

"Please read the prospectus carefully which includes 'Risk Factors' before taking your investment decision."

Abridged Version of Prospectus

R.N. SPINNING MILLS LIMITED

(A Joint Venture Largest Acrylic Spinning Mills)

Head Office: M L Tower (5th floor), 1 East Rampura D.I.T Road, Dhaka-1219. Tel: 9337472, 9338232, 8312878, Fax:880-2-9337862

Factory: Plot No. 100-107 & 127-134, Comilla EPZ, Comilla. Email: rnspringing@gmail.com, Web site: www.rnspringingmills.com

PUBLIC ISSUE OF 3,000,000 ORDINARY SHARES OF TK. 100.00 EACH AT PAR TOTALLING TK.300,000,000.00

Manager to the Issue



Amin Court, 4th Floor (Suit#404),
31, Bir Uttam Shahid Ashfaqueus Samad Road
(Previous 62-63, Motijheel C/A) Dhaka-1000
Phone: +88029559602, +88029567726, Fax: 880-2-9558330
Web-site:www.aaawebbd.com E-mail: info@aaawebbd.com

Name and Address of the Auditor

A. WAHAB & CO.

Chartered Accountants

Hotel Purbani, Annex-2 (4th floor) 1, Dilkusha C/A, Dhaka-1000

Opening date of subscription: November 22, 2009
Closing date of subscription : November 26, 2009
For NRB subscription closes on: December 05, 2009

DISCLAIMER:

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR".

SPECIAL NOTE:

"An applicant can not submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part application money may be forfeited by the Commission.

The Securities and Exchange Commission has decided that the primary shares allotted to an applicant through IPO may be forfeited by SEC, if the BO account of the said applicant is found closed at the time of allotment of shares. So, all IPO applicants are required to keep their BO account operational till allotment of shares. Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank."

AVAILABILITY OF PROSPECTUS

Prospectus is also available on the web sites www.secd.org, www.rnspringingmills.com www.aaawebbd.com www.dsebd.org www.csebd.com and Public Reference Room of the SEC for reading and study.

NAME & ADDRESS	CONTACT PERSON	TEL. NO.
COMPANY		
R.N. Spinning Mills Ltd. M.L. Tower (5 th floor), 1, East Rampura, D.I.T Road, Dhaka-1219 Factory: Plot no. 100-107&127-134, CEPZ, Comilla	Md. Humayun Kabir, ACMA Director Finance & Company Secretary	9337472 9338232
ISSUE MANAGER		
AAA Consultants & Financial Advisers Ltd. Amin Court, 4th Floor (Suit#404), 31, Bir Uttam Shahid Ashfaqueus Samad Road (Previous 62-63, Motijheel C/A) Dhaka-1000	Khwaja Arif Ahmed Managing Director & CEO	9559602 9567726
UNDERWRITERS		
Bank Asia Limited Tea Board Building (1 st floor), 111-113, Motijheel C/A, Dhaka-1000	Md. Asrafuldin Ahmed Vice President	7177031-32 7177034
AB Bank Limited BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka-1000	Syed Shafiqat Ahmed Senior Principal Officer	9560312 Ext. 216
National Bank Limited 18, Dilkusha C/A, Dhaka-1000	Mohammad Hossain Senior Vice President	9563081-85 7168729-31
Uttara Finance and Investments Limited Uttara Bina Tower (6 th floor) 21, Dilkusha C/A, Dhaka-1000	Md. Kamrul Islam In Charge Merchant Banking Unit	9568207
Banco Transworld (BD) Limited Ispahani Building (3 rd floor), 14-15, Motijheel, Dhaka-1000	A. Munim Choudhury Managing Director	9564922 01190354684
Fidelity Assets & Securities Co. Limited Suvasati Imam Square (4 th floor), 65, Gulshan Avenue, Dhaka-1212	Md. Maniruzzaman Akan Assistant Vice President	8825949 9860273
Grameen capital management Limited Grameen Bank Complex (10 th floor), Mirpur-2, Dhaka-1216.	Shleedul Morsalin Asst. General Manager	8057618
GSP Finance Company Limited 1, Panbaga, Mymensingh Road, Dhaka-1000	Md. Golam Sarwar Bhuiayan Head of Marketing, Operation & Merchant Banking	9674306
Mercantile Securities Limited Paramount Heights, Level-13 th , 65/2/1 Box culvert Road, Purana Paltan, Dhaka-1000	Mustafa Kamal Chief Executive Officer	7113894 Ext-107
Swadesh Investment Management Ltd. Suite no. 01, Level-11, Unique Trade Centre (UTC), 8, Panthapath, Dhaka-1205	Ziaul Quddus Chairman	01711522441
STOCK EXCHANGES		
Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000	DSE Library	9564601-7 9666944-8
Chittagong Stock Exchange Limited (CSE) CSE Building, 1080, Sk. Mujib Road, Agrabad C.A., Chittagong	CSE Library	714632-3 720871-3

SHORT BIO - DATA OF THE DIRECTORS

Al-Haj Mustafizur Rahman-Chairman
Al-Haj Mustafizur Rahman, aged 72, is the Chairman of the Company. He is Quran-e-Hafez and taken Double Title from Sharshina Nesaria. He started his career as a business man in 1964. He was engaged in different types of local and international businesses. Mr. Rahman acquired vast experience in textile trading and other manufacturing business through his forty five years of business career. Mr. Rahman is associated with and donors of many schools, colleges and different social welfare organizations. He is also the Managing Director and Director of other industrial unit. He traveled many countries of Europe and Asia to enrich his knowledge and experience.

Al-Haj Abdul Kader Faruk-Managing Director
Al-Haj Abdul Kader Faruk aged 50, Managing Director of the Company born in well known business family in 1960 in Barisal. After completing his Masters in Commerce from Dhaka University he engages himself in business. He became a successful business man in short time of his business career with his sincerity, honesty, conceptual and practical problem solving minded. He has established and own of different type of Industries including M.L. Dyeing Ltd, FAR Apparels, Chong Won ARS Sweater Ltd. and other organization. During his tenor of business career, he gained business technique in textile spinning and its manufacturing, operating, marketing and controlling systems. Mr. Faruk is associated with and donors of a number of schools, colleges and different social welfare organizations. He is well acquainted international scenario because of his business tours in many countries including America, Japan, China, India, German, U.K., Australia, Saudi Arab, Hong Kong, Singapore and many other countries.

Mr. Kim Jong Suk-Director
Mr. Kim Jong Suk, aged 57, is the Director of the company. He is only director of Foreign Nationals and South Korea national by birth. He completed his B.Sc. in Textile and started his career as a Manager Production in a Chemical Industry in Korea Then he had Joined in Textile Spinning Mills. After gaining sufficient Knowledge in line of Production, marketing and management system he started his won business occupying position Managing Director. Mr. Suk Established Daxin Oil Chemical Industries Co. in Korea. Mr. Kim acquired vast experience in Textile Trading and manufacturing and marketing business through his 19 years of his business career. He has visited many countries of the world in connection of business and has bagged to his credit a vast experience and Knowledge in modern method, technology, production and Marketing & Management techniques of textiles industries by attending several courses / seminars and visiting similar industrial concerns of the world.

Abdul Quayum Mamun-Director
Abdul Quayum Mamun, aged 41, the Director of the company is a MBA from Dhaka University. After completion of his education he joined a reputed textile company and subsequently by dint of his performance and experience he became the key person of the company. Mr. Ali has visited many countries of the world in connection of business and has bagged to his credit a vast experience and knowledge in Modern Methods, Technology, Production and Marketing & Management techniques of textile industries by attending several courses/seminars and visiting similar industrial concerns of other Asian Countries.

Mr. Mamun has also earned vast experience in fabrics trading business at the international yarn market associated with his business in fabrics. Having rich experience in various industrial/trading concerns Mr. Ali has acquired the required experience, fitness and administrative efficiency to run such a business unit

Mrs. Shirin Faruk-Director
Mrs. Shirin Faruk, aged 42, is the Director of the company. She started her career as an officer in a Jute spinning mills after completion of her Master degree. After gaining technical details and production & factory labor administration of spinning mills she joins in her family business. She is the founder of Aysha Memorial - A health care organization of distress woman and she is associated with and donors of many schools, colleges and different social welfare organizations. She is also the Director of M.L. Dyeing Limited, a Private Limited company. She has traveled many countries U.K, Malaysia, Singapore, Saudi Arabia etc. She is well known in yarn quality, technical details of spinning machinery and general production process and administration.

Mr. Abid Mostafizur Rahaman-Director
Mr. Abid Mostafizur Rahaman, aged 22, is youngest Director in R.N Spinning Mills Ltd. He is very much eager to know technical details of Spinning mills and its processing, marketing, administration activities of the company. He have traveled many countries including Japan, China, Hong Kong, India and America. Because of his very hard working nature and friend like attitude he is fond of most of the persons in the organizations. He is very much sincere of his work and gaining technical know how of Spinning Mills and modern method production technology. A young and energetic man of amicable behavior, besides being a philanthropist he is engaged in various social activities of the countries.

BANKERS TO THE ISSUE

- | | | | | | |
|---|--|--|--|---|--|
| Southeast Bank Limited
1. Principal Br, Dhaka
2. Corporate Br, Dhaka
3. Imamgonj Br, Dhaka
4. Dhanmondi Br, Dhaka
5. Uttara Br, Dhaka
6. New Elephant Rd. Br, Dhaka
7. Gulshan Br, Dhaka-1212
8. Kakrail Br, Dhaka
9. Banani Branch, Banani, Dhaka
10. Bangshal Br, North South Rd, Dhaka
11. New Eskaton Br, Dhaka.
12. Agargaon Br, Dhaka,
13. Motijheel Br, Motijheel C/A, Dhaka
14. Shymoli Br, Dhaka
15. Aganagar Br, Dhaka
16. Kawran Bazar Br, Dhaka
17. Madhabdi Br. (Rural), Dhaka
18. Ashulia Br. (Rural), Dhaka
19. Narayanganj Br, Narayanganj
20. Joypara Br. (Rural), Dohar, Dhaka
21. Savar Br, Dhaka
22. Mouchak Br, Dhaka
23. Konabari Br.(Rural), Dhaka
24. Bandar Bazar Br. Sylhet
25. Moulivi Bazar Br. Sylhet
26. Hetimganj Br. Sylhet
27. Chouhatta Br. Choutatta, Sylhet
28. Laldighirpar Br., Sylhet
29. Shahjaj Upashahar Br. Sylhet
30. Kulara Br.(Rural), Sylhet
31. Pathantula Br. Sylhet
32. Agrabad Br., Chittagong
33. Khatungonj Br., Chittagong
34. Jubilee Road Br., Chittagong
35. Halishahar Br, Chittagong
36. Chowmuhani Br, Chittagong
37. CDA Avenue Br., Chittagong
38. Cox's Bazar Br., Cox Bazar.
39. Chagalnaya Br. (Islami Banking), Feni
40. Feni Branch, Feni,
41. Pahartali Br, Chittagong
42. Bahurhat Br.(Rural), Noakhali
43. Momin Road Br., Chittagong
44. Rangpur Br., Rangpur
45. Bogra Br., Bogra
46. Khulna Br., Khulna | Standard Bank Limited
1. Principal Branch, Dhaka
2. Foreign Exchange Br. Dhaka
3. Topkhana Road Dhaka
4. Imamgonj Br, Dhaka
5. Gulshan Br, Dhaka
6. Dhanmondi Br, Dhaka
7. Mirpur Br, Dhaka
8. Uttara Br, Dhaka
9. Gulshan-1 Br, Dhaka
10. Pantahat Road Dhaka
11. Banani Branch Dhaka
12. Narayanganj Br,
13. Munshikhula Br, Dhaka
14. Jubilee Road Br, Dhaka
15. Agrabad Road .
Chittagong
16. Khatungonj Br, Chittagong
17. CDA Avenue Br. Chittagong
18. EPZ Br. Chittagong
19. Bahaddar Hat Br. Chittagong
20. Sylhet Br, Sylhet
21. Khulna Br, Khulna
22. Rajshahi Br, Rajshahi
23. Jessore Br, Jessore
24. Barisal Br. Barisal | Bank Asia
1. Principal Office Br., Dhaka
2. MCB Dilkusha Br., Dhaka
3. Corporate Br., Dhaka
4. Scotia Br., Dhaka
5. Gulshan Br., Dhaka
6. MCB Banani Br., Dhaka
7. Uttara Br., Dhaka
8. Mirford Br., Dhaka
9. North South Rd. Br., Dhaka
10. Dhanmondi Br., Dhaka
11. Bashundhara Br., Dhaka
12. Sylhet Main Br., Sylhet
13. Sylhet Upashahar Br., Sylhet
14. Agrabad Br., Chittagong
15. Khatun gonj Br., Chittagong
16. MCB Sk. Mujib Road Br., Chittagong
17. CDA Avenue Br., Chittagong
18. Station Road Br., Chittagong
19. Rajshahi Br. Rajshahi
20. Khulna Br., Khulna
21. Mohakhali Br., Dhaka
22. Mirpur Br, Dhaka
23. Bogra Br, Bogra
24. Jessore Br. Jessore
25. Anderkilla Br. Chittagong
26. Shantinagar Br. Dhaka | One Bank Limited
1. Principal Br, Dhaka
2. Karwanbazar Br, Dhaka
3. Mirpur Br, Dhaka
4. Dhanmondi Br, Dhaka | Investment Corporation Bank of Bangladesh (ICB)
1. Head Office, Dhaka
2. Chittagong Br. Agrabad C/A, Chittagong
3. Rajshahi Br., Saheb Bazar, Rajshahi
4. Khulna Br., Shilpa Bank Bhaban, Khulna
5. Barisal Br., Hemayat Uddin Road, Barisal.
6. Sylhet Br., Chamber Building, Jail Road, Sylhet
7. Bogra Br., Baragola, Bogra
8. Local Office, Nayapaltan, VIP Road, Dhaka. | Dhaka Bank Limited
1. Local office, Motijheel, Dhaka
2. Bangshal Br. Dhaka
3. Uttara Br. Dhaka
4. Narayanganj Br. N'gong
5. Agrabad Br. Chittagong
6. Foreign Exchange Br. Dhaka
7. Amin Bazar Br. Savar, Dhaka
8. Jubilee Road Br. Chittagong
9. Imamgonj Br. Dhaka
10. Dhanmondi Br. Dhaka
11. Islami Banking Br. Dhaka
12. Khatungonj Br. Chittagong
13. Islampur Br. Dhaka
14. Karwanbazar Br. Dhaka
15. Laldighirpar Br. Sylhet
16. Banani Br, Dhaka |
|---|--|--|--|---|--|

DIRECTORS INVOLVEMENT WITH OTHER LISTED COMPANIES AS DIRECTOR: No Director of R.N Spinning Mills Ltd. is involved as Director of any Listed Company

PURPOSE/USE OF PROCEEDS OF PUBLIC OFFERING:

Proceeds from initial public offering will be used for repayment of outstanding loan and expansion of business activities to boost up the profitability of the Company. The details of which is stated as under:

Particulars	Amount	Projected Date/Period
Loan Repayment:	248,500,000	
Social Islami Bank Limited	68,500,000	15 days after receiving the IPO Fund
The City Bank Limited	180,000,000	15 days after receiving the IPO Fund
Business Expansion:	51,500,000	
Construction of Office building 2100 sqft per floor, 4 storied	21,000,000	8 months after receiving the IPO Fund
Wastage go-down (105 ft X 47 ft) at factory premises	10,000,000	8 months after receiving the IPO Fund
Tiles fitting At existing production floor (2.00 lac sq.ft.)	20,500,000	8 months after receiving the IPO Fund
Total	300,000,000	

REFUND OF SUBSCRIPTION MONEY:

In the case of non-allotment of shares, the application money of unsuccessful applicant shall be refunded to the respective banks for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription.

After completion of remittance of the fund to the respective applicant's bank account, the issuer shall disclose the information in the newspapers where the abridged version of prospectus has been published.

To Whom It May Concern

We have compiled the accompanying statements of R.N Spinning Mills Limited. U/S 135 (1) and Para 24 (1) Part II of the Third Schedule of Companies Act 1994. The statement comprises of the financial information for the year ended December 31, 2008 audited by M/s. A. Wahab & Co., Chartered Accountants. It also includes financial information for the years ended December 31, 2005 and 2007 audited by M/s. Syful Shamsul Alam & Co. Chartered Accountants. It also included financial information for the years ended December 31, 2006 audited by M/s. Huda Hossain & Co. Chartered Accountants. Our report is under:

1. The R.N Spinning Mills Limited was incorporated on November 4, 2004

2. The operating results of the Company over the last 4 years is as follows:

Particulars	Amount in Taka			
	31.12.2008	31.12.2007	31.12.2006	31.12.2005
ASSETS				
Non-Current Assets	1,348,618,605	1,121,048,867	1,020,982,880	14,299,072
Fixed Assets less accumulated Depreciation	1,344,310,362	1,116,769,201	1,008,527,026	-
Capital Work-in-Progress	-	-	-	10,906,122
Security Deposits	4,308,243	4,279,666	2,103,935	1,054,058
Deferred Capital Expenditure	-	-	-	10,297,639
Pre-Operating Expenses	-	-	-	2,146,480
Preliminary Expenses	-	-	-	192,412
Current Assets	583,608,481	320,116,788	450,045	300,594
Inventories	277,618,420	127,114,750	-	-
Advance, Deposit & Prepayments	4,308,731	2,142,849	276,600	-
Bills Receivable	301,056,293	190,855,996	-	-
Cash & Cash Equivalents	625,037	3,193	173,245	300,594
TOTAL ASSETS	1,932,227,086	1,441,165,655	1,021,432,925	14,599,666
EQUITY & LIABILITIES				
Share holder Equity	1,200,502,796	681,692,233	673,092,600	12,280,000
Share Capital*	673,015,600	236,665,600	236,565,600	2,000,000
Ordinary Shares	-	-	-	10,280,000
Share Money Deposit	436,527,000	436,527,000	436,527,000	-
Preference Shares	90,960,196	8,499,633	-	-
Retained Earnings	-	-	-	-
Non-Current Liabilities	299,913,555	447,719,100	347,900,525	-
Long Term Loan	299,913,555	243,357,000	285,222,791	-
Inter Company Balance	-	206,362,100	67,677,234	-
Current Liabilities	431,810,735	311,754,322	439,800	2,319,666
Creditors and Accrued	10,394,846	2,890,065	439,800	972,440
Loan from Directors	44,256,051	184,405,107	-	1,347,216
Bills Payable	377,249,838	124,450,500	-	-
Short term loan from Bank	-	-	-	-
TOTAL EQUITY & LIABILITY	1,932,227,086	1,441,165,655	1,021,432,925	14,599,666

3. The Statement of operating results of the company as follows:

Particulars	Amount in Taka	
	31.12.08	31.12.07
Sales	1,040,508,594	376,950,237
Less: Cost of Goods sold	893,295,153	331,210,800
Gross profit	147,213,441	45,739,437
Less: Administrative & Selling Expenses	13,088,067	20,468,830
Operating Profit	134,125,374	25,270,607
Add: Non-operating Income	2,222,440	1,229,981
Profit before financial expenses & WPPF	138,047,814	26,500,588
Less: Financial Expenses	55,587,251	18,000,956
Profit before WPPF	82,460,563	8,499,632
Less: Provision for WPPF	-	-
Net profit before tax holiday reserve	82,460,563	8,499,632
Less: Provision for Tax	-	-
Profit Available for Appropriation	82,460,563	8,499,632

EPS of R.N Spinning Mills Limited are shown below based on Audited Report of 2007and 2008.

Particulars	Amount in Taka	
	31.12.08	31.12.07
Net Profit After Tax	82,460,563	8,499,632
Weighted No. of Share (Note: 3.01)	4,258,124	2,366,618
Face Value per Share	100.00	100.00
Earning per Share in Tk.	19.37	3.59

3.01. No of Weighted Shares

Allotment Date	No. of Share	Duration in Year	Weighted Average Share
Previous Year	2,267,656	365/365	2,267,656
January 31, 2008	2,141,000	335/365	1,965,027
December 28, 2008	2,321,500	4/365	25,441
Total			4,258,124

4. CASH FLOW STATEMENT

Particulars	Amount in Taka	
	31.12.08	31.12.07
CASH FLOW FROM OPERATING ACTIVITIES:		
Collection from Turnover	930,308,297	196,094,241
Collection from other Non-operating Income	3,222,440	9,459,981
Payment for Cost of Expenses	(1,089,742,991)	(228,128,763)
Paid for Operating Expenses	(11,965,502)	(8,719,803)
Expenses Paid for other Operating Activities	(29,535)	(244,600)
Payment for Financial Expenses	(56,553,216)	(18,000,955)
Net Cash Generated from Operating Activities	(224,060,527)	(67,769,847)
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(15,982,995)	(154,593,347)
Increase in Security Deposit	(28,5	