

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

**Opinion**

We have audited the financial statements of **Paramount Insurance Company Limited** which comprise the Statement of Financial Position (Balance Sheet) as at 31 December 2018 and the Statement Of Comprehensive Income (Profit & Loss Account), Statement of Changes In Shareholder's Equity and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.


In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
<b>Premium Income</b>	
<p>Gross general insurance premiums comprise the total premiums received for the whole period of cover provided by contracts entered into during the accounting period.</p> <p>Given the important nature, connections to other items to the financial statements and sensitivity of the item we believe this area pose high level of risk.</p> 	<ul style="list-style-type: none"> <li>• With respect to Premium income in respect of various types of insurance we carried out the following procedures:</li> <li>• The design and operating effectiveness of key controls around premium income recognition process.</li> <li>• Carried out analytical procedures and recalculated premium income for the period.</li> <li>• Carried out cut-off testing to ensure unearned premium income has not been included in the premium income.</li> <li>• On a sample basis reviewed policy to ensure appropriate policy stamp was affixed to the contract and the same has been reflected in the premium register.</li> </ul>



	<ul style="list-style-type: none"> <li>• Ensured on a sample basis that the premium income was being deposited in the designated bank account.</li> <li>• Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Challan.</li> <li>• For a sample of insurance contracts tested to see if appropriate level of reinsurance was done and whether that re insurance premium was deducted from the gross premium.</li> <li>• Applying specialist judgment ensured if there is any impairment of the reinsurer.</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li> </ul>
See note 20(C) of Financial Statements	

Risk	Our response to the risk
<b>Estimated liability in respect of outstanding claims whether due or intimated and claim payment</b>	
<p>This account represents the claim due or intimated from the insured and involves significant management judgment and risk of understatement. In extreme scenario this item may have going concern implications for the company</p>	<p>We tested the design and operating effectiveness of controls around the due and intimated claim recording process.</p> <p>We additionally carried out the following substantive testing's around this item:</p> <ul style="list-style-type: none"> <li>• Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis.</li> <li>• Obtained a sample of claimed policy copy and cross check it with claim.</li> <li>• Obtained a sample of survey reports Template of Auditor's Report of General Insurance Company in Bangladesh Risk Our response to the risk cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</li> <li>• Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate.</li> <li>• Reviewed the claim committee meeting minutes about decision about impending claims.</li> </ul>





	<ul style="list-style-type: none"><li>• Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger.</li><li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.</li></ul>
See Note 14 of Financial Statements	

#### Other Matter

Financial Statements of the Company for the year ended 31 December 2017 was audited by Shiraz Khan Basak & Co. Chartered Accountants and they have issued an unqualified opinion on their report dated May 3, 2018

#### Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Managements is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



### **Auditors Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Insurance Act 2010, the Insurance Rules 1958, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanation which to best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books.
- c) The Company management has followed relevant provisions of laws and rules in managing the affairs of the Company and proper books of accounts, records and other statutory books have been properly maintained and (where applicable) proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- d) As per section 63(2) of the Insurance Act 2010, in our opinion to the best of our knowledge and belief an according to the information and explanation 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 Statement of Comprehensive Income of the Company;
- e) We report 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 its business re-insured abroad;
- f) The company's Statement of Financial Position (Balance Sheet) and Statement of Comprehensive Income (Profit & Loss Account), Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Shareholder's Equity and Cash Flow Statement of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- g) The expenditure incurred was for the purpose of the company's business;

Place: Dhaka.  
Dated: March 12, 2019.

  
**ARTISAN**  
Chartered Accountants



**Paramount Insurance Company Limited**  
**Statement Of Financial Position (Balance Sheet)**  
 As at 31 December 2018

Particulars	Notes	Amount In Taka		Particulars	Notes	Amount In Taka	
		31-12-2018	31-12-2017			31-12-2018	31-12-2017
<b>CAPITAL &amp; LIABILITIES</b>							
<b>AUTHORIZED CAPITAL</b>							
60,000,000 Ordinary Shares of Tk. 10/- each.	10.01	600,000,000	600,000,000				
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>							
31,640,964 Ordinary Shares of Tk. 10/- each.	10.02	316,409,640	287,645,130				
<b>RESERVE FOR CONTINGENCY ACCOUNT:</b>		<b>116,738,755</b>	<b>123,076,357</b>				
Reserve for Exceptional losses	11.00	104,713,025	93,326,333				
Investment Fluctuation Reserve	02.01	5,087,660	-				
General Reserve Fund	12.00	500,000	-				
Profit and Loss Appropriation Account		6,438,070	29,750,024				
<b>BALANCE OF FUND &amp; ACCOUNTS:</b>		<b>57,061,952</b>	<b>52,686,205</b>				
Fire Insurance Revenue Account		19,251,484	18,491,807				
Marine Insurance Revenue Account		18,496,895	18,867,109				
Motor Insurance Revenue Account		14,791,724	12,721,316				
Misc. Insurance Revenue Account		4,521,849	2,605,973				
Premium Deposit	13.00	9,630,367	7,723,164				
<b>Liabilities &amp; Provisions:</b>							
Estimated Liabilities in respect of outstanding claims whether due or intimated	14.00	15,817,245	4,612,731				
Amount due to other persons or bodies carrying on insurance business (S.B.C)	15.00	111,223,598	55,030,801				
Provision for Income Tax	16.00	70,006,250	67,381,177				
Provision for Deferred Tax	17.00	485,868	753,299				
Reserve for Gratuity	18.00	2,790,318	3,367,218				
Sundry Creditors	19.00	15,750,552	8,021,956				
<b>Total Capital &amp; Liabilities:</b>		<b>715,914,545</b>	<b>610,298,039</b>				
<b>Net Assets Value (NAV) Per Share</b>		<b>21.00</b>	<b>12.98</b>				

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

*[Signature]*  
 Managing Director

*[Signature]*  
 Director

*[Signature]*  
 Director

*[Signature]*  
 Chairman

Place: Dhaka  
 Dated: March 12, 2019



## Paramount Insurance Company Limited

### Consolidated Revenue Account

For the year ended December 31, 2018

Particulars	Amount In Taka		Particulars	Amount In Taka	
	31-12-2018	31-12-2017		31-12-2018	31-12-2017
<b>Claims Under Policies Less Reinsurance</b>	<b>40,723,254</b>	<b>14,861,480</b>	<b>Balance of Account at the Beginning of the Year</b>	<b>52,686,205</b>	<b>44,434,164</b>
Paid during the year	29,518,740	12,771,363			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	15,817,245	4,612,731	Premium Less Re-Insurance	113,866,924	116,827,212
	<b>45,335,985</b>	<b>17,384,094</b>	Commission on Re-Insurance Ceded	27,728,489	16,999,807
Less: Outstanding at the end of previous year	4,612,731	2,522,614			
Agency Commission	28,143,220	17,799,198	Service Charge	11,447	31,335
Expenses of Management	61,525,077	56,149,141			
Insurance Stamp	255,172	206,163			
Service Charge	367,964	225,445			
Commission on R/I Acceptance	186,804	390,328			
Reserve for unexpired risks being 50% of Fire, Marine Cargo & Miscellaneous and 100% of Marine Hull of the net premium income for the year	57,061,952	52,686,205			
Profit/(Loss) Transferred to Profit and Loss Account	6,029,622	35,974,557			
<b>Total</b>	<b>194,293,065</b>	<b>178,292,517</b>	<b>Total</b>	<b>194,293,065</b>	<b>178,292,517</b>

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

Subject to our separate report of even date.

Managing Director

Director

Director

Chairman

Place: Dhaka  
Dated: March 12, 2019




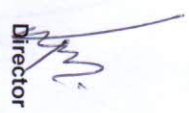
**Paramount Insurance Company Limited**  
**Fire Insurance Revenue Account**  
 For the year ended December 31, 2018

Particulars	Amount in Taka	Amount in Taka	Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017		31-12-2018	31-12-2017
<b>Claims Under Policies Less Reinsurance</b>	<b>17,455,382</b>	<b>5,970,798</b>	<b>Balance of Account at the Beginning of the Year</b>	<b>18,491,807</b>	<b>16,102,666</b>
Paid during the year	4,872,908	6,107,529	Premium Less Reinsurance	38,502,968	41,092,905
claims at the end of the year whether due or intimated	13,671,016	1,088,542	Commission on Reinsurance Ceded	17,188,903	8,014,244
	<b>18,543,924</b>	<b>7,196,071</b>			<b>31,335</b>
Less: Outstanding at the end of previous year	1,088,542	1,225,273			
Agency Commission	16,996,978	7,859,029			
Expenses of Management	34,377,465	24,181,972			
Service Charge	236,919	135,382			
Insurance Stamp	112,321	92,638			
Reserve for unexpired risks being 50% of the net premium income of the year	19,251,484	18,491,807			
Profit/(Loss) Transferred to Profit and Loss Account	(14,236,779)	8,509,524			
<b>Total</b>	<b>74,193,769</b>	<b>65,241,150</b>	<b>Total</b>	<b>74,193,769</b>	<b>65,241,150</b>


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

Subject to our separate report of even date

  
 Managing Director

  
 Director

  
 Director

  
 Chairman

  
**ADRISSAN**  
 Chartered Accountants

Place: Dhaka  
 Dated: March 12, 2019




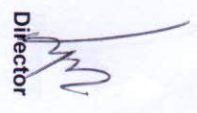
**Paramount Insurance Company Limited**  
**Marine Insurance Revenue Account**  
 For the year ended December 31, 2018

Particulars	Amount In Taka		Particulars	Amount In Taka	
	31-12-2018	31-12-2017		31-12-2018	31-12-2017
<b>Claims Under Policies Less Reinsurance</b>	<b>13,542,390</b>	<b>2,871,376</b>	<b>Balance of Account at the Beginning of the Year</b>	<b>18,867,109</b>	<b>16,949,727</b>
Paid during the year	15,654,028	1,347,079	Premium Less Reinsurance	36,736,810	41,673,664
claims at the end of the year whether due or intimated	100,000	2,211,638	Commission on Reinsurance Ceded	4,519,963	5,608,228
	<b>15,754,028</b>	<b>3,558,717</b>			
Less: Outstanding at the end of previous year	2,211,638	687,341			
Agency Commission	5,317,330	5,782,597	Service charge	1,355	
Expenses of management	13,049,139	18,573,305			
Service Charge	104,062	46,083			
Reserve for unexpired risks being 50% of Marine Cargo and 100% of Marine Hull of net premium income of the year	18,496,895	18,867,109			
Profit/(Loss) Transferred to Profit and Loss Account	9,615,421	18,091,149			
<b>Total</b>	<b>60,125,237</b>	<b>64,231,619</b>	<b>Total</b>	<b>60,125,237</b>	<b>64,231,619</b>

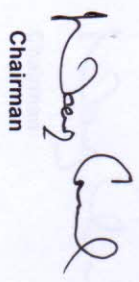
The accompanying notes form an integral part of this financial statement.

Subject to our separate report of even date.

  
 Managing Director

  
 Director

  
 Director

  
 Chairman

  
**ADTISAN**  
 Chartered Accountants

Place: Dhaka  
 Dated: March 12, 2019



**Paramount Insurance Company Limited**  
**Motor Insurance Revenue Account**  
 For the year ended December 31, 2018


Particulars	Amount in Taka		Particulars	Amount in Taka	
	31-12-2018	31-12-2017		31-12-2018	31-12-2017
<b>Claims Under Policies Less Reinsurance</b>	<b>9,782,081</b>	<b>5,958,582</b>	<b>Balance of Account at the Beginning of the Year</b>	<b>12,721,316</b>	<b>9,270,224</b>
Paid during the year	8,955,070	5,376,031	Premium Less Reinsurance	29,583,448	28,269,591
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,019,562	1,192,551	Commission on Reinsurance Ceded	118,359	11,129
Less: Outstanding at the end of previous year	1,192,551	610,000			

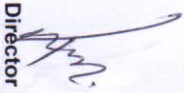
Agency Commission	4,207,741	3,547,470
Expenses of management	8,302,567	9,605,591
Insurance Stamp	99,342	64,213
Reserve for unexpired risks being 50% of the net premium income of the year	14,791,724	12,721,316
Profit/(Loss) Transferred to Profit and Loss Account	5,239,667	5,653,772
<b>Total</b>	<b>42,423,123</b>	<b>37,550,944</b>

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

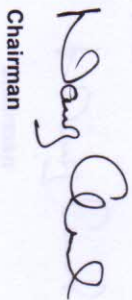
Subject to our separate report of even date.

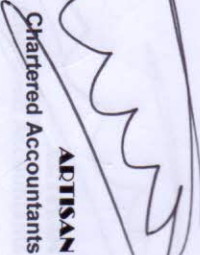
Place: Dhaka  
 Dated: March 12, 2019

  
 Managing Director

  
 Director

  
 Director

  
 Chairman

  
**ARTISAN**  
 Chartered Accountants




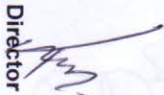
**Paramount Insurance Company Limited**  
**Miscellaneous Insurance Revenue Account**  
For the year ended December 31, 2018

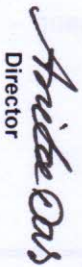
Particulars	Amount in Taka	Amount in Taka	Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017		31-12-2018	31-12-2017
Claims Under Policies Less Reinsurance	(56,599)	60,723	Balance of Account at the Beginning of the Year	2,605,973	2,111,546
Paid during the year	36,734	(59,277)	Premium Less Reinsurance	9,043,698	5,791,051
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	26,667	120,000	Commission on Reinsurance Ceded	5,901,265	3,366,206
	<b>63,401</b>	<b>60,723</b>			
Less: Outstanding at the end of previous year	120,000	-			
Agency Commission	1,621,171	610,102			
Expenses of management	5,795,906	3,788,273			
Service Charge	26,983	43,980			
Insurance Stamp	43,509	49,312			
Commission on R/I Acceptance	186,804	390,328			
Reserve for unexpired risks being 50% of the net premium income of the year	4,521,849	2,605,973			
Profit/(Loss) Transferred to Profit and Loss Account	5,411,313	3,720,112			
<b>Total</b>	<b>17,550,936</b>	<b>11,268,803</b>	<b>Total</b>	<b>17,550,936</b>	<b>11,268,803</b>

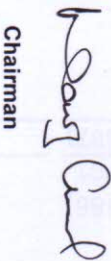
The accompanying notes form an integral part of this financial statement.

Subject to our separate report of even date.

  
**Managing Director**

  
**Director**

  
**Director**

  
**Chairman**

Place: Dhaka  
Dated: March 12, 2019

  
**ADHISAN**  
Chartered Accountants



# Paramount Insurance Company Limited

## Cash Flow Statement


For the year ended December 31, 2018

SL No.	Particulars	Notes	Amount in Taka 31-12-2018	Amount in Taka 31-12-2017
<b>01.00</b>	<b>Cash Flows From Operating Activities</b>			
	Collection from Premium & Other Income		337,301,618	219,557,495
	Payment for Management Expenses, Commission, Income Tax Paid and Deducted		(269,531,899) (14,257,960)	(171,709,232) (16,639,694)
	<b>Net Cash Flows From Operating Activities</b>		<b>53,511,758</b>	<b>31,208,569</b>
<b>02.00</b>	<b>Cash Flows From Investing Activities</b>			
	Purchase of Fixed Assets		(3,412,188)	(14,948,642)
	Disposal of Fixed Assets		292,701	1,002,599
	<b>Net Cash Flows From Investing Activities</b>		<b>(3,119,487)</b>	<b>(13,946,043)</b>
<b>03.00</b>	<b>Cash Flows from Financing Activities</b>			
	Increase of Share Capital		-	-
	<b>Net Cash Flows from Financing Activities</b>		-	-
	<b>Net Cash in Flows (Outflows) (1+2+3)</b>		<b>50,392,271</b>	<b>17,262,526</b>
	Cash and Bank Balance at Opening		307,025,196	289,762,670
	<b>Cash and Bank Balance at Closing</b>		<b>357,417,467</b>	<b>307,025,196</b>
	<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	23.00	<b>1.69</b>	<b>0.99</b>

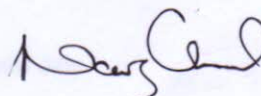
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Subject to our separate report of even date.

  
Managing Director

  
Director

  
Director

  
Chairman

Place: Dhaka  
Dated: March 12, 2019

  
**ARTISAN**  
Chartered Accountants



**Paramount Insurance Company Limited**  
**Statement Of Changes In Shareholder's Equity**

For the year ended December 31, 2018

Particulars	Share Capital	General Reserve	Investment Fluctuation Reserve	Reserve for Exceptional Loss	Profit & Loss Appropriation Account	Total
<b>Opening Balance as on 01-01-2018</b>	287,645,130	-	-	93,326,333	29,750,025	410,721,488
Stock Dividend Paid (2017)	28,764,510	-	-	-	(28,764,510)	-
Profit during the year	-	-	-	-	19,696,890	19,696,890
Reserve for Exceptional Losses	-	-	-	11,386,692	(11,386,692)	-
Appropriation made during the year	-	500,000	-	-	(500,000)	-
Provision for Income Tax	-	-	-	-	(2,625,073)	(2,625,073)
Provision for Deferred tax	-	-	-	-	267,430	267,430
Provision for Fair Value of Share	-	-	5,087,660	-	-	5,087,660
<b>Closing Balance as on 31-12-2018</b>	316,409,640	500,000	5,087,660	104,713,025	6,438,071	433,148,395

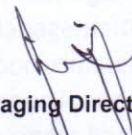
**Paramount Insurance Company Limited**  
**Statement Of Changes In Shareholder's Equity**

For the year ended December 31, 2017

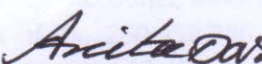
Particulars	Share Capital	General Reserve	Investment Fluctuation Reserve	Reserve for Exceptional Loss	Profit & Loss Appropriation Account	Total
<b>Opening Balance as on 01-01-2017</b>	266,338,080	-	-	81,643,612	27,024,964	375,006,656
Stock Dividend Paid (2016)	21,307,050	-	-	-	(21,307,050)	-
Cash Dividend Paid (2016)	-	-	-	-	(5,326,762)	(5,326,762)
Profit during the year	-	-	-	-	52,109,932	52,109,932
Reserve for Exceptional Losses	-	-	-	11,682,721	(11,682,721)	-
Provision for Income Tax	-	-	-	-	(15,618,296)	(15,618,296)
Provision for Deferred tax	-	-	-	-	4,549,957	4,549,957
<b>Closing Balance as on 31-12-2017</b>	287,645,130	-	-	93,326,333	29,750,024	410,721,487

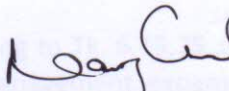
The accompanying notes form an integral part of this financial statement.

Subject to our separate report of even date.

  
 Managing Director

  
 Director

  
 Director

  
 Chairman

Place: Dhaka  
 Dated: March 12, 2019

**ARTISAN**  
 Chartered Accountants



# Paramount Insurance Company Limited

## NOTES ON ACCOUNTS

For the Year Ended 31<sup>st</sup> December 2018

### GENERAL:

#### a) SIGNIFICANT ACCOUNTING POLICES 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. 753,405 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. 6,15,25,,077 represents approximately 23.58% of Gross premium of Tk. 260,958,786 Management expenses have been apportioned @ 55.88% to Fire, 21.21% to Marine, 13.49% to Motor and 9.42% to Miscellaneous business based on premium income as per management decision. As per Insurance Act 2010 Section 63(2) the Management expenses which incurred direct & indirect has been included as revenue expenditure in the accounts.





**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 50% 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 (BAS's)

- 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 Provisions for Contingents Liabilities and Contingents Assets
- IAS 38 Intangible Assets.
- IAS 39 Financial Instruments; Recognition and Measurement
- IAS 40 Investment Property

Of the IAS's referred above IAS 1, 7, 8, 10, 12, 16, 18, 24, 25, 33, 37 and 39 are applicable for the accompanied Financial Statements and the remaining IAS's 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.





**ix) Depreciation of 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;

Category of Assets	Rate of Depreciation
Motor Vehicles	20%
Furniture & Fixture	10%
Office Equipment	20%
Office Decoration	10%
Telephone installation	20%
Electrical Installation	20%
Sign Board	10%
Air Conditioner	20%
Computer	30%
Software Installation	20%

**x) Employee's 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 13 offices (including Head Office) the gross premium income earned by the company amount to Tk. 260,958,786 including public sector business of Tk. 66,850,242. After ceding for re-insurance premium the net premium for the year amounted to Tk. 113,866,924 and after charging direct expenses there of the net underwriting profit/ (loss) stood at Tk. 6,138,679

**c) Public Sector Business:**

Public Sector Business for 4 (four) quarters up to June 2018 has been accounted for on the basis of statement received from SBC.





**d) Income Tax:**

i) Income Tax provision has been made on profit in the amount of Tk. 2,625,073

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 (Final settlement). The assessment year 2012-2013, 2013-2014, 2014-2015 & 2015-2016 is under Reference Case in the High –Court and assessment year 2016-2017 is under Tribunal and assessments year 2017-2018 & 2018-2019 is under process.

iii) In compliance to BAS-12 “Income Tax” the company has provided Tk. (267,430) for Deferred Taxation during the year.

**e) Deferred Tax:**

Provision for deferred tax is made as per BAS 12 “Income Taxes.”.

**f) Related Party Transactions (BAS-24) :**

During the Year 2018 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, 2018 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.	672,677
02	M/S. Paramount Textile Ltd.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	25,531,021
03	M/S. Sunrise Chemicals Ind.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	13,894
04	M/S. Foreign Food	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	54,256
05	M/S. Paramount B-Track Energy Ltd.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	7,546,697
06	M/S. H.K. Food Mark.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	88,994
07	M/S. Paramount Agro Ltd.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	202





Paramount Insurance Company Limited

Notes to the Financial Statements

As at 31 December, 2018

**g) Key Management Personnel Compensation:**

In compliance with the requirement of schedule XI, Para-04 of company act 1994 and para 17 of BAS 24 following has been disclosed.

\* No remuneration, board meeting attendance fees is proved to any of the directors of the company except Managing Director.

\* As per management decision, the following amount has been paid for the period ended from 1<sup>st</sup> January to December 31, 2018

Name	Designation	Short term benefits		Post employment benefit (Provident fund)	Other long term benefit	Termination benefit	Share based benefit
		Remuneration /Salary (Taka)	Bonus				
Mr. Bayazid Muztaba Siddiqui	CEO & MD	18,00,000	231,000	N/A	N/A	N/A	N/A
Mr. Mohammad Arif Hossain	Chief Financial Officer	840,000	77,000	10% of Basic Salary	N/A	N/A	N/A
Mrs. Zharna Parul	Company Secretary	622,200	57,035	10% of Basic Salary	N/A	N/A	N/A

**h) Reserve for Exceptional Loss:**

As per the provision of Paragraph 6 (2) of the 4<sup>th</sup> 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. 11,386,692 reserves for the year 2018. The balance to the account of December 31, 2018 stands at Tk. 104,713,025

**i) Others:**

Figures have been rounded off to the nearest Taka.

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## Paramount Insurance Company Limited

Notes to the Financial Statement

As at 31 December, 2018

### 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	Amount In Taka 31-12-2018	Amount In Taka 31-12-2017
7.09%% 5 years BGTB (Purchased in 2017)	9,000,000	9,000,000
11.82% 5 years BGTB (Purchased in 2013)	-	16,000,000
5.82% 5 years BGTB (Purchased in 2018)	5,700,000	-
7.6% 10 years BGTB (Purchased in 2018)	10,300,000	-
<b>Total</b>	<b>25,000,000</b>	<b>25,000,000</b>

### 2.00 Investment in Shares & Securities :

Tk. 29,587,054

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

SL No.	Particulars Name of the Company	2018						2017
		Balance of Shares	Cost price per share	Total Cost	Market Price Per share as on 31-12-2018	Total Market Price as on 31-12-2018	Investment Fluctuation	Total Market Price
01.	Aamra Tech	-	-	-	-	-	-	1,322,010
02.	AFC Agro	-	-	-	-	-	-	540,000
03.	Apex Tanary	-	-	-	-	-	-	204,325
04.	MJLBD	5,818	117.22	681,972	99.20	577,146	(104,827)	604,523
05.	Regent Tex	-	-	-	-	-	-	33,141
06.	Prime Bank	29,750	25.15	748,213	18.10	538,475	(209,738)	2,065,960
07.	PTL	262,500	43.34	11,377,379	65.90	17,298,750	5,921,371	1,861,799
08.	Jamuna Bank Ltd.	19,000	18.19	345,620	17.60	334,400	(11,220)	-
09.	Islami Insurance	10,000	22.57	225,743	21.70	217,000	(8,743)	-
10.	Exel Shoe	16,700	64.56	1,078,171	27.00	450,900	(627,271)	450,900
11.	Mercantile Bank Ltd.	19,000	18.19	345,620	18.00	342,000	(3,620)	-
12.	Sandhani Life Insurance	-	-	-	-	-	-	3,213
13.	FEKDIL	32,000	16.94	542,152	15.00	480,000	(62,152)	-
14.	MLDyeing	24,229	25.29	612,682	29.70	719,601	106,920	-
15.	Aamra Net	9,800	75.12	736,180	58.80	576,240	(159,940)	-
16.	EHL	-	-	-	-	-	-	23,616
17.	BBS Cables	720	102.13	73,535	96.30	69,336	(4,199)	-
18.	INTRACO	266	9.53	2,534	26.80	7,129	4,595	-
19.	FASFIN	160,000	12.94	2,070,192	13.50	2,160,000	89,808	-
20.	IPDC	30,000	41.08	1,232,340	38.10	1,143,000	(89,340)	-
21.	SKSTRIM	5,545	29.46	163,367	46.30	256,734	93,366	-
22.	UPGDCL	5,850	366.07	2,141,534	290.70	1,700,595	(440,939)	-
23.	VFS LTD.	4,222	9.50	40,129	57.80	244,032	203,903	-
24.	SilvaPHL	9,194	10.00	91,940	30.10	276,739	184,799	-
25.	KTL	12,076	8.33	100,638	25.30	305,523	204,884	-
26.	RUNNER Auto	14,411	75.00	1,080,825	75.00	1,080,825	-	-
27.	SS Steel	13,492	10.00	134,920	10.00	134,920	-	-
28.	ADNTEL	18,968	30.00	569,040	30.00	569,040	-	-
29.	GENEXIL	10,467	10.00	104,670	10.00	104,670	-	-
	<b>Total</b>			<b>24,499,394</b>		<b>29,587,054</b>	<b>5,087,660</b>	<b>7,109,487</b>





**2.01 Investment Fluctuation Reserve**

Tk. 5,087,660

The makeup of this sum is as follows:

Particulars	Amount In	Amount In
	Taka	Taka
	31-12-2018	31-12-2017
Fair (Market) Value of share as on 31/12/18	29,587,054	7,109,487
Less: Cost Price of Share as on 31/12/18	24,499,394	8,037,769
<b>Investment Fluctuation Reserve</b>	<b>5,087,660</b>	<b>(928,282)</b>
Less: Investment Fluctuation Reserve at 01/01/18	-	(2,256,569)
<b>Investment Fluctuation Reserve</b>	<b>5,087,660</b>	<b>1,328,287</b>

As per BFRS -9, Paragraph-4.1.1 and 4.1.5 Investment in Shares & Securities has been presented at Fair Value basis in the year of 2018.

**3.00 Interest, Dividend and Rent Outstanding:**

Tk. 13,385,090

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

Particulars	Amount In	Amount In
	Taka	Taka
	31-12-2018	31-12-2017
Bangladesh Govt. Treasury Bond (BGTB)	753,405	899,904
Fixed Deposit Receipt (FDR)	12,631,685	10,774,534
<b>Total</b>	<b>13,385,090</b>	<b>11,674,438</b>

**4.00 Amount due from other persons or bodies carrying on insurance business:**

Tk. 79,775,230

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

Particulars	Amount In	Amount In
	Taka	Taka
	31-12-2018	31-12-2017
Opening Balance	67,911,270	57,348,410
Add: Public Sector Business (PSB) - Net on 3 <sup>rd</sup> & 4 <sup>th</sup> Qtrs of 2016 and 1 <sup>st</sup> & 2 <sup>nd</sup> Qtrs (Upto June) of 2018	11,529,148	9,854,346
<b>Sub-Total</b>	<b>79,440,418</b>	<b>67,202,756</b>
Add: Net Receivable on Re-Insurance (RI) Misc. Accepted	334,812	708,514
<b>Total</b>	<b>79,775,230</b>	<b>67,911,270</b>



**5.00 Advance, Deposits & Prepayments:**

Tk. 123,764,895

The balance is make up of as under:

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Advance against Office Rent	915,940	1,127,408
Advance against Salary	2,880,000	3,282,220
Security Deposits	1,111,320	1,111,320
LRK/EBL Securities Ltd.	22,844	2,368
IDCL Securities Ltd.	48,481	8,193,896
Advance against Miscellaneous	300,000	-
Rates & Taxes Advance	16,828,467	-
Advance against Insurance Claim	10,000,000	12,331,029
Bill Receivable (Premium)	1,173,859	976,138
Advance against Income Tax	90,483,985	76,226,025
<b>Total</b>	<b>123,764,895</b>	<b>103,250,404</b>

Marine Policy issued under open cover note infavour of Paramount Textile Limited against Bank Guarantee.

**5.01 Advance against Income Tax :**

Tk. 90,483,985

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Opening Balance	76,226,025	59,586,331
Add: Addition		
Tax Assessment Year 2014-15		710,000
Tax Assessment Year 2015-16	920,477	409,659
Tax Assessment Year 2017-18	5,637,482	7,539,220
Tax Assessment Year 2018-19	2,000,000	7,980,815
Tax Assessment Year 2019-20	5,700,001	-
<b>Total</b>	<b>90,483,985</b>	<b>76,226,025</b>





7.00 Cash at Bank: Tk. 49,685,616

The make-up of the sum is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
STD Account (Under 47 Account of different Bank)	44,698,479	19,747,181
Current Account (Under 7 Account of different Bank)	4,987,136	2,883,020
<b>Total</b>	<b>49,685,616</b>	<b>22,630,201</b>

8.00 Cash in Hand: Tk. 90,708

The make-up of the sum is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Head Office	8,583	63,901
Gulshan Branch	14,908	13,659
Motijheel Branch	16,664	5,403
Kawran Bazar Branch	7,008	10,419
Agrabad Branch	5,367	4,645
Khulna Branch	1,736	1,305
Rangpur Branch	2,257	2,613
Bogra Branch	6,488	4,769
Jessore Branch	3,157	2,773
Naogaon Branch	1,642	1,400
Kushtia Branch	3,056	2,021
Dinajpur Branch	5,046	-
Meherpur Branch	14,796	-
<b>Total</b>	<b>90,708</b>	<b>112,908</b>

9.00 Fixed Assets: Tk. 85,733,515

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

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Cost	114,464,473	114,958,535
Less: Accumulated depreciation	(28,730,958)	(27,499,951)
<b>Total</b>	<b>85,733,515</b>	<b>87,458,584</b>

The details hereof are stated in Annexure-1

10.00 Share Capital:

10.01 Authorized Capital: Tk. 600,000,000

This represents the sum on account of 60,000,000 ordinary share 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. 316,409,640

This represents the sum against 31,640,964 ordinary shares of Tk. 10 each, the relevant particulars whereof are as under:

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Opening Balance	287,645,130	266,338,080
Add: Stock Dividend 10% (2017)	28,764,510	21,307,050
<b>Paid-Up Capital</b>	<b>316,409,640</b>	<b>287,645,130</b>



**Composition Of Share Holding:**

SHAREHOLDING STRUCTURE	2018		2017		
Sponsors	10.02 (a)	13,418,010	42.41%	12,198,193	42.41%
Public	10.02 (b)	18,222,954	57.59%	16,566,320	57.59%
<b>Total</b>		<b>31,640,964</b>	<b>100%</b>	<b>28,764,513</b>	<b>100%</b>

**10.02(a) Shareholders (Sponsors):**

Class of Interval	2018				2017	
	No. of Shares	No. of Share	Total Holdings %	% of Total Paid up	Total Paid up Capital	% of Total Paid up
100,001-500,000	-	-	0.00%	0.00%	479,406	1.67%
500,001-1000,000	2,449,164	4	18.25%	7.74%	2,705,923	9.41%
1000,001-1500,000	2,531,270	2	18.86%	8.00%	1,342,340	4.67%
1500,001-2,000,000	-	-	0.00%	0.00%	7,670,524	26.67%
2,000,001-2,500,000	8,437,576	4	62.88%	26.67%	-	0.00%
<b>Total</b>	<b>13,418,010</b>	<b>10</b>	<b>100%</b>	<b>42.41%</b>	<b>12,198,193</b>	<b>42.41%</b>

**10.02**

(b)

**Public:**

Financial & Other Institutions (including ICB)

General Public

**Total**

	8,795,517	48.27%
	9,427,437	51.73%
<b>Total</b>	<b>18,222,954</b>	<b>100%</b>

**10.02(b) Shareholders (Public):**

(i)

Class Interval	2018				2017	
	No. of Shares	No. of Share	Total Holdings	% of Total Paid up	Total Paid up Capital	% of Total Paid up
01-500	137,663	1039	0.76%	0.44%	147,602	0.51%
501-5000	1,995,301	1162	10.95%	6.31%	2,047,697	7.12%
5001-10000	1,082,341	152	5.94%	3.42%	1,130,574	3.93%
10001-15000	478,097	38	2.62%	1.51%	452,412	1.57%
15001-20000	488,686	27	2.68%	1.54%	298,866	1.04%
20001-25000	370,591	16	2.03%	1.17%	202,047	0.70%
25001-30000	284,698	10	1.56%	0.90%	249,377	0.87%
30001-40000	805,394	23	4.42%	2.55%	691,292	2.40%
40001-50000	459,888	10	2.52%	1.45%	378,724	1.32%
50001-60000	281,329	5	1.54%	0.89%	269,215	0.94%
60001-70000	255,582	4	1.40%	0.81%	128,009	0.45%
70001-80000	71,047	1	0.39%	0.22%	-	0.00%
80001-90000	265,342	3	1.46%	0.84%	525,723	1.83%
90001-100000	395,000	4	2.17%	1.25%	100,000	0.35%
100001-120000	226,250	2	1.24%	0.72%	115,000	0.40%
120001-200000	811,477	5	4.45%	2.56%	374,000	1.30%
200001-400000	877,424	3	4.81%	2.77%	1,972,827	6.86%
400001-800000	1,297,780	3	7.12%	4.10%	1,716,580	5.97%
800001-4000000	7,639,064	3	41.92%	24.14%	5,766,375	20.05%
<b>Total:</b>	<b>18,222,954</b>	<b>2510</b>	<b>100%</b>	<b>57.59%</b>	<b>16,566,320</b>	<b>57.60%</b>

**11.00 Reserve for Exceptional Losses:**

**Tk. 104,713,025**

This represents the sum of reserve created in each year, at currently the reserve is kept 10% of respective yearly Premium Income as per provision of the Insurance Act, the movement of the sum is as under:

Particulars	Notes	Amount in Taka	Amount in Taka
		31-12-2018	31-12-2017
Opening Balance		93,326,333	81,643,612
Add: Provision made during the year	11.01	11,386,692	11,682,721
<b>Total</b>		<b>104,713,025</b>	<b>93,326,333</b>



## 11.01 Reserve for Exceptional Losses:

Tk. 11,386,692

Reserve for Exceptional Losses on Net Premium	Net Premium	%	At 10 % of Net Premium	
			Amount in Taka	
			31-12-2018	
Fire Insurance Business	38,502,968	10%	3,850,297	
Marin Insurance Business	36,736,810	10%	3,673,681	
Motor Insurance Business	29,583,448	10%	2,958,345	
Miscellaneous Insurance Business	9,043,698	10%	904,370	
<b>Total</b>	<b>113,866,924</b>		<b>11,386,692</b>	

## 12.00 General Reserve Fund :

Tk. 500,000

Particulars	Notes	Amount in	
		Amount in	
		31-12-2018	31-12-2017
Opening Balance		-	-
Add: Reserve made during the year		500,000	-
<b>Total</b>		<b>500,000</b>	<b>-</b>

## 13.00 Premium Deposit:

Tk. 9,630,367

The amount represents the adjusted balance of premium received against Marine Cargo Cover Notes for which policies have not been issued within December 31, 2018. The makeup of the sum is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Opening Balance	7,723,164	658,687
Add: Premium underwritten	40,900,047	151,680,188
	<b>48,623,211</b>	<b>152,338,875</b>
Less: Refund & Cancelled	76,589	728,657
	<b>48,546,622</b>	<b>151,610,217</b>
Less: Converted into Policy	38,916,255	143,887,053
<b>Total</b>	<b>9,630,367</b>	<b>7,723,164</b>

## 14.00 Estimated Liabilities in respect of outstanding claims whether due or intimated:

Tk. 15,817,245

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

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Fire Insurance Account	13,671,016	1,088,542
Marine Insurance Account	100,000	2,211,638
Motor Insurance Account	2,019,562	1,192,551
Miscellaneous Insurance Account	26,667	120,000
<b>Total</b>	<b>15,817,245</b>	<b>4,612,731</b>

## 15.00 Amount due to other persons or bodies carrying on Insurance Business:

Tk. 111,223,598

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

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Opening Balance	55,030,801	49,244,635
Add: Ceded Premium on Business (Net)	65,709,876	10,530,552
	<b>120,740,677</b>	<b>59,775,187</b>
Less: Paid to SBC during the year	9,517,079	4,744,386
<b>Total</b>	<b>111,223,598</b>	<b>55,030,801</b>



**16.00 Provision for Income Tax:** Tk. 70,006,250

The movement of the sum is as under:

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Provision for Income Tax (Previous)	67,381,177	51,762,881
Add: Provision for this year <span style="float: right;">16.01</span>	2,625,073	15,618,296
<b>Total</b>	<b>70,006,250</b>	<b>67,381,177</b>

The details of the sum are as under:

The makeup of the sum is as follows:

Accounting Year	Tax Assessment Year	Amount in Taka	Amount in Taka
		31-12-2018	31-12-2017
2014	2015-2016	17,675,645	17,675,645
2015	2016-2017	18,422,229	18,422,229
2016	2017-2018	15,665,007	15,665,007
2017	2018-2019	15,618,296	15,618,296
2018	2019-2020	2,625,073	-
<b>Total</b>		<b>70,006,250</b>	<b>67,381,177</b>

**16.01 Computation of current year tax provision:** Tk. 2,625,073

Particulars	Taxable Income	Rate of Percentage	Tax Provision
Income from business or profession	6,488,394	37.50%	2,433,148
Interest income from FDR & STD Accounts			
Investment Income (profit on Sale of share)	1,568,203	10.00%	156,820
Capital Gain (profit on Sale of Car)	212,299	15.00%	31,845
Dividend Income	16,301	20.00%	3,260
<b>Total</b>	<b>8,285,197</b>		<b>2,625,073</b>

**Taxable Income:**

Particulars	Notes No.	Taxable Income	Exempted (Exceptional loss & Dividend income)	Taxable Income
Income from business or profession,	16.02	(298,460)		
Interest income from FDR & STD Accounts		18,173,547	11,386,692	6,488,394
Investment Income (profit on Sale of share)		1,568,203		1,568,203
Capital Gain (profit on Sale of Car)		212,299		212,299
Dividend Income		41,301	25,000	16,301
<b>Total</b>		<b>19,696,890</b>	<b>11,411,692</b>	<b>8,285,197</b>

**16.02 Income from Business or profession:** Tk. (298,460)

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Gross Profit	19,696,890	52,109,932
Less: Interest income from FDR & STD Accounts	18,173,547	19,276,657
Less: Investment Income (profit on Sale of Share)	1,568,203	947,543
Less: Capital Gain (profit on Sale of Car)	212,299	929,401
Less: Dividend Income	41,301	154,872
<b>Total</b>	<b>(298,460)</b>	<b>30,801,458</b>

**17.00 Provision for Deferred Tax:** Tk. 485,868

The balance is make up is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Opening Balance	753,299	5,303,256
Add: Deferred Tax Expenses/ (Benefit)	(267,430)	(4,549,957)
	<b>485,868</b>	<b>753,299</b>





**17.01 Computation of current Deferred Tax provision:**

Tk. (4,549,957)

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Accounting base written down Value	21,730,168	23,455,237
Tax base written down Value	20,378,652	21,522,100
<b>Taxable temporary difference</b>	<b>1,351,516</b>	<b>1,933,137</b>
Provident fund payable	55,867	49,890
Provision for incentive bonus	-	-
<b>Deductible temporary difference</b>	<b>55,867</b>	<b>49,890</b>
Total taxable/(deductible) temporary difference	1,295,649	1,883,247
Tax Rate @ 37.5%	37.50%	40%
<b>Deferred tax liabilities/(assets) as on current year</b>	<b>485,868</b>	<b>753,299</b>
Less: Deferred tax liabilities/(assets) as on previous year	753,299	5,303,256
<b>Deferred tax expenses/(income) for the current year</b>	<b>(267,430)</b>	<b>(4,549,957)</b>

**18.00 Reserve for Gratuity:**

Tk. 2,790,318

This represents the aggregate sum of reserve, made Tk 200,000 as lump sum amount for this year 2016 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	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Opening	3,367,218	3,209,473
Add: For this year	200,000	200,000
	<b>3,567,218</b>	<b>3,409,473</b>
Less: Adjusted (Paid during this year)	776,900	42,255
<b>Total</b>	<b>2,790,318</b>	<b>3,367,218</b>

**19.00 Sundry Creditors:**

The makeup of this sum is as follows:

Particulars	Notes	Amount in Taka	Amount in Taka
		31-12-2018	31-12-2017
Stamp Duty		748,254	1,907,569
VAT Collected on premium		17,507	-
Bills Payable	19.01	14,988,255	5,983,288
AIT Agency Commission		-	107,730
Income Tax deducted on survey fee		540	4,578
Income Tax deducted on Salary		(200)	-
Income Tax deducted on Suppliers		3,978	3,978
Vat deducted on survey fee		(4,198)	14,399
Income Tax deducted on Motor Garrage		-	414
Income Tax deducted on Advertisement		(3,584)	-
<b>Total</b>		<b>15,750,552</b>	<b>8,021,956</b>

**19.01 Bills Payable:**

Tk. 14,988,255

The makeup of this sum is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Salaries & Allowances	3,438,175	2,851,956
VAT Collected on premium	1,039,990	717,454
Audit Fee (Including special audit for 10 years from 2008)	685,000	665,000
Provident Fund deducted from salary	55,867	49,890
Insurance Stamp	-	800,000
Agency Commission	9,769,223	898,988
<b>Total</b>	<b>14,988,255</b>	<b>5,983,288</b>





## 20.00 REVENUE ACCOUNTS :

The Summarized position of Net Underwriting Profit earned during the year 2018 is as follows.

PARTICULARS	FIRE	MARINE	MOTOR	MISCELL- ANEOUS	TOTAL
A. Gross Premium (Including PSB Business)	124,412,566	60,338,812	30,316,889	45,890,518	260,958,786
B. Re-Insurance Premium Ceded	85,909,599	23,602,002	733,441	36,846,820	147,091,862
C. Net Premium (A-B)	<b>38,502,968</b>	<b>36,736,810</b>	<b>29,583,448</b>	<b>9,043,698</b>	<b>113,866,924</b>
<b>DIRECT EXPENSES:</b>					
D. Commission (Net)	(191,925)	797,367	4,089,382	(4,093,290)	601,535
E. Claim Settled and Provided (Net)	17,455,382	13,542,390	9,782,081	(56,599)	40,723,254
F. Management Expenses (including service charge & stamp expenses )	34,716,613	13,151,846	8,401,909	5,866,398	62,136,766
G.Total Direct Expenses (D+E+F)	<b>51,980,070</b>	<b>27,491,603</b>	<b>22,273,372</b>	<b>1,716,509</b>	<b>103,461,554</b>
H. Adjusted Fund Balance for unexpired risk (Opening balance less closing balance)	(759,677)	370,214	(2,070,408)	(1,915,876)	(4,375,747)
<b>Net Underwriting Profit (C-G+H)</b>	<b>(14,236,779)</b>	<b>9,615,421</b>	<b>5,239,667</b>	<b>5,411,313</b>	<b>6,029,622</b>
<b>COMMISSION (NET):</b>					
Commission Paid on Direct Business	16,996,978	5,317,330	4,207,741	1,621,171	28,143,220
Commission Paid on Re-insurance Accepted	-	-	-	186,804	186,804
Less: Commission earned or Re-Insurance Ceded	17,188,903	4,519,963	118,359	5,901,265	27,728,489
<b>Net Commission</b>	<b>(191,925)</b>	<b>797,367</b>	<b>4,089,382</b>	<b>(4,093,290)</b>	<b>601,535</b>
<b>CLAIMS SETTLED (NET):</b>					
Gross Claim	4,914,319	28,764,227	8,955,070	171,858	42,805,474
Less: Re-Insurance Claim Recovery	41,411	13,110,199	-	135,124	13,286,734
<b>Paid during the year</b>	<b>4,872,908</b>	<b>15,654,028</b>	<b>8,955,070</b>	<b>36,734</b>	<b>29,518,740</b>
Add: Outstanding claim at the end of the year whether due or intimated	13,671,016	100,000	2,019,562	26,667	15,817,245
	<b>18,543,924</b>	<b>15,754,028</b>	<b>10,974,632</b>	<b>63,401</b>	<b>45,335,985</b>
Less: Outstanding claim at the end of the previous year	1,088,542	2,211,638	1,192,551	120,000	4,612,731
Claim Settled and Provided (Net)	<b>17,455,382</b>	<b>13,542,390</b>	<b>9,782,081</b>	<b>(56,599)</b>	<b>40,723,254</b>
<b>Net Profit for the year and its Appropriation :</b>					
Underwriting Profit as per Revenue Accounts	<b>6,029,622</b>				
Interest Income	18,173,547				
Investment & Other Income	1,821,803				
	<b>26,024,973</b>				
Less: Expenses of Management (Not applicable to any Fund or Account)	6,328,083				
<b>Gross Profit</b>	<b>19,696,890</b>				
Less: Reserve for Exceptional Losses:	11,386,692				
	<b>8,310,198</b>				
Less: General Reserve Fund	500,000				
	<b>7,810,198</b>				
Less: Income Tax Expenses	2,625,073				
	<b>5,185,125</b>				
Less: Deffered Tax Expenses/ (Benefit)	(267,430)				
	<b>5,452,555</b>				
Add: Surplus Brought Forward	29,750,024				
	<b>35,202,580</b>				
Less Stock Dividend Paid (2017)	28,764,510				
<b>Surplus Carried forward</b>	<b>6,438,070</b>				





**21.00 Net Assets Value per Shares (NAV):** Tk. **13.69**  
 Last year Net Assets Value Per Share has been adjusted.

Particulars	Notes	Amount in Taka	Amount in Taka
		31-12-2018	31-12-2017
a) Total Shareholders Equity		433,148,395	410,721,487
b) Number of ordinary shares		31,640,964	31,640,964
<b>Net Assets Value per Shares (NAV) (a/b)</b>		<b>13.69</b>	<b>12.98</b>

Net Asset Value Per Share (NAV) has been disclosed as per the Securities and Exchange Commission's Notification No. SEC/ CMRRCO/ 2009-193/ Admin/03-31, dated June 01,2009.

**22.00 Earning Per Share (EPS)** Tk. **0.55**

This has been calculated by dividing basic earning of the company by the number of ordinary shares outstanding at the end of the year. Basic earning represents the earnings attributable to the ordinary shareholders. Last year's earning per share has been adjusted. The calculation of EPS is stated below:

The earning per share of the company is as follows:

Particulars	Notes	Amount in Taka	Amount in Taka
		31-12-2018	31-12-2017
Net Profit after Tax	22.01	17,339,248	41,041,593
Number of Shares		31,640,964	31,640,964
<b>Earning per Shares (EPS)</b>		<b>0.55</b>	<b>1.30</b>

**22.01 Net Profit After Tax:** Tk. **17,339,248**  
 The make up of this sum is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
Net Profit /(Loss) Before Tax	19,696,890	52,109,932
Less: Income Tax Expenses	2,625,073	15,618,296
Less: Deferred Tax Expenses/ (Benefit)	(267,430)	(4,549,957)
<b>Net Profit /(Loss) After Tax</b>	<b>17,339,248</b>	<b>41,041,593</b>

**23.00 Net Operating Cash Flow Per Shares (NOCFPS) :** Tk. **1.69**  
 Last year Net Operating Cash Flow Per Share has been adjusted.

Particulars	Amount in Taka	Amount in Taka
	31-12-2018	31-12-2017
a) Net Cash Flows From Operating Activities	53,511,758	31,208,569
b) Number of ordinary shares	31,640,964	31,640,964
<b>Net Operating Cash Flow Per Shares (NOCFPS) (a/b):</b>	<b>1.69</b>	<b>0.99</b>

Net Operating Cash Flow Per Shares (NOCFPS) has been disclosed as per the Securities and Exchange Commission's Notification No. SEC/ CMRRCO/ 2009-193/ Admin/03-31, dated June 01,2009.





**24.00**

During the year 2018 the company had 10 members to the Board of Directors and there held **10** 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.

**25.00 Employees:**

Out of the total of 206 employees engaged during the year 2018, No employee have received salary below Tk. 5,000 per month and 206 employees received more than Tk. 5,000 per month.

**26.00 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 4<sup>th</sup> March 2019 has recommended **5% Stock Dividend** for the year 2018 out of the surplus for approval of the shareholders in the ensuing annual general meeting.





## Paramount Insurance Company Ltd.

### Assets Schedule

As at 31 December, 2018

ANNEXURE-1

Sl. No.	Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value		
		As on 01-01-2018	Sale Adjustment	Addition during the year		Total as on 31-12-2018	As on 01-01-2018	Adjustment	Charged during the year	Total as on 31-12-2018	As on 31-12-2018
1	Motor Vehicles	25,335,207	3,906,250	1,864,130	20%	9,892,843	3,613,549	3,334,930	9,614,224	13,678,863	15,442,364
2	Furniture & Fixtures	10,377,697		275,474	10%	7,816,406		280,187	8,096,593	2,556,578	2,561,291
3	Office equipments	931,504		50,691	20%	641,387		63,110	704,497	277,698	290,117
4	Office Decoration	3,134,224		122,304	10%	2,076,782		112,948	2,189,730	1,066,798	1,057,442
5	Telephone Installation	2,066,044		7,300	20%	1,927,482		28,873	1,956,355	116,989	138,562
6	Electrical Installation	848,742		188,873	20%	587,428		63,419	650,847	386,768	261,314
7	Sign Board	156,100		41,490	10%	92,828		9,843	102,671	94,919	63,272
8	Air Conditioner	2,029,882		391,701	20%	1,664,499		115,420	1,779,919	641,664	365,383
9	Computer	3,474,578		420,225	30%	2,471,735		373,271	2,845,006	1,049,797	1,002,843
10	Software Installation	2,601,210		50,000	20%	328,561		462,555	791,116	1,860,094	2,272,649
	<b>Sub Total</b>	<b>50,955,188</b>	<b>3,906,250</b>	<b>3,412,188</b>		<b>27,499,951</b>	<b>3,613,549</b>	<b>4,844,556</b>	<b>28,730,958</b>	<b>21,730,168</b>	<b>23,455,237</b>
11	Land Purchase	64,003,347		-		-		-	-	64,003,347	64,003,347
	<b>Total:</b>	<b>114,958,535</b>	<b>3,906,250</b>	<b>3,412,188</b>		<b>114,464,473</b>	<b>3,613,549</b>	<b>4,844,556</b>	<b>28,730,958</b>	<b>85,733,515</b>	<b>87,458,584</b>

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





# Paramount Insurance Company Limited


FORM-AA

Classified Summary of Assets at 31 December ,2018


Class of Assets	Book Value	Remarks
<b>Non Current Assets :</b>		
Fixed Assets (at cost less depreciation)	85,733,515	Depreciated Value
<b>Investment:</b>	<b>362,119,142</b>	
Government Security Bond (BGTB) (Deposit with Bangladesh Bank 5 years BGTB @ 7.09% for Tk.9,000,000/=, @ 5.82% for Tk.5,700,000/= and @ 7.60% for Tk. 10,300,000 Interest)	25,000,000	Not Quoted in Market
Investment in Shares	29,587,054	Fair Value
Fixed Deposit (FDR )	307,532,087	Realizable Value
<b>Current Assets :</b>	<b>268,061,888</b>	
Amount due from other persons or bodies carrying on insurance business	79,775,230	Book Value
Cash and Bank balance:	49,776,324	Realizable Value
Interest accrued but not due	13,385,090	Realizable Value
Sundry debtors (advance, deposits and prepayments)	123,764,895	Book Value
Stock of Printing and Stationery	698,367	At cost
Stamp in hand	661,982	At Actual
<b>Total Property &amp; Assets:</b>	<b><u>715,914,545</u></b>	

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

Subject to our separate report of even date.

  
Managing Director


  
Director

  
Anita Das  
Director

  
Chairman

Place: Dhaka

Dated: March 12, 2019

  
**ARTISAN**  
Chartered Accountants



# PARAMOUNT INSURANCE COMPANY LIMITED

FORM - XL

Statement Showing Details of Re-Insurance Ceded and Accepted of Paramount Insurance Co. Ltd.

For the year ended 31 December 2018

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	124,412,566		85,909,599	38,502,968	16,996,978		17,188,903	(191,925)	4,914,319		41,411	4,872,908
MARINE CARGO	54,668,766		18,188,936	36,479,830	5,264,830		4,186,019	1,078,811	20,882,280		5,390,563	15,491,718
MARINE HULL	5,670,046		5,413,066	256,981	52,500		333,944	(281,444)	7,881,947		7,719,636	162,310
MOTOR	30,316,889		733,441	29,583,448	4,207,741		118,359	4,089,382	8,955,070		-	8,955,070
MISC. OTHER THAN MOTOR	45,356,793	533,726	36,846,820	9,043,698	1,621,171	186,804	5,901,265	(4,093,290)	159,748	12,110	135,124	36,734
<b>Total</b>	<b>260,425,060</b>	<b>533,726</b>	<b>147,091,862</b>	<b>113,866,924</b>	<b>28,143,220</b>	<b>186,804</b>	<b>27,728,489</b>	<b>601,535</b>	<b>42,793,364</b>	<b>12,110</b>	<b>13,286,734</b>	<b>29,518,740</b>

