



Abridged Version of Prospectus

PADMA ISLAMI LIFE INSURANCE LIMITED

Head Office: Surma Tower (11th floor), 59/2, Purana Palton, Dhaka-1000.
Tel: +88-02-9551138, 9551798, 7176096, Fax: 88-02-9570894, Email: padmalife@dhaka.net, web: www.padmaliife.com

Initial Public Offering of 12,000,000 Ordinary Shares of Tk. 10/- each (at par) worth Tk. 120,000,000/-

Subscription for general public:

Opening date:
January 22, 2012

Closing date:
January 26, 2012

Credit Rating

Credit Rating by: Credit Rating Agency Bangladesh Limited (CRAB)
Rating: Long term: BBB₃
Date of Validity: June 30, 2012

Subscription for NRB applicants:

Opening date:
January 22, 2012

Closing date:
February 04, 2012

Manager to the Issue



Union Capital Limited

1/F Free School Street, 73, Sonargaon Road, Dhaka-1205 Tel: +88-02-9662888, Fax: +88-02-8616878, Web: www.unicap-bd.com

"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, ISSUES MANAGER, UNDERWRITER AND/OR AUDITOR."

Special Note:

Special Note:
Please read the Prospectus carefully which includes "Risk Factors" before taking your investment decision.

"An applicant cannot submit more than two applications, one in his/her own name and the other 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, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant."

Padma Islami Life Insurance Limited – Company Profile

Corporate Status:

(a) The Company was incorporated on 26th April 2000 under the Companies Act 1994 as a public company limited by shares for carrying out life insurance business and was granted Certificate of Commencement of business on 26th April 2000. Date of commencement of commercial operation is May 25, 2000. The Company obtained the Certificate of Registration from the Chief Controller of Insurance, Insurance department on 30th April 2000.

The company is engaged in life insurance business and has no subsidiary.

(b) The information in respect of its business operation:

Since its establishment on 26th April 2000 the company has within a short span of time established itself as one of the most reputed and trustworthy Islami life insurance companies in private sector of the country. Selective customer service, underwriting of liabilities and prompt settlement of claims have contributed towards building up a very respectable image of the company within the business community.

(1) Principal product/services:

a) **Prokhalpa:**

- Individual Life
- Micro Insurance

b) **Product:**

- Convertible Endowment Assurance
- Endowment Assurance
- Anticipated Endowment Assurance-3 Stage
- Anticipated Endowment Assurance-4 Stage
- Child Protection Assurance
- Hajj/Omrah Assurance
- Marriage/Moharana Assurance
- Biennial Assurance
- Single Premium Endowment Assurance
- Anticipate Endowment Assurance-5 Stage
- Pension Assurance
- Group Insurance
- Deposit pension Scheme
- Premium Refund Term Assurance

Availability of Prospectus

Prospectus of the Padma Islami Life Insurance Ltd. may be obtained from the Issuer Company, the Manager to the Issue, the Underwriters and the Stock Exchanges as follows:

Company	Contact Person	Contact Number
Padma Islami Life Insurance Ltd. Surma Tower (11th floor) 59/2, Purana Palton, Dhaka-1000	Mr. Mohd. Golam Rabbani Chowdhury Managing Director & CEO	+88-02-9551138, +88-02-9551798, +88-02-7176096, Fax: 88-02-9570894
Issue Manager	Contact Person	Contact Number
Union Capital Limited Noor Tower (5th floor) 1/F Free School Street 73 Sonargaon Road, Dhaka-1205	Mr. Abul Munim Khan EVP & Head of business	+88-02-9662888 Fax: +88-02-8616878
Underwriters	Contact Person	Contact Number
Union Capital Limited Noor Tower (5th floor) 1/F Free School Street 73 Sonargaon Road, Dhaka-1205	Mr. Abul Munim Khan EVP & Head of business	+88-02-9662888 Fax: +88-02-8616878
Green Delta Insurance Co. Ltd. Hadi Mansion (4th floor), 2, Dilkusha, Dhaka-1000	Mr. Syed Moinuddin Ahmed Company Secretary	+88-02-9560005 Ext. 209
Stock Exchanges	Available at	Contact Number
Dhaka Stock Exchange Ltd. 9/F Motijheel C/A, Dhaka-1000	DSE Library	+88-02-7175705-9
Chittagong Stock Exchange Ltd. CSE Building, 1080, Sheikh Mujib Road, Chittagong-4100	CSE Library	+031-714632-3 +031-720871-3

Prospectus is also available on the web site www.padmaliife.com, www.secbd.org., www.unicap-bd.com, www.dsebd.org, www.csebd.com and Public Reference room of the Securities and Exchange Commission (SEC) for reading and study.

Auditor's Information

Mahfel Huq & Co., Chartered Accountants

BGIC Tower (4th floor) 34 Topkhana Road, Dhaka-1000

Tel: +88-02-9553143, Fax: +88-02-7171316

Use of IPO Proceeds

a) Net proceeds from the Initial Public Offering (IPO) will be used for the under stated purposes:

Particulars	Amount in Taka
IPO expenses (Estimated)	72,71,500
Partial Loan repayment	11,27,28,500
Loan Ref: Shahjalal Islami Bank Ltd., Motijheel branch, Dhaka/No. SJB/LMOT/1/2007/B-539, Sanction date- 16th October, 2007 & SJB/LMOT/INV/2008/5826, Sanction date- November 8, 2009, Bai-Muajjal (Revolving investment facility).	
Total loan with profit as on 31st December 2010	Tk. 17,11,59,589/-
Estimated payment from IPO Proceeds	(Tk. 11,27,28,500/-)
Total	12,00,00,000

Means of finance:	Amount in Taka
From Initial Public Offering (IPO)	12,00,00,000
Total	12,00,00,000

b) Utilization of fund:

The net proceeds of the IPO shall be used in the above-mentioned manner within three months of receipt of the net proceeds.

c) Terms of contract:

There is no contract covering any of the activities of the company for which the proceeds of IPO of securities are to be used.

Sd/-
Chy. Mohammad Wasiuddin, FCMA, ACA, CFC
Deputy Managing Director & CFO

Sd/-
Mohd. Golam Rabbani Chowdhury
Managing Director & CEO

Refund of subscription money

As per SEC Notification dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form:

- Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
- Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription;

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

Auditors Report under section 135 (1), para 24(1) of part-II of the Third Schedule of Companies Act 1994

A. The statements of Assets & Liabilities of the company are as under:

Particulars	31.12.2010	31.12.2009	31.12.2008	31.12.2007	31.12.2006
01. Statement of operational results:	(Taka)	(Taka)	(Taka)	(Taka)	(Taka)
Gross Premium Income	1,791,833,731	1,617,449,291	1,187,866,102	671,313,894	860,243,228
Premium on Re-Insurance Ceded	—	8,619,930	3,468,399	393,109	365,565
(a)	1,791,833,731	1,608,829,361	1,184,397,703	670,920,785	859,877,663
Add : i) Prior year adjustment	3,745,410	2,960,851	—	—	—
ii) Profit, Divided & Rents	67,103,202	45,266,755	35,898,447	40,924,879	13,973,419
iii) Other Income	11,943,572	4,440,768	1,909,492	2,742,023	1,334,665
(b)	82,792,184	52,668,374	37,807,339	43,666,902	15,308,084
(a+b)	1,874,625,915	1,661,497,735	1,222,205,642	714,587,687	875,185,747
Claim Under Policies less Re-Insurance	243,411,852	126,934,167	67,631,446	47,352,454	20,277,835
Management Expenses	1,010,126,623	823,020,795	823,129,020	572,543,719	674,560,065
Other Expenses	15,884,561	18,603,107	16,777,367	11,572,584	8,478,856
Dividend	4,500,000	—	—	—	—
(c)	1,273,923,036	968,558,069	907,537,833	631,468,757	703,316,756
Increase in life fund [(a+b)-c]	600,702,879	692,939,666	314,667,809	83,118,930	171,868,991
02. Statements of Assets and Liabilities :					
Investment	390,417,996	117,349,346	93,400,640	78,815,354	30,449,423
Fixed Assets	217,939,175	151,881,956	79,075,222	54,597,265	41,095,724
Current Assets	1,775,269,471	1,377,854,240	695,662,700	419,586,405	353,638,109
Total Assets	2,383,626,642	1,647,085,542	868,138,562	552,998,664	425,183,256
Less: Current liabilities	316,545,079	180,706,858	94,699,544	94,227,455	49,530,977
	2,067,081,563	1,466,378,684	773,439,018	458,771,209	375,652,279
Financed by:					
Share Capital	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Life Insurance fund	2,037,081,563	1,436,378,684	743,439,018	428,771,209	345,652,279
	2,067,081,563	1,466,378,684	773,439,018	458,771,209	375,652,279

B. The statement of operating results of the company is as follows:

Operating income	31-12-2010	31-12-2009	31-12-2008	31-12-2007	31-12-2006
First Year Premium	657,946,927	582,063,153	607,883,664	413,136,242	581,919,704
Renewal Premium	1,132,559,214	1,055,365,905	579,972,438	258,177,652	278,323,524
Group Premium	1,327,590	20,233	—	—	—
Gross Premium	1,791,833,731	1,617,449,291	1,187,866,102	671,313,894	860,243,228
Less Re-Insurance Premium	—	8,619,930	3,468,399	393,109	365,565
Net Premium	1,791,833,731	1,608,829,361	1,184,397,703	670,920,785	859,877,663
Prior year adjustment	3,745,410	2,960,851	—	—	—
Interest, Dividends and Rent	67,103,202	45,266,755	35,898,447	40,924,879	13,973,419
Other Income	11,943,572	4,440,768	1,909,492	2,742,023	1,334,665
Total Income	1,874,625,915	1,661,497,735	1,222,205,642	714,587,687	875,185,747
Operating expenses					
Claims Under Policies (including provision for claims due or intimated)					
Less Re-Insurance	243,411,852	126,934,167	67,631,446	47,352,454	20,277,835
By Death	13,359,099	17,027,854	6,725,928	5,676,010	4,009,435
By Maturity	70,7500	—	—	—	—
By Survival	224,108,444	108,037,145	60,597,518	41,618,952	16,181,226
By Surrender	5,867,664	1,869,168	308,000	57,492	87,174
By Others	5,895	—	—	—	—
Expenses of Management					
Commission	653,970,857	538,452,726	555,838,994	363,340,673	482,524,247
Salary and administrative expenses					
Salaries etc. (other than to agents and those contained in the allowance and commission)	130,768,169	110,687,397	85,967,649	58,781,970	41,040,569
Administrative Expenses	225,387,597	173,880,672	181,322,377	150,421,076	150,995,249
Other Expenses	15,884,561	18,603,107	16,777,367	11,572,584	8,478,856
Dividend paid for 2009	4,500,000	—	—	—	—
Total	1,273,923,036	968,558,069	907,537,833	631,468,757	703,316,756
Balance of life insurance fund for the period	600,702,879	692,939,666	314,667,809	83,118,930	171,868,991
Balance of life insurance fund at the beginning of the year	1,436,378,684	743,439,018	428,771,209	345,652,279	173,783,288
Balance of life insurance fund at the end of the year	2,037,081,563	1,436,378,684	773,439,018	428,771,209	345,652,279

C. Statement of Cash Flow

CASH FLOWS FROM OPERATING ACTIVITIES	31-12-2010	31-12-2009	31-12-2008	31-12-2007	31-12-2006
Life Insurance Fund Accretion during the period:	600,702,879	692,939,666	314,667,809	83,118,930	171,868,991
Add: Items not involving movement of cash:					
Depreciation	15,884,561	18,603,107	16,777,367	11,572,584	8,478,856
Cash generated from operation	616,587,440	711,542,773	331,445,176	4,691,514	180,347,847
Changes in Working Capital Components:					
Increase in Sundry Debtors	(55,234,466)	(161,214,568)	(1,344,572)	(675,542)	(2,583,807)
Increase in Advances, Deposits & Prepayments	2,366,045	(8,016,316)	(29,662,250)	(48,477,858)	(23,403,916)
Capital Work in Process (Head Office Building)	(73,400,000)	(35,000,000)	(30,567,200)	(30,000,000)	—
Increase in Profit, Dividend & Rent accrued but not due	(8,947,208)	(8,272,075)	(9,377,496)	(7,271,313)	(4,004,768)
Decrease in Printing & Stationery in hand	(148,787)	(3,039,127)	2,336,161	(3,560,496)	24,402
Decrease in Amount due to other persons or bodies	(7,259,837)	5,589,590	1,165,969	(194,847)	(6,709)
Loan from Bank (Secured)	114,905,589	48,278,246	(29,896,344)	21,872,098	18,000,000
Increase in Estimated Liabilities in respect of Outstanding claims whether due or intimated.	11,194,691	18,296,375	2,915,246	11,5009,481	(404,375)
Decrease in Sundry Creditors	10,225,747	(36,926)	26,287,218	11,5009,481	13,366,420
Increase in Sadaka Fund (Padma Welfare)	6,772,031	15,880,029	—	—	—
Increase in Premium Deposits	—	—	—	—	(52,382)
Net Cash Flows from operating activities	617,061,665	582,098,003	263,301,908	79,402,783	181,282,712
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets	(81,941,780)	(91,409,841)	(41,255,324)	(25,074,125)	(3,199,939)
Investment made during the Period	(274,132,535)	(24,664,499)	(15,590,545)	(48,775,332)	(13,441,936)
Net Cash Flows from investing activities	(356,074,315)	(116,074,340)	(56,845,869)	(73,849,457)	(45,441,871)
CASH FLOWS FROM FINANCING ACTIVITIES					
Share Capital	—	—	—	—	—
Net Cash Flows from financing activities					
Net increase/Decrease in cash and cash equivalents (A+B+C)	260,987,350	466,023,663	206,456,039	5,553,326	135,840,841
Cash and Cash Equivalents at the beginning of the Period	969,582,054	5003,538,391	297,082,352	291,522,026	155,688,185
Cash and Cash Equivalents at the end of the Period	1,230,569,404	969,562,054	5003,538,391	297,082,352	291,522,026

D. Dividend Declared:

The Company has not declared any dividend except 15% cash dividend for the year 2009.

E. The Company was incorporated on April 26, 2000 as a Public Limited Company.

F. Padma Islami Life Insurance Limited has no subsidiaries.

G. No proceeds or part of proceeds of the issue of shares were applied directly to the company in the purchase of any business.

H. The Company did not prepare any accounts for any period subsequent to December 31, 2010.

I. Figures relating to previous years have been re-arranged wherever considered necessary.

Dhaka: April 28, 2011

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Selected ratios and Earning per Share

Selected Ratio as specified in rule 8 B (20) I-Annexure B of the "Securities and Exchange Commission (Public Issue) Rules, 2006"

Liquidity Ratio	Formula	2010	2009	2008	2007	2006
Current Ratio (Times)	Current Asset/ Current Liability	5.61	7.62	7.35	4.45	7.14
Quick Ratio (Times)	(Current Asset– Prepaid expenses)/ Current Liability	5.28	7.04	6.31	3.41	6.14
Time Interest Earned Ratio (Times)	EBIT/Interest	N/A	N/A	N/A	N/A	N/A
Debt-Equity Ratio (Times)	(Long term debt + Short term debt)/Shareholders equity	5.71	1.88	0.33	1.33	0.60
Operating Ratios						
Accounts Receivable (days)	Credit sales/ Avg. debtor	N/A	N/A	N/A	N/A	N/A
Inventory Turnover Ratio	Cost of Sales/Avg. Inventory	N/A	N/A	N/A	N/A	N/A
Asset Turnover Ratio	Credit Sales/ Avg. Debtors	N/A	N/A	N/A	N/A	N/A
Profitability Ratios						
Accounts receivable turnover ratio	Gross profit/Sales	N/A	N/A	N/A	N/A	N/A
Operating income ratio	(Sales - Operating expenses)/ Sales	N/A	N/A	N/A	N/A	N/A
Net income ratio	Net income/ Sales	N/A	N/A	N/A	N/A	N/A
Return on Assets ratio	NPAT/Average Total assets	N/A	N/A	N/A	N/A	N/A
Return on Equity	NPAT/Average Shareholder's Equity	21.40	13.27	5.53	(5.33)	N/A
Earning per share	Profit as per actrial valuation/ shareholders portion of surplus with 10% of divisible surplus	27.23	15.31	6.38	(6.14)	N/A