



Reliance Insurance Limited: Prospectus

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Insurance Limited as disclosed by its annual accounts for the five years from 1 January, 1990 to 31 December, 1994, which have been audited by us were as follows:

PARTICULARS	1994	1993	1992	1991	1990
Premium less reinsurance	116,805,911	102,567,977	88,556,065	77,976,476	69,394,025
Commission on reinsurance	20,866,145	22,282,527	15,567,620	16,857,080	15,667,835
Reserve for unexpired risks b/i	42,385,754	36,486,000	31,939,011	28,135,600	21,124,606
(A)	180,057,810	161,336,504	136,062,696	122,969,156	106,186,466
Claims less reinsurance	30,554,868	33,726,406	31,488,888	34,143,587	16,186,123
Agency commission	30,224,363	9,072,132	-	-	5,989,216
Management expenses	47,402,759	51,880,487	43,404,886	39,055,875	31,213,479
Reserve for unexpired risks c/i	48,451,412	42,385,754	36,486,000	31,939,011	28,135,600
(B)	156,633,402	137,064,779	111,329,774	105,138,473	81,524,418
Underwriting profit (A-B)	23,424,408	24,271,725	24,682,922	17,830,683	24,662,048
Investment income	12,253,198	8,897,355	7,706,034	8,376,970	7,561,690
Other income	1,974,823	29,019	43,366	190,393	114,574
(C)	37,652,429	33,198,099	32,432,322	26,398,046	32,338,312
Less: Expenses of management (not applicable to any fund or account)	6,729,116	6,740,512	6,909,940	5,802,797	4,621,066
(D)	6,729,116	6,740,512	6,909,940	5,802,797	4,621,066
Net profit before tax (C-D)	30,873,313	26,457,587	25,522,382	20,595,249	27,717,246
Provision for income tax	7,500,000	10,400,000	10,900,000	6,900,000	13,486,200
Net profit after tax	23,373,313	16,057,587	14,622,382	13,695,249	14,231,046
Retained profit brought forward	757,365	956,578	1,189,696	1,291,646	-
(E)	24,130,678	17,014,165	15,812,078	14,986,895	14,231,046
Appropriation: Reserve for exceptional loss	11,680,591	10,256,800	8,855,500	7,797,200	6,939,400
General reserve	2,500,000	-	-	-	-
Dividend equalisation reserve	2,500,000	-	-	-	-
Dividend proposed	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
(F)	22,680,591	16,256,800	14,855,500	13,797,200	12,939,400
Retained profit carried forward (E-F)	1,450,087	757,365	956,578	1,189,695	1,291,646

(B) Statement of assets and liabilities as on 31st December 1994 is as follows:

Fixed Assets	5,702,543
Investments	51,348,634
Current Assets	258,357,235
	315,408,412
Less: Current Liabilities	230,151,206
Net Assets	85,257,206
Represented by:	
Share capital	30,000,000
Reserved retained profit and contingencies	55,257,206
	85,257,206

(C) We further report that the company has declared dividends at the rate of 20% on the ordinary shares for each of the years 1990, 1991, 1992, & 1993 and that the dividend @ 20% has been recommended for 1994 out of the distributable profits of the Company, and that no accounts of the company have been prepared for submission to the shareholders in respect of any period subsequent to 31 December 1994.

Thanking you,
Yours truly

Sd/- Chowdhury Hossain Zaman & Co. Chartered Accountants Date: April 24, 1995

MOTOR INSURANCE REVENUE ACCOUNT FOR THE YEARS ENDED 31ST DECEMBER

PARTICULARS	1994 Tk.	1993 Tk.	1992 Tk.	1991 Tk.	1990 Tk.
Reserve for unexpired risks brought forward	9,158,435	6,491,900	5,712,560	5,428,600	3,175,231
Premium less reinsurance	28,549,406	22,896,087	16,229,773	14,281,400	13,571,402
Commission on reinsurance	-	-	-	2,325	-
	37,707,841	29,387,987	21,942,333	19,712,325	16,746,633
Claims less reinsurance	12,949,835	8,486,339	7,799,394	6,266,667	6,345,978
Commission	5,560,879	2,157,665	-	-	708,004
Expenses of management	7,145,120	7,141,759	5,450,719	4,708,016	4,004,824
Reserve for unexpired risks	11,419,762	9,158,435	6,491,900	5,712,560	5,428,600
	37,075,596	26,944,198	19,742,013	16,687,243	16,487,406
Underwriting profit/loss transferred to Profit & Loss Account	632,245	2,443,789	2,200,320	3,025,082	299,227

Sd/- A. S. Mahmud Vice Chairman Sd/- Latifur Rahman Director Sd/- Anwarul Haq Director Sd/- M. Shamsul Alam Managing Director Sd/- Chowdhury Hossain Zaman & Co. Chartered Accountants

Dhaka 24 April 1995

Auditors' Report to the Members of Reliance Insurance Limited

We have audited the annexed Financial Statements consisting of Balance Sheet, Fire, Marine and Miscellaneous Insurance Revenue Accounts, Profit and Loss Account, and Profit and Loss Appropriation Account, Classified summary of the assets, Statement of Sources & Application of Funds, and Notes to the Financial Statements numbered 1 through 17 and state that:

- (a) in our opinion, to the best of our knowledge and according to the information given to us, the said Financial Statements, which are in agreement with the books of account and returns, present in all material respects, a true and fair view of the financial position of the Reliance Insurance Limited at 31 December 1994, and the results of its operations and of its fund flows for the year then ended;
- (b) to the best of our knowledge and belief, we have obtained all the information and explanations which were necessary for the purpose of our audit;
- (c) in our opinion, proper books of account have been kept by the company as required by the laws applicable to it, so far as it appeared from our examination of those books, and that proper returns adequate for the purpose of our audit have been received from branches not visited by us;

(d) in our opinion, the Balance Sheet, the Fire, Marine and Miscellaneous Insurance Revenue Accounts, the Profit and Loss Account, and the Profit and Loss Appropriation Account have been drawn up in conformity with generally accepted accounting principles in Bangladesh, the Companies Act, 1913, the Insurance Act, 1938 and Securities & Exchange Ordinance, 1969; and

(e) to the best of our knowledge and belief the expenditure incurred was for the purpose of the company's business, and that the company has not paid to any person any commission in any form outside Bangladesh in respect of the insurance business transacted by it in Bangladesh.

Dhaka 24 April 1995

Sd/- (Chowdhury Hossain Zaman & Co.) Chartered Accountants

RELiance INSURANCE LIMITED BALANCE SHEET AS AT 31ST DECEMBER

PROPERTY AND ASSETS	NOTE	1994	1993	1992	1991	1990
Investment at cost:	09	51,348,634	31,332,000	7,000,000	6,500,000	6,500,000
Outstanding premium	10	21,902,348	26,467,536	30,714,664	28,952,243	24,007,542
Interest accrued but not due		13,055,455	14,564,571	9,655,273	8,398,054	11,913,441
Amount due from other insurers	11	24,558,832	39,032,037	39,491,657	26,209,440	5,851,001
Sundry debtors (including advances, deposits and prepayments)	12	81,946,139	65,065,627	48,244,757	34,269,019	26,107,076
Cash & bank balances	13	115,483,448	107,899,168	91,954,007	74,478,667	74,228,826
Fixed assets	14	5,702,543	6,951,448	6,716,909	8,353,491	8,234,618
Stock of stationery		432,561	430,079	449,621	577,312	434,055
Stamps in hand		978,452	406,416	506,962	450,895	211,081
Total		315,408,412	292,147,882	234,733,850	188,189,121	157,487,640
CAPITAL & LIABILITIES						
Share Capital	03	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Reserve, retained profit & contingency account		55,257,206	37,813,593	27,591,406	18,955,071	11,259,822
Balance of funds		48,451,412	42,385,754	36,486,000	31,939,011	28,135,600
Premium deposits	04	42,223,517	37,144,231	19,959,796	10,913,214	13,290,281
Outstanding claims	05	21,193,943	14,923,070	15,403,426	24,470,477	8,711,489
Amount due to other insurers	06	52,943,506	78,063,966	62,559,864	42,399,936	35,947,064
Sundry creditors (including expenses, commission & taxes)	07	57,951,414	44,557,287	35,756,388	22,930,534	23,871,571
Outstanding refund premium	08	1,387,414	1,259,981	976,970	580,878	271,813
Dividend payable		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Total		315,408,412	292,147,882	234,733,850	188,189,121	157,487,640

FIRE INSURANCE REVENUE ACCOUNT FOR THE YEARS ENDED 31ST DECEMBER

PARTICULARS	1994 Tk.	1993 Tk.	1992 Tk.	1991 Tk.	1990 Tk.
Reserve for unexpired risks brought forward	7,933,527	6,319,600	5,038,000	6,512,600	3,684,344
Premium less reinsurance	16,188,813	19,833,817	15,799,080	12,595,002	16,281,433
Commission on reinsurance	12,104,556	13,887,058	9,145,999	10,739,158	8,943,080
	36,226,896	40,040,475	29,983,079	29,846,760	28,908,857
Claims less reinsurance	7,384,790	10,214,661	9,517,235	7,271,975	3,377,872
Commission	9,253,770	3,575,605	-	-	2,655,707
Expenses of management	12,558,324	17,319,032	13,047,033	11,569,822	9,303,252
Reserve for unexpired risks	6,475,525	7,933,527	6,319,600	5,038,000	6,512,600
	35,672,409	39,042,825	28,883,868	23,879,797	21,849,431
Underwriting profit/loss transferred to Profit & Loss Account	554,487	997,650	1,099,211	5,966,963	7,059,426

Sd/- A. S. Mahmud Vice Chairman Sd/- Latifur Rahman Director Sd/- Anwarul Haq Director Sd/- M. Shamsul Alam Managing Director Sd/- Chowdhury Hossain Zaman & Co. Chartered Accountants

Dhaka 24 April 1995

MISCELLANEOUS INSURANCE REVENUE ACCOUNT FOR THE YEARS ENDED 31ST DECEMBER

PARTICULARS	1994 Tk.	1993 Tk.	1992 Tk.	1991 Tk.	1990 Tk.
Reserve for unexpired risks brought forward	2,429,424	2,155,500	1,823,122	1,442,200	1,035,672
Premium less reinsurance	5,821,821	6,073,560	5,388,724	4,557,806	3,605,600
Commission on reinsurance	2,675,922	2,236,164	1,891,655	1,592,115	1,978,804
	10,927,167	10,465,224	9,103,501	7,592,121	6,620,076
Claims less reinsurance	3,233,680	2,640,296	1,268,603	1,070,964	577,091
Commission	2,253,038	627,654	-	-	427,521
Expenses of management	4,264,922	3,460,800	3,380,955	2,468,131	2,317,107
Reserve for unexpired risks	2,328,728	2,429,424	2,155,500	1,823,122	1,442,200
	12,080,368	9,158,174	6,775,058	5,362,217	4,763,919
Underwriting profit/loss transferred to Profit & Loss Account	(1,153,201)	1,307,050	2,328,443	2,229,904	1,856,157

Sd/- A. S. Mahmud Vice Chairman Sd/- Latifur Rahman Director Sd/- Anwarul Haq Director Sd/- M. Shamsul Alam Managing Director Sd/- Chowdhury Hossain Zaman & Co. Chartered Accountants

Dhaka 24 April 1995

RELiance INSURANCE LIMITED PROFIT & LOSS AND PROFIT APPROPRIATION ACCOUNTS FOR THE YEARS ENDED 31ST DECEMBER

PARTICULARS	NOTE	1994	1993	1992	1991	1990
Interest, dividend and rents	16	12,253,198	8,897,355	7,706,034	8,376,970	7,561,690
Other income		1,974,823	29,019	43,366	190,393	114,574
Profit transferred from Insurance Revenue Accounts		23,424,408	24,271,725	24,682,922	17,830,683	24,662,048
		37,652,429	33,198,099	32,432,322	26,398,046	32,338,312
Less: Expenses of management (not applicable to any particular fund or account)		6,729,116	6,740,512	6,909,940	5,802,797	4,621,066
Net profit for the year		30,873,313	26,457,587	25,522,382	20,595,249	27,717,246
Add: Balance brought forward from previous year		757,365	956,578	1,189,696	1,291,646	-
Profit available for appropriation		31,630,678	27,414,165	26,712,078	21,886,895	27,717,246
Appropriations:						
Reserve for exceptional loss		11,680,591	10,256,800	8,855,500	7,797,200	6,939,400
Provision for income tax		7,500,000	10,400,000	10,900,000	6,900,000	13,486,200
Dividend		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
General reserve		2,500,000	-	-	-	-
Dividend equalisation reserve		2,500,000	-	-	-	-
Balance transferred to balance sheet		11,450,087	757,365	956,578	1,189,695	1,291,646
		31,630,678	27,414,165	26,712,078	21,886,895	27,717,246

MARINE INSURANCE REVENUE ACCOUNT FOR THE YEARS ENDED 31ST DECEMBER

PARTICULARS	1994 Tk.	1993 Tk.	1992 Tk.	1991 Tk.	1990 Tk.
Reserve for unexpired risks brought forward	22,864,368	21,519,000	19,365,329	14,752,200	10,229,359
Premium less reinsurance	66,245,871	53,764,513	51,138,488	46,542,268	35,935,990
Commission on reinsurance	6,085,667	6,159,305	4,529,966	4,523,482	4,745,951
	95,195,906	81,442,818	75,033,783	65,817,950	53,910,900
Claims less reinsurance	6,986,563	12,385,110	12,903,656	19,533,981	5,885,182