turnover Ratio	0.68	0.40	0.98	0.98	0.72	0.75
Profitability Ratios						
Gross Margin Ratio (%)	21.93%	16.58%	17.90%	15.49%	15.84%	15.57%
Operating Income Ratio (%)	18.19%	13.75%	16.10%	14.73%	13.10%	13.18%
Net Profit Ratio (Before Tax) %	16.17%	11.91%	14.01%	12.20%	8.33%	4.84%
Net Profit Ratio (After Tax) %	13.72%	9.33%	11.95%	9.92%	6.46%	3.39%
Return on Assets (%)	9.31%	3.71%	11.66%	9.68%	4.68%	2.54%
Return on Equity (%)	10.40%	4.16%	13.25%	11.15%	6.02%	3.75%
Earnings Per Share (weighted)	1.39	0.56	1.47	1.36	1.01	2.35
EBITDA Margin *	22.04%	17.25%	20.03%	19.31%	19.08%	20.68%
Solvency Ratio						
Debt to Total Asset Ratio	10.96%	10.10%	11.67%	12.38%	14.10%	32.59%
Time Interest Earned Ratio (Times)	14.92	11.07	11.63	7.70	2.75	1.58
Debt-Equity Ratio	0.12	0.11	0.13	0.14	0.16	0.48
Debt to Service Coverage Ratio	7.07	8.18	5.77	3.26	2.75	1.58
Cash Flows						
Net Operating Cash Flows Per Share	0.75	0.28	2.15	(1.00)	0.81	2.52
Net Operating Cash Flows Per Share/EPS	0.54	0.50	1.47	(0.73)	0.80	1.07

We have examined the calculation procedure of the above ratios of ZAHEEN SPINNING LIMITED for the year/period ended 30 June 2017, 30 June 2016 and the year ended 31 December 2015, 2014, 2013, 2012 and no material deviation found in the result.

The details calculation is presented in Annexure-I

Dated: 15 October 2017
Place : Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

AUDITORS' CERTIFICATE OF COMPLIANCES OF CONDITIONS OF THE CORPORATE GOVERNANCE GUIDELINES TO THE SHAREHOLDERS

[SEC Notification No. SEC/CMRRCD/2006-158/134/admin/44 dated 7 August 2012]

**Certificate of Compliance to the Shareholders of
ZAHEEN SPINNING LIMITED
On the condition of Corporate Governance Guidelines**

We have reviewed the statement of compliance of conditions of Corporate Governance Guidelines prepared by the management of **Zaheen Spinning Limited** to comply with the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC) and subsequent amendments made thereon.

The responsibility for compliance with the conditions of Corporate Governance Guideline is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the conditions of Corporate Governance Guidelines and report if it does not.

Based on our view, we certify that nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the conditions of Corporate Governance as applicable to the Company for the Period ended June 30, 2017.

Place - Dhaka.

Date- 30 August, 2017

Sd/-
AFM Alamgir FCA
Chief Executive Officer
ARTISAN Chartered Accountants

LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS [see rule-8(j)]

Zaheen Spinning Limited a listed Company was incorporated in July 22, 2007 as a 'Private' company limited by shares and registered with the Registrar of Joint Stock Companies & Firms of Bangladesh under the Companies Act, 1994. August 14, 2012 the company converted into a Public Limited Company under the Companies Act, 1994. The shares of the Company were listed with both Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE). The Company commencement its business in February 15, 2010 and has successfully completed almost 07 (Seven) years of operation.

Sd/-
A.M. Badruzzaman Khashroo
Managing Director

Sd/-
Md. Mohin Uddin
Company Secretary

Sd/-
Md. Faruq Hossain
Chief Financial Officer

IMPLEMENTATION SCHEDULE FOR COMPLETION OF EACH SEGMENT OF THE PROJECT ALONGWITH THE PROPOSED DATES OF TRIAL AND COMMERCIAL OPERATION OF THE PROPOSED PROJECT [see rule-8(k)]

Purpose	Amount in Taka	Implementation Period
A) Expansion of the Existing Project	766,027,000	By 14 (fourteen) months after receiving the fund.
B) Working Capital	150,000,000	Immediately after completion of the expansion.
C) Partial Repayment of Term Loans	50,000,000	Within 03 (three) months after receiving the fund.
D) Rights Issue Expense (Approx)	19,500,000	Within 04 (four) months after receiving the fund.
Total (A+B+C)	985,527,000	

Utilization of Rights Issue Fund:

The purpose of issuance of Rights Share is to raise further paid up capital for expansion of the existing project and to meet the requirement of Loan Repayment of the company. The proceeds received from right issue will be utilized in the following manner:

Purpose	Amount in BDT
A) Expansion of the Existing Project	766,027,000
B) Working Capital	150,000,000
C) Partial Repayment of Term Loans	50,000,000
D) Rights Issue Expense (Approx)	19,500,000
Total	985,527,000

A) Expansion of the Existing Project:

Sl. No.	Particulars	Approximate time to be required	Amount in BDT
1	Construction of Factory Building (approximately 18,000 Sft. of floor space)	Within a period of 8 months receiving the fund	18,900,000
2	Construction of AC Plant Building (approximately 9,824 sft of floor space)	Within a period of 8 months receiving the fund	14,735,020
3	Land, Land Development, Civil Works & Factory Shed	Within a period of 10 months receiving the fund	85,400,000
4	Opening of L/C for Machinery and Arrival schedule	Opening of L/C for machinery within 4 months of receiving the fund and after finalization with machinery suppliers. Arrival of machinery at port by 12 months of receiving the fund (arrival will be synchronized with partial completion of factory building so that erection & installation can be started without delay).	638,491,980
5	Completion of erection, installation of machine & others work	Within a period of 12 months of receiving the fund	6,500,000
6	Trial run and commissioning of the machinery erected and marketing of products	By 14 months receiving the fund	2,000,000
TOTAL			766,027,000

A) 1: Construction of Factory Building (approximately 18,000sft. floor space):

Description	Quantity		Rate in BDT	Value in BDT
Erath Cutting, Earth Filling, Sand Filling, R.C.C. Casting, MS Rod Fabrication, 10" Brick Works, Plaster Work, Paint Works, C.C Casting, Brick Flat Soling, Thai Aluminium, Grill Works, Shutter & Tiles works, etc	18000	Sft	1,050	18,900,000
SUB TOTAL				18,900,000

A) 2: Construction of AC Plant Building (approximately 9,824 sft. floor space):

Description	Quantity		Rate in BDT	Value in BDT
Erath Cutting, Earth Filling, Sand Filling, R.C.C. Casting, MS Rod Fabrication, 10" Brick Works, Plaster Work, Paint Works, C.C Casting, Brick Flat Soling, Thai Aluminium, Grill Works, Shutter & Tiles works, etc	9,824	Sft	1,499.90	14,735,020
SUB TOTAL				14,735,020

A) 3: Land, Land Development, Civil Works & Factory Shed:

Sl. No.	Particulars	Structure Type	Quantity	Rate in BDT	Value in BDT
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Land, Land Development

a)	Land & Land Development	Land & Land Development			Existing Source
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Civil Works & Factory Shed

b)	Various Civil Works:	Description	Quantity	Rate in BDT	Value in BDT	
i)	Pre-Fab Steel Factory Building including Mezz Floor Matching Foundation, Brick wall, Drain etc.	Pre-fabricated Steel Building Including Mezzanine Floor including 5" Brick wall, RCC Column, Grade Beam, Lintel, G.I. Sheet Roof, Window, Doors, Plastering, Whitewash, Mosaic Floor, Machine Foundation	75,000	Sft	900	67,500,000
ii)	Utility Building (Generator+ Boiler)	R.C.C Casting	4,500	Sft	1,200	5,400,000
iii)	AC Plant & RA Ducting	R.C.C/Brick Wall/Drain etc	-	-	-	12,500,000
SUB TOTAL					85,400,000	

A) 4: Break-Up of Machineries (Opening of L/C for Machinery and Arrival Schedule):

Sl. No.	Name of the Machinery	Brand/Model/ Manufacturer	Nos of Mac/ Pcs/Qty	Capacity/ Unit	Unit Price		Total Price		Total Price in BDT	Exch. Rate
1	Ring Spinning Frame	JINGWEI/China, Rieter/Germany, Tuzler/France	40 Sets	20,000 RPM	USD	64,500	USD	2,580,000	208,980,000	81
2	Blow Room With Carding	JINGWEI/China, Rieter/Germany, Tuzler/France	8 sets	35 kg/hr	USD	170,000	USD	1,360,000	110,160,000	81
3	Roving Frame/Simplex	FA494-120/ China	5 sets	200lbs/hr	USD	75,000	USD	375,000	30,375,000	81
4	Draw Frame	Rieter, Germany	1 Set	600 lbs/hr	EUR	167,000	EUR	167,000	15,364,000	92
5	Automatic Cone Winding	SAVIO, Italy	2 Sets	150lbs/hr/mc	EUR	160,000	EUR	320,000	29,440,000	92
6	Injection Molding Ring Bobbin Machine	China Brand	4 Sets	3500 Pcs/day	USD	154,320	USD	617,280	49,999,680	81
7	Injection Molding Simplex Bobbin Machine	China Brand	2 Sets	3000 Pcs/day	USD	493,850	USD	987,700	80,003,700	81
8	AC Plant	China Brand	1 Set	-	USD	750,000	USD	750,000	60,750,000	81
9	BBT	Malaysia	1 Set	-	USD	150,000	USD	150,000	12,150,000	81
10	Electric Substation	ABS/ACR/LT/PFI/ELB/MCCB/MCB/ACB /VCR-Korea/Italy	1 Set	4.5MW	BDT	-	BDT	-	15,000,000	-
11	Ducting/ Piping/ Cables/ Firefighting/ WTP/ Deep tube well/ Water distribution network etc.		1 Set	-	BDT	-	BDT	-	25,000,000	-
12	Compressor (160KW) along with dryer	Gardner Denver/Germany		75 KW/12.48 M3/min	EUR	13,800	EUR	13,800	1,269,600	92
SUB TOTAL									638,491,980	

B) : Working Capital:

Sl. No.	Name of Raw Materials	Country of Origin	Qty in Lbs	Staple Length	Unit Price		Total Price		Total Price in BDT	Exch. Rate
1	MCU-5	India	1,500,000	31 MM	USD	0.9250	USD	1,387,500	112,387,500	81
2	Sankar-6	India	225,000	31 MM	USD	0.9125	USD	205,313	16,630,312	81
3	CIS	Uzbekistan	150,000	31.5 MM	USD	0.9850	USD	147,750	11,967,750	81
4	Local	Local	132,488	30/31 MM	USD	0.8400	USD	111,290	9,014,438	81
SUB TOTAL									150,000,000	

C) : Partial Repayment of Term Loans of the Financial Institution:

Particulars	Approximate time to be Required	Name of the Bank	Loan Account No.	Outstanding Amount as on 30.06.2017	Payment in BDT	Total Payment in BDT
Repayment of Term Loans of Financial Institution	Within 3 months of receiving the fund after completion of formalities with Financial Institution	MTBL	5161000314	2,904,782	2,904,782	50,000,000
		Do	5161000225	3,950,074	3,950,074	
		Do	5161000252	25,360,263	25,360,263	
		Do	134000398	18,179,000	17,784,881	
TOTAL				50,394,119	50,000,000	

Sd/-
A.M. Badruzzaman Khashroo
Managing Director

Sd/-
Md. Mohin Uddin
Company Secretary

Sd/-
Md. Faruq Hossain
Chief Financial Officer

QUANTITY OF SHARES HELD BY EACH DIRECTOR AND PERSONS WHO HOLD 5% OR MORE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER ON THE DATE OF THE RIGHTS SHARE OFFER DOCUMENT [see rule-8(I)]

Quantity of shares held by each director on the date of the rights share offer document

As on October 15, 2017

Name of the Directors	Position	Number of Shares	Percentage (%)
Mrs. Farida Khanom	Founder Director & Chairman	5,658,000	5.74%
Mr. A. M. Badruzzaman Khashroo	Founder Director & Managing Director	13,432,000	13.63%
Mr. Mahmudur Rahman	Founder Director	8,280,000	8.40%
Mrs. Nusrat Jahan	Director	3,283,106	3.33%
Mr. Md. Abbas Ali Khan	Independent Director	-	-
Total		30,653,106	31.10%

Composition of Shareholding Position of the Company

As on October 15, 2017

Particulars	No. of Shares Held	Total Amount of Shares	% of Total Shares
Sponsors & Directors	30,653,106	306,531,060	31.10%
General Public	43,563,743	435,637,430	44.20%
Institutions	24,335,851	243,358,510	24.70%
Government	-	-	-
Total	98,552,700	985,527,000	100%

Beneficial Owners Holding Shares 5% or Above

Name	Position	No. of Shares Held	Percentage (%)
Mrs. Farida Khanom	Chairman	5,658,000	5.74%
Mr. A. M. Badruzzaman Khashroo	Managing Director	13,432,000	13.63%
Mr. Mahmudur Rahman	Director	8,280,000	8.40%
ICB	Institution	5,941,515	6.03%
Total		33,311,515	33.80%

Sd/-
A.M. Badruzzaman Khashroo
Managing Director

Sd/-
Md. Mohin Uddin
Company Secretary

Sd/-
Md. Faruq Hossian
Chief Financial Officer

NAME, ADDRESS, DESCRIPTION AND OCCUPATION OF DIRECTORS; MANAGING DIRECTOR, MANAGERS AND COMPANY SECRETARY OF THE COMPANY [see rule-8(m)]

Board of Directors

Name of the Directors	Position	Number of Shares	Date of Becoming Director for the first time	Percentage (%)
Mrs. Farida Khanom	Founder Director & Chairman	5,658,000	22.07.2007	5.74%
Mr. A. M. Badruzzaman Khashroo	Founder Director & Managing Director	13,432,000	22.07.2007	13.63%
Mr. Mahmudur Rahman	Founder Director	8,280,000	22.07.2007	8.40%
Mrs. Nusrat Jahan	Director	3,283,106	14.08.2012	3.33%
Mr. Md. Abbas Ali Khan	Independent Director	-	17.01.2015	-

Management & Executives



Sl. No.	Name of Officers	Position	Educational Qualification	Address
1	Mr. A.M. Badruzzaman Khashroo	Managing Director	S S C	House-9, Road-10, Flat-A/1, Dhanmondi, Dhaka-1205
2	Mr. Md. Faruq Hossian	CFO	MBA, M.Com(Accounting), CA C.C	Vill: Alinagar, P.O: Kalatia, Upazilla: Keranigonj, Dist: Dhaka
3	Mr. Md. Mohin Uddin	CS & AGM- A&F	M.Com (Accounting), CA C.C	Vill: Sayedpur, P.O: Duttapara, Upazilla: Sadar, Dist: Lakshmipur
4	Mr. Tamal Kusum Barua	G.M. (Production)	B. Sc. in Textile Engineering	Vill: Ichamoti, P.O: Rangunia, P.S: Rangunia, Dist: Chittagong
5	Mr. Monotosh Datta	Manager- Admin & HR	MA, L.L.B	Battrish, P.O: Kishorgonj, P.S.: Kishorgonj, Dist: Kishorgonj
6	Mr. Md. Razib Mahmud	Electrical Engineer	B.Sc. in Electrical Engineering	Vill: Dakshin Nagar, P.O: Binnakuri, P.S: Chirir Bandar, Dist: Dinajpur

NAME OF THE PUBLIC LISTED COMPANIES UNDER COMMON MANAGEMENT [see rule-8(n)]

As per the Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no Public Listed Company under the common Management of Zaheen Spinning Limited.

NAME AND ADDRESS OF THE UNDERWRITER(S) ALONG WITH THE NUMBER OF SHARES UNDERWRITTEN BY EACH UNDERWRITER, AND ALSO THE NAME AND ADDRESS OF ISSUE MANAGER, AUDITORS, LEGAL ADVISER AND BANKER TO THE RIGHTS ISSUE [see rule-8(o)]

Classified Information & Underwriters

ISSUE MANAGERS	 GSP Investments Limited 1, Paribagh, Mymensingh Road, Dhaka-1000, Bangladesh
	 MTB Capital Ltd. MTB Tower (Level 3), 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka 1000
AUDITOR	AHMAD & AKHTAR Chartered Accountants
BANKERS' TO THE ISSUE	Mutual Trust Bank Limited
	South Bangla Agriculture and Commerce Bank Limited
	Investment Corporation of Bangladesh (ICB)
LEGAL ADVISOR	The Legal Edge Akram Tower (11 th Floor), Suit-02, 15/5 Bijoy Nagar, Dhaka-1000.

Zaheen Spinning Limited is going to offer rights share of **98,552,700** Ordinary Shares of **Tk.10.00** each at per, totaling **Tk. 985,527,000.00** offered on the basis of 01[R]:01, i.e. 01 (one) Rights Share for every 01 (one) existing share held. As per Securities and Exchange Commission's guideline, the issuer of a listed security making rights issue shall appoint one or more underwriters licensed under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্কেট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, ১৯৯৬ to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be @ **0.50%** on the underwritten amount and there will be no additional commission for take-up unsubscribe portion of shares if any.

Name of Underwriters	No. of Shares to be Underwritten	Offer price (BDT)	Total Amount of Underwritten (BDT)	% of Total Underwritten
Banco Finance And Investment Limited Shefali Complex (4th Floor), 218/3/A West Kafrul Begum Rokeya Sharani, Taltola, Sher-e-Bangla Nagar, Dhaka-1207	47,000,000	10.00	470,000,000	47.69%
MTB Capital Ltd. MTB Tower (Level 3), 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka 1000	25,776,350	10.00	257,763,500	26.15%
GSP Investments Limited 1, Paribagh, Mymensingh Road, Dhaka-1000, Bangladesh	25,776,350	10.00	257,763,500	26.15%
Total	98,552,700	10.00	985,527,000	100%

Underwriters' Obligation

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within **10 (ten)** days of the closure of subscription call upon the underwriters (**for full unsubscribed amount**) in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen)** days after being called upon to do so. If payment is made by Cheque/Company Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his commitment under this Agreement, until such time as the Cheque/Company Draft has been encashed and the Company's account has been credited. In any case, within **7 (seven)** days after the expiry of the aforesaid **15 (fifteen)** days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.

PARTICULARS ALONG WITH THE TERMS AND CONDITIONS OF THE MATERIAL CONTRACTS INCLUDING VENDORS' AGREEMENT, UNDERWRITING AGREEMENT, ISSUE MANAGEMENT AGREEMENT, AGREEMENT WITH THE BANKER TO THE ISSUE AND CONTRACT FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT [see rule-8(p)]

Terms and Conditions of the Rights Issue

Basis of the Offer

The Company records its share register of members on **April 05, 2018** for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date at Tk.10.00 each at per share, in the ratio of **01[R]:01**, i.e. 01 (one) rights share for every 01 (one) existing share held on the record date.

Entitlement

As a shareholder of the Company on the record date on **April 05, 2018** the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

Acceptance of the Offer

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of **August 26, 2018**.

Renunciation

A shareholder may renounce all or part of the shares he/she is entitled to in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

General

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications, which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit, are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

Condition of Subscription

Rights Offer of **98,552,700** Ordinary Shares of Tk.10.00 each at per, totaling **Tk. 985,527,000** offered on the basis of **01[R]:01**, i.e. 01 (one) rights share for every 01 (one) existing share held by the Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on **April 05, 2018**.

Payment of Share Price

Payments for the full value of Shares applied for shall be made with designated Branches of Bankers to the Issue by Cash/Pay Order/Demand Draft payable to "**Zaheen Spinning Limited**" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a Company in the same town to which the application form has been submitted. It is to be noted that all transactions above Tk.1.00 lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

PERIOD OF SUBSCRIPTION

Opening date of subscription	July 29, 2018
Closing date of subscription	August 26, 2018
Within banking hours	

Any changes or extension regarding subscription period will be notified through national dailies.

Lock-in on Rights Share

The Rights Shares of Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

Others

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by **August 26, 2018** or by such later date as may be notified through national dailies to that effect.

Material Contracts

Bankers to the Issue

BRAC Bank Limited, Mutual Trust Bank Limited and Investment Corporation of Bangladesh (ICB) has accorded their consent to act as the Banker to the Issue and will collect the subscriptions money of the Rights Offer in cash/cheque/pay order/draft etc. through their designated branches as mentioned.

Significant clauses of Bankers to the Issue agreement are as follows:

- ✓ The Company shall issue 98,552,700 Rights shares of Tk.10.00 each at per, totaling Tk. 985,527,000 in accordance with the consent of the Bangladesh Securities & Exchange Commission (BSEC) and relevant Securities and Exchange Commission (Rights Issue) Rules, 2006.
- ✓ The company shall pay commission to the Bank at the rate of 0.10% of the amount of subscription money to be collected.
- ✓ The company shall comply with any other formalities required under law of regulatory bodies for raising fund publicly.

The rights issue subscriptions money collected from the shareholders by the Bankers to the issue will be remitted to the Company's A/C No. 0039131000017 with South Bangla Agriculture & Bank Limited, Motijheel Branch.

Underwriters

Name of Underwriters
Banco Finance And Investment Limited Shefali Complex (4th Floor), 218/3/A West Kafrul Begum Rokeya Sharani, Taltola, Sher-e-Bangla Nagar, Dhaka-1207
MTB Capital Ltd. MTB Tower (Level 3), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka 1000
GSP Investments Limited 1, Paribagh, Mymensingh Road, Dhaka-1000, Bangladesh

Significant clauses of underwriting agreement are as follows:

- ✓ The Company shall issue 98,552,700 Rights shares of Tk.10.00 each at per share in accordance with the approval of the Bangladesh Securities and Exchange Commission and the provisions of this Agreement.
- ✓ Company shall within 10 (ten) days of the closure of subscription call upon the underwriter to take-up the unsubscribed shares.
- ✓ Underwriter should pay for in cash in full for such unsubscribed shares within 15 (fifteen) days after being called upon to do so.
- ✓ The Company shall pay to the Underwriter an underwriting commission at the rate of **0.50% (Zero point five zero)** of the value at issue price of the shares hereby agreed to be underwritten by the Underwriter.
- ✓ The Company shall comply with any other formalities required under the laws/rules of the land.

Manager to the Issue

GSP Investments Limited & MTB Capital Ltd. are appointed as Managers to the Issue of the rights issue of the Company. Accordingly, an agreement was made between the Issue Manager and the Company. The Company will pay lump-sum issue management fee BDT **40.00** lac (after deducting all necessary tax and VAT) only on total amount to be raised to the Managers to the Issue.

Vendor's Agreement

Zaheen Spinning Limited has not entered into any vendor's agreement except normal course of business.

Contract for Acquisition of Property

The Company did not acquire any property or enter into agreement for acquisition of property after the Balance Sheet Date of 01 July 2016 to 30 June 2017.

NUMBER OF RIGHTS SHARES THAT THE DIRECTORS ARE GOING TO SUBSCRIBE, AND IN CASE THEY PROPOSE TO MAKE RENUNCIATION, THE REASONS AND EXTENT OF SUCH RENUNCIATION [see rule-8(q)]

Directors' take-up in the Rights Offer

Directors are expected to exercise in full their portion of Rights Offer [Rule-8(q)] is as under:

Name of the Directors	Position	Nos. of Shares Held	No. of Rights Share Offered	No. of Rights Share to be Renounced	Reason of Renunciation
Mrs. Farida Khanom	Founder Director & Chairman	5,658,000	5,658,000	N/A	N/A
Mr. A. M. Badruzzaman Khashroo	Founder Director & Managing Director	13,432,000	13,432,000	N/A	N/A
Mr. Mahmudur Rahman	Founder Director	8,280,000	8,280,000	N/A	N/A
Mrs. Nusrat Jahan	Director	3,283,106	3,283,106	N/A	N/A
Mr. Md. Abbas Ali Khan	Independent Director	-	-	N/A	N/A

Sd/-
Mr. A. M. Badruzzaman Khashroo
Managing Director

Sd/-
Md. Mohin Uddin
Company Secretary

Sd/-
Md. Faruq Hossian
Chief Financial Officer

STATEMENT OF ACTUAL UTILIZATION OF FUND RAISED BY PUBLIC OFFERING OF SHARES OR RIGHTS SHARES, IF ANY, PRIOR TO THE PROPOSED RIGHTS ISSUE VIS-A-VIS PLAN THEREOF [see rule-8(r)]

Declaration Regarding Utilization of Previous Fund (IPO)

Zaheen Spinning Limited went for Public Issue in the year 2014 by issuing 1,20,00,000 Ordinary Shares of Tk. 10.00 each at par, totaling Tk. 12,00,00,000/- (Twelve Crore) with the objective of purchasing Plant and machinery and to meet capital issue expense and others. The entire fund had fully utilized for meeting the said purpose. The statement of fund utilization is given below:

Sl. No.	Particulars	Total Amount in BDT
Receipt of Fund:		
1	From IPO, 1,20,00,000 @ 10.00	120,000,000
Total		120,000,000
Utilization of fund:		
1	Plant & Machineries:	
	Plant and Machinery	108,000,000
2	Expenses for IPO (approx.) and Others	12,000,000
Total		120,000,000

Sd/-
Mr. A. M. Badruzzaman Khashroo
Managing Director

Sd/-
Md. Mohin Uddin
Company Secretary

FORM – A [see rule 5 and rule 8(t)]

DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE ISSUE MANAGER(S) IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF ZAHEEN SPINNING LIMITED

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

Place: Dhaka

Dated: July 24, 2017

For

**(Name of Managers to the Issue)
GSP Investments Limited
MTB Capital Ltd.**

FORM – B [see rule 6 and rule 8(t)]

DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE UNDERWRITER(S) IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF ZAHEEN SPINNING LIMITED

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

Place: Dhaka

Dated: July 26, 2017

For

**(Name of Underwriters)
Banco Finance And Investment Limited
GSP Investments Limited
MTB Capital Ltd.**

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the accompanying financial statements for the period ended 30 June 2017 of Zaheen Spinning Limited in accordance with the International Standards of Auditing adopted by Institute of Chartered Accountants of Bangladesh as Bangladesh Standards on Auditing (BSA) and we state that we have obtained all the information and explanations which we have required and after due verification thereof, we report that, in our opinion:

- (a) These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules 1987 as amended, the Companies Act, 1994 and other relevant laws where applicable and the International Accounting Standards, as adopted by the Institute of Chartered Accountant of Bangladesh;
- (b) These financial statements which are in agreement with the books of account of the Company give a true and fair view of the state of its affairs as at 30 June 2017 and of the result of its operations and cash flows for the period then ended;
- (c) Proper Books of Accounts have been kept by the Company as required by the relevant laws; and
- (d) The expenditure incurred was for the purposes of the Company's business.

We also certify that the above Company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules-2006, and that the Company has duly paid off the following amounts of the declared dividend mentioned against respective year:

Year	Date of AGM	Rate		Total Amount (Tk.)	Total Paid/Allotted (Tk.)
		Stock	Cash		
2012	25.09.2013	24%	-	1,80,00,000.00	Stock dividend has been allotted
2013	25.08.2014	-	-	-	-
2014	23.06.2015	15%	-	9,72,00,000.00	Stock dividend has been allotted
2015	20.12.2016	15%	-	11,17,80,000.00	Stock dividend has been allotted
01 January 2016 To 30 June 2016	20.12.2016	-	-	-	-
2016-2017	05.10.2017	15%	-	12,85,47,000	Stock dividend has been allotted

Dated: 15 October 2017
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

DUE DILIGENCE CERTIFICATE BY THE DIRECTORS ABOUT THEIR PERSONAL RESPONSIBILITY IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF ZAHEN SPINNING LIMITED

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006. We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made. In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/- Mrs. Farida Khanam Director & Chairman	Sd/- Mr. A. M. Badruzzaman Khashroo Director & Managing Director
Sd/- Mr. Mahmudur Rahman Director	Sd/- Mrs. Nusrat Jahan Director
Sd/- Mr. Md. Abbas Ali Khan Independent Director	

A STATEMENT THAT A LOCK-IN ON THE RIGHTS SHARES OF THE DIRECTORS (INCLUDING THEIR RENOUNCED SHARES) FOR A PERIOD OF THREE YEARS FROM THE DATE OF CLOSURE OF THE RIGHTS SHARE SUBSCRIPTION SHALL BE OPERATIVE [see rule 8(u)]

Statement of Lock-In on the Rights Shares

The Rights Shares of **Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription.** In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

Name of Directors & other Shareholders	Position	Nos. of Shares Held	Percentage (%)	Date of Subscription Close	Expiry Date of Lock-in
Mr. Farida Khanam	Chairman	5,658,000	5.74%	August 26, 2018	03 years lock-in from the date of subscription close
Mr. A.M. Badruzzaman Khashroo	Managing Director	13,432,000	13.63%	August 26, 2018	03 years lock-in from the date of subscription close
Mr. Mahmudur Rahman	Director	8,280,000	8.40%	August 26, 2018	03 years lock-in from the date of subscription close
Mrs. Nusrat Jahan	Director	3,283,106	3.33%	August 26, 2018	03 years lock-in from the date of subscription close
Investment Corporation of Bangladesh (ICB)	Institution	5,941,515	6.03%	August 26, 2018	03 years lock-in from the date of subscription close



Zaheen Spinning Limited

House # 59/A, Road # 12/A (6th & 7th floor), Near Takwa Masjid
Dhanmondi, Dhaka-1209, Bangladesh

Phone: +88-02-8191588, 8191522; **Fax:** +88-02-8191522

Email: info@zaheenspinningltd.com; **Web:** www.zaheenspinningltd.com

Folio/BO Account No :
Name :
Address :

LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder (s)

We are pleased to inform you that the Board of Directors in its meeting recommended to issue 98,552,700 Ordinary Shares as rights shares of **Tk.10.00** each at per share on the basis of **01[R]:01** i.e. 01 (one) Rights Share for every 01 (one) existing share held, which was approved by the Shareholders in the Annual General Meeting (AGM) held on October 05, 2017. As a registered Shareholder as on **April 05, 2018** (Record date for entitlement), you are entitled to subscribe your rights share.

If you wish to accept the above Rights Share in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments. You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation Form-B and Form-C annexed here to be submitted duly filled in by you and the renouncee(s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ **Tk.10.00 each**, share and to be deposited with any of the Branches of Bankers to the Issue during Companying hours from **July 29, 2018 to August 26, 2018**. Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque, must be payable to "**Zaheen Spinning Limited**" and must be drawn on a Company in the same town where the Branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transactions above **Tk.1.00** lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application **Form-A** and /or Renunciation **Form-B** and **Form-C** with necessary payments have not been received by **August 26, 2018** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board

Sd/-

A. M. Badruzzaman Khashroo
Managing Director

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ।
জেনে ও বুঝে বিনিয়োগ করুন”

Application Form-A



Zaheen Spinning Limited

House # 59/A, Road # 12/A (6th & 7th floor), Near Takwa Masjid
Dhanmondi, Dhaka-1209, Bangladesh
Phone: +88-02-8191588, 8191522; Fax: +88-02-8191522
Email: info@zaheenspinningltd.com; Web: www.zaheenspinningltd.com

Rights Offer of **98,552,700** Ordinary Shares of **Tk.10.00** each at per, totaling **Tk. 985,527,000.00** offered on the basis of **01[R]:01**, i.e. 01 (one) Rights Share for every 01 (one) existing share held on the record date **April 05, 2018**

SUBSCRIPTION STATUS	
Opens on	Closes on
July 29, 2018	August 26, 2018
Within banking hours both days inclusive	

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director
Zaheen Spinning Limited
House # 59/A, Road # 12/A (6th & 7th floor), Near Takwa Masjid
Dhanmondi, Dhaka-1209, Bangladesh

Dated:/...../2018

Application Sl. No. #

(Bank's Seal)

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and Subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @ **Tk.10.00** each share in cash or by Draft/Pay order/Cheque on.....dated.....drawn on Bank..... Branch.

Holder's Folio/BO Account No.	No. of Shares held at the close of business on April 05, 2018	No. of Shares offered	No. of Shares Accepted	Total Amount Paid

Yours faithfully,

- Name (in block letters) : _____
Address : _____
Signature
- Name (in block letters) : _____
Address : _____
Signature

BO Account No.																	
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As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received with thanks Tk.....(Taka.....) only from Mr./Ms.....Folio/BO Account No.....for.....no(s) of rights shares of **Zaheen Spinning Limited** in Cash/PayOrder/Draft/ChequeNo.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Officer

Date:

BANKERS TO THE ISSUE OF RIGHTS ISSUE OF ZAHEN SPINNING LIMITED

List of Bankers To The Issue of Rights Issue

Mutual Trust Bank Limited			
Region	Sl.	Branch	Address
Dhaka	1	Babu Bazar Branch, Dhaka	Aman Court, 15 Armenian Street, Armanitola, Babu Bazar, Dhaka-1100.
	2	Banani Branch, Dhaka	Lintoo Centre (1st floor and 2nd floor), House- 82, Rd-11, Block-D, Banani, Dhaka
	3	Dhanmondi Branch, Dhaka	Plot # 81, Road # 8/A (New), 1st Floor, Green Taj Center, Dhanmondi, Dhaka
	4	Dholaikhal Branch, Dhaka	25, Jorpool Lane, Dholaikhal New Road, P.S. Wari, Dhaka
	5	Dilkusha Branch, Dhaka	Hotel Purbani International Building, 1 Dilkusha C/A, Dhaka-1000
	6	Elephant Road Branch, Dhaka	Pentium Point, 160 Elephant Road, Dhaka - 1205
	7	Fulbaria Branch, Dhaka	Annexco Tower, 8, Phonix Road, Fulbaria, Dhaka
	8	Gulshan Branch, Dhaka	120 Gulshan Avenue, Dhaka 1212
	9	Mohammadpur Branch, Dhaka	80/C Asad Avenue, Mohammadpur, Dhaka-1207
	10	MTB Corporate Center Branch, Dhaka	MTB Centre, 26 Gulshan Avenue , Plot 5, Block SE(D), Gulshan 1, Dhaka 1212
	11	Pallabi Branch, Dhaka	14/11, Pallabi, Mirpur-12, Dhaka
	12	Panthapath Branch, Dhaka	Chandrashila Suvastu Tower, 69/1 Panthapath, Dhaka.
	13	Principal Branch, Dhaka	WW Tower, (1st-3rd Floor), 68, Motijheel C/A, Dhaka-1000, Bangladesh
	14	Progati Sarani Branch, Dhaka	15/5, Progati Sarani, Dhaka-1229
	15	Savar Branch, Dhaka	United Super Market, Savar Bazar Bus Stand, Savar, Dhaka.
	16	Dania Branch, Dhaka	Dhaka Shopping Complex, 852- Zia Shorani, Shanir Akhra, Dhaka
	17	Tongi Branch, Dhaka	United Shopping Complex (1st floor), Hossain Market, Tongi, Gajipur.
	18	Uttara Model Town Branch, Dhaka	Auckland Centre (1st & 2nd floor), House.11, Road.06, Sector.04, Uttara, Dhaka
	19	Narayangonj Branch, Narayangonj	31, 31/1, Loyal Tank Road, Noor Mansion, Tanbazar, Narayangonj.
	20	Sonargaon Branch, Narayangonj	Khandker Plaza, Thana Road, Mograpara, Sonargaon
Chittagong	21	Agrabad Branch, Chittagong	Akhtaruzzaman Centre, 21-22, Agrabad C/Ak, Chittagong
	22	Alankar Mour Branch, Chittagong	D.T.Road, Abdul Ali Hat, Alankar Mor, North Pahartali, Chittagong
	23	C D A Avenue Branch, Chittagong	1005/2/1872, CDA Avenue, East Nasirabad, Chittagong
	24	Jubilee Road Branch, Chittagong	Amafha Centre, 214 Jubilee Road, Chittagong-4000, Bangladesh
	25	Khatungonj Branch, Chittagong	325, Asadganj, Asadganj Road, Crown Chamber, Chittagong
	26	Feni Branch, Feni	Rabi Shopping Complex, 10-11, Trunk Road, Feni Sadar, Feni
Rajshahi	27	Rajshahi Branch, Rajshahi	419, PARENTS PLAZA, ALUPATY, GHORAMARA, RAJSHAHI-6100
	28	Bogra Branch, Bogra	Amicus Center, Mofiz Paglar Mor , 416-418, Sherpur Road Sutrapur, Bogra
Rangpur	29	Rangpur Branch, Rangpur	Mostofa Super Market (1st & 2nd floor), 1 Jahaj company Mour, Rangpur Sadar, Rangpur
Khulna	30	Pabna Branch, Pabna	Pabna Branch, Abdul Hamid Road, Dilalpur, Pabna
	31	Kushtia Branch, Kushtia	Kushtia Branch, Eden Complex, 169 (94/6 old) NS road, 1st Floor, Thanapara, Kushtia
Sylhet	32	Sylhet Branch, Sylhet	Sylhet City Center, (1st Floor), Zindabazar, Sylhet
	33	Moulvi Bazar Branch, Sylhet	103, M. Saifur Rahman Road, Moulvi Bazar
	34	Habigonj Branch, Habigonj	Jamil Complex (1st Floor), New Pourashava Road, Shayestanagar, Habigonj

Investment Corporation of Bangladesh (ICB)			
Region	Sl.	Branch	Address
Dhaka	01	Local Office	Kashfia Plaza, 35/C, Nayapaltan, VIP Road, Dhaka-1000
Chittagong	02	Chittagong Branch	Delwar Bhaban (3rd Floor), 104, Agrabad Commercial Area, Chittagong
Rajshahi	03	Rajshahi Branch	Dr. Gaffar Plaza (2nd Floor), Main Road, Shaheb Bazar, Rajshahi-6100
	04	Bogra Branch	Afsar Ali Complex (5 th Floor), Rajabazar, Barogola, Bogra
Khulna	05	Khulna Branch	Shilpa Bank Bhaban, 25-26, K.D.A. Commercial Area, Khulna
Barisal	06	Barisal Branch	87/88, Hemahyet Uddin Road, Barisal
Sylhet	07	Sylhet Branch	Anondo Tower, Jail road, Sylhet

South Bangla Agriculture and Commerce Bank Limited (SBAC Bank)			
Region	SL.	Branch Name	Address
Dhaka	1	Principal Branch	Zaman Chamber ,47,Dilkusha ,Dhaka - 1000
	2	Hemayetpur Branch	Ashraf Shoping Complex,Jadurchar,Hemayetpur Bazar,Savar, Dhaka
	3	Keranigonj Branch	Aktar Tower, Bridze Road,South Kadamtoli Aganagar,South Keranigonj, Dhaka
	4	Uttara Branch	Plot-71, Sector-07,Cosmo Shopping Centre,Azampur, Uttara, Dhaka
	5	Gulshan Branch	Casablanca 114,Gulshan Avenue,Dhaka-1212
	6	Velanagar Branch	Mahbub Molla Concord Tower,Jailkhana More,DC Road, Narshingdi Sadar,Narshingdi
	7	Imamgonj Branch	Crown Bhaban 59, Midford Road, Imamgonj, Dhaka.
	8	Ashulia Branch	Holding: 4104 Baipile, Bashundhara, Ashulia, Dhaka.
	9	Dhanmondi Branch	A M M Center, Shat Masjid Road Road: 3/A, House: 56/A, Dhanmondi, Dhaka.
	10	Mawna Branch	Hazi Abdul Khaleque Master, Super Market, Mulaid, Telihati, Sreepur, Gazipur.
	11	Gazipur Branch	Tajpur Tower (2nd Floor),Bhaoal College Road,Chandura Square, Gazipur
	12	Banani Branch	28 & 30, Kemal Ataturk Avenue,Banani, Dhaka
	13	Nababpur Branch	Holding: 219/220 (Old), 42 (New), Nababpur Road, Sutrapur, Dhaka.
	14	Mirpur Branch	Galaxy Hospital Bhaban,Holding:29 & 30, Section:6,Main Road:1, Mirpur, Dhaka
	15	Shibu Market Branch	Kutub Ail, Khijirpur,Fatullah, Narayangonj
	16	Narayanganj Branch	Building:71, 99 Bangabandu,Road, Ukil Para, Narayangan,
	17	Motijheel Branch	64 Purana Paltan,Motijheel,Dhaka
	18	Takerhat Branch	Takerhat Mor,Takerhat, Madaripur
	19	Panthapath Branch	Selim Center,19/2 West Panthapath,Dhaka
	20	Mouchak Branch	Mouchak,Kaliakair, Gazipur
	21	Maligram Branch	Maligram Bazar,Vanga, Faridpur
	22	Pragati Sarani Branch	G-99/3/A&B,Manama M.S.Toren,Pragati Sarani,Middle Badda,Dhaka
	23	Amin Bazar Branch	Haji Shafiullah Community Center2nd Floor, Amin Bazar, Savar, Dhaka
	24	Baburhat Branch	1st Lane, Manchester City (1st Floor), Shakerchar, Baburhat, Narsingdi.
Chittagong	25	Agrabad Branch	96, Agrabad Ba/A, Agrabad, Chittagong.
	26	Khatungonj Branch	Achiya Manson, 282 Khatungonj, Kotowali, Chittagong.
	27	Bhatiary Branch	N.D. Bhaban, DT Road, Bhatiary, Shitakunda, Chittagong.
	28	Jubilee Road Branch	Ali Building (2nd Floor), 837, Jubilee Road, Chittagong.
	29	Modunaghat Branch	South Madarsha,Rashid Bari,Hathazari,Chittagong
	30	Moynamoti Branch	Mostafa Palace and Hazi Faruk Plaza, Nischintopur, Moynamoti Cantonment, Comilla.
	31	Bangla Bazar Branch	Patowari Plaza (1st Floor), Nadna, Bangla Bazar, Sonaimuri, Noakhali.
	32	Fatikchhari Branch	S A Centre (1st Floor),College Road, Bibirhat,Fatikchhari, Chittagong
	33	Nasirabad Branch	Yakub Trade Centre,89/304 East Nasirabad,Chittagong
	34	Chittagong EPZ Branch	Amin Tower, Bondortila,EPZ Chittagong
	35	Feni Branch	House:371(1st floor),Opposite to Feni Tower,SSK Road,Feni
	36	Adda Bazar Branch	Barura, Comilla
Khulna	37	Khulna Branch	Chamber Building Complex,05, KDA Avenue Khan a Sobur,Road,Khulna
	38	Katakhal Branch	Katakhal More, Khulna Mongla Road, Fakirhat, Bagerhat.
	39	Shyamnagar Branch	469, Moti Morol Super Market, Badghata, Shyamnagar, Satkhira.
	40	Chuknagar Branch	Holding # 240 (1st Floor),Chuknagar, Dumuria, Khulna
	41	Satkhira Branch	Holding # 44/46 (Gr. Floor),Sultanpur, Satkhira Sadar,Satkhira
	42	Digraj Branch	Shaheen Market, Digraj,Biddar Baon, 2 Burir Danga Union, Mongla, Bagerhat
	43	Jessore Branch	36 (Old), 84 (New),Rabindranath Road,(1st Floor), Jessore
	44	Bhomra Branch	C&F Association Bhaban,(1st Floor), Bhomra, Satkhira
	45	KDA C/A Branch	A 51, Mojid Avenue,Shib Bari, Khulna
	46	Kushtia Branch	Nurul Islam Tower, 262/2 (1st floor), NS Road, Kushtia.
Barisal	47	Barisal Branch	City Plaza (1st & 2nd Floor),449 K.B. Hemayet Uddin Road,Barisal
	48	Banari Para Branch	261, Shanto Shisto Complex, Thana: Banari Para, District: Barisal.
Sylhet	49	Sylhet Branch	11, Naya Shorok, Sylmart Complex, East Zinda Bazar, Sylhet.
	50	Islampur Branch	Siddik Mansion,Thana:Shahporan,Sylhet
Rajshahi	51	Rajshahi Branch	ARC Bijoy Tower,30 (New), Rani Bazar,Boalia,Rajshahi
	52	Bogra Branch	Padma Mansion,Dutta Store (2nd Floor) 742,Jhautola, Rajabazar,Bogra
	53	Natore Branch	House: 555 (1st floor),Nahar Market,Kanaikhal, Natore
Rangpur	54	Rangpur Branch	Paper Palace Tower(1st Floor),Paira Chattar,Rangpur
	55	Dinajpur Branch	Moniza Khatun Complex,Buti Babur More,South Munchipara, Dinajpur

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ।
জেনে ও বুঝে বিনিয়োগ করুন”

Renunciation Form-B



Zaheen Spinning Limited

House # 59/A, Road # 12/A (6th & 7th floor), Near Takwa Masjid
Dhanmondi, Dhaka-1209, Bangladesh
Phone: +88-02-8191588, 8191522; Fax: +88-02-8191522
Email: info@zaheenspinningtd.com; Web: www.zaheenspinningtd.com

Rights Offer of **98,552,700** Ordinary Shares of **Tk.10.00** each at per, totaling **Tk. 985,527,000.00** offered on the basis of **01[R]:01**, i.e. 01 (one) Rights Share for every 01 (one) existing share held on the record date **April 05, 2018**.

SUBSCRIPTION STATUS	
Opens on	Closes on
July 29, 2018	August 26, 2018
Within banking hours both days inclusive	

FORM OF RENUNCIATION

(যার বিওতে শেয়ার আছে তার জন্য প্রযোজ্য)

The Managing Director

Zaheen Spinning Limited
House # 59/A, Road # 12/A (6th & 7th floor), Near Takwa Masjid
Dhanmondi, Dhaka-1209, Bangladesh

Dear Sir,

Dated:/...../2018

Application Sl. No. #
(Bank's Seal)

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in application by renouncee(s) and apply for allotment in his/her/their name(s).

Holder's Folio/BO Account No. (যার বিওতে শেয়ার আছে তার জন্য প্রযোজ্য)	No. of Shares held at the close of business on April 05, 2018	No. of Shares offered	No. of Shares Renounced	Value of Shares Renounced

Yours faithfully,

1. Name (in block letters) :
Address :

Signature

2. Name (in block letters) :
Address :

Signature

Name(s) of Renouncee(s) (যার বিওতে শেয়ার যাবে তার জন্য প্রযোজ্য)	BO A/C No.
1 Name:	
2 Name:	

N.B. Use photocopy in case of renouncement favoring more than 2 (two) persons

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) account number in the application form.

Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ।
জেনে ও বুঝে বিনিয়োগ করুন”

Renunciation Form-C



Zaheen Spinning Limited

House # 59/A, Road # 12/A (6th & 7th floor), Near Takwa Masjid
Dhanmondi, Dhaka-1209, Bangladesh
Phone: +88-02-8191588, 8191522; Fax: +88-02-8191522
Email: info@zaheenspinningtd.com; Web: www.zaheenspinningtd.com

APPLICATION BY RENOUNCEE(S)

(যার বিগতে শেয়ার যাবে তার জন্য প্রযোজ্য)

The Managing Director

Zaheen Spinning Limited
House # 59/A, Road # 12/A (6th & 7th floor), Near Takwa Masjid
Dhanmondi, Dhaka-1209, Bangladesh

Dated:/...../2018

Application Sl. No. #
(Bank's Seal)

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of share noted above as renounced, by making payment of Tk. being the value ofShare @ **Tk.10.00** each share.

Yours faithfully,

1	Signature:	2	Signature:
Name (in block letters):		Name (in block letters):	
S/O. D/O. W/O.:		S/O. D/O. W/O.:	
Address:		Address:	
BO No.		BO No.	

(যার বিগতে শেয়ার যাবে তার জন্য প্রযোজ্য)

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

Signature of the Renouncer(s): (যার বিগতে শেয়ার আছে তার জন্য প্রযোজ্য)	1		2	
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As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) account number in the application form.

Note: Folio No. is to be mentioned only in case of existing shareholder(s). Incomplete or incorrectly filled application form may be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

(যার বিগতে শেয়ার যাবে তার জন্য প্রযোজ্য)

Received with thanks Tk.....(Taka.....) only
from Mr./Ms.....Folio/BO Account
No.....for.....no.(s) of rights shares of **Zaheen Spinning Limited** in
Cash/PayOrder/Draft/ChequeNo.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Officer
Date: