



# EASTLAND INSURANCE COMPANY LIMITED



**PUBLIC ISSUE OF 3,00,000 ORDINARY SHARES**  
**AT TK. 140/- EACH**  
**(INCLUDING PREMIUM OF TK. 40/- EACH)**

## SUBSCRIPTION

**Opens on 11th October, 1994 ■ Closes on 20th October, 1994**

**PUBLIC OFFERING OF SHARES**  
**UNDERWRITTEN BY**  
**NATIONAL BANK LTD.**

A Public Company with Limited Liability of Shareholders incorporated on the 05-11-1986 under the Companies Act, 1913.

**REGISTERED OFFICE** **AUTHORISED CAPITAL**  
 13, Dilkusha C/A. Tk. 10,00,00,000 divided into  
 1st, 2nd & 3rd Floors 10,00,000 ordinary shares of  
 Dhaka-1000. Tk. 100.00 each.

## PROSPECTUS

Offering 3,00,000 Ordinary Shares of Tk. 100/- each offered at Tk. 140/- each (i.e. at a premium of Tk. 40/- each)

"Consent of the Securities & Exchange Commission has been obtained to the issue of shares under the Securities & Exchange Ordinance, 1969 as amended in 1993 by an order, a complete copy of which is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Commission does not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinion expressed with regard to them".

A dated and signed copy of this prospectus has been filed for registration with the Registrar, Joint Stock Companies, Bangladesh as required by section 92(2) of the Companies Act, 1913.

Application has been made to the Dhaka Stock Exchange Limited for admission of the shares of the Company for dealings on the market and for their quotation on the Dhaka Stock Exchange. If for any reason, the application for listing is not accepted by the Dhaka Stock Exchange Limited, the Company undertakes to publish in the press a notice to that effect within 7 (seven) days of such rejection and thereafter to refund the subscription money to any applicant who may apply in writing for such refund within thirty days of the date of such application.

THE SUBSCRIPTION LIST FOR 3,00,000 ORDINARY SHARES OF TK. 100.00 EACH AT 40% PREMIUM BEING HEREBY OFFERED WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON 11TH OCTOBER, 1994 AND WILL CLOSE ON 20TH OCTOBER, 1994 AT THE CLOSE OF BANKING HOURS.

## HIGHLIGHTS

- (1) The Company's market share of business has been consistently showing upward trend since its inception in 1986.
- (2) The Company is managed by professional staff with considerable technical know-how and years of experience in general insurance business.
- (3) The Company follows sound Underwriting policy and carries on business through 21 branches located at Dilkusha, Imamgonj, Nawabpur Road, Kawran Bazar, Motijheel, Elephant Road in Dhaka, Narayanganj, Agrabad, Jubilee Road, Khatungonj in Chittagong, Comilla, Sylhet, Bogra, Khulna, Rangpur, Kushtia, Mymensingh, Narsingdi, Jessore, Feni and Pabna.
- (4) The Company's reserves have been steadily increasing.
- (5) The Company paid dividends at the following rates:  

1987	Nil
1988	Nil
1989	12½%
1990	15%
1991	16%
1992	15%
1993	15%
- (6) The overall future prospect of the Company appears to be very bright.

## RISK FACTORS

- (1) Insurance business is dependent on country's economic policy and growth.
- (2) Frequent natural calamities can make re-insurance costlier.
- (3) Allowing more companies in the Private Sector is likely to affect the market share of the Company's business.

## PART - I

### SHARE CAPITAL

6,00,000 ordinary shares of Tk. 100.00 each

#### (i) SUBSCRIBED AND FULLY PAID UP BY SPONSORS

3,00,000 ordinary shares of Tk. 100.00 each have been subscribed and paid for in cash in full by the sponsors of the Company at par at the time of registration of the Company.

#### (ii) NOW OFFERED FOR SUBSCRIPTION IN CASH IN FULL ON APPLICATION AT PREMIUM

3,00,000 ordinary shares of Tk. 100.00 each (50% of the issue) to the general public at Tk. 140/- each (i.e. at a premium of Tk. 40/- each)

No of Shares	Share Capital Tk	Premium Tk
3,00,000	3,00,00,000	
3,00,000	3,00,00,000	1,20,00,000
6,00,000	Tk. 6,00,00,000	1,20,00,000

## CONDITIONS OF OFFER AND ALLOTMENT OF SHARES

1. It is prescribed in the consent order that:

- (i) 20% of public issue i.e. 60,000 shares shall be offered to the Investment Corporation of Bangladesh and a further 5% i.e. 15,000 shares shall be offered to the employees of Eastland Insurance Co. Ltd. No employee shall however be allotted ordinary share of more than 100 shares. Any part of the shares offered to the Investment Corporation of Bangladesh and the employees of Eastland Insurance Co. Ltd. if not picked up by them shall be allotted to the general public or if oversubscribed then the basis of allotment will be determined by SEC.

- (ii) After deducting shares subscribed by the Investment Corporation of Bangladesh and the employees of Eastland Insurance Co. Ltd. the basis of allotment of shares to the general public shall be as follows:

- The applicants for 20 (Twenty) shares shall be accommodated fully if the capital to be issued to the general public is sufficient for the purpose. In case of excess subscription by applicants of 20 (Twenty) shares the allotment shall be made by lottery among the all valid applicants in the presence of authorised representatives of SEC, DSE, ICB and members of the Board of the company.
- Any capital left after allotment to applicants mentioned in (a) above shall be distributed to persons who apply for shares exceeding 20 (Twenty) on the basis as approved by the Securities and Exchange Commission (SEC).
- In case any difficulty arises with respect to implementation of (a) and (b) above the allotment of shares to applicants shall be made in such manner as may be determined by the SEC.
- Application for shares below 20 shares or multiple thereof shall not be entertained.

2. There are no founders, management or deferred shares. It is also not presently intended to issue any preference shares.

3. No payment has been made or is intended to be made to the Promoters, Directors or other persons for promotion of the Company and no shares have been agreed to be issued for consideration other than cash.

4. The minimum subscription on which the Directors will proceed to allotment is the full amount of the present issue.

## PART - II

### UNDERWRITING COMMISSION, BROKERAGE, TAXES ETC.

## UNDERWRITING

The Public Offering of 3,00,000 ordinary shares has been underwritten by National Bank Limited. If and to the extent that the shares hereby offered to the general public shall not have been subscribed and paid for in cash in full the Underwriter shall within thirty days of being duly called upon by the Company to do so, subscribe or procure subscribers to subscribe and pay for in cash in full, the shares not so subscribed.

## UNDERWRITING COMMISSION

The Underwriter will be paid an Underwriting commission at the rate of 2% of the value of shares underwritten by it out of the public offering. Simultaneously with calling upon an Underwriter to subscribe or procure subscribers to subscribe and pay for any number of shares the Company shall pay, to that underwriter an additional commission at the rate of 2% of the amount of the shares.

## DIRECTORS' OPINION

In the opinion of the Directors the resources of the Underwriter are sufficient to discharge their obligation.

## COMMISSION TO BANKERS TO THE ISSUE

Commission at the rate of 1/4th of 1% will be paid to the Bankers to the Issue for the services rendered by them

inconnection with the collection of subscription money etc.

## BROKERAGE

The Company will pay brokerage at 1% only to the members of Dhaka Stock Exchange Limited on allotment made in respect of applications bearing their rubber stamps. Neither the brokerage to the brokers nor the commission to the bankers to the issue shall be payable in respect of the shares taken up by the underwriting.

## MANAGER TO THE ISSUE

National Bank Ltd. has agreed to act as Manager to the Issue.

## PRELIMINARY EXPENSES

The preliminary expenses of the Company in connection with this public issue are not expected to exceed Tk. 25 lacs.

## EXEMPTION FROM INCOME TAX

Application has been made to the National Board of Revenue (NBR) for declaration under Section 44 of Income Tax Ordinance, 1984 whereby such income for an assessee as may be invested in the shares of the company will remain exempted from tax as provided in the said section.

## PART - III

### APPLICATION FOR SHARES

1. Application for shares may be made for any number of shares with a minimum number of twenty (20) shares or multiple thereof and should be made in the Company's printed form or photocopy thereof. All completed application forms together with remittance for the full amount payable on application should be lodged with any of the following Bankers to the Issue:

1. NATIONAL BANK LTD.  
 Dilkusha Branch, Dhaka.  
 Imamgonj Branch, Dhaka.  
 Foreign Exchange Branch, Dhaka.  
 Elephant Road Branch, Dhaka.  
 Motijheel Branch, Dhaka.  
 Kawran Bazar Branch, Dhaka.  
 Khatungonj Branch, Chittagong.  
 Agrabad Branch, Chittagong.  
 Khulna Branch, Khulna.  
 Barisal Branch, Barisal.  
 Rajshahi Branch, Rajshahi.  
 Sylhet Branch, Sylhet.
2. ARAB-BANGLADESH BANK LTD.  
 Principal Branch, Dilkusha, Dhaka.  
 Kewran Bazar Branch, Dhaka.  
 Motijheel Branch, Dhaka.  
 Agrabad Branch, Chittagong.  
 Khulna Branch, Khulna.  
 Rajshahi Branch, Rajshahi.  
 Modhuban Branch, Sylhet.  
 Barisal Branch, Barisal.
3. THE CITY BANK LTD.  
 Principal Branch, Dilkusha, Dhaka.  
 Islampur Road Branch, Dhaka.  
 Bangshal Branch, Dhaka.  
 New Market Branch, Dhaka.  
 Gulshan Branch, Dhaka.  
 Tambar Branch, Narayanganj.  
 Comilla Branch, Comilla.  
 Khatungonj Branch, Chittagong.  
 Agrabad Branch, Chittagong.  
 Bandarbar Branch, Sylhet.  
 Rajshahi Branch, Rajshahi.  
 Khulna Branch, Khulna.  
 Jessore Branch, Jessore.  
 Barisal Branch, Barisal.
4. UNITED COMMERCIAL BANK LTD.  
 Local Office, Motijheel, Dhaka.  
 Elephant Road Branch, Dhaka.  
 Islampur Branch, Dhaka.  
 Gulshan Branch, Dhaka.  
 Motijheel Branch, Dhaka.  
 Kawran Bazar Branch, Dhaka.  
 Agrabad Branch, Chittagong.  
 Khatungonj Branch, Chittagong.  
 Jubilee Road Branch, Chittagong.  
 Khulna Branch, Khulna.  
 Sylhet Branch, Sylhet.  
 Rajshahi Branch, Rajshahi.
5. NATIONAL CREDIT AND COMMERCE BANK LTD.  
 Motijheel Branch, Dhaka.  
 Dhanmondi Branch, Dhaka.  
 Moghbazar Branch, Dhaka.  
 Mirpur Branch, Dhaka.  
 Mirford Branch, Dhaka.  
 Bangshal Branch, Dhaka.  
 Agrabad Branch, Chittagong.  
 Khatungonj Branch, Chittagong.  
 Laldighi Branch, Sylhet.  
 Khulna Branch, Khulna.
6. SONALI BANK  
 Dilkusha Branch, Dhaka.  
 Sadarghat Branch, Dhaka.  
 Farmgate Branch, Dhaka.  
 Dhaka Cantt. Branch, Dhaka.  
 K. C. Dey Road Branch, Chittagong.  
 Agrabad Branch, Chittagong.  
 Rajshahi Branch, Rajshahi.  
 Dinapur Branch, Dinapur.  
 Bogra Branch, Bogra.  
 Khulna Branch, Khulna.  
 Barisal Branch, Barisal.
7. AGRANI BANK  
 Principal Branch, Dhaka.  
 Amin Court Branch, Dhaka.  
 Chalk Bazar Branch, Dhaka.  
 Farmgate Branch, Dhaka.  
 Dhanmondi Branch, Dhaka.  
 Sadarghat Branch, Dhaka.  
 Ramna Branch, Dhaka.  
 Laldighi East Branch, Chittagong.  
 Agrabad C/A Branch, Chittagong.  
 Shalib Bazar Branch, Rajshahi.  
 Sir Iqbal Road Branch, Khulna.  
 Chalk Bazar Branch, Barisal.
8. JANATA BANK  
 Local Office, Dhaka.  
 Foreign Exchange Corporate Branch, Dhaka.  
 Motijheel Corporate Branch, Dhaka.  
 Imamgonj Corporate Branch, Dhaka.  
 Laldighi East Corporate Branch, Chittagong.  
 Sk. Mujib Road Corporate Branch, Chittagong.  
 Sylhet Corporate Branch, Sylhet.  
 K. D. Ghosh Road Corporate Branch, Khulna.  
 Barisal Principal Branch, Barisal.  
 Rajshahi Principal Branch, Rajshahi.

6. Application must be in the name of individuals or limited companies and not in the name of firms, minors or persons of unsound mind.
7. Applications not in conformity with the above requirements are liable to be rejected.
8. The subscription money collected by the Bankers to the issue will be remitted to the company's authorised account with National Bank Limited at 48, Dilkusha Commercial Area, Dhaka.

## ALLOTMENT

The Company reserves the right of accepting or rejecting any application in whole or in part. Successful applicants will be informed of allotment by despatching Letter of Allotment within 45 (forty five) days of closing of subscription lists. The share certificates will be issued within 90 (ninety) days of the date of Letter of Allotment. Where application is not accepted in full or in part, the money received on application will be refunded to the applicant within 45 (forty five) days of closing of subscription lists by cheque without interest.

Interest at 1.50% per month and 2% per month will be paid to the unsuccessful applicants where application money is refunded after 45 (forty five) days but within 120 (one hundred twenty) days and after 120 days of the date of closing of subscription lists respectively.

Bangladeshi Nationals including non-resident Bangladeshi Nationals residing/working abroad and Foreign Nationals shall also be entitled to apply for the shares.

## PART - IV

### COMPANY'S OBJECT AND PROSPECT

The Company was incorporated on the 5th day of November 1986 with the object of carrying on in and outside Bangladesh all kinds of insurance business other than Life Assurance. The Company started operation on 22nd November 1986 at 13, Dilkusha Commercial Area, Dhaka.

Since its establishment in 1986 as one of the leading General Insurance Company in the private sector, it has been playing important Socio-economic role in the economy of the country. The Company has within a short span of time established itself as one of the most reputed and trustworthy Insurance Company in the country. Selective Underwriting and prompt settlement of claims have contributed towards building up a very respectable image of the Company within the business community. The Company has twenty one (21) branches throughout the country covering all the important business centres viz Dhaka, Chittagong, Khulna, Rangpur, Jessore, Kushtia, Bogra, Narsingdi, Feni, Sylhet, Comilla, Mymensingh and Pabna.

The operating performance of the Company from its inception has been very satisfactory and consistently maintaining an upward trend.

The Company's net profits before taxation and reserves for the last five years are as follows:

	1989	Tk.
	79.50 lacs	
	1990	Tk. 126.85 lacs
	1991	Tk. 133.25 lacs
	1992	Tk. 127.85 lacs
	1993	Tk. 154.97 lacs

It is expected that the Company's future growth will continue enabling the declaration of handsome dividend.

## PART - V

### FINANCIAL INFORMATION AUDITORS' REPORT

The Board of Directors,  
 Eastland Insurance Company Limited,  
 13, Dilkusha Commercial Area,  
 Dhaka.

Gentlemen,

We have examined the Insurance Revenue Accounts, Profit & Loss Accounts and Profit & Loss Appropriation Accounts for the three years ended on 31st December 1991, 1992 and 1993 and in accordance with Section 93 (1A) of the Companies Act, we report that the operating results of the company for the above mentioned years and appropriations made therefrom were as set out below:

	1991	1992	1993
Premium Less : Reinsurance	40,434	47,924	39,236
Commission on Reinsurance ceded	6,727	9,944	8,975
	47,161	57,868	48,211
Claims Less : Reinsurance	18,485	25,410	10,126
Commission	2,331	62	4,054
Expenses of Management	21,962	28,904	30,999
Unexpired Risk Reserves	140	(963)	(3,341)
	42,918	53,413	41,838

(TAKA IN 000'S)