



PROSPECTUS

PURABI GENERAL INSURANCE COMPANY LIMITED

A Public Company with Limited Liability of Shareholders incorporated on the 29th June 1988 under the Companies Act, 1913.

Subscription Opens:
30th May, 1995

Public Issue of 300,000 Ordinary Shares of Taka 100 each At Par

Subscription Closes:
08th June, 1995

REGISTERED OFFICE
23, Motijheel Commercial Area
Dhaka 1000

AUTHORISED CAPITAL
Tk. 20,00,00,000 divided into 20,00,000
Ordinary Shares of Tk. 100 each.

Manager To the Issue
HMMS Financial Consultancy & Services Limited

Underwritten By:
National Bank Limited
National Credit and Commerce Bank Limited

"Consent of the Securities and Exchange Commission has been obtained to the issue of Capital under the Securities and Exchange Ordinance 1969 as amended in 1993 by an order of which, a complete copy 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 of the Joint Stock Companies, Bangladesh as required by section 138(1) of the Companies Act, 1994.

Application will be made to the Dhaka Stock Exchange Limited within ten days of the first issue of prospectus for admission of Shares of the Company for dealings in the stock market and for their quotation on the Exchange. If for any reason, the application for listing is not accepted by the Dhaka Stock Exchange Limited within six weeks of the closure of the subscription lists, the allotment against applications in response to the prospectus shall be void, and the subscription money received from the applicants shall be refunded within 30 (thirty) days of the expiry of the said six week. In case of failure to refund the subscription money to the applicants within the said thirty days, the Directors in addition to the Company shall be responsible collectively and severally to refund the money with interest at 5% above the bank rate.

SUBSCRIPTION OF 3,00,000 ORDINARY SHARES OF TK. 100 EACH BEING HEREBY OFFERED WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON 30TH MAY, 1995 AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON 08TH JUNE, 1995.

CORPORATE DIRECTORY

BORAD OF DIRECTORS

Chairman
Mr. Abdullah Al-Haroon Chowdhury

Vice Chairman
Prof. Md. Mustafizur Rahman

Directors
Mr. M. A. Salam
Mr. Faisal Kabir Chowdhury
Mr. Khalid Hossain
Mr. Rafiqul Islam
Mrs. Naziba Begum
Mrs. Fatima Khatun
Mr. Ishaque Khan
Mr. Md. Aminul Islam
Mrs. Rowshan Jahan
Mr. B. H. Haroon
Mr. Md. Shahjahan
Mr. Muhammad Iqbal
Mrs. Rokeya Begum
Mr. Nazrul Islam Chowdhury
Mr. Md. Badruddoza
Mrs. Salina Khanam
Mrs. Nilufar Hossain

MANAGEMENT OF THE COMPANY

Managing Director (Current Charge)
Mr. Md. Hashmat Ali, FCII

Company Secretary
Mr. Syed Moslemul Hoque

Deputy General Manager
Mr. Basudeb Dhar
Mr. S.M. Abdul Mannan
Mr. Kazi Mahbub Mashud
Mr. Nazim Uddin Mahmud

REGISTERED OFFICE
23, Motijheel Commercial Area
Dhaka 1000

AUDITORS
Kazi Zahir & Co.
Chartered Accountants
93/2 Kakrail, Dhaka

MANAGER TO THE ISSUE
HMMS Financial Consultancy & Services Ltd.
Amin Court 5th Floor,
62-63 Motijheel C/A
Dhaka 1000

LIST OF DOCUMENTS AND REPORTS

List of documents and reports referred to in the prospectus or annexed thereto under section 138(3) of the Companies Act 1994 is as follows:

- Underwriting Agreements made between the company and the underwriters, National Bank Limited and National Credit & Commerce Bank Limited.
- Agreement between the Company and Manager to the Issue, HMMS Financial Consultancy & Services Ltd.
- Memorandum and Articles of Association.
- Auditors' Report and Financial Statements for the period 31 December 1994.
- Auditor's Report under part II of the Third Schedule of the Companies Act 1994.

CHAPTER - I

HIGHLIGHTS:

- The Company has a good team of management having professional background.
- It is one of the leading General Insurance Companies in the Country and since its inception in 1988 has been successfully operating with 15 Branches presently all over the country. By ensuring quality clientele services with a harmonious team spirit the company has in the meantime established its name and fame as one of the most reputed and trustworthy Insurance Companies in the country.
- Sound underwriting and prompt settlement of claims have immensely contributed towards building up a very respectable image of the company within the business community.
- With its full five years of operation as one of the leading General Insurance Companies in the private sector, it has been playing a very important role in the socio-economic development of the Country.
- Subjected to natural calamities like flood, tidal-bore etc causing damages to human lives and properties and the present pace of economic development continue, the company shall continue its march forwards achieving her avowed goals including earnings an appreciable profit in 1995 and onwards.
- The company operates in an environment where rate undercutting competition is absent.
- Share of Public Sector business is equitably distributed by the SBC among the Insurance Companies which ensures a more or less break-even business.

RISK FACTORS:

- Frequent natural calamities can render reinsurance protection costlier and accordingly lower profit.
- Floating of more general insurance companies in private sector is likely to affect the market share of the company's business.

PURPOSE OF THE ISSUE:

The capital will be used to strengthen the Company's capital base and for investment in approved securities as per the provisions of the company's Memorandum and Articles of Association.

CAPITAL STRUCTURE

6,00,000 ordinary shares of Tk. 100 each at par

Tk. 6,00,00,000.00

1. OUT OF THE ISSUE

(i) 3,00,000 Ordinary Shares of Tk. 100/- each (50% of total issued capital) have already been subscribed and paid for in cash in full by the sponsors/promoters (Group "A") of the Company.

Tk. 3,00,00,000.00

(ii) Now Offered for Subscription in cash in full on application at par 300,000 Ordinary Shares of Tk. 100/- each (50% of total issued capital) to the general public (Group "B") payable in cash in full on application.

Tk. 3,00,00,000.00

2. CONDITIONS OF OFFER AND ALLOTMENT OF SHARES

Tk. 6,00,00,000.00

a) 300,000 ordinary shares of Tk. 100/- each at par aggregating Tk. 30,000,000/- of the capital is required to be offered at par to the General Public, out of which 45,000 Ordinary Shares of Tk. 100/- each amounting to Tk. 4,500,000 has been kept reserved for preferential allotment to Investment Corporation of Bangladesh (ICB) Unit/Mutual Fund. Any part of the shares reserved for ICB not picked up by them, shall be allotted to the General Public as determined by the Securities and Exchange Commission (SEC).

b) After deducting shares subscribed by ICB, the basis of allotment of shares to General Public shall be as follows:

255,000 ordinary shares of Tk. 100 each are being offered to the general public as follows:

- 55% i.e. 140,250 ordinary shares are being offered to the applicants for 50 shares **Tk. 14,025,000**
- 10% i.e. 25,500 ordinary shares are being offered to the applicants for exceeding 50 but upto 500 shares **Tk. 2,550,000**

iii) 10% i.e. 25,500 ordinary shares are being offered to the applicants for exceeding 500 but upto 1000 shares **Tk. 2,550,000**

iv) 10% i.e. 25,500 ordinary shares are being offered to the applicants for exceeding 1000 but upto 5000 shares **Tk. 2,550,000**

v) 15% i.e. 38,250 ordinary shares are being offered to the financial institutions, Banks, Insurance Companies, Financial & Market Intermediary Companies excluding sponsors group companies for exceeding 5000 shares. **Tk. 3,825,000**
Tk. 25,500,000

- The applicants of minimum lot of 50 shares shall be accommodated fully if the subscription in that slab is within Tk. 14,025,000.00. In case of over subscription the allotment shall be made by lottery among such applicants, in presence of authorised representatives of the SEC, DSE, ICB and members of the Board of the Company
 - Allotment amongst applicants for lots other than minimum lot shall be made proportionately in case of over subscription.
 - In case any difficulty arises with respect to implementation of b (i) & (ii) above the allotment of shares to applicants shall be made in such manner as may be determined by the SEC.
 - Applications must not be for less than 50 shares and must be for multiple of 50 shares. Any application not meeting this criterion will not be considered for allotment purpose.
- There are no founder management or deferred shares. It is also not presently intended to issue any preference shares.
 - No payment has been or is intended to be made to the promoters, directors or other persons for promotion of the company.
 - The MINIMUM SUBSCRIPTION on which the directors will proceed for allotment is the full amount of the present issue as that is the amount which in the opinion of the Directors must be raised in order to provide capital required for the company.

CHAPTER II

UNDERWRITING COMMISSION, BROKERAGE, TAXES ETC.

Underwriting:

The public offering of 3,00,000 Ordinary Shares has been underwritten by

National Bank Limited	150,000	Tk. 15,000,000
National Credit and Commerce Bank Limited	150,000	Tk. 15,000,000

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 7 (seven) days of being duly called upon by the Company to do so, subscribe and pay for in cash in full the shares not so subscribed.

Underwriting Commission:

The Underwriters will be paid an underwriting commission at the rate of 2.25% of the nominal value of shares underwritten by them. Simultaneously with calling upon the Underwriter to subscribe and pay for any number of shares the Company shall pay the Underwriter an additional commission at the rate of 2.50% of the nominal amount of the shares which will be left unsubscribed by the general public required to be subscribed by the Underwriters.

Directors' Opinion:

In the opinion of the Directors, the resources of the underwriter sufficient to discharge their underwriting obligation.

Commission to Bankers to the Issue:

Commission at the rate of 1/4th of 1% will be paid to the Bankers/Financial Institutions to the issue for the services to be rendered by them in connection with the collection of subscription money.

Brokerage:

The Company shall pay brokerage at 1% of the value of shares allotted to the members of Dhaka Stock Exchange Limited in respect of applications bearing their rubber stamps. Neither the brokerage to the brokers nor the commission to the bankers shall be payable in respect of the shares taken by the Underwriters.

Commission to Manager to the Issue:

HMMS Financial Consultancy & Services Limited is the Manager to the Issue. The fee payable for services being rendered by the Manager shall be 0.60% of the nominal amount of the Public Issue.

Preliminary Expenses:

The preliminary expenses of the Company in connection with this public issue are expected not to exceed Tk. 30 lacs.

Exemption from Income Tax:

Such income of an assessee as may be invested in the shares of the company will qualify for investment tax credit under Income - tax Ordinance, 1984.

CHAPTER III

APPLICATION FOR SUBSCRIPTION

- Application for shares may be made for a minimum of 50 (fifty) shares or multiples thereof and should be made on the company's Printed Forms. Application forms and the prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited or from the Bankers to the Issue. In case adequate forms are not available, applicants may use photocopied/ cyclostyled copies of forms.
- Joint application from more than two persons will not be accepted. In the case of a joint application each party must sign the application form.
- Application must be in full name of individuals and not in the name of firms, minors or persons of unsound mind. Application from financial institutions, banks, insurance companies and financial market intermediary companies must be accompanied with memorandum of association and articles of association.
- An applicant can submit not more than two applications, one in his own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purpose.
- Payment for subscription may be made into one of the above mentioned banks in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/Bank Draft shall be made payable to the bank to which it is sent and be marked "A/c Purabi General Insurance Company Limited" and shall bear the crossing "A/c Payee Only" and must be drawn on a bank in the same town of the bank to which application form is deposited.
- The subscription money collected by the Bankers to the Issue will be remitted to Company's authorized STD Account No. 0236001863 with National Bank, Dilkusha Branch for this purpose. Public subscription money cannot be utilized for the purpose for which money has been raised, before allotment to the successful applicants and refund to the unsuccessful applicants.
- All completed application forms together with remittance for the full amount payable on application should be lodged with the following Bankers to the issue:

i) **Rupali Bank Limited**
Local Office, Dhaka
Foreign Exchange Branch, Dhaka

ii) **Agrani Bank**
Principal Branch, Dhaka
Amin Court Branch, Dhaka
Farmgate Branch, Dhaka
Ramna Branch, Dhaka
Hatkhola Branch, Dhaka
Shatmoshid Road Branch, Dhaka
Dhanmondi Road Branch, Dhaka
Chokbazar Branch, Dhaka
Banani Branch, Dhaka
Gulshan Branch, Dhaka

iii) **IFIC Bank Limited**
Federation Branch, Dhaka
Dhanmondi Branch, Dhaka
Shantinagar Branch, Dhaka
Elephant Road Branch, Dhaka
Gulshan Branch, Dhaka

iv) **National Bank Limited**
Agrabad Branch, Chittagong
Rajshahi Branch, Rajshahi
Barisal Branch, Barisal
Sylhet Branch, Sylhet
Khulna Branch, Khulna

v) **National Credit & Commerce Bank Ltd**
Motijheel Branch, Dhaka
Moghbar Branch, Dhaka
Mirpur Branch, Dhaka
Agrabad Branch, Chittagong

vi) **Investment Corporation of Bangladesh**
Head Office
Chittagong Branch
Rajshahi Branch
Khulna Branch
Sylhet Branch
Barisal Branch

vii) **The City Bank Limited**
B.B. Avenue Branch, Dhaka
Principal Branch, Dhaka

Agrabad Branch, Chittagong
Khulna Branch, Khulna
Rajshahi Branch, Rajshahi
Jessore Branch, Jessore
Barisal Branch, Barisal

iv) National Bank Limited

Dilkusha Branch, Dhaka
Motijheel Branch, Dhaka
Kawran Bazar Branch, Dhaka
Mohakhali Branch, Dhaka
Imamgonj Branch, Dhaka
Elephant Road Branch, Dhaka
Foreign Exchange Branch, Dhaka
Narayangonj Branch, Narayangonj

Islampur Road Branch, Dhaka
Bangshal Branch, Dhaka
Johnson Road Branch, Dhaka
Kawran Bazar Branch, Dhaka
New Market Branch, Dhaka
Gulshan Branch, Dhaka
Tanbazar Branch, Narayangonj
Agrabad Branch, Chittagong
Khatungonj Branch, Chittagong
Jubilee Road Branch, Chittagong
Randabazar Branch, Sylhet
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna

APPLICATION NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED IN THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

ALLOTMENT

The Company reserves the right to accept any application in whole or in part. The allotment letter will be despatched to the person whose name appears first on the application form, notwithstanding that the shares have been allotted to the joint applicants.

Successful applicants will be notified by despatch of an allotment letter by registered post. Letter of Allotment will be issued within 40 (forty) days of closing of subscription lists. If an application is not accepted in full or in part, the money received on the application will be refunded to the applicant within 40 days of closing of subscription by cheque without interest. In case of failure to refund the subscription money to the unsuccessful applicants within the said forty days, the Directors in addition to the Company shall be responsible collectively and severally to refund the money with interest at 5% above the bank rate.

Bangladeshi nationals including non-resident Bangladeshi nationals / working abroad and foreign nationals shall be entitled to apply for shares.

CHAPTER-IV

RIGHTS OF THE SHAREHOLDERS

Voting Rights

The share capital of the Company is divided into ordinary shares carrying equal rights to vote and receive dividends. In terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the company, the shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of directors and auditors and other usual agenda of Annual General Meetings, Ordinary and Extra-Ordinary Meetings. On a show of hands, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote, and on a poll, every shareholder present in person or by proxy shall have one vote for every share held by such shareholder.

Transfer of Shares

In terms of the provision of the Companies Act, 1994, the Articles of Association of the Company and other relevant rules in force, shares of the Company are freely transferable. The Company shall not charge any fee for registering the transfer of shares. No transfer shall be made to persons of unsound mind or minors.

Dividend Policy

The Company will follow a dividend policy which will allow it to provide a fair return on its shareholder's investment and simultaneously allow for building up retained earnings and reserves at a rate that would sustain the growth of the company.

Periodical Information to Shareholders

The Directors shall present the Financial Statements as required under the law and International Accounting Standard. Financial Statements will be prepared in accordance with International Accounting Standards consistently applied throughout the subsequent periods and presented with the objective of providing maximum disclosure as per law and International Accounting Standards to the shareholders regarding the financial and operational position of the Company.

CHAPTER V

COMPANY'S OBJECTS AND PROSPECTS

The company was incorporated on June 29, 1988 under the Companies Act, 1913 with the object of carrying on inside and outside Bangladesh all kinds of insurances, other than Life Insurance. The company obtained registration from the Controller of Insurance, Government of the People's Republic of Bangladesh on November 03, 1988 and started underwriting General Insurance Business from that date. Since its establishment in 1988 as one of the leading General Insurance Company in the Private Sector, it has been playing an 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 15 (fifteen) branches throughout the country covering all the important business centers like Dhaka, Narayangonj, Chittagong, Rangamati, Khulna, Rajshahi, Bogra, Serajgonj, Rangpur, Mymensingh and Comilla.

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

CHAPTER VI

AUDITORS' REPORT TO THE MEMBERS

OF

PURABI GENERAL INSURANCE COMPANY LIMITED

We have examined the annexed Balance Sheet of Purabi General Insurance Company Limited as at December 31, 1994 and also the Profit and Loss Appropriation Account, the related Profit and Loss Account as well as the Fire, Marine, Motor and Miscellaneous Revenue Accounts annexed thereto for the year ended on that date, and report that:

(a) We have obtained all the information and explanations which we have required at the time of our audit;

(b) In our opinion, the annexed Balance Sheet, Profit and Loss Appropriation Account and the related Profit and Loss Account and the Revenue Accounts have been drawn up in conformity with generally accepted accounting principles in Bangladesh, the Companies Act, 1994, the Insurance Act, 1938 and Securities and Exchange Ordinance, 1969;

(c) Such Balance Sheet, Profit and Loss Appropriation Account and the related Profit and Loss Account and the Revenue Accounts read in conjunction with the notes thereon, exhibits a true and fair view of the state of affairs of the Company at December 31, 1994 and of the operating results for the year ended on that date according to the best of our information and explanations given to us and as shown by the books of the company;

(d) In our opinion, proper books of accounts have been kept by the company as required by the law applicable to it;

(e) We have verified the cash and bank balances and investments of the Company as at December 31, 1994 by actual inspection and examination of relevant statements and certificates; and

(f) To the best of our knowledge and belief the expenditure incurred was for the purpose of the company's business, and that the company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of insurance business transacted in Bangladesh and that the Company during the year under report has not received outside Bangladesh from any person any commission in any form in respect of any of its business re-insured abroad.

Sd/-

(Kazi Zahir & Co.)

Chartered Accountants

Dated 15 May, 1995.

BALANCE SHEET AS AT 31ST DECEMBER

PROPERTY AND ASSETS	Note	1994	1993	1992	1991	1990
Investment (At Cost)	3					
Statutory Deposits		4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Shares		1,384,000	1,384,000			
Premium Outstanding	4	35,350,410	36,886,348	37,722,822	4,233,330	6,986,086

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