

PARAMOUNT INSURANCE COMPANY LIMITED

Chaklader House (Level- 3), House No. 22, Road No. 113/A
Gulshan 2, Dhaka 1212

AUDITORS' REPORT TO THE SHAREHOLDERS OF PARAMOUNT INSURANCE COMPANY LIMITED

We have audited the accompanying Financial Statements of Paramount Insurance Company Limited consisting of Statement of Financial Position (Balance Sheet) as of December 31, 2015 and Statement of Comprehensive Income (Profit & Loss Account), Profit & Loss Appropriation Account, Consolidated Retention Account, The Insurance Revenue Account, General Insurance Revenue Account, Motor Insurance Revenue Account, Marine Insurance Revenue Account, Cash Flow Statement and Statement of Changes in Equity together with Notes thereto for the year then ended.

Respective Responsibilities of Management for the financial statements: Management is responsible for the preparation, selection, presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) the Companies Act 1994, Insurance Act 2010 and

AUDITORS' REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Respective Responsibilities of Auditor: We have audited the financial statements in order to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards of Auditing (BSAs). These standards require that we comply with relevant ethical requirements, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements whether due to fraud or error. In making our audit judgments, we consider internal control relevant to the audit. It is important that we obtain an understanding of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expression of an opinion on the effectiveness of the entity's internal control. We also obtain evidence regarding the company's accounting policies used and the competence of accounting personnel responsible for the preparation of the financial statements.

SHIRAZ KHAN BASAK & CO.

CHARTERED ACCOUNTANTS

R.K Tower

86, Bir Uttam C.R Datta Road, Level-10, Hatirpool, Dhaka-1205.

An Associate firm of D.N. Gupta & Associates, Chartered Accountants



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

R.K. TOWER

86, Bir Uttam C.R. Datta Road
(312, Soanargaon Road), Level-10
Hatirpool, Dhaka-1205
Tel : 88-02-9635139
Fax : 88-02-8621575
Mobile: 01711-520770, 01198-015427
01552-638228
E-mail : shirazkhanbasak@yahoo.com

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF
PARAMOUNT INSURANCE COMPANY LIMITED**

We have audited the accompanying Financial Statements of Paramount Insurance Company Limited consisting of Statement of Financial Position (Balance Sheet) as of **December 31, 2015** and Statement of Comprehensive Income (Profit & Loss Account), Profit & Loss Appropriation Account, Consolidated Revenue Account, Fire Insurance Revenue Account, Marine Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Cash Flow Statement and Statement of Changes in Equity together with Notes thereto for the year then ended.

Respective Responsibilities of Management for the financial statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, Insurance Act 2010 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Respective Responsibilities of Auditor:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expression of an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



R.K.



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

R.K. TOWER

86, Bir Uttam C.R. Datta Road
(312, Soanargaon Road), Level-10
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Mobile: 01711-520770, 01198-015427
01552-638228
E-mail : shirazkhanbasak@yahoo.com

Opinion:

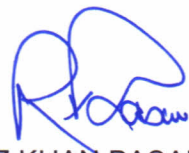
In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of December 31, 2015 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, Insurance Act, 2010 and Insurance Rules 1958, Securities Exchange Rules, 1987 and other applicable laws and regulations.

We report that:

- i) We have obtained information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) In our opinion, proper books of account as required by law have been kept by the company.
- iii) The company's Statement of Financial Position (Balance Sheet) and Statement of Comprehensive Income (Profit & Loss Account) and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- iv) The expenditure incurred was for the purposes of the company's business;
- v) As per Section 63(2) of the Insurance Act, 2010 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit & Loss Account of the Company; and
- vi) As per Section 59 (5) of the Insurance Act, 2010, we certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Dated: Dhaka, April 28, 2016




SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS


PARAMOUNT INSURANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AS AT 31 DECEMBER, 2015

| CAPITAL & LIABILITIES | NOTES | 2015 Taka | 2014 Taka | PROPERTY & ASSETS | NOTES | 2015 Taka | 2014 Taka |
|---|-------|--------------------|--------------------|--|-------|--------------------|--------------------|
| AUTHORIZED CAPITAL : | | | | Investment : | | | |
| 60,000,000 Ordinary shares of Tk. 10/- each. | 10.01 | 600,000,000 | 600,000,000 | Government Treasury Bond | 1.00 | 25,000,000 | 25,000,000 |
| ISSUED, SUBSCRIBED & PAID-UP CAPITAL : | 10.02 | 242,125,530 | 220,114,120 | Investment in Shares & Securities | 2.00 | 5,387,257 | 5,329,244 |
| 24,212,553 Ordinary shares of Tk. 10/- each. | | | | Interest, Dividend & Rent Outstanding | 3.00 | 10,678,204 | 10,777,425 |
| Reserve for Contingency Account : | | 109,018,497 | 93,798,914 | Amount due from other persons or bodies carrying on insurance business (S.B.C) | 4.00 | 47,677,764 | 39,069,743 |
| Reserve for Exceptional losses | 11.00 | 76,643,612 | 66,643,612 | Sundry Debtors | 5.00 | 98,591,388 | 120,671,821 |
| Reserve for Gratuity | 12.00 | 4,500,000 | 3,000,000 | | | | |
| Profit and Loss Appropriation Account | | 27,874,885 | 24,155,302 | | | | |
| Balance of Fund & Accounts : | | 35,008,795 | 31,110,110 | Cash and Bank Balances : | | 286,072,608 | 267,999,915 |
| Fire Insurance Revenue Account | | 10,715,625 | 4,766,816 | Fixed Deposit with Bank | 6.00 | 254,400,000 | 232,300,000 |
| Marine Insurance Revenue Account | | 13,043,696 | 17,608,205 | Cash at Bank | 7.00 | 30,660,446 | 35,309,177 |
| Motor Insurance Revenue Account | | 9,247,918 | 7,165,656 | Cash in Hand | 8.00 | 1,012,162 | 390,738 |
| Misc. Insurance Revenue Account | | 2,001,556 | 1,569,433 | | | | |
| Premium Deposit | 13.00 | 1,835,307 | 3,824,571 | Other Accounts : | | 7,656,500 | 8,593,012 |
| Estimated Liabilities in respect of outstanding claims whether due or intimated | 14.00 | 8,777,412 | 37,610,404 | Fixed Assets | 9.00 | 6,936,134 | 7,752,667 |
| Amount due to other persons or bodies carrying on insurance business (S.B.C) | 15.00 | 35,810,170 | 23,681,733 | Stamps in hand | | 168,453 | 130,364 |
| Provision for Tax & Deferred Tax | 16.00 | 41,201,130 | 62,559,179 | Printing and stationery (at cost) | | 551,913 | 709,981 |
| Provision for loss on Investment fluctuation | 17.00 | 1,841,515 | 1,028,173 | | | | |
| Sundry Creditors | 18.00 | 5,445,365 | 3,713,956 | | | | |
| | | 481,063,721 | 477,441,160 | | | 481,063,721 | 477,441,160 |

The accompanying notes form an integral part of this financial statement.


MANAGING DIRECTOR


DIRECTOR

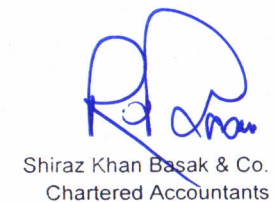

DIRECTOR


CHAIRMAN

Subject to our separate report of even date

Dated: Dhaka, April 28, 2016




Shiraz Khan Basak & Co.
Chartered Accountants

PARAMOUNT INSURANCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME (PROFIT AND LOSS ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER, 2015

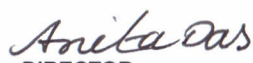
| PARTICULARS | NOTES | 2015 Taka | 2014 Taka | PARTICULARS | NOTES | 2015 Taka | 2014 Taka |
|--|-------|-------------------|-------------------|--|-------|-------------------|-------------------|
| Expenses of Management (Not applicable to any fund or account) | | 4,622,026 | 3,066,081 | Interest, Dividend and Rents (Not applicable to any fund or account) | | | |
| Advertisement & Publicity | | 957,298 | 254,600 | Interest Received & Accrued | | 25,793,894 | 27,269,430 |
| Registration & Renewal | | 508,496 | 594,099 | | | | |
| Subscription & Donation | | 795,218 | 679,074 | Profit / (Loss) Transferred from: | | 34,863,157 | 27,170,686 |
| Legal & Professional Charge | | 115,000 | 138,000 | Fire Revenue Account | | (5,709,474) | (19,629,967) |
| Audit Fee | | 173,500 | 144,750 | Marine Revenue Account | | 37,138,905 | 42,237,711 |
| Depreciation | | 1,259,172 | 1,564,069 | Motor Revenue Account | | 4,240,295 | 4,644,706 |
| Investment fluctuation reserve | | 813,342 | (308,511) | Miscellaneous Revenue Account | | (806,569) | (81,764) |
| Profit/ (Loss) for the year (transferred to Profit & Loss Appropriation Account) | 17.01 | 56,153,222 | 51,627,998 | | | | |
| | | | | Other Income: | | | |
| | | | | Investment income/(Loss) | | (42,785) | 16,938 |
| | | | | Capital Gain (Profit on sale of Car) | | 137,276 | 189,255 |
| | | | | Dividend Income | | 23,706 | 47,770 |
| | | 60,775,248 | 54,694,079 | | | 60,775,248 | 54,694,079 |

PROFIT AND LOSS APPROPRIATION ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 2015

| PARTICULARS | NOTES | 2015 Taka | 2014 Taka | PARTICULARS | NOTES | 2015 Taka | 2014 Taka |
|--------------------------------------|-------|-------------------|-------------------|--|-------|-------------------|-------------------|
| | | | | Opening Balance | | 24,155,302 | 21,713,319 |
| Reserve for Exceptional Losses | | 10,000,000 | 10,000,000 | | | | |
| Provision for Income Tax | 16.01 | 18,422,229 | 17,675,645 | Net Profit for the year Transferred from Profit & Loss Account | | 56,153,222 | 51,627,998 |
| Provision for Deferred Tax | 16.02 | 500,000 | 500,000 | | | | |
| Reserve for Gratuity | | 1,500,000 | 1,000,000 | | | | |
| Dividend Paid (Previous Year) | | 22,011,410 | 20,010,370 | | | | |
| Balance Transferred to Balance Sheet | 19.00 | 27,874,885 | 24,155,302 | | | | |
| | | 80,308,524 | 73,341,317 | | | 80,308,524 | 73,341,317 |
| Earning Per Share (EPS) | | 1.48 | 1.34 (Restated) | | | | |
| 01. NAV Per Share | | 14.32 | 12.84 (Restated) | | | | |

The accompanying notes form an integral part of this financial statement.


MANAGING DIRECTOR


DIRECTOR


DIRECTOR


CHAIRMAN

Subject to our separate report of even date





Shiraz Khan Basak & Co.
Chartered Accountants

Dated: Dhaka, April 28, 2016

PARAMOUNT INSURANCE COMPANY LIMITED
COSOLIDATED REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 2015

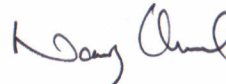
| PARTICULARS | 2015 Taka | 2014 Taka | PARTICULARS | 2015 Taka | 2014 Taka |
|--|--------------------|--------------------|---|--------------------|--------------------|
| Claims Under Policies Less Reinsurance | (5,807,812) | 4,587,728 | Balance of account at the beginning of the year | 31,110,110 | 33,021,004 |
| Paid during the year | 23,025,180 | (8,428,439) | | | |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | 8,777,412 | 37,610,404 | Premium less Reinsurance | 77,419,828 | 68,392,960 |
| Less: Outstanding at the end of previous year | 31,802,592 | 29,181,965 | Commission on Reinsurance ceded | 13,365,992 | 13,946,851 |
| | 37,610,404 | 24,594,237 | Service Charge | 29,192 | 2,789 |
| Agency Commission | 15,022,451 | 14,529,537 | | | |
| Expenses of Management | 42,322,897 | 37,577,127 | | | |
| Insurance Stamp | 120,899 | 84,988 | | | |
| Service Charge | 195,135 | 102,014 | | | |
| Commission on R/I Acceptance | 199,600 | 201,414 | | | |
| Reserve for unexpired risks being 45% of Fire, Marine Cargo & Miscellaneous and 100% of Marine Hull of the net premium income for the year | 35,008,795 | 31,110,110 | | | |
| Profit / (Loss) transferred to profit and loss account | 34,863,157 | 27,170,686 | | | |
| | <u>121,925,122</u> | <u>115,363,604</u> | | <u>121,925,122</u> | <u>115,363,604</u> |

The accompanying notes form an integral part of this financial statement.


MANAGING DIRECTOR


DIRECTOR



DIRECTOR


CHAIRMAN

Subject to our separate report of even date

Dated: Dhaka, April 28, 2016




Shiraz Khan Basak & Co.
Chartered Accountants

PARAMOUNT INSURANCE COMPANY LIMITED
FIRE INSURANCE REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 2015

| PARTICULARS | 2015 Taka | 2014 Taka | PARTICULARS | 2015 Taka | 2014 Taka |
|--|-------------------|-------------------|---|-------------------|-------------------|
| Claims Under Policies Less Reinsurance | 3,665,574 | 17,607,957 | Balance of account at the beginning of the year | 4,766,816 | 4,618,835 |
| Paid during the year | 16,195,793 | 7,366,851 | | | |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | 561,711 | 13,091,930 | Premium less Reinsurance | 23,812,501 | 10,592,924 |
| | 16,757,504 | 20,458,781 | Commission on Reinsurance ceded | 6,993,883 | 8,359,066 |
| Less: Outstanding at the end of previous year | 13,091,930 | 2,850,824 | Service Charge | 17,070 | - |
| Agency Commission | 7,347,083 | 5,926,081 | | | |
| Expenses of Management | 19,352,727 | 14,773,998 | | | |
| Service Charge | 177,582 | 96,212 | | | |
| Insurance Stamp | 41,153 | 29,728 | | | |
| Reserve for unexpired risks being 45% of the net premium income of the year | 10,715,625 | 4,766,816 | | | |
| Profit / (Loss) transferred to profit and loss account | (5,709,474) | (19,629,967) | | | |
| | <u>35,590,270</u> | <u>23,570,825</u> | | <u>35,590,270</u> | <u>23,570,825</u> |

The accompanying notes form an integral part of this financial statement.


MANAGING DIRECTOR


DIRECTOR



DIRECTOR


CHAIRMAN

Subject to our separate report of even date

Dated: Dhaka, April 28, 2016




Shiraz Khan Basak & Co.
Chartered Accountants

PARAMOUNT INSURANCE COMPANY LIMITED
MARINE INSURANCE REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 2015

| PARTICULARS | 2015 Taka | 2014 Taka | PARTICULARS | 2015 Taka | 2014 Taka |
|---|-------------------|-------------------|---|-------------------|-------------------|
| Claims Under Policies Less Reinsurance | (17,041,343) | (16,480,719) | Balance of account at the beginning of the year | 17,608,205 | 22,915,023 |
| Paid during the year | 1,395,487 | (18,261,313) | | | |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | 4,265,507 | 22,702,337 | Premium less Reinsurance | 28,608,496 | 38,388,726 |
| | 5,660,994 | 4,441,024 | Commission on Reinsurance ceded | 4,280,698 | 3,795,523 |
| Less: Outstanding at the end of previous year | 22,702,337 | 20,921,743 | Service charge | - | 2,789 |
| Agency Commission | 4,271,157 | 6,016,002 | | | |
| Expenses of management | 13,079,326 | 15,717,082 | | | |
| Service Charge | 5,658 | 3,780 | | | |
| Reserve for unexpired risks being 45% of Marine Cargo and 100% of Marine Hull of net premium income of the year | 13,043,696 | 17,608,205 | | | |
| Profit/(Loss) transferred to profit and loss account | 37,138,905 | 42,237,711 | | | |
| | <u>50,497,399</u> | <u>65,102,061</u> | | <u>50,497,399</u> | <u>65,102,061</u> |

The accompanying notes form an integral part of this financial statement..


MANAGING DIRECTOR


DIRECTOR



DIRECTOR


CHAIRMAN

Subject to our separate report of even date

Dated: Dhaka, April 28, 2016

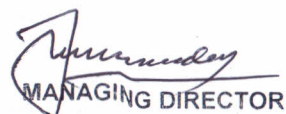



Shiraz Khan Basak & Co.
Chartered Accountants

PARAMOUNT INSURANCE COMPANY LIMITED
MOTOR INSURANCE REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 2015

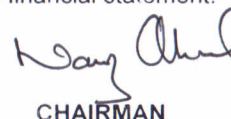
| PARTICULARS | 2015 Taka | 2014 Taka | PARTICULARS | 2015 Taka | 2014 Taka |
|--|-------------------|-------------------|---|-------------------|-------------------|
| Claims Under Policies Less Reinsurance Paid during the year | 4,534,868 | 1,242,705 | Balance of account at the beginning of the year | 7,165,656 | 4,473,381 |
| | 3,939,437 | 1,709,612 | | | |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | 750,194 | 154,763 | Premium less Reinsurance | 20,550,929 | 15,923,681 |
| | 4,689,631 | 1,864,375 | Commission on Reinsurance ceded | 377,047 | 180,640 |
| Less: Outstanding at the end of previous year | 154,763 | 621,670 | Service Charge | - | - |
| Agency Commission | 2,695,892 | 2,164,243 | | | |
| Expenses of management | 7,333,021 | 5,325,508 | | | |
| Insurance Stamp | 41,638 | 34,884 | | | |
| Reserve for unexpired risks being 45% of the net premium income of the year | 9,247,918 | 7,165,656 | | | |
| Profit/(Loss) transferred to profit and loss account | 4,240,295 | 4,644,706 | | | |
| | <u>28,093,632</u> | <u>20,577,702</u> | | <u>28,093,632</u> | <u>20,577,702</u> |

The accompanying notes form an integral part of this financial statement.


MANAGING DIRECTOR


DIRECTOR



DIRECTOR


CHAIRMAN

Subject to our separate report of even date

Dated: Dhaka, April 28, 2016





Shiraz Khan Basak & Co.
Chartered Accountants

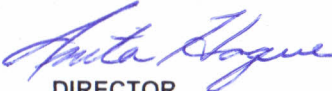
PARAMOUNT INSURANCE COMPANY LIMITED
MISCELLANEOUS INSURANCE REVENUE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 2015

| PARTICULARS | 2015 Taka | 2014 Taka | PARTICULARS | 2015 Taka | 2014 Taka |
|--|------------------|------------------|--|------------------|------------------|
| Claims Under Policies Less Reinsurance | 3,033,089 | 2,217,785 | Balance of account at the beginning of the year | 1,569,433 | 1,013,765 |
| Paid during the year | 1,494,463 | 756,411 | | | |
| Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated | 3,200,000 | 1,661,374 | Premium less Reinsurance | 4,447,902 | 3,487,629 |
| | 4,694,463 | 2,417,785 | Commission on Reinsurance ceded | 1,714,364 | 1,611,622 |
| Less: Outstanding at the end of previous year | 1,661,374 | 200,000 | Service Charge | 12,122 | - |
| Agency Commission | 708,319 | 423,211 | | | |
| Expenses of management | 2,557,823 | 1,760,539 | | | |
| Service Charge | 11,895 | 2,022 | | | |
| Insurance Stamp | 38,108 | 20,376 | | | |
| Commission on R/I Acceptance | 199,600 | 201,414 | | | |
| Reserve for unexpired risks being 45% of the net premium income of the year | 2,001,556 | 1,569,433 | | | |
| Profit/(Loss) transferred to Profit and Loss account | (806,569) | (81,764) | | | |
| | <u>7,743,821</u> | <u>6,113,016</u> | | <u>7,743,821</u> | <u>6,113,016</u> |

The accompanying notes form an integral part of this financial statement.


MANAGING DIRECTOR


DIRECTOR

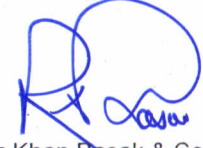

DIRECTOR


CHAIRMAN

Subject to our separate report of even date

Dated: Dhaka, April 28, 2016

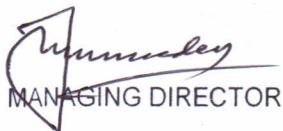



Shiraz Khan Basak & Co.
Chartered Accountants

PARAMOUNT INSURANCE COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2015

| PARTICULARS | 2015 Taka | 2014 Taka |
|---|--------------------|-----------------------|
| 01. Cash Flows From Operating Activities : | | |
| Collection from Premium & Other Income | 183,402,397 | 164,228,267 |
| Payment for Management Expenses, Commission, Claim, Re-insurance and Others | (148,750,309) | (113,047,197) |
| Income Tax Paid and Deducted | (16,136,756) | (18,205,150) |
| | 18,515,332 | 32,975,920 |
| 02. Cash Flows From Investing Activities : | | |
| Purchase of Fixed Assets | (745,363) | (148,350) |
| Disposal of Fixed Assets | 302,724 | - |
| | (442,639) | (148,350) |
| 03. Cash Flows from Financing Activities : | | |
| Increase of Share Capital | - | - |
| | - | - |
| Net Cash in Flows (Out flows) (1+2+3) | 18,072,693 | 32,827,570 |
| Cash and Bank Balance at Opening | 267,999,915 | 235,172,345 |
| Cash and Bank Balance at Closing | 286,072,608 | 267,999,915 |
| 02. Net Operating Cash Flow Per Share | 0.76 | 1.36(Restated) |

Note: The Cash Flow Statement has been prepared using direct method.


MANAGING DIRECTOR


DIRECTOR

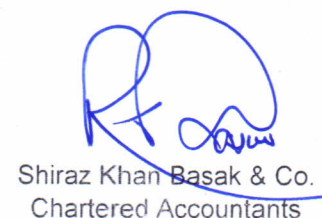

DIRECTOR


CHAIRMAN

Subject to our separate report of even date

Dated: Dhaka, April 28, 2016




Shiraz Khan Basak & Co.
Chartered Accountants

PARAMOUNT INSURANCE COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2015

| Particulars | Share Capital | Reserve for Exceptional Loss & Gratuity | Profit & Loss Appropriation Account | Total Taka |
|---|--------------------|---|-------------------------------------|--------------------|
| Opening Balance as on 01-01-2015 | 220,114,120 | 66,643,612 | 24,155,302 | 310,913,034 |
| Stock Dividend Paid (2014) | 22,011,410 | - | (22,011,410) | - |
| Profit during the year | - | - | 56,153,222 | 56,153,222 |
| Reserve for Exceptional Losses | - | 10,000,000 | (10,000,000) | - |
| Reserve for Gratuity | - | - | (1,500,000) | (1,500,000) |
| Provision for Income Tax | - | - | (18,422,229) | (18,422,229) |
| Provision for Deferred tax | - | - | (500,000) | (500,000) |
| Closing Balance as on 31-12-2015 | 242,125,530 | 76,643,612 | 27,874,885 | 346,644,027 |

PARAMOUNT INSURANCE COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2014

| Particulars | Share Capital | Reserve for Exceptional Loss & Gratuity | Profit & Loss Appropriation Account | Total Taka |
|---|--------------------|---|-------------------------------------|--------------------|
| Opening Balance as on 01-01-2014 | 200,103,750 | 56,643,612 | 21,713,319 | 278,460,681 |
| Stock Dividend Paid (2013) | 20,010,370 | - | (20,010,370) | - |
| Profit during the year | - | - | 51,627,998 | 51,627,998 |
| Reserve for Exceptional Losses | - | 10,000,000 | (10,000,000) | - |
| Reserve for Gratuity | - | - | (1,000,000) | (1,000,000) |
| Provision for Income Tax | - | - | (17,675,645) | (17,675,645) |
| Provision for Deferred tax | - | - | (500,000) | (500,000) |
| Closing Balance as on 31-12-2014 | 220,114,120 | 66,643,612 | 24,155,302 | 310,913,034 |


MANAGING DIRECTOR


DIRECTOR



DIRECTOR


CHAIRMAN

Subject to our separate report of even date

Dated: Dhaka, April 28, 2016




Shiraz Khan Basak & Co.
Chartered Accountants

PARAMOUNT INSURANCE COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2015

GENERAL:

a) **SIGNIFICANT ACCOUNTING POLICIES AND OTHER RELEVANT INFORMATION**

i) **Incorporation and Legal Form:**

The company is a Public Limited company formed under the companies Act, 1994 vide registration No-C-39003(961)/99 dated November 10, 1999 and is engaged in general insurance business as per Insurance Act, 2010.

ii) **Basis of Accounting:**

The financial statements have been prepared on a going concern basis under Bangladesh Accounting Standards on historical cost convention.

iii) **Basis of Presentation:**

The Balance sheet has been prepared in accordance with the regulations as contained in part-1 of the First Schedule and the Revenue Account of each class of general insurance business has been prepared in accordance with the regulations as contained in part-1 of the third schedule and as per Form 'F' set forth in part-II of Third schedule of the Insurance Act, 1938 as amended from time to time, which are applicable till promulgation of new Rules & Regulation under New Insurance Act 2010.

iv) **Premium Income:**

The total amount of premium earned on various classes of insurance business underwritten during the year, the gross amount of premium earned against various policies, the amount of re-insurance premium due to Sadharan Bima Corporation, the amount of re-insurance commission earned and the amount of claims less re-insurance settled during the year have all been duly accounted for in the books of account of the company and while preparing the final statements of accounts, the effect of re-insurance accepted and re-insurance ceded as well as the effect of total estimated liabilities in respect of outstanding claims at the end of the year, whether due or intimated have also been duly reflected in order to arrive at the net underwriting profit for the year.

v) **Interest on Statutory and other Investments:**

Interest earned on statutory investment lying with Bangladesh Bank in the form of BGTB'S as renewed has been accrued and accounted for. Accordingly accrued Tk. 897,808 has duly been credited to the profit and loss account of the company. Interests on other investments in the form of STD and FDR have been credited to profit & loss account.

vi) **Management Expenses:**

Management expenses as charged to Revenue Accounts, amounting to Tk.42,322,897 represents approximately 29.76% of Gross premium of Tk. 142,226,100 Management expenses have been apportioned @ 45.73% to Fire, 30.90% to Marine, 17.31% to Motor and 6.04% to Miscellaneous business based on premium income as per management decision. As per provision of section 63(2) mentioned here that all expenses of management whether incurred directly or indirectly have been debited in the revenue account as expenses



R/S

vii) **Surplus of Revenue Account & Provision for Unexpired Risks:**

Before arriving at the surplus of each class of business, necessary provisions for unexpired risks have been created at the rate of 45% on all business except on Marine Hull business on which 100% has been provided.

viii) **Statement on Compliance with IAS, Statutes & Rules:**

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted to date the following International Accounting Standards (IASs) for Bangladesh as Bangladesh Accounting Standards (BASs):

- IAS 1 Presentation of Financial statements
- IAS 2 Inventories
- IAS 7 Cash flow statements
- IAS 8 Net Profit or Loss for the Period, Fundamental errors and changes in Accounting Policies.
- IAS 10 Events after the Balance Sheet date
- IAS 11 Construction Contracts
- IAS 12 Income Taxes
- IAS 16 Property, Plant & Equipment
- IAS 17 Leases
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 20 Accounting for government grants
- IAS 21 The effects of changes in foreign exchange
- IAS 23 Borrowing Cost
- IAS 24 Related Party Disclosure
- IAS 25 Accounting for Investment
- IAS 26 Accounting and Reporting by Retirement Benefit Plans
- IAS 27 Consolidated Financial Statements and Accounting for Investments of Banks and similar Financial Institutions.
- IAS 28 Investments in Associates.
- IAS 29 Financial Reporting in Hyperinflationary Economics.
- IAS 31 Financial Reporting of Interests in Join Ventures.
- IAS 32 Financial Instruments: Presentation
- IAS 33 Earnings Per Share
- IAS 34 Interim Financial Reporting
- IAS 36 Impairments of Assets
- IAS 37 Provision for Contingents Liabilities and Contingents Assets
- IAS 38 Intangible Assets.
- IAS 39 Financial Instruments: Recognition and Measurement
- IAS 40 Investment Property

Of the IASs referred above IAS 1, 7, 8, 10, 12, 16, 18, 24, 25, 33, and 37 are applicable for the accompanied Financial Statements and the remaining IASs are not relevant for the financial statements at the moment. The company also follows the requirement of Bangladesh Financial Reporting Standard (BFRS) relevant to general insurance business.



RK

ix) **Depreciation on Fixed Assets:**

Purchase date wise depreciation has been charged on addition of assets, irrespective of date when the related assets are put into use. Depreciation has been charged on diminishing balance method on the cost of individual assets at the following rates:

| <u>Category of Fixed Assets</u> | <u>Rate of Depreciation</u> |
|--|------------------------------------|
| Furniture & Fixture | 10% |
| Telephone Installation | 20% |
| Air Conditioner | 20% |
| Office Decoration | 10% |
| Office Equipment | 20% |
| Sign Board | 10% |
| Motor Vehicles | 20% |
| Electrical Installation | 20% |
| Computer | 30% |
| Software Installation | 20% |

x) **Employees' Benefits (BAS-19):**

As per decision of the Board of Directors of the company implementation of some of the employees' benefit programs within a specific period. As such the following benefit programs have been implemented during the year 2012 and others are in process of finalization.

- a) Provident Fund; and
- b) Gratuity
- c) WPPF: If WPPF is mandatory for all Non life Insurance Companies for any reason, the company is ready to comply with the matter.

xi) **Risk and Uncertainties:**

The preparation of financial statements in conformity with the Bangladesh Accounting Standards requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures at Balance Sheet date and of the revenues and expenses during the year.

b) **OPERATION:**

During the year, through the operation of 7 offices (including Head Office) the gross premium income earned by the company amount to Tk. 142,226,100 including public sector business of Tk. 37,884,130. After ceding for re-insurance premium the net premium for the year amounted to Tk. 77,419,828 and after charging direct expenses there of the net underwriting profit / (loss) stood at Tk. 34,863,157.

c) **PUBLIC SECTOR BUSINESS:**

Public Sector Business for 4(four) quarters up to June 2015 has been accounted for on the basis of statement received from SBC.



Rd

d) **INCOME TAX:**

- i) Income Tax provision has been made on profit in the amount of Tk.18,422,229
- ii) Income Tax Assessment for the year 2004-2005 (Accounting year ended 31-12-2003) is under reference case in the High Court. However, the assessments year 2005-2006 to 2011-2012 has been completed. The assessment year 2012-2013 and 2013-2014 is under Reference Case and assessment year 2014-2015 is under Appeal and assessments year 2015-2016 is under process.
- iii) In compliance to BAS-12 "Income Tax" the company has provided Tk. 500,000 for Deferred Taxation during the year.

e) **RELATED PARTY TRANSACTIONS (BAS-24):**

During the year 2015 the company carried out a few number of transactions with parties owned by the directors, which may be called the related parties, in the normal course of business and on an arms' length basis. The name of the related parties, the nature of transactions and transaction amount for the year ended December 31, 2015 have been stated below:

| Sl. No. | Name of Related Parties | Nature of Transaction | Relationship | Transaction Amount (Taka) |
|---------|-----------------------------|-----------------------|--|---------------------------|
| 01. | M/s. Foodex International | Insurance Premium | Business owned by the Director of Paramount Insurance Co. Ltd. | 277,288 |
| 02. | M/s. Paramount Textile Ltd. | Insurance Premium | Business owned by the Director of Paramount Insurance Co. Ltd. | 13,095,623 |
| 03. | M/S. Sunrise Chemicals Ind. | Insurance Premium | Business owned by the Director of Paramount Insurance Co. Ltd. | 7,347 |
| 04. | M/S. Sabir Traders | Insurance Premium | Business owned by the Director of Paramount Insurance Co. Ltd. | 157,531 |

f) **RESERVE FOR EXCEPTIONAL LOSS:**

As per the provision of Paragraph 6 (2) of the 4th schedule of Income Tax Ordinance 1984 the company is entitled to make provision under Reserve for Exceptional Loss up to 10% of premium income. However, the management has decided to make Tk.10,000,000 reserves for the year 2015. The balance to the account of December 31, 2015 stands at Tk. 76,643,612

g) **OTHERS:**

Figures have been rounded off to the nearest Taka.



R&R

1.00 Investment-Government treasury Bond : Tk. 25,000,000

This represents statutory deposit in 5 years Bangladesh Govt. Treasury Bond (BGTB) as per requirement of the Insurance Act 2010, the make-up whereof is as under:

Particulars

11.30% 5 years BGTB (Purchased in 2012)
11.82% 5 years BGTB (Purchased in 2013)
Total

| 2015 Taka | 2014 Taka |
|-------------------|-------------------|
| 9,000,000 | 9,000,000 |
| 16,000,000 | 16,000,000 |
| 25,000,000 | 25,000,000 |

2.00 Investment & securities Shares : Tk.53,87,257

This represent the cost price of investment in Shares of Public Limited Companies, the make-up whereof is as

| Particulars | 2015 | | | | | | 2014 |
|-------------------------|-------------------|----------------------|------------------|---|-------------------------------------|------------------------|------------------------|
| | Balance of Shares | Cost price per share | Total Cost | Market Price Per share as on 31-12-2015 | Total Market Price as on 31-12-2015 | Investment Fluctuation | Market Price Per share |
| Lafarge Surma Cement | 390 | 28 | 10,934 | 75 | 29,094 | 18,160 | 47,970 |
| Atlas BD. | 50 | 194 | 9,690 | 161 | 8,070 | (1,620) | 6,380 |
| KEYA COSMETIC | 2,160 | 21 | 44,302 | 12 | 25,920 | (18,382) | 34,950 |
| Exel Shoe | 16,700 | 65 | 1,078,171 | 64.56 | 1,078,171 | - | 1,078,171 |
| FINE FOODS | 105 | 81 | 8,549 | 8 | 861 | (7,688) | 1,124 |
| ICB Islami Bank Ltd. | 20,000 | 10 | 200,000 | 4.50 | 90,000 | (110,000) | 200,000 |
| Sandhani Life Insurance | 68 | 106 | 7,224 | 38 | 2,611 | (4,613) | 3,360 |
| USMANIA GLASS | 1 | 175 | 175 | 96 | 96 | (79) | 117 |
| Lanka Bangla Finance | 544 | 50 | 26,977 | 29 | 15,776 | (11,201) | 21,780 |
| United Airways | 135 | 20 | 2,695 | 7 | 986 | (1,709) | 1,095 |
| EHL | 600 | 62 | 37,016 | 35 | 20,940 | (16,076) | 26,541 |
| ICB | 15,520 | 156 | 2,426,391 | 107 | 1,659,088 | (767,303) | 2,203,360 |
| BGIC | 100 | 76 | 7,619 | 17 | 1,660 | (5,959) | 2,140 |
| SIBL | 1,000 | 15 | 15,297 | 14 | 14,400 | (897) | 13,600 |
| ILFSL | 45,025 | 26 | 1,167,683 | 9 | 409,728 | (757,955) | 607,838 |
| NCC BANK | 4,400 | 38 | 167,132 | 9 | 40,040 | (127,092) | 44,800 |
| Agni System Ltd. | 6,930 | 26 | 177,403 | 21 | 148,302 | (29,101) | - |
| N. Polymer | - | - | - | - | - | - | 7,847 |
| | | | 5,387,257 | | 3,545,742 | (1,841,515) | 4,301,071 |

3.00 Interest, Dividend and Rents outstanding: Tk.10,678,204

This represents the sum of accrued interest on investment in BGTB (Note-1) and in FDR (Note-6) the break-up

Particulars

Bangladesh Govt. treasury Bond (BGTB)
Fixed Deposit Receipt (FDR)
Total

| 2015 Taka | 2014 Taka |
|-------------------|-------------------|
| 897,808 | 944,247 |
| 9,780,396 | 9,833,178 |
| 10,678,204 | 10,777,425 |

4.00 Amount due from other persons or bodies carrying on insurance business: Tk. 47,677,764

This represents the dues receivable from Shadharan Bima Corporation (SBC), the movement whereof is as

Particulars

Opening Balance
Add: Public Sector Business (PSB) - Net on 3rd & 4th Qtrs of 2014 and 1st & 2nd Qtrs (Upto June) of 2015
Sub-Total
Add: Net Receivable on Re-Insurance (RI) Misc. Accepted
Total

| 2015 Taka | 2014 Taka |
|-------------------|-------------------|
| 39,069,743 | 29,994,126 |
| 8,264,140 | 8,706,852 |
| 47,333,883 | 38,700,978 |
| 343,881 | 368,765 |
| 47,677,764 | 39,069,743 |



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5.00 Sundry Debtors: Tk. 98,591,388
The balance is make up of as under:

Particulars

Advance against Office Rent
Advance against Salary
Security Deposits
LRK Securities Ltd.
Advance against Land Purchase
Advance against Insurance Claim
Advance against Income Tax
Total

Notes

5.01

| 2015 Taka | 2014 Taka |
|-------------------|--------------------|
| 51,000 | 26,000 |
| 1,179,020 | 1,550,370 |
| 1,053,600 | 1,000,000 |
| 714 | 101,512 |
| 48,956,637 | 47,500,000 |
| 8,831,029 | 7,831,029 |
| 38,519,388 | 62,662,910 |
| 98,591,388 | 120,671,821 |

5.01 Advance against Income Tax : Tk. 38,519,388

Opening Balance
Add: Addition during the year
Total
Less: Provision Adjusted (2003,2011,2012 & 2013)

| 2015 Taka | 2014 Taka |
|-------------------|-------------------|
| 62,662,910 | 76,440,533 |
| 16,136,756 | 18,205,150 |
| 78,799,666 | 94,645,683 |
| 40,280,278 | 31,982,773 |
| 38,519,388 | 62,662,910 |

6.00 Fixed Deposit with Banks : Tk. 254,400,000

The Bank- wise deposit in respect of the Fixed Deposit Receipt (FDR) balance is as under:

| Name of the Bank | 2015 Taka | 2014 Taka |
|--|--------------------|--------------------|
| Islami Bank (BD) Ltd | 4,000,000 | 4,000,000 |
| Sonali Bank Ltd. | 6,000,000 | 3,500,000 |
| IFIC Bank Ltd | 6,600,000 | 7,100,000 |
| Uttara Bank Ltd. | 1,000,000 | 1,000,000 |
| Agrani Bank Ltd. | 2,500,000 | 2,500,000 |
| Al-Arafa Islami Bank Ltd. | 29,700,000 | 25,600,000 |
| The City Bank Ltd | 500,000 | 500,000 |
| Eastern Bank Ltd. | 500,000 | 500,000 |
| Janata Bank Ltd. | 3,000,000 | 2,000,000 |
| Prime Bank Ltd | 9,500,000 | 9,500,000 |
| National Bank Ltd. | 2,000,000 | 2,000,000 |
| AB Bank Ltd. | 6,500,000 | 6,500,000 |
| Basic Bank Ltd. | 1,000,000 | 1,000,000 |
| Bangladesh Krishi Bank | 1,000,000 | 1,000,000 |
| Dhaka Bank Ltd. | 2,000,000 | 2,000,000 |
| Dutch Bangla Bank Ltd. | 1,000,000 | 1,000,000 |
| National Credit & Commerce Bank Ltd. | 5,000,000 | 10,000,000 |
| Bangladesh Shilpa Bank BDBL | 5,000,000 | 5,000,000 |
| Pubali Bank Ltd. | 4,500,000 | 4,500,000 |
| Rupali Bank Ltd. | 2,000,000 | 2,000,000 |
| Mercantile Bank Ltd. | 3,500,000 | 3,500,000 |
| United Commercial Bank Ltd. | 3,500,000 | 3,500,000 |
| First Security Bank Ltd. | 14,000,000 | 14,000,000 |
| One Bank Ltd. | 9,000,000 | 9,000,000 |
| Social Islami Bank Ltd. | 27,500,000 | 24,000,000 |
| Southeast Bank Ltd. | 15,600,000 | 15,600,000 |
| State Bank Of India | 1,000,000 | 1,000,000 |
| Shahjalal Bank Ltd. | 3,500,000 | 3,500,000 |
| Premier Bank Ltd. | 6,000,000 | 7,500,000 |
| Jamuna Bank Ltd. | 3,000,000 | 1,000,000 |
| Trust Bank Ltd. | 1,000,000 | 1,000,000 |
| Mutual Trust Bank Ltd. | 15,000,000 | 10,000,000 |
| EXIM Bank Ltd. | 14,000,000 | 13,000,000 |
| Bank Asia Ltd. | 6,000,000 | 6,000,000 |
| Standard Bank Ltd. | 9,000,000 | 9,000,000 |
| National Bank of Pakistan Ltd. | 3,500,000 | 3,500,000 |
| Meghna Bank Ltd. | 10,000,000 | 10,000,000 |
| Midland Bank Ltd. | 1,000,000 | 1,000,000 |
| NRB Bank Ltd. | - | 3,000,000 |
| SouthBanglaAgricultural &Com. Bank Ltd | 14,000,000 | 2,000,000 |
| Lanka Bangla Finance | 1,000,000 | - |
| Total | 254,400,000 | 232,300,000 |



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7.00 **Cash at Bank: Tk. 30,660,446**
The make-up of the sum is as follows:

Particulars

STD Account (Under 33 A/Cs of different Banks)
Current Account (Under 6 A/Cs of different Banks)

| 2015 Taka | 2014 Taka |
|-------------------|-------------------|
| 28,825,830 | 31,970,102 |
| 1,834,616 | 3,339,075 |
| 30,660,446 | 35,309,177 |

The above balances have been confirmed with the respective bank statement and reconciliation statements as applicable.

8.00 **Cash in Hand: Tk.1,012,162**

The make-up of the sum is as follows:

Particulars

Head Office
Gulshan Branch
Motijheel Branch
kawran Bazar Branch
Agrabad Branch
Khulna Branch
Rungpur Branch
Total

| 2015 Taka | 2014 Taka |
|------------------|----------------|
| 97,304 | 46,674 |
| 631,734 | 47,491 |
| 44,624 | 54,137 |
| 42,722 | 62,807 |
| 40,573 | 30,950 |
| 144,120 | 121,640 |
| 11,085 | 27,039 |
| 1,012,162 | 390,738 |

9.00 **Fixed Assets: Tk. 6,936,134**

This represents the written down value of Fixed Assets, the make up whereof is as under:

Particulars

Cost
Less: Accumulated depreciation
Total

| 2015 Taka | 2014 Taka |
|------------------|------------------|
| 38,349,700 | 39,149,337 |
| (31,413,566) | (31,396,670) |
| 6,936,134 | 7,752,667 |

The details hereof are stated in Annexure-1

10.00 **Share Capital:**

10.01 **Authorized Capital Tk. 600,000,000**

This represents the sum of account of 6,000,000 ordinary shares of Taka 10 each. The Authorized Capital of the Company has been increased from Tk. 30 crores to Tk. 60 crores during the year 2011, as approved by its shareholders in the Extraordinary General Meeting held on November 24, 2011. Necessary approval from the Insurance Development & Regulatory Authority (IDRA) was obtained vide their letter No. IDRA/NLI/2158/2011-929 dated November 17, 2011.

10.02 **Issued, Subscribed and Paid up Capital : Tk. 242,125,530**

This represents the sum against 24,212,553 ordinary shares of Tk. 10 each, the relevant particulars whereof are as under:

| Shareholding Structure | Note | 2015 | | 2014 | |
|------------------------|-----------|-------------------|-------------|-------------------|-------------|
| Sponsors | 10.02 (a) | 10,267,849 | 42.41% | 9,334,413 | 42.41% |
| Public | 10.02 (b) | 13,944,704 | 57.59% | 12,676,999 | 57.59% |
| Total | | 24,212,553 | 100% | 22,011,412 | 100% |

The distribution schedule of the above-mentioned share capital setting-out the number of holders and percentage of holding as on 31.12.2015 is as follows:



Signature

10.02(a) Shareholders (Sponsors) :

| Class of Interval | 2015 | | | | 2014 | |
|---------------------|-------------------|---------------------|------------------|----------------------------|-----------------------|----------------------------|
| | No. of Shares | No. of Shareholders | Total Holdings % | % of Total Paid up Capital | Total Paid up Capital | % of Total Paid up Capital |
| 100,001-200,000 | - | - | - | 0.00% | - | 0.00% |
| 200,001-500,000 | 1,874,172 | 4 | 18.25% | 7.74% | 1,703,794 | 7.74% |
| 500,001-800,000 | 807,084 | 1 | 7.86% | 3.33% | 733,713 | 3.33% |
| 800,001-1,000,000 | - | - | - | - | - | - |
| 1,000,001-1,500,000 | 7,586,593 | 5 | 73.89% | 31.33% | 6,896,906 | 31.34% |
| Total | 10,267,849 | 10 | 100% | 42.41% | 9,334,413 | 42.41% |

10.02 (b) Public:

Financial & Other Institutions (including ICB)

4,596,708 32.96%

General Public

9,347,996 67.04%

Total : 10.02 (b) (i)

13,944,704 100%

10.02(b)(i) Shareholders (Public)

| Class Interval | 2015 | | | | 2014 | |
|----------------|-------------------|---------------------|------------------|----------------------------|-----------------------|----------------------------|
| | No. of Shares | No. of Shareholders | Total Holdings % | % of Total Paid up Capital | Total Paid up Capital | % of Total Paid up Capital |
| 01-500 | 209,217 | 1625 | 1.50% | 0.86% | 291,848 | 1.33% |
| 501-5000 | 2,913,703 | 1866 | 20.89% | 12.03% | 3,174,895 | 14.42% |
| 5001-10000 | 1,207,654 | 176 | 8.66% | 4.99% | 1,239,596 | 5.63% |
| 10001-15000 | 822,111 | 66 | 5.90% | 3.40% | 851,992 | 3.87% |
| 15001-20000 | 601,212 | 34 | 4.31% | 2.48% | 650,309 | 2.95% |
| 20001-25000 | 398,364 | 18 | 2.86% | 1.65% | 507,607 | 2.31% |
| 25001-30000 | 497,060 | 18 | 3.56% | 2.05% | 517,152 | 2.35% |
| 30001-40000 | 522,486 | 15 | 3.75% | 2.16% | 552,700 | 2.51% |
| 40001-50000 | 546,564 | 12 | 3.92% | 2.26% | 306,454 | 1.39% |
| 50001-60000 | 494,771 | 9 | 3.55% | 2.04% | 327,756 | 1.49% |
| 60001-70000 | 375,271 | 6 | 2.69% | 1.55% | 63,320 | 0.29% |
| 70001-80000 | 144,087 | 2 | 1.03% | 0.60% | 223,300 | 1.01% |
| 80001-90000 | 85,682 | 1 | 0.61% | 0.35% | 247,855 | 1.13% |
| 90001-100000 | 95,381 | 1 | 0.68% | 0.39% | 482,986 | 2.19% |
| 100001-120000 | 760,559 | 7 | 5.45% | 3.14% | 110,343 | 0.50% |
| 120001-200000 | 574,045 | 4 | 4.12% | 2.37% | 318,987 | 1.45% |
| 200001-400000 | 1,483,020 | 5 | 10.64% | 6.13% | 857,624 | 3.90% |
| 400001-800000 | 711,000 | 1 | 5.10% | 2.94% | 586,350 | 2.66% |
| 800001-2000000 | 1,502,517 | 1 | 10.77% | 6.21% | 1,365,925 | 6.21% |
| Total: | 13,944,704 | 3867 | 100.00% | 57.59% | 12,676,999 | 57.59% |

11.00 Reserve for Exceptional Losses: Tk. 76,643,612

This represents the sum of reserve created in each year at certain % (Varying from 5% to 10%) of respective yearly Premium Income as per provision of the Insurance Act, the movement of the sum is as under:

| Particulars | 2015 Taka | 2014 Taka |
|--------------------|-------------------|-------------------|
| Opening Balance | 66,643,612 | 56,643,612 |
| Add: For this year | 10,000,000 | 10,000,000 |
| Total | 76,643,612 | 66,643,612 |

12.00 Reserve for Gratuity Tk. 4,500,000

This represents the aggregate sum of reserve, made Tk 1,500,000 as lump sum amount for this year w.e.f 2012 as decided by the Company's Board of Directors with intention to utilize the fund at the time of employees retirement. The movement of the sum is as follows:

| Particulars | 2015 Taka | 2014 Taka |
|--------------------|------------------|------------------|
| Opening Balance | 3,000,000 | 2,000,000 |
| Add: For this year | 1,500,000 | 1,000,000 |
| Total | 4,500,000 | 3,000,000 |



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13.00 Premium Deposit: Tk.1,835,307

The amount represents the adjusted balance of premium received against Marine Cargo Cover Notes for which policies have not been issued within December 31, 2015. The make up of the sum is follows:

| Particulars | 2015 Taka | 2014 Taka |
|-----------------------------|--------------------|--------------------|
| Opening Balance | 3,824,571 | 4,368,525 |
| Add: Premium underwritten | 102,579,086 | 99,507,428 |
| Sub-Total | 106,403,657 | 103,875,953 |
| Less: Refund & Cancelled | 796,666 | 633,961 |
| Sub-Total | 105,606,991 | 103,241,992 |
| Less: Converted into Policy | 103,771,684 | 99,417,421 |
| Total | 1,835,307 | 3,824,571 |

14.00 Estimated Liabilities in respect of outstanding claims whether due or intimated: Tk. 8,777,412

This represents the dues payable to Shadharan Bima Corporation (SBC) and movement whereof is as under:

| Particulars | 2015 Taka | 2014 Taka |
|---------------------------------|------------------|-------------------|
| Fire Insurance Account | 561,711 | 13,091,930 |
| Marine Insurance Account | 4,265,507 | 22,702,337 |
| Motor Insurance Account | 750,194 | 154,763 |
| Miscellaneous Insurance Account | 3,200,000 | 1,661,374 |
| Total | 8,777,412 | 37,610,404 |

15.00 Amount due to other persons or bodies carrying on Insurance Business: Tk. 35,810,170

This represents payable to Shadharan Bima Corporation (SBC) and movement whereof is as under:

| Particulars | 2015 Taka | 2014 Taka |
|--------------------------------------|-------------------|-------------------|
| Opening Balance | 23,681,733 | 28,507,334 |
| Add: Ceded Premium on Business (Net) | 6,451,485 | 8,917,539 |
| Sub-Total | 30,133,218 | 37,424,873 |
| Less: Paid to SBC during the year | (5,676,952) | 13,743,140 |
| Total | 35,810,170 | 23,681,733 |

16.00 Provision for Taxation: Tk. 41,201,130

This represents the sum of provision on Income Tax, the break-up whereof is as under:

| Particulars | 2015 Taka | 2014 Taka |
|--|-------------------|-------------------|
| Provision for Income Tax: Note-16.01 | 36,097,874 | 57,955,923 |
| Provision for Deferred Tax: Note-16.02 | 5,103,256 | 4,603,256 |
| Total | 41,201,130 | 62,559,179 |



16.01 Provision for Income Tax: Tk. 36,097,874

The movement of the sum is as under:

| Particulars | 2015 Taka | 2014 Taka |
|--|-------------------|-------------------|
| Provision for Income Tax (Previous) | 57,955,923 | 72,263,051 |
| Provision for this year | 18,422,229 | 17,675,645 |
| Sub Total | 76,378,152 | 89,938,696 |
| Less: Provision Adjusted (2003,2011,2012,2013) | 40,280,278 | 31,982,773 |
| Total | 36,097,874 | 57,955,923 |

The make up of the sum is as follows:

| Accounting Year | Tax Assessment Year | 2015 Taka | 2014 Taka |
|-----------------|---------------------|-------------------|-------------------|
| 2003 | 2004-2005 | - | 1,000,000 |
| 2011 | 2012-2013 | - | 7,617,542 |
| 2012 | 2013-2014 | - | 15,235,031 |
| 2013 | 2014-2015 | - | 16,427,705 |
| 2014 | 2015-2016 | 17,675,645 | 17,675,645 |
| 2015 | 2016-2017 | 18,422,229 | - |
| Total | | 36,097,874 | 57,955,923 |

16.02 Provision for Deferred Tax: Tk. 5,103,256

The Balance is make up is as follows:

| Particulars | 2015 Taka | 2014 Taka |
|------------------------------|------------------|------------------|
| Opening Balance | 4,603,256 | 4,103,256 |
| Add: Provision for this year | 500,000 | 500,000 |
| Total | 5,103,256 | 4,603,256 |

17.00 Provision for Investment fluctuation reserve: Tk. 1,841,515

Provision has been made in the accounts for the anticipated loss due to fall in market price of shares held as on December 2015 as follows:

| | 2015 Taka | 2014 Taka |
|-----------------------------|------------------|------------------|
| Total cost price of share | 5,387,257 | 5,329,244 |
| Less: Market price of share | 3,545,742 | 4,301,071 |
| Total | 1,841,515 | 1,028,173 |

17.01 Investment fluctuation reserve: Tk. 813,342

The make up of this sum as follows:

| Particulars | 2015 Taka | 2014 Taka |
|--------------------------------------|----------------|------------------|
| Investment fluctuation reserve -2015 | 1,841,515 | 1,028,173 |
| Less: Opening Balance -2014 | 1,028,173 | 1,336,684 |
| Balance for the year -2015 | 813,342 | (308,511) |



18.00 **Sundry Creditors: Tk. 5,445,365**

The make up of the sum is as follows:

| Particulars | 2015 Taka | 2014 Taka |
|-------------------------------------|------------------|------------------|
| Stamp Duty | 293,583 | 354,195 |
| Bills Payable: Note - 18.01 | 5,009,473 | 3,241,983 |
| AIT Agency Commission | 126,489 | 68,219 |
| Income Tax deducted on survey fee | 5,160 | 39,324 |
| Income Tax deducted on Training fee | 2,200 | - |
| VAT deducted on survey fee | 8,460 | 10,235 |
| Total | 5,445,365 | 3,713,956 |

18.01 **Bills Payable: Tk. 5,009,473**

The make up of this sum is follows:

| Particulars | 2015 Taka | 2014 Taka |
|---|------------------|------------------|
| Salaries & Allowances | 2,589,689 | 2,110,165 |
| VAT Collected on premium | 746,938 | 671,818 |
| Audit Fee (Including special audit for 7 years from 2008) | 530,000 | 460,000 |
| PF Advance deducted from salary | 43,169 | - |
| Agency commission | 499,677 | - |
| Insurance Stamp | 600,000 | - |
| Total | 5,009,473 | 3,241,983 |

18.02 **Earning Per Share (EPS)**

The earning per share of the company is as follows:

| Particulars | 2015 Taka | 2014 Taka |
|-----------------|--------------|-----------------|
| EPS (After Tax) | 1.48 | 1.34 (Restated) |

Calculation:

This has been calculated by dividing basic earnings of the company by the number of ordinary shares outstanding at the end of the year. Basic earning represent the earning attributable (Excluding reserve for exceptional loss) to the ordinary shareholders. Last year's earning per share have been restated. are as follows:

| Particulars | 2015 Taka | 2014 Taka |
|-----------------|--------------|-----------------|
| | 35,730,993 | 32,452,352 |
| | 24,221,553 | 24,212,553 |
| EPS (After Tax) | 1.48 | 1.34 (Restated) |



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19.00 REVENUE ACCOUNTS :

The Summarized position of Net underwriting Profit earned during the year 2015 is as follows.

| PARTICULARS | FIRE | MARINE | MOTOR | MISCELL- ANEOUS | TOTAL |
|--|--------------------|---------------------|------------------|--------------------|--------------------|
| A. Gross Premium (Including PSB Business) | 53,600,050 | 52,345,489 | 20,970,452 | 15,310,109 | 142,226,100 |
| B. Re-Insurance Premium ceded | 29,787,549 | 23,736,993 | 419,523 | 10,862,207 | 64,806,272 |
| C. Net Premium (A-B) | 23,812,501 | 28,608,496 | 20,550,929 | 4,447,902 | 77,419,828 |
| DIRECT EXPENSES: | | | | | - |
| D. Commission (Net) | 353,200 | (9,541) | 2,318,845 | (806,445) | 1,856,059 |
| E. Claim Settled and Provided (net) | 3,665,574 | (17,041,343) | 4,534,868 | 3,033,089 | (5,807,812) |
| F. Management Expenses (including service charge & stamp expenses) | 19,554,392 | 13,084,984 | 7,374,659 | 2,595,704 | 42,609,739 |
| G. Total Direct Expenses (D+E+F) | 23,573,166 | (3,965,900) | 14,228,372 | 4,822,348 | 38,657,986 |
| H. Adjusted Fund Balance for unexpired risk (Opening balance less closing balance) | (5,948,809) | 4,564,509 | (2,082,262) | (432,123) | (3,898,685) |
| Net Underwriting Profit (C-G+H) | (5,709,474) | 37,138,905 | 4,240,295 | (806,569) | 34,863,157 |
| COMMISSION (NET): | | | | | |
| Commission Paid on Direct Business | 7,347,083 | 4,271,157 | 2,695,892 | 708,319 | 15,022,451 |
| Commission paid on Re-insurance Accepted | - | - | - | 199,600 | 199,600 |
| | 7,347,083 | 4,271,157 | 2,695,892 | 907,919 | 15,222,051 |
| Less: Commission earned or Re-Insurance ceded | 6,993,883 | 4,280,698 | 377,047 | 1,714,364 | 13,365,992 |
| Net Commission | 353,200 | (9,541) | 2,318,845 | (806,445) | 1,856,059 |
| CLAIMS SETTLED (NET): | | | | | |
| Gross Claim | 24,369,207 | 14,401,314 | 3,939,437 | 1,494,463 | 44,204,421 |
| Less: Re-Insurance Claim Recovery | 8,173,414 | 13,005,827 | - | - | 21,179,241 |
| Paid during the year | 16,195,793 | 1,395,487 | 3,939,437 | 1,494,463 | 23,025,180 |
| Add: Outstanding claim at the end of the year whether due or infimated | 561,711 | 4,265,507 | 750,194 | 3,200,000 | 8,777,412 |
| | 16,757,504 | 5,660,994 | 4,689,631 | 4,694,463 | 31,802,592 |
| Less: Outstanding claim at the end of the previous year | 13,091,930 | 22,702,337 | 154,763 | 1,661,374 | 37,610,404 |
| Claim Settled and Provided (net) | 3,665,574 | (17,041,343) | 4,534,868 | 3,033,089 | (5,807,812) |

Net Profit for the year and its Appropriation :

| | |
|--|-------------------|
| Underwriting Profit as per Revenue Account: | 34,863,157 |
| Interest Income | 25,793,894 |
| Investment & other Income | 118,197 |
| | <u>60,775,248</u> |
| Less: Expenses of Management (Not applicable to any Fund or Account) | 4,622,026 |
| Gross Profit | 56,153,222 |
| Less: Reserve for Exceptional Losses: | 10,000,000 |
| | <u>46,153,222</u> |
| Less: Reserve for Gratuity: | 1,500,000 |
| | <u>44,653,222</u> |
| Less: Provision for Income Tax | 18,422,229 |
| | <u>26,230,993</u> |
| Less: Deffered Tax Provision | 500,000 |
| | <u>25,730,993</u> |
| Add: Surplus Brought Forward | 24,155,302 |
| | <u>49,886,295</u> |
| Less: Stock Dividend Paid (2014) | 22,011,410 |
| Surplus Carried forward | 27,874,885 |



20.00 **Meetings:**

During the year 2015 the company had 10 members to the Board of Directors and there held 16 board meetings. Board of Directors of the company has formed other committees and sub-committees like Executive committee, Claims Committee and Audit Committee. Meeting of these committees were also held during the year.

21.00 **Employees:**

Out of the total of 110 employees engaged during the year 2015, No employee have received salary below Tk. 3,000 per month and 110 employees received more than Tk. 3,000 per month.

22.00 **Post Balance Sheet Event:**

There was no significant event that has occurred between the balance sheet date and the date when the financial statements are authorized for issue by the Board of Directors except the following:

a) The Board of Directors in its meeting held on 28th April 2016 has recommended stock dividend @ **10% (1B:10)** for the year 2015 out of the surplus for approval of the shareholders in the ensuing annual general meeting.



PARAMOUNT INSURANCE COMPANY LIMITED
ASSETS SCHEDULE
AS ON 31 DECEMBER, 2015

ANNEXURE-1

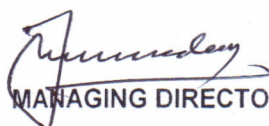
| Sl. No. | Particulars | COST | | | | Rate of Dep. | DEPRECIATION | | | | WRITTEN DOWN VALUE | |
|---------------|-------------------------|-------------------|------------------|--------------------------|------------------------|--------------|-------------------|------------------|-------------------------|------------------------|--------------------|------------------|
| | | As on 01-01-2015 | Sale Adjustment | Addition during the year | Total as on 31-12-2015 | | As on 01-01-2015 | Adjustment | Charged during the year | Total as on 31-12-2015 | As on 31-12-2015 | As on 31-12-2014 |
| 1 | Motor Vehicles | 19,919,914 | 1,545,000 | 41,000 | 18,415,914 | 20% | 16,337,008 | 1,242,276 | 658,462 | 15,753,194 | 2,662,720 | 3,582,906 |
| 2 | Furniture & Fixtures | 9,422,993 | - | 252,970 | 9,675,963 | 10% | 7,038,979 | - | 242,219 | 7,281,198 | 2,394,765 | 2,384,014 |
| 3 | Office equipments | 663,557 | - | - | 663,557 | 20% | 535,359 | - | 25,639 | 560,998 | 102,559 | 128,198 |
| 4 | Office Decoration | 2,517,954 | - | 107,543 | 2,625,497 | 10% | 1,818,803 | - | 73,909 | 1,892,712 | 732,785 | 699,151 |
| 5 | Telephone Installation | 2,056,669 | - | - | 2,056,669 | 20% | 1,801,770 | - | 50,979 | 1,852,749 | 203,920 | 254,899 |
| 6 | Electrical Installation | 635,994 | - | - | 635,994 | 20% | 480,968 | - | 31,005 | 511,973 | 124,021 | 155,026 |
| 7 | Sign Board | 95,903 | - | - | 95,903 | 10% | 81,142 | - | 1,476 | 82,618 | 13,285 | 14,761 |
| 8 | Air Conditioner | 1,739,851 | - | - | 1,739,851 | 20% | 1,531,305 | - | 41,709 | 1,573,014 | 166,837 | 208,546 |
| 9 | Computer | 2,026,502 | - | 343,850 | 2,370,352 | 30% | 1,711,964 | - | 131,649 | 1,843,613 | 526,739 | 314,538 |
| 10 | Software Installation | 70,000 | - | - | 70,000 | 20% | 59,372 | - | 2,125 | 61,497 | 8,503 | 10,628 |
| Total: | | 39,149,337 | 1,545,000 | 745,363 | 38,349,700 | | 31,396,670 | 1,242,276 | 1,259,172 | 31,413,566 | 6,936,134 | 7,752,667 |

Notes: Depreciation has been charged following diminishing balance method on individual asset.



PARAMOUNT INSURANCE COMPANY LIMITED
FORM-AA
CLASSIFIED SUMMARY OF ASSETS AS AT 31 DECEMBER, 2015

| CLASS OF ASSETS | Book Value | Remarks |
|---|---------------------------|------------------------|
| Investment: | | |
| Government Security Bond (BGTB) (Deposit with Bangladesh Bank 5 years BGTB @ 11.30% for tk.9,000,000/= and @ 11.82% for tk.16,000,000/= Interest) | 25,000,000 | Not Quoted in Market |
| Investment in Shares | 5,387,257 | At Cost |
| Amount due from other persons or bodies carrying on insurance business | 47,677,764 | Book Value |
| Cash and Bank balance: | | |
| FDR | 254,400,000 | |
| CD & STD | 30,660,446 | |
| Cash in Hand | 1,012,162 | |
| | 286,072,608 | Realizable Value |
| Interest accrued but not due | 10,678,204 | Realizable Value |
| Sundry debtors (advance, deposits and advance Income Tax) | 98,591,388 | Book Value |
| Stock of Printing | 551,913 | At cost |
| Fixed Assets (at cost less depreciation) | 6,936,134 | Depreciated Book Value |
| Stamp in hand | 168,453 | At Actual |
| Total | <u>481,063,721</u> | |


MANAGING DIRECTOR


DIRECTOR



DIRECTOR


CHAIRMAN

Subject to our separate report of even date

Dated: Dhaka, April 28, 2016




Shiraz Khan Basak & Co.
Chartered Accountants

PARAMOUNT INSURANCE COMPANY LIMITED
FORM - XL

STATEMENT SHOWING DETAILS OF REINSURANCE CEDED AND ACCEPTED OF PARAMOUNT INSURANCE COMPANY LIMITED
FOR THE YEAR ENDED 31 DECEMBER, 2015

| Class of Business | PREMIUM | | | | COMMISSION | | | | CLAIM | | | |
|------------------------|--------------------|-----------------------|----------------------------|-------------------|-------------------|-----------------------|--------------------------------|------------------|-------------------|-----------------------|--------------------------------|-------------------|
| | Received on | | Paid on Re-Insurance Ceded | NET | Paid on | | Received on Re-Insurance Ceded | NET | Paid on | | Received on Re-Insurance Ceded | NET |
| | Direct Business | Re-Insurance Accepted | | | Direct Business | Re-Insurance Accepted | | | Direct Business | Re-Insurance Accepted | | |
| FIRE | 53,600,050 | - | 29,787,549 | 23,812,501 | 7,347,083 | - | 6,993,883 | 353,200 | 24,369,207 | - | 8,173,414 | 16,195,793 |
| MARINE CARGO | 45,394,247 | - | 17,094,611 | 28,299,636 | 4,271,157 | - | 3,917,181 | 353,976 | 12,501,887 | - | 11,285,795 | 1,216,092 |
| MARINE HULL | 6,951,242 | - | 6,642,382 | 308,860 | - | - | 363,517 | (363,517) | 1,899,427 | - | 1,720,032 | 179,395 |
| MOTOR | 20,970,452 | - | 419,523 | 20,550,929 | 2,695,892 | - | 377,047 | 2,318,845 | 3,939,437 | - | - | 3,939,437 |
| MISC. OTHER THAN MOTOR | 14,739,823 | 570,286 | 10,862,207 | 4,447,902 | 708,319 | 199,600 | 1,714,364 | (806,445) | 1,467,658 | 26,805 | - | 1,494,463 |
| TOTAL : | 141,655,814 | 570,286 | 64,806,272 | 77,419,828 | 15,022,451 | 199,600 | 13,365,992 | 1,856,059 | 44,177,616 | 26,805 | 21,179,241 | 23,025,180 |

