

**PRIVATE  
&  
CONFIDENTIAL**

**AUDITORS' REPORT AND FINANCIAL STATEMENTS  
OF  
PARAMOUNT INSURANCE COMPANY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER, 2019**

**ARTISAN**  
Chartered Accountants  
Shah Ali Tower (7th Floor)  
33, Kawran Bazar, Dhaka- 1215  
E-mail: [artisaninfo2013@gmail.com](mailto:artisaninfo2013@gmail.com)  
Telephone # +8802-8189887

**INDEPENDENT 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, 2019 and the Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes In Shareholders' Equity and Statement of Cash Flows 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 2019, 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 Auditors' 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
<p><b>Premium Income</b></p> <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>	<p>With respect to Premium income in respect of various types of insurance we carried out the following procedures:</p> <ul style="list-style-type: none"> <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> </ul>



	<ul style="list-style-type: none"> <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> <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 Chalan.</li> <li>• For a sample of insurance contracts tested to see if appropriate level of re-insurance 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 30(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 Auditors' 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> </ul>



	<ul style="list-style-type: none"> <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> <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 09 of Financial Statements	

### 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

Management 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 Auditors' 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 Auditors' 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 Auditors' 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 Auditors' 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 issued 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 Profit or Loss & Other Comprehensive Income, Profit and Loss Appropriation Account, Related Revenue Accounts, Statement of Changes in Shareholders' Equity and Statement of Cash Flows 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: 11 March, 2020

  
**A. M. K. Lohani, FCA**  
Senior Partner  
**ARTISAN**  
Chartered Accountants



**Paramount Insurance Company Limited**  
**Statement of Financial Position (Balance Sheet)**  
As at 31 December, 2019

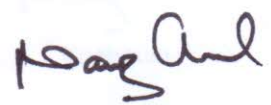
Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
<b>Shareholders' Equity &amp; Liabilities</b>			
<b>Share Capital</b>			
<b>Authorized Capital</b>			
60,000,000 Ordinary Shares of Tk. 10/- each.		600,000,000	600,000,000
<b>Issued, subscribed &amp; paid-up capital</b>	3.00	<b>332,230,120</b>	<b>316,409,640</b>
33,223,012 Ordinary Shares of Tk. 10/- each.			
<b>Reserve for Contingency Accounts</b>		<b>392,890,390</b>	<b>116,738,755</b>
Reserve for Exceptional Losses	4.00	119,838,715	104,713,025
Investment Fluctuation Reserve	5.00	(2,183,308)	5,087,660
General Reserve Fund	6.00	500,000	500,000
Revaluation Reserve (Surplus)	7.00	260,496,653	-
Profit and Loss Appropriation Account		14,238,331	6,438,070
<b>Shareholders' Equity</b>		<b>725,120,511</b>	<b>433,148,395</b>
<b>Balance of Fund and Accounts</b>		<b>75,741,966</b>	<b>57,061,952</b>
Fire Insurance Revenue Account		33,422,677	19,251,484
Marine Insurance Revenue Account		19,905,314	18,496,895
Motor Insurance Revenue Account		19,233,074	14,791,724
Misc. Insurance Revenue Account		3,180,901	4,521,849
<b>Liabilities &amp; Provisions</b>		<b>259,099,873</b>	<b>225,704,198</b>
Premium Deposit	8.00	23,400,556	9,630,367
Estimated Liabilities in respect of outstanding claims whether due or intimated	9.00	22,936,125	15,817,245
Amount due to other persons or bodies carrying on insurance business (S.B.C)	10.00	109,396,550	111,223,598
Reserve for Gratuity	11.00	2,585,051	2,790,318
Sundry Creditors	12.00	16,593,588	15,750,552
Income Tax Provision	13.00	81,847,834	70,006,250
Deferred Tax Liability	14.00	2,340,169	485,868
<b>Total Shareholders' Equity &amp; Liabilities</b>		<b>1,059,962,351</b>	<b>715,914,545</b>
<b>Net Assets Value (NAV) Per Share</b>	33.00	<b>21.83</b>	<b>13.04</b>


The annexed notes form an integral part of these financial statements

  
Managing Director

  
Director

  
Director

  
Chairman

  
A. M. K. Bohari, FCA  
Senior Partner  
**ARTISAN**  
Chartered Accountants

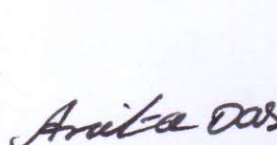


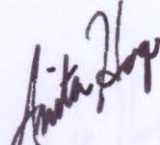
**Paramount Insurance Company Limited**  
**Statement of Financial Position (Balance Sheet)**  
As at 31 December, 2019

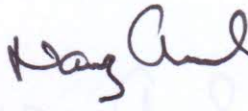
Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
<b>Assets</b>			
<b>Non-Current Assets</b>		<b>434,094,805</b>	<b>140,320,569</b>
Property, plant & equipments	15.00	343,919,235	85,733,515
Assets under construction	16.00	17,638,750	-
<b>Investments</b>		<b>72,536,820</b>	<b>54,587,054</b>
Bangladesh Government Treasury Bond (BGTB)	17.00	25,000,000	25,000,000
Investment in Shares & Securities	18.00	47,536,820	29,587,054
<b>Current Assets</b>		<b>625,867,546</b>	<b>575,593,975</b>
Interest accrued but not due	19.00	14,130,793	13,385,090
Insurance Stamps in hand		45,577	661,982
Stock of Printing and Stationery		667,238	698,367
Premium Control Account	20.00	495,723	-
Advance, Deposits & Prepayments	21.00	155,785,718	123,764,895
Amount due from other persons or bodies carrying on insurance business (S.B.C)	22.00	94,073,714	79,775,230
<b>Cash and Cash Equivalents</b>		<b>360,668,783</b>	<b>357,308,411</b>
Cash at Bank	23.00	7,968,199	49,685,616
Cash in Hand	24.00	150,583	90,708
Fixed Deposit Receipt (FDR)	25.00	352,550,000	307,532,087
<b>Total Assets</b>		<b>1,059,962,351</b>	<b>715,914,545</b>

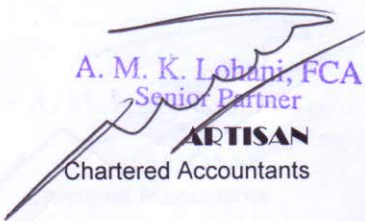
The annexed notes form an integral part of these financial statements

  
Managing Director

  
Director

  
Director

  
Chairman

  
A. M. K. Lohani, FCA  
Senior Partner  
ARTISAN  
Chartered Accountants

Place: Dhaka  
Dated: 11 March, 2020



**Paramount Insurance Company Limited**  
**Statement of Profit or Loss & Other Comprehensive Income**  
For the year ended 31 December, 2019

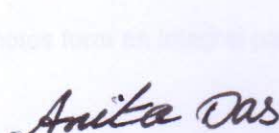
Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
<b>Expenses of Management</b>		<b>6,592,752</b>	<b>6,328,083</b>
(Not applicable to any fund or account)			
Advertisement & Publicity		916,886	782,657
Legal & Professional fees		531,500	-
Audit Fees		181,750	135,000
Depreciation		4,326,657	4,844,556
Subscription & Donation		175,000	121,990
Gratuity Expenses		200,000	200,000
Registration & Renewal Fees		260,959	243,880
<b>Profit Before Tax</b>		<b>52,442,316</b>	<b>19,696,890</b>
<b>Income tax expenses</b>		<b>13,695,885</b>	<b>2,357,643</b>
Current Tax	26.00	11,841,585	2,625,073
Deferred Tax	27.00	1,854,300	(267,430)
Profit/ (Loss) after tax during this year (Transferred to Profit & Loss Appropriation Account)		<b>38,746,431</b>	<b>17,339,248</b>
<b>Total</b>		<b>59,035,068</b>	<b>26,024,973</b>

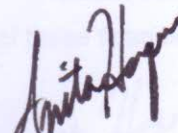
**Profit and Loss Appropriation Account**  
For the year ended 31 December, 2019

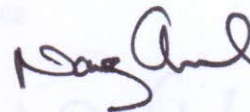
Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Reserve for Exceptional Losses	28.00	15,125,690	11,386,692
General Reserve Fund	29.00	-	500,000
Dividend Paid ( 2018 )		15,820,480	28,764,510
Balance at the end of the year as transferred to Balance Sheet	30.00	14,238,331	6,438,070
<b>Total</b>		<b>45,184,501</b>	<b>47,089,272</b>
<b>Earning per Share (EPS)</b>	34.00	<b>1.17</b>	<b>0.52</b>

The annexed notes form an integral part of these financial statements

  
Managing Director

  
Director

  
Director

  
Chairman

Place: Dhaka  
Dated: 11 March, 2020

  
**A. M. K. Lohani, FCA**  
Senior Partner  
**ARTISAN**  
Chartered Accountants



**Paramount Insurance Company Limited**  
**Statement of Profit or Loss & Other Comprehensive Income**  
For the year ended 31 December, 2019

Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Interest Received & Accrued	31.00	24,002,441	18,173,547
<b>Profit/( Loss) Transferred from:</b>		<b>26,991,215</b>	<b>6,029,623</b>
Fire Revenue Account		888,526	(14,236,779)
Marine Revenue Account		13,376,443	9,615,421
Motor Revenue Account		6,321,244	5,239,667
Miscellaneous Revenue Account		6,405,002	5,411,313
<b>Other Income:</b>		<b>8,041,412</b>	<b>1,821,803</b>
Profit /(Loss) on Investment in Shares		7,337,310	1,568,203
Capital Gain (Profit on Sale of Car )		123,428	212,299
Dividend Income		580,674	41,301
<b>Total</b>		<b>59,035,068</b>	<b>26,024,973</b>

**Profit and Loss Appropriation Account**  
For the year ended 31 December, 2019

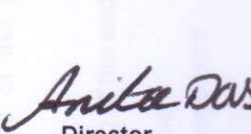
Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Balance brought forward from last year		6,438,070	29,750,024
Net Profit / (Loss)for the Year Transferred from Profit or Loss & Other Comprehensive Income		38,746,431	17,339,248
<b>Total</b>		<b>45,184,501</b>	<b>47,089,272</b>

**Other Comprehensive Income**  
For the year ended 31 December, 2019

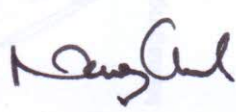
Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
<b>Profit after tax</b>		38,746,431	17,339,248
Other Comprehensive Income		258,313,345	5,087,660
Unrealized Profit/(Loss) on share	32.00	(2,183,308)	5,087,660
Revaluation Reserve (Surplus)	7.00	260,496,653	-
<b>Total Comprehensive Income</b>		<b>297,059,775</b>	<b>22,426,907</b>

The annexed notes form an integral part of these financial statements

  
Managing Director

  
Anita Das  
Director

  
Anita Hoque  
Director

  
Chairman



**Paramount Insurance Company Limited**  
**Consolidated Revenue Account**  
For the year ended 31 December, 2019

Particulars	Amount in Taka		Particulars	Amount in Taka	
	31-Dec-19	31-Dec-18		31-Dec-19	31-Dec-18
<b>Claims Under Policies Less Reinsurance</b>	<b>22,404,288</b>	<b>40,723,254</b>	<b>Balance of Account at the Beginning of the Year</b>	<b>57,061,952</b>	<b>52,686,205</b>
Paid during the year	15,285,408	29,518,740			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	22,936,125	15,817,245	Premium Less Re-Insurance	151,256,902	113,866,924
	<b>38,221,533</b>	<b>45,335,985</b>	Commission on Re-Insurance Ceded	24,837,033	27,728,489
Less: Outstanding at the end of previous year	15,817,245	4,612,731	Service Charge	100	11,447
Agency Commission	33,712,283	28,143,220			
Expenses of Management	73,451,664	61,525,077			
Insurance Stamp	296,079	255,172			
Service Charge	490,250	367,964			
Commission on R/I Acceptance	68,241	186,804			
Reserve for unexpired risks being 50% of Fire, Marine Cargo & Miscellaneous and 100% of Marine Hull of the net premium income for the year	75,741,966	57,061,952			
Profit/(Loss) Transferred to Profit or Loss & Other Comprehensive Income	26,991,215	6,029,622			
<b>Total</b>	<b>233,155,986</b>	<b>194,293,065</b>	<b>Total</b>	<b>233,155,986</b>	<b>194,293,065</b>

  
Managing Director

  
Director

  
Director

  
Chairman

A. M. K. Lohani, FCA  
Senior Partner  
ARTISAN  
Chartered Accountants

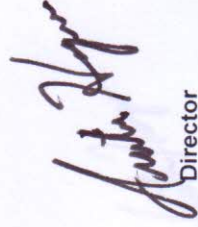



**Paramount Insurance Company Limited**  
**Fire Insurance Revenue Account**  
For the year ended 31 December, 2019

Particulars	Amount in Taka		Particulars	Amount in Taka	
	31-Dec-19	31-Dec-18		31-Dec-19	31-Dec-18
<b>Claims Under Policies Less Reinsurance</b>	<b>4,820,474</b>	<b>17,455,382</b>	<b>Balance of Account at the Beginning of the Year</b>	<b>19,251,484</b>	<b>18,491,807</b>
Paid during the year	2,680,890	4,872,908			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	15,810,600	13,671,016	Premium Less Reinsurance	66,845,354	38,502,968
	<b>18,491,490</b>	<b>18,543,924</b>			
Less: Outstanding at the end of previous year	13,671,016	1,088,542	Commission on Reinsurance Ceded	11,449,877	17,188,903
Agency Commission	18,351,570	16,996,978			
Expenses of Management	39,610,410	34,377,465	Service Charge	-	10,092
Service Charge	331,828	236,919			
Insurance Stamp	121,229	112,321			
Reserve for unexpired risks being 50% of the net premium income of the year	33,422,677	19,251,484			
Profit/(Loss) Transferred to Profit or Loss & Other Comprehensive Income	888,526	(14,236,779)			
<b>Total</b>	<b>97,546,715</b>	<b>74,193,769</b>	<b>Total</b>	<b>97,546,715</b>	<b>74,193,769</b>

  
Managing Director

  
Director

  
Director

  
Chairman

A. M. K. Lohani, FCA  
Senior Partner  
ARTISAN  
Chartered Accountants



**Paramount Insurance Company Limited**  
**Marine Insurance Revenue Account**  
For the year ended 31 December, 2019

Particulars	Amount in Taka	Amount in Taka	Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18		31-Dec-19	31-Dec-18
<b>Claims Under Policies Less Reinsurance</b>	<b>6,696,013</b>	<b>13,542,390</b>	<b>Balance of Account at the Beginning of the Year</b>	<b>18,496,895</b>	<b>18,867,109</b>
Paid during the year	4,517,645	15,654,028			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,278,368	100,000	Premium Less Reinsurance	39,583,596	36,736,810
	<b>6,796,013</b>	<b>15,754,028</b>	Commission on Reinsurance Ceded	6,746,822	4,519,963
Less: Outstanding at the end of previous year	100,000	2,211,638	Service charge	100	1,355
Agency Commission	8,517,582	5,317,330			
Expenses of management	16,194,237	13,049,139			
Service Charge	137,824	104,062			
Reserve for unexpired risks being 50% of Marine Cargo and 100% of Marine Hull of net premium income of the year	19,905,314	18,496,895			
Profit/(Loss) Transferred to Profit or Loss & Other Comprehensive Income	13,376,443	9,615,421			
<b>Total</b>	<b>64,827,413</b>	<b>60,125,237</b>	<b>Total</b>	<b>64,827,413</b>	<b>60,125,237</b>

  
Managing Director

  
Director


  
Director

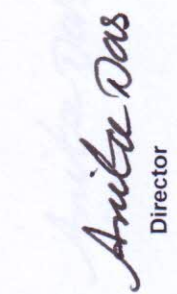
  
Chairman  
A. M. K. Lohani, FCA  
Senior Partner  
ADTISAN  
Chartered Accountants



**Paramount Insurance Company Limited**  
**Motor Insurance Revenue Account**  
For the year ended 31 December, 2019

Particulars	Amount in Taka	Amount in Taka	Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18		31-Dec-19	31-Dec-18
<b>Claims Under Policies Less Reinsurance</b>	<b>10,704,413</b>	<b>9,782,081</b>	<b>Balance of Account at the Beginning of the Year</b>	<b>14,791,724</b>	<b>12,721,316</b>
Paid during the year	7,876,818	8,955,070			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	4,847,157	2,019,562	Premium Less Reinsurance	38,466,149	29,583,448
	<b>12,723,975</b>	<b>10,974,632</b>			
Less: Outstanding at the end of previous year	2,019,562	1,192,551	Commission on Reinsurance Ceded	351,467	118,359
Agency Commission	5,359,751	4,207,741			
Expenses of management	11,865,199	8,302,567			
Insurance Stamp	125,658	99,342			
Reserve for unexpired risks being 50% of the net premium income of the year	19,233,074	14,791,724			
Profit/(Loss) Transferred to Profit or Loss & Other Comprehensive Income	6,321,244	5,239,667			
<b>Total</b>	<b>53,609,339</b>	<b>42,423,123</b>	<b>Total</b>	<b>53,609,339</b>	<b>42,423,123</b>

  
**Managing Director**

  
**Director**

  
**Director**

  
**Chairman**

**A. M. K. L. Dhari, FCA**  
Senior Partner  
**ARTISAN**  
Chartered Accountants



## Paramount Insurance Company Limited Miscellaneous Insurance Revenue Account

For the year ended 31 December, 2019

Particulars	Amount in Taka	Amount in Taka	Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18		31-Dec-19	31-Dec-18
Claims Under Policies Less Reinsurance Paid during the year	183,388	(56,599)	Balance of Account at the Beginning of the Year	4,521,849	2,605,973
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	210,055	36,734		Premium Less Reinsurance	6,361,803
Less: Outstanding at the end of previous year	-	26,667	Commission on Reinsurance Ceded	6,288,867	5,901,265
	<b>210,055</b>	<b>63,401</b>			
	26,667	120,000			
	<b>1,483,380</b>	1,621,171			
Agency Commission	5,781,817	5,795,906			
Expenses of management	20,598	26,983			
Service Charge	49,191	43,509			
Insurance Stamp	68,241	186,804			
Commission on R/I Acceptance	3,180,901	4,521,849			
Reserve for unexpired risks being 50% of the net premium income of the year	6,405,002	5,411,313			
Profit/(Loss) Transferred to Profit or Loss & Other Comprehensive Income	<b>17,172,519</b>	<b>17,550,936</b>			
<b>Total</b>	<b>17,172,519</b>	<b>17,550,936</b>	<b>Total</b>	<b>17,172,519</b>	<b>17,550,936</b>

  
Managing Director

  
Anita Das  
Director

  
Director

  
Chairman

A. M. K. Lohani, FCA  
Senior Partner  
**ARTISAN**  
Chartered Accountants



**Paramount Insurance Company Limited**  
**Statement of Changes in Shareholders' Equity**  
For the year ended 31 December, 2019

Particulars	Share Capital (Note-37)	Reserve for Exceptional Loss	Investment Fluctuation Reserve	General Reserve	Revaluation Reserve (Surplus)	Profit & Loss Appropriation Account	Total
<b>Opening Balance as on 01 Jan, 2019</b>	<b>316,409,640</b>	<b>104,713,025</b>	<b>5,087,660</b>	<b>500,000</b>	<b>-</b>	<b>6,438,071</b>	<b>433,148,396</b>
Profit/(Loss) after tax during the year	-	-	-	-	-	38,746,431	38,746,431
Stock Dividend Paid (2018)	15,820,480	-	-	-	-	(15,820,480)	-
Current Period Result	-	15,125,690	(7,270,968)	-	260,496,653	(15,125,690)	253,225,685
<b>Closing Balance as on 31 Dec, 2019</b>	<b>332,230,120</b>	<b>119,838,715</b>	<b>(2,183,308)</b>	<b>500,000</b>	<b>260,496,653</b>	<b>14,238,331</b>	<b>725,120,511</b>

**Statement of Changes in Shareholders' Equity**  
For the year ended 31 December, 2018

Particulars	Share Capital (Note-37)	Reserve for Exceptional Loss	Investment Fluctuation Reserve	General Reserve	Revaluation Reserve (Surplus)	Profit & Loss Appropriation Account	Total
<b>Opening Balance as on 01 Jan, 2018</b>	<b>287,645,130</b>	<b>93,326,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,750,025</b>	<b>410,721,488</b>
Profit/(Loss) after tax during the year	-	-	-	-	-	17,339,248	17,339,248
Stock Dividend Paid (2017)	28,764,510	-	-	-	-	(28,764,510)	-
Current Period Result	-	11,386,692	5,087,660	500,000	-	(11,886,692)	5,087,660
<b>Closing Balance as on 31 Dec, 2018</b>	<b>316,409,640</b>	<b>104,713,025</b>	<b>5,087,660</b>	<b>500,000</b>	<b>-</b>	<b>6,438,071</b>	<b>433,148,396</b>

  
Managing Director

  
Anika Das  
Director


  
Director

  
Chairman

Paramount Insurance Company Limited  
Statement of Cash Flows  
For the year ended 31 December, 2019

SL No.	Particulars	Notes	Amount in Taka	Amount in Taka
			31-Dec-19	31-Dec-18
<b>01.00</b>	<b><u>Cash Flows From Operating Activities</u></b>			
	Collection from Premium & Other Income		295,694,848	337,301,618
	Payment for Management Expenses, Commission, Claim, Re-Insurance and Others		(265,694,818)	(269,640,955)
	Income Tax Paid and Deducted at sources		(13,062,599)	(14,257,960)
	<b>Net Cash Flows From Operating Activities</b>	36.00	<b>16,937,431</b>	<b>53,402,702</b>
<b>02.00</b>	<b><u>Cash Flows From Investing Activities</u></b>			
	Purchase of Fixed Assets		(3,147,796)	(3,412,188)
	Disposal of Fixed Assets		1,132,072	292,701
	Payment against under constration		(17,638,750)	-
	Increase/(Decrease) investment in share		(25,220,734)	-
	Interest Received		23,256,738	-
	Profit on Sale of car		123,428	-
	Investment Income (Sale Of Share)		7,337,310	-
	Dividend Received		580,674	-
	<b>Net Cash Flows From Investing Activities</b>		<b>(13,577,058)</b>	<b>(3,119,487)</b>
<b>03.00</b>	<b><u>Cash Flows from Financing Activities</u></b>			
	Increase of Share Capital		-	-
	<b>Net Cash Flows from Financing Activities</b>		<b>-</b>	<b>-</b>
	<b>Net Cash in Flows/ (Outflows) (1+2+3)</b>		<b>3,360,372</b>	<b>50,283,215</b>
	Add :Opening Cash & Cash Equivalents		357,308,411	307,025,196
	<b>Closing Cash &amp; Cash Equivalents</b>		<b>360,668,783</b>	<b>357,308,411</b>
	<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	35.00	<b>0.51</b>	<b>1.61</b>

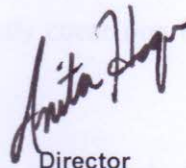
The annexed notes form an integral part of these financial statements



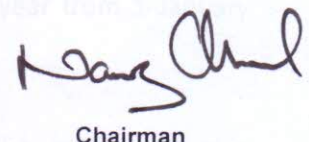
Managing Director



Director



Director



Chairman

A. M. K. Lohani, FCA  
Senior Partner  
ARTISAN  
Chartered Accountants

Place: Dhaka  
Dated: 11 March, 2020



# Paramount Insurance Company Limited

## Notes to the Financial Statements

As at and for the year ended 31 December, 2019

### 1.00 General Information

#### 1.01 Incorporation and legal form of the company

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. The Company is listed with Dhaka Stock Exchange Ltd (DSE) and Chottogram Stock Exchange Ltd (CSE) as a publicly traded company.

### 2.00 Summary of significant accounting policies and related information

#### 2.01 Basis of Accounting

The financial statements have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). In addition, the Bangladesh Securities and Exchange Commission Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. (DSE) & Chottogram Stock Exchange Ltd. (CSE) have also been complied with.

#### 2.02 Basis of Presentation

The financial statements have 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.

#### 2.03 Head of Accounts and Figures

Some of the head of accounts and last year figures have been re-arranged for complying with International Accounting Standards (IASs) & International Financial Reporting Standards (IFRSs).

#### 2.04 Functional and Reporting Currency

These financial statements have been prepared in Bangladesh taka which is the functional currency of the company. All figures presented in Taka has been rounded off to the nearest Taka.

#### 2.05 Going Concern

The financial statements are prepared on a going concern basis. As per management assessment, there is no material uncertainty relating to events or condition which may cause doubt upon the company's ability to continue as a going concern.

#### 2.06 Reporting Period

The Financial Statements of the company consistently cover one calendar year from 1 January 2019 to 31 December 2019.

#### 2.07 Foreign Currency Transaction

All foreign exchange transactions are converted to Bangladeshi Taka, which is the reporting currency at the rate of exchange prevailing at the time the transaction were effected.





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**2.08 Risk and Uncertainties**

The preparation of financial statements in conformity with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures at Financial Position (Balance Sheet) date and of the revenues and expenses during the year.

**2.09 Comparative Information**

Comparative information has been disclosed in respect to the year 2018 & 2019 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period Financial Statements.

**2.10 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)**

Name of IAS	IAS No	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statement of Cash flows	7	Applied
Net Profit or Loss for the period, Fundamental errors and changes in Accounting Policies.	8	Applied
Events after the Balance Sheet date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant & Equipments	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for government grants	20	N/A
The effects of changes in foreign exchange	21	N/A
Borrowing Cost	23	N/A
Related Party Disclosure	24	Applied
Accounting for investment	25	Applied
Accounting and Reporting by Retirement Benefit plans	26	N/A
Separate Financial Statements	27	N/A
Investments in Associates	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Financial Reporting of Interests in Join Ventures	31	N/A
Financial Instruments; Presentation	32	Applied
Earnings Per Share	33	Applied
Interim Financial Reporting	34	N/A
Impairments of Assets	36	N/A
Provisions for Contingents Liabilities and Contingents Assets	37	Applied
Intangible Assets	38	N/A
Financial Instruments; Recognition and Measurement	39	Applied
Investment Property	40	N/A
Agriculture	41	N/A





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

Title Of IFRS	IFRS No	Status
First- time Adoption of International Financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	Applied
Non- current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instrument: Disclosures	7	Applied
Operating Segments	8	Applied
Financial Instruments	9	Applied
Consolidated Financial Statement	10	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contract with Customers	15	Applied

**2.11 Recognition and measurement of Fixed Assets and Depreciation**

Property, Plant and Equipments are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and land development is measured at fair value basis. Part of items of property, plant and equipments having different useful life which accounted for as separate items of property, plant and equipments.

The cost of replacing or upgrading part of an item of property, plant and equipments is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the part will flow to the company and its cost can be measured reliably.

An item of property, plant and equipments is de-recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of an item of property, plant and equipments are included in the statement of profit or loss and other comprehensive income, having deducted from the proceeds on disposal, the carrying amount of the assets and related expenses.

No depreciation has been charged on land and land development under the head of property, plant and equipments. Depreciation on other depreciable assets have been charged on diminishing balance method in compliance with IAS 16 "Property, plant and equipments "at the following rates.

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





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**2.12 Revaluation**

Revaluation on land under the head of Property, Plant and Equipments is performed by BSEC approved professionally qualified valuer, M/S A B Saha & Co, Chartered Accountants during the year. The valuer has revalued the property based on the fair value at the date of valuation and the carrying amount at Financial Position (Balance Sheet) date is not less than that of the fair value. The revaluation surplus is recognized in the net carrying amount of the assets and is transferred to revaluation reserve after restating the asset at the revalued amount.

**2.13 Revenue Recognition**

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.

Public Sector Business for 4 (four) quarters up to June 2019 has been accounted for on the basis of statement received from SBC.

Interest on the investments in the form Bangladesh Government Treasury Bond (BGTB) and Fixed Deposit Receipt (FDR) have been credited to profit or loss & other comprehensive income on accrual basis. Investment in share, dividend Income and interest of SND are recognized as other income on cash basis.

**2.14 Employee's Benefits**

As per decision of the Board of Directors of the Company Implementation of some of the employee's 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;
- b) Gratuity: The Company pays Gratuity benefits to employees based on the special decision of the Board but a formal policy in this regard not yet adopted by the Company. The Management of the Company will adapt a policy soon in this regard;
- c) WPPF: If WPPF is mandatory for all Non life Insurance Companies for any reason, the company is ready to comply with the matter.

**2.15 Premium Control Account**

Premium control account is the outstanding premium as at reporting date under the bank guarantees which will be subsequently received and adjusted.

**2.16 Management Expenses**

Management expenses as charged to Revenue Accounts, amounting to **Tk. 7,37,47,743** based on gross premium in the following ratio:





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

Class of business	Gross Premium	% of Ratio	Management Expenses	Stamp Expenses	Total Expenses
Fire	13,54,13,046	53.88	39,610,410	1,21,229	39,731,639
Marine	7,20,16,872	21.96	16,194,237	-	16,194,237
Motor	3,97,08,527	16.26	11,865,199	1,25,658	11,990,857
Miscellaneous	4,46,84,590	7.91	5,781,817	49,191	5,831,008
<b>Total</b>	<b>29,18,23,034</b>	<b>100</b>	<b>73,451,664</b>	<b>2,96,079</b>	<b>73,747,743</b>

As per Insurance Act 2010 Section 63(2) the Management expenses which incurred direct & indirect has been included as revenue expenditure in the accounts.

**2.17 Income Tax expenses**

Income tax expenses comprises of current tax and deferred tax which have been recognized in the statement of profit or loss and other comprehensive income.

**2.17.01 Current Tax**

- i) Income Tax provision has been made on taxable profit for the year as per taxes law.
- 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 & 2016-2017 is under Reference Case in the High –Court and assessment year 2017-2018 is under Tribunal and assessments year 2018-2019 is under Appeal & assessment year 2019-2020 is under process.

**2.17.02 Deferred Tax**

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purpose. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences using tax rates enacted or substantively enacted within the reporting date. Revaluation surplus arising from the valuation of only land property has not been considered while calculating deferred tax because of the fact that the tax arises from unrealized capital gain is not to be considered as per U/S -82C, sub section (2)(d) of ITO 1984.

**2.18 Reserves for Exceptional Loss**

As per provision of the Insurance Act & Income Tax Ordinance 1984, Paragraph 6 (2) of the 4th schedule, 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. 15,125,690 reserves for the year 2019. The balance to the account of December 31, 2019 stands at Tk. 119,838,715.

**2.19 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.





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**2.20 Related Party Transactions**

During the Year 2019 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 arm's length basis. The name of the related parties, the nature of transactions and transaction amount for the year ended December 31, 2019 have been stated below:

Sl. No.	Name of Related Parties	Nature of Transaction	Relationship	Transaction Amount (Taka)	Claim Paid (Taka)
01	M/S. Foodex International	Insurance Premium	Common Director/Sponsor	10,24,251	-
02	M/S. Paramount Textile Ltd.	Insurance Premium	Common Director/Sponsor	3,27,66,880	2,00,000
03	M/S. Paramount Agro Ltd.	Insurance Premium	Common Director/Sponsor	10,762	-
04	M/S. Foreign Food	Insurance Premium	Common Director/Sponsor	30,953	-
05	M/S. Paramount B-Track Energy Ltd.	Insurance Premium	Common Director/Sponsor	10,037	9,55,000
06	M/S. H.K. Food Mark.	Insurance Premium	Common Director/Sponsor	76,137	-
07	M/S. Paramount Agro Ltd.	Insurance Premium	Common Director/Sponsor	202	-
08	M/S. Paramount Holdings Ltd.	Civil Contract Labor Payment	Common Director/Sponsor	1,60,00,000	-
<b>Total</b>				<b>4,99,06,741</b>	<b>11,55,000</b>

**2.21 Key Management Personnel Compensation**

In compliance with the requirement of schedule XI Para-04 of companies act 1994 and Para- 17 of IAS 24 following has been disclosed.

\* No remuneration, board meeting attendance fees is provided 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 01 January, 2019 to 31 December, 2019.





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
As at and for the year ended 31 December, 2019

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	2,41,500	N/A	N/A	N/A	N/A
Mr. Mohammad Arif Hossain	Chief Financial Officer	10,80,000	1,03,500	10% of Basic Salary	N/A	N/A	N/A
Mrs. Zharna Parul	Company Secretary	8,38,200	80,327	10% of Basic Salary	N/A	N/A	N/A

**2.22 Contingent Liability**

The company has the following contingent liabilities as on 31 December, 2019.

Sl.	Submission Year	Assessment Year	Reference Number	VAT/ Tax Amount	Remarks
1	2005	VAT	666/2005	2,343,287	Writ petition Against VAT
2	2016	VAT	9020/2016	7,637,955	Writ petition Against VAT on Agency Commission
3	2006	2004-2005	397/2006	10,408,652	Income Tax Reference Case
4	2015	2012-2013	423/2015	6,928,241	Income Tax Reference Case
5	2016	2013-2014	31/2016	3,170,454	Income Tax Reference Case
6	2017	2014-2015	103/2017	3,296,033	Income Tax Reference Case
7	2018	2015-2016	1585/2018	3,681,906	Income Tax Reference Case
8	2019	2016-2017	431/2019	8,296,599	Income Tax Reference Case
<b>Total Amount</b>				<b>45,763,127</b>	

**2.23 Interim Financial Statements**

The company prepares and publishes its interim financial statements quarterly by following the guideline of IASs, BSEC and other applicable laws and regulation.

**2.24 Components Financial Statements**

AS per IAS 1 "Presentation of financial statements", the complete set of financial statements includes the following components:

- ✓ Statement of financial position (Balance Sheet).
- ✓ Statement of profit or loss and other comprehensive income.
- ✓ Statement of Profit and loss appropriation account.
- ✓ Statement of cash flows.
- ✓ Statement of changes in equity.
- ✓ Notes to the financial statements and significant accounting policies.





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
As at and for the year ended 31 December, 2019

**3.00 Share Capital** Tk. 332,230,120

Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
<b>Issued, Subscribed and Paid up Capital</b>	3.02	<b>332,230,120</b>	<b>316,409,640</b>
33,223,012 Ordinary Shares of Tk. 10/- each.			

**3.01 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.

**3.02 Issued, Subscribed and Paid up Capital** Tk. 332,230,120

This represents the sum against 33,223,012 ordinary shares of Tk. 10 each, the relevant particulars whereof are as under:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Opening Balance	316,409,640	287,645,130
Add: Stock Dividend 5% (2018)	15,820,480	28,764,510
<b>Paid- Up Capital</b>	<b>332,230,120</b>	<b>316,409,640</b>

**Composition Of Share Holding**

Shareholding Structure	Notes	31-Dec-19		31-Dec-18	
		No. of Shares	% of Total Holdings	Total Paid up Capital	% of Total Paid up Capital
Sponsors	3.02 (a)	14,088,905	42.41%	13,418,010	42.41%
Public	3.02 (b)	19,134,107	57.59%	18,222,954	57.59%
<b>Total</b>		<b>33,223,012</b>	<b>100%</b>	<b>31,640,964</b>	<b>100%</b>

**3.02(a) Shareholders (Sponsors)**

Class of Interval	31-Dec-19				31-Dec-18	
	No. of Shares	No. of Share	Total Holdings (%)	% of Total Paid up	Total Paid up Capital	% of Total Paid up Capital
100,001-500,000	-	-	0.00%	0.00%	-	0.00%
500,001-1000,000	2,571,621	4	18.25%	7.74%	2,449,164	7.74%
1000,001-1500,000	1,107,430	1	7.86%	3.33%	2,531,270	8.00%
1500,001-2,000,000	1,550,402	1	11.00%	4.67%	-	0.00%
2,000,001-2,500,000	8,859,452	4	62.88%	26.67%	8,437,576	26.67%
<b>Total</b>	<b>14,088,905</b>	<b>10</b>	<b>100%</b>	<b>42.41%</b>	<b>13,418,010</b>	<b>42.41%</b>





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**3.02 (b) Public**

Financial & Other Institutions (including ICB)  
General Public  
**Total**

3,577,599	18.70%
15,556,508	81.30%
<b>19,134,107</b>	<b>100%</b>

**3.02(b)(i) Shareholders (Public)**

Class Interval	31-Dec-19				31-Dec-18	
	No. of Shares	No. of Share	Total Holdings (%)	% of Total Paid up	Total Paid up Capital	% of Total Paid up Capital
01-500	135,145	1073	0.71%	0.41%	137,663	0.44%
501-5000	1,751,920	984	9.16%	5.27%	1,995,301	6.31%
5001-10000	1,104,779	152	5.77%	3.33%	1,082,341	3.42%
10001-15000	686,148	56	3.59%	2.07%	478,097	1.51%
15001-20000	694,940	38	3.63%	2.09%	488,686	1.54%
20001-25000	459,793	20	2.40%	1.38%	370,591	1.17%
25001-30000	541,390	19	2.83%	1.63%	284,698	0.90%
30001-40000	701,682	20	3.67%	2.11%	805,394	2.55%
40001-50000	818,470	18	4.28%	2.46%	459,888	1.45%
50001-60000	514,383	9	2.69%	1.55%	281,329	0.89%
60001-70000	457,646	7	2.39%	1.38%	255,582	0.81%
70001-80000	535,085	7	2.80%	1.61%	71,047	0.22%
80001-90000	515,919	6	2.70%	1.55%	265,342	0.84%
90001-100000	100,000	1	0.52%	0.30%	395,000	1.25%
100001-120000	335,643	3	1.75%	1.01%	226,250	0.72%
120001-200000	2,124,439	14	11.10%	6.39%	811,477	2.56%
200001-400000	1,938,321	7	10.13%	5.83%	877,424	2.77%
400001-800000	4,723,381	7	24.69%	14.22%	1,297,780	4.10%
800001-4000000	995,024	1	5.20%	2.99%	7,639,064	24.14%
<b>Total:</b>	<b>19,134,107</b>	<b>2442</b>	<b>100%</b>	<b>57.59%</b>	<b>18,222,954</b>	<b>57.59%</b>

The company is complying the IDRA circular no 53.03.0000.051.50.025.19.133, Dated 08/12/2019

**4.00 Reserve for Exceptional Losses**

**Tk. 119,838,715**

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 & Income Tax Ordinance 1984, Paragraph 6 (2) of the 4th schedule. The movement of the sum is as under:

Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Opening Balance		104,713,025	93,326,333
Add: Provision made during the year	4.01	15,125,690	11,386,692
<b>Closing Balance</b>		<b>119,838,715</b>	<b>104,713,025</b>





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
As at and for the year ended 31 December, 2019

**4.01 Calculation for current year provision**

Tk. 15,125,690

Reserve for Exceptional Losses on Net Premium	Net Premium		At 10 % of Net Premium	
	Amount in Taka		Amount in Taka	
	31-Dec-19		31-Dec-19	
Fire Insurance Business	66,845,354	10%	6,684,535	
Marin Insurance Business	39,583,596	10%	3,958,360	
Motor Insurance Business	38,466,149	10%	3,846,615	
Miscellaneous Insurance Business	6,361,803	10%	636,180	
<b>Total</b>	<b>151,256,902</b>		<b>15,125,690</b>	

**5.00 Investment Fluctuation Reserve**

Tk. (2,183,308)

The makeup of this sum is as follows:

Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Fair (Market) Value of share as on 31 Dec, 2019		47,536,820	29,587,054
Less: Cost Price of Share as on 31 Dec, 2019		49,720,128	24,499,394
<b>Closing Balance</b>		<b>(2,183,308)</b>	<b>5,087,660</b>

The details hereof are stated in Annexure-2

**6.00 General Reserve Fund**

Tk. 500,000

General Reserve fund has been created in the year of 2018 to meet any future costs or financial obligations, especially those arising unexpectedly. The makeup of this sum is as follows:

Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Opening Balance		500,000	-
Add: Reserve made during the year		-	500,000
<b>Closing Balance</b>		<b>500,000</b>	<b>500,000</b>

The details hereof are stated in Note-29





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**7.00 Revaluation Reserve** Tk. **260,496,653**

It reveals all the upward revaluations of a company's assets under the head of Property, Plant and Equipments until those assets are disposed off.

Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Opening Balance		-	-
Add: Reserve made during the year		<b>260,496,653</b>	-
<b>Closing Balance</b>		<b>260,496,653</b>	-

In accordance with decision of the Board of Directors meeting held on 24 July, 2019, Land under the head of Property, Plant and Equipments has been revalued by M/S A B Saha & Co, Chartered Accountants and the total value of the land has been arrived at Tk. 32,45,00,000 and Revaluation Surplus amount to Tk. 26,04,96,653. The calculation of which is as follows:

Location of land	Land area in Decimal	Book Value	Revalued value	Revaluation Reserve
Plot No 23, Road No 35, Gulshan-2, Dhaka	11.80	64,003,347	324,500,000	260,496,653

**8.00 Premium Deposit** Tk. **23,400,556**

The amount represents the adjusted balance of premium received against Marine Cargo Cover Notes for which policies have not been issued within December 31, 2019. The break-up of the sum is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Opening Balance	9,630,367	7,723,164
Add: Premium underwritten	229,294,078	40,900,047
	<b>238,924,445</b>	<b>48,623,211</b>
Less: Refund & Cancelled	562,890	76,589
	<b>238,361,555</b>	<b>48,546,622</b>
Less: Converted into Policy	214,960,999	38,916,255
<b>Total</b>	<b>23,400,556</b>	<b>9,630,367</b>

**9.00 Estimated Liabilities in respect of outstanding claims whether due or intimated** Tk. **22,936,125**

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

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Fire Insurance Account	15,810,600	13,671,016
Marine Insurance Account	2,278,368	100,000
Motor Insurance Account	4,847,157	2,019,562
Miscellaneous Insurance Account	-	26,667
<b>Total</b>	<b>22,936,125</b>	<b>15,817,245</b>



**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**10.00 Amount due to other persons or bodies carrying on Insurance Business** **Tk. 109,396,550**

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

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Opening Balance	111,223,598	55,030,801
Add: Ceded Premium on Business (Net) SBC	18,779,218	65,709,876
Add: Ceded Premium on Business (Net) UIBS	4,912,151	-
	<b>134,914,967</b>	<b>120,740,677</b>
Less: Paid to SBC during the year	20,606,266	9,517,079
Less: Paid to UIBS during the year	4,912,151	-
<b>Total</b>	<b>109,396,550</b>	<b>111,223,598</b>

**11.00 Reserve for Gratuity** **Tk. 2,585,051**

This represents the aggregate sum of reserve, made Tk 200,000 as lump sum amount for this year 2019 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-Dec-19	31-Dec-18
Opening Balance	2,790,318	3,367,218
Add: Addition during the year	200,000	200,000
	<b>2,990,318</b>	<b>3,567,218</b>
Less: Adjustment / Paid during the year	405,267	776,900
<b>Closing Balance</b>	<b>2,585,051</b>	<b>2,790,318</b>

The Company not yet adopted a formal policy for Gratuity Payment which is under consideration of the Board.





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

12.00 Provision for Income Tax

The movement of this sum is as follows:

	Tk.	16,593,588
--	-----	------------

The Break-up of this sum is as follows:

Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Stamp Duty		4,088,190	748,254
VAT Collected on Premium		(14,001)	17,507
Bills Payable	12.01	12,454,034	14,988,255
AIT Agency Commission		54,563	-
Income Tax deducted on survey Fee		-	540
Income Tax deducted on Salary		-	(200)
Income Tax deducted on Suppliers		-	3,978
Vat deducted on others		10,802	(4,198)
Income Tax deducted on Advertisement		-	(3,584)
<b>Total</b>		<b>16,593,588</b>	<b>15,750,552</b>

12.01 Bills Payable

	Tk.	12,454,034
--	-----	------------

The Break-up of this sum is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Salaries & Allowances	4,861,440	3,438,175
VAT Collected on premium	1,712,084	1,039,990
Insurance Stamp	816,790	-
Audit Fee (Including special audit from 2008 to 2016)	728,750	685,000
Provident Fund deducted from salary	46,155	55,867
Refundable Premium & Stamp	279,134	-
Telephone Bill	15,917	-
Electricity Bill	41,231	-
Gas Bill	11,829	-
Agency Commission	3,940,704	9,769,223
<b>Total</b>	<b>12,454,034</b>	<b>14,988,255</b>



**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**13.00 Provision for Income Tax**

Tk. **81,847,834**

The movement of the sum is as under:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Provision for Income Tax (Previous)	70,006,250	67,381,177
Add: Provision during the year	11,841,584	2,625,073
<b>Total</b>	<b>81,847,834</b>	<b>70,006,250</b>

The details of the sum are as under:

Accounting Year	Tax Assessment Year	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
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	2,625,073
2019	2020-2021 (Note-26.00)	11,841,585	-
<b>Total</b>		<b>81,847,834</b>	<b>70,006,250</b>

The details hereof are stated in Note-26

**14.00 Deferred Tax Liability**

Tk. **2,340,169**

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Accounting base written down Value	19,419,235	21,730,168
Tax base written down Value	12,550,415	20,378,652
<b>Taxable temporary difference</b>	<b>6,868,820</b>	<b>1,351,516</b>
Provident fund payable	46,155	55,867
<b>Deductible temporary difference</b>	<b>46,155</b>	<b>55,867</b>
Total taxable/(deductible) temporary difference	6,822,665	1,295,649
Tax Rate @ 37.5%	37.50%	37.50%
<b>Deferred tax liabilities/(assets) as on current year (A):</b>	<b>2,558,499</b>	<b>485,868</b>
Investment Fluctuation Reserve	(2,183,308)	-
Tax Rate @ 10%	10%	10%
<b>Deferred tax liabilities/(assets) on Investment fluctuation reserve during this Year(B) :</b>	<b>(218,331)</b>	<b>-</b>
<b>Deferred tax liabilities/(assets) as on current year (A+B):</b>	<b>2,340,169</b>	<b>485,868</b>





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**15.00 Property, Plant & Equipments** Tk. **343,919,235**

This represents the written down value of Fixed Asstes, the break-up whereof is as under:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Cost	374,668,361	114,464,473
Less: Accumulated depreciation	(30,749,126)	(28,730,958)
<b>Total</b>	<b>343,919,235</b>	<b>85,733,515</b>

The details hereof are stated in Annexure-1

**16.00 Asset Under Construction** Tk. **17,638,750**

This represents the cost value of Building construction and all related expenditure are capital nature which will be capitalized with Property, Plant and Equipments. The break-up whereof is as under:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Opening Balance	-	-
Add: Addition during the Year	17,638,750	-
<b>Closing Balance</b>	<b>17,638,750</b>	<b>-</b>

The board of directors has decided to construct a building on own occupied land at Gulshan resulting that the management has taken necessary action to implement the decision of board of directors and got approval from Rajuk. We have already started construction work.

**17.00 Bangladesh Government Treasury Bond (BGTB)** 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 break-up whereof is as under:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
7.09% 5 years BGTB (Purchased in 2017, Issued in 2016)	9,000,000	9,000,000
5.82% 5 years BGTB (Purchased in 2018, Issued in 2016)	5,700,000	5,700,000
7.6% 10 years BGTB (Purchased in 2018, Issued in 2016)	10,300,000	10,300,000
<b>Total</b>	<b>25,000,000</b>	<b>25,000,000</b>



**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**18.00 Investment in Shares & Securities** Tk. **47,536,820**  
This represent the market price of investment in share of Public Limited Companies which has been recognized as "available for sale" as on December 31, 2019.

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Investment in listed companies	47,536,820	29,587,054
<b>Total</b>	<b>47,536,820</b>	<b>29,587,054</b>

The details hereof are stated in Annexure-2

**19.00 Interest accrued but not due** Tk. **14,130,793**  
This represents the sum of accrued interest on investment in BGTB and in FDR the break-up whereof is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Bangladesh Govt. Treasury Bond (BGTB)	764,583	753,405
Fixed Deposit Receipt (FDR)	13,366,210	12,631,685
<b>Total</b>	<b>14,130,793</b>	<b>13,385,090</b>

**20.00 Premium Control Account** Tk. **495,723**  
The break-up of the sum is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Fire	-	-
Marine Cargo (Bank Guarantee)	495,723	-
Motor	-	-
Miscellaneous	-	-
<b>Total</b>	<b>495,723</b>	<b>-</b>

Cover note has been issued against Bank Guarantee which will be adjusted within the following year.





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**21.00 Advance, Deposits & Prepayments** Tk. **155,785,718**

The balance is break-up of as under:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Advance against Office Rent	601,972	915,940
Advance against Salary	3,125,500	2,880,000
Security Deposits	1,111,320	1,111,320
LRK/EBL Securities Ltd.	2,108,194	22,844
IDCL Securities Ltd.	229,040	48,481
UCBL Capital Management	26,826	-
Advance against Miscellaneous	-	300,000
Advance Website Design & Development	50,000	-
Rates & Taxes Advance	21,660,712	16,828,467
Advance against Insurance Claim	21,500,000	10,000,000
Bill Receivable (Premium)	1,825,570	1,173,859
Advance against Income Tax	21.01 103,546,584	90,483,985
<b>Total</b>	<b>155,785,718</b>	<b>123,764,895</b>

Marine Policy issued under open cover note against Bank Guarantee.

**21.01 Advance against Income Tax** Tk. **103,546,584**

Accounting Year	Tax Assessment Year	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Opening Balance		90,483,985	76,226,025
2014	2015-16	-	920,477
2015	2016-17	2,004,782	-
2016	2017-18	917,814	5,637,482
2017	2018-19	-	2,000,000
2018	2019-20	-	5,700,001
2019	2020-21	10,140,003	-
<b>Closing Balance</b>		<b>103,546,584</b>	<b>90,483,985</b>

**22.00 Amount due from other persons or bodies carrying on insurance business** Tk. **94,073,714**

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

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Opening Balance	79,775,230	67,911,270
Add: Public Sector Business (PSB) - Net on 3 <sup>rd</sup> & 4 <sup>th</sup> Qtrs of 2018 and 1 <sup>st</sup> & 2 <sup>nd</sup> Qtrs (Upto June) of 2019	14,180,387	11,529,148
<b>Sub-Total</b>	<b>93,955,617</b>	<b>79,440,418</b>
Add: Net Receivable on Re-Insurance (R/I) Misc. Accepted	118,096	334,812
<b>Closing Balance</b>	<b>94,073,714</b>	<b>79,775,230</b>



**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
As at and for the year ended 31 December, 2019

23.00 Cash at Bank Tk. 7,968,199

The break-up of the sum is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
STD Account	4,989,643	44,698,479
CD Account	2,978,556	4,987,136
<b>Total</b>	<b>7,968,199</b>	<b>49,685,616</b>

24.00 Cash in Hand Tk. 150,583

The break-up of the sum is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Head Office	20,760	8,583
Gulshan Branch	13,614	14,908
Motijheel Branch	38,771	16,664
Kawran Bazar Branch	12,056	7,008
Agrabad Branch	10,485	5,367
Khulna Branch	3,995	1,736
Rangpur Branch	6,999	2,257
Bogra Branch	10,755	6,488
Jessore Branch	13,857	3,157
Naogaon Branch	4,176	1,642
Kushtia Branch	3,964	3,056
Dinajpur Branch	6,811	5,046
Meherpur Branch	4,340	14,796
<b>Total</b>	<b>150,583</b>	<b>90,708</b>

25.00 Fixed Deposit Receipt (FDR) Tk. 352,550,000

The break-up of the sum is as follows:

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Opening Balance	307,532,087	284,282,087
Add: Addition during the year	169,800,000	55,350,000
Less: Encashment during the year	(124,782,087)	(32,100,000)
<b>Closing Balance</b>	<b>352,550,000</b>	<b>307,532,087</b>

The details hereof are stated in Annexure-3





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**26.00 Computation of Current Tax**

Tk. **11,841,585**

Particulars	Taxable Income	Rate of Percentage	Tax Provision
Income from business or profession	29,275,214	37.50%	10,978,205
Interest income from FDR & STD Accounts			
Investment Income (profit on Sale of share)	7,337,310	10.00%	733,731
Capital Gain (profit on Sale of Car)	123,428	15.00%	18,514
Dividend Income	555,674	20.00%	111,135
<b>Total</b>	<b>37,291,626</b>		<b>11,841,585</b>

**Taxable Income**

Particulars	Notes	Taxable Income	Exempted (Exceptional loss & Dividend income)	Taxable Income
Income from business or profession	26.01	20,398,463	15,125,690	29,275,214
Interest income from BGTB, FDR & STD Accounts		24,002,441		
Investment Income (profit on Sale of shares)		7,337,310		7,337,310
Capital Gain (profit on Sale of Car)		123,428		123,428
Dividend Income		580,674	25,000	555,674
<b>Total</b>		<b>52,442,316</b>	<b>15,150,690</b>	<b>37,291,626</b>

**26.01 Income from Business or profession**

Tk. **20,398,463**

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Gross Profit	52,442,316	19,696,890
Less: Interest income from FDR & STD Accounts	24,002,441	18,173,547
Less: Investment Income (profit on Sale of Shares)	7,337,310	1,568,203
Less: Capital Gain (profit on Sale of Car)	123,428	212,299
Less: Dividend Income	580,674	41,301
<b>Total</b>	<b>20,398,463</b>	<b>(298,460)</b>



**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
As at and for the year ended 31 December, 2019

**27.00 Computation of current Deferred Tax** Tk. 1,854,300

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Deferred tax liabilities/(assets) as on current year	2,340,169	485,869
Less: Deferred tax liabilities/(assets) as on previous year	485,869	753,299
<b>Deferred tax expenses/(income) for the current year</b>	<b>1,854,300</b>	<b>(267,430)</b>

Details in note # 14

**28.00 Reserve for Exceptional Losses** Tk. 15,125,690

Reserve for Exceptional Losses on Net Premium	Net Premium	%	At 10 % of Net Premium
	Amount in Taka		Amount in Taka
	31-Dec-19		31-Dec-19
Fire Insurance Business	66,845,354	10%	6,684,535
Marin Insurance Business	39,583,596	10%	3,958,360
Motor Insurance Business	38,466,149	10%	3,846,615
Miscellaneous Insurance	6,361,803	10%	636,180
<b>Total</b>	<b>151,256,902</b>		<b>15,125,690</b>

**29.00 General Reserve Fund** Tk. -

General Reserve fund has been created in the year of 2018 to meet any future costs or financial obligations, especially those arising unexpectedly

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Provision made during the year	-	500,000
<b>Total</b>	<b>-</b>	<b>500,000</b>





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**30. Revenue Accounts**

The Summarized position of Net Underwriting Profit earned during the year 2019 is as follows.

Particulars	Fire	Marine	Motor	Miscellaneous	Total
A. Gross Premium (Including PSB Business)	135,413,046	72,016,871	39,708,527	44,684,590	291,823,034
B. Re-Insurance Premium Ceded	68,567,692	32,433,275	1,242,378	38,322,788	140,566,133
<b>C. Net Premium (A-B)</b>	<b>66,845,354</b>	<b>39,583,596</b>	<b>38,466,149</b>	<b>6,361,803</b>	<b>151,256,902</b>
<b>Direct Expenses:</b>					
D. Commission (Net)	6,901,693	1,770,760	5,008,284	(4,737,247)	8,943,491
E. Claim Settled and Provided (Net)	4,820,474	6,696,013	10,704,413	183,388	22,404,288
F. Management Expenses (including service charge & stamp expenses)	40,063,467	16,331,961	11,990,858	5,851,607	74,237,892
<b>G.Total Direct Expenses (D+E+F)</b>	<b>51,785,635</b>	<b>24,798,734</b>	<b>27,703,554</b>	<b>1,297,748</b>	<b>105,585,671</b>
H. Adjusted Fund Balance for unexpired risk (Opening balance less closing balance)	(14,171,193)	(1,408,419)	(4,441,351)	1,340,948	(18,680,015)
<b>Net Underwriting Profit (C-G+H)</b>	<b>888,526</b>	<b>13,376,443</b>	<b>6,321,244</b>	<b>6,405,002</b>	<b>26,991,215</b>
<b>Commission (Net):</b>					
Commission Paid on Direct Business	18,351,570	8,517,582	5,359,751	1,483,380	33,712,283
Commission Paid on Re-insurance Accepted	-	-	-	68,241	68,241
Less: Commission earned or Re-Insurance Ceded	11,449,877	6,746,822	351,467	6,288,867	24,837,033
<b>Net Commission</b>	<b>6,901,693</b>	<b>1,770,760</b>	<b>5,008,284</b>	<b>(4,737,247)</b>	<b>8,943,491</b>
<b>Claims Settled (Net):</b>					
Gross Claim	37,510,532	6,448,852	7,876,818	257,387	52,093,589
Less: Re-Insurance Claim Recovery	34,829,642	1,931,208	-	47,331	36,808,181
<b>Paid during the year</b>	<b>2,680,890</b>	<b>4,517,645</b>	<b>7,876,818</b>	<b>210,055</b>	<b>15,285,408</b>
Add: Outstanding claim at the end of the year whether due or intimated	15,810,600	2,278,368	4,847,157	-	22,936,125
	<b>18,491,490</b>	<b>6,796,013</b>	<b>12,723,975</b>	<b>210,055</b>	<b>38,221,533</b>
Less: Outstanding claim at the end of the previous year	13,671,016	100,000	2,019,562	26,667	15,817,245
<b>Claim Settled and Provided (Net)</b>	<b>4,820,474</b>	<b>6,696,013</b>	<b>10,704,413</b>	<b>183,388</b>	<b>22,404,288</b>
<b>Net Profit for the year and its Appropriation :</b>					<b>52,442,316</b>
Underwriting Profit as per Revenue Accounts	<b>26,991,215</b>				15,125,690
Interest Income	24,002,441				<b>37,316,626</b>
Investment & Other Income	8,041,412				11,841,585
	<b>59,035,068</b>				<b>25,475,041</b>
Less: Expenses of Management (Not applicable to any Fund or Account)	6,592,752				1,854,300
<b>Gross Profit</b>	<b>52,442,316</b>				<b>23,620,741</b>
					6,438,070
					<b>30,058,811</b>
					15,820,480
					<b>14,238,331</b>

**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
As at and for the year ended 31 December, 2019

**31.00 Interest Received & Accrued** Tk. **24,002,441**

Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Bank Interest on STD.		430,896	438,609
Interest on FDR		21,801,916	16,443,023
Interest on BGTB		1,769,628	1,291,915
<b>Total</b>		<b>24,002,441</b>	<b>18,173,547</b>

**32.00 Other Comprehensive Income** Tk. **(2,183,308)**

Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Fair (Market) Value of share as on 31 Dec, 2019		47,536,820	29,587,054
Less: Cost Price of Share as on 31 Dec, 2019		49,720,128	24,499,394
<b>Investment Fluctuation Reserve</b>		<b>(2,183,308)</b>	<b>5,087,660</b>

The details hereof are stated in Annexure-2

**33.00 Net Assets Value per Shares (NAV)** Tk. **21.83**

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.Last year Net Assets Value Per Share has been adjusted.

Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
a)Total Shareholders Equity		725,120,511	433,148,395
b) Number of ordinary shares	37.00	33,223,012	33,223,012
<b>Net Assets Value per Shares (NAV) (a/b)</b>		<b>21.83</b>	<b>13.04</b>

NAV per share has been increased due to revaluation of land & Tk. 26,04,96,653 added as revaluation surplus to the statement of changes in shareholder's equity during this period to corresponding period of last year.



**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December, 2019**

**34.00 Earning Per Share (EPS)** Tk. **1.17**

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:

Particulars	Notes	Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
Net Profit after Tax	34.01	38,746,431	17,339,248
Number of Shares	37.00	33,223,012	33,223,012
<b>Earning per Shares (EPS)</b>		<b>1.17</b>	<b>0.52</b>

EPS has been increased during this year compared with the same period of previous year due to increase in underwriting profit, interest & investment income.

**34.01 Net Profit After Tax** Tk. **38,746,431**

The break-up of this sum is as follows:

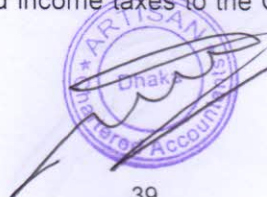
Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Net Profit /(Loss) Before Tax	52,442,316	19,696,890
Less: Income Tax Expenses	11,841,585	2,625,073
Less: Deferred Tax Expenses/ (Benefit)	1,854,300	(267,430)
<b>Net Profit /(Loss) After Tax</b>	<b>38,746,431</b>	<b>17,339,248</b>

**35.00 Net Operating Cash Flow Per Shares (NOCFPS)** Tk. **0.51**

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. Last year Net Operating Cash Flow Per Share has been adjusted.

Particulars		Amount in Taka	Amount in Taka
		31-Dec-19	31-Dec-18
a) Net Cash Flows From Operating Activities	36.00	16,937,431	53,402,702
b) Number of ordinary shares	37.00	33,223,012	33,223,012
<b>Net Operating Cash Flow Per Shares (NOCFPS) (a/b)</b>		<b>0.51</b>	<b>1.61</b>

NOCFPS has been decreased due to increase in payment of Re- insurance premium, management expenses, Commission, claim and income taxes to the Government during this period to corresponding period of last year.



## Paramount Insurance Company Limited

### Notes to the Financial Statements

As at and for the year ended 31 December, 2019

#### 36.00 Reconciliation of net income with cash flows from operating activities

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
Net Profit/(Loss) (As per statement of profit or loss and other Comprehensive income)	38,746,431	17,339,247
Adjustment to Reconcile net profit to net cash provided by operating activities		
<b>Non Cash and Non Operating Items :</b>		
Depreciation	4,326,657	4,844,556
Provision for current Income Tax & Deferred Tax	13,695,885	2,357,643
Profit on other Income (Interest, Share & Dividend & Profit on Sale of car)	(32,043,853)	(1,710,652)
	<b>24,725,120</b>	<b>22,830,794</b>
<b>Changes in Operating Accruals:</b>		
(Increase)/Decrease Amount due from other persons or bodies	(14,298,484)	(11,863,960)
Increase/(Decrease) Stamp in Hand	616,405	(545,978)
Increase/(Decrease) Stock of printing & stationery	31,129	54,289
(Increase)/Decrease Advance, Deposit and Prepayment	(32,020,823)	(20,514,491)
(Increase)/Decrease Premium Control Account	(495,723)	-
Increase/(Decrease) Investment in Share	-	(17,389,908)
Increase/(Decrease) Deposit Premium	13,770,189	1,907,203
Increase/(Decrease) Outstanding Claims	7,118,880	11,204,514
Increase/(Decrease) Amount due to other persons or bodies	(1,827,048)	56,192,797
Increase/(Decrease) Gratuity Reserve	(205,267)	(576,900)
Increase/(Decrease) Sundry Creditors	843,036	7,728,597
Increase/(Decrease) in Balance of Fund	18,680,015	4,375,747
<b>Net Cash Provided by Operating Activities</b>	<b>(7,787,690)</b>	<b>30,571,908</b>
<b>Net Cash Flows from Operating Activities</b>	<b>16,937,431</b>	<b>53,402,702</b>





**Paramount Insurance Company Limited**  
**Notes to the Financial Statements**  
As at and for the year ended 31 December, 2019

**37.00 Number of share**

Particulars	No. of Share	No. of Share
	31-Dec-19	31-Dec-18
Number of share at the beginning of the year	31,640,964	28,764,513
Add. Bonus share issued	1,582,048	2,876,451
<b>Number of share outstanding</b>	<b><u>33,223,012</u></b>	<b><u>31,640,964</u></b>

Total number of share outstanding 33,223,012 as on 31 December, 2019 with face value Tk. 10 in which 5% stock dividend i.e. 15,82,048 shares issued on 7 May, 2019 which was approved on 15 April, 2019 at the 20<sup>th</sup> AGM.

**38.00 Board Meeting**

During the year 2019 the company had 7 members to the Board of Directors and there held 09 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.

**39.00 Employees**

Out of the total of 183 employees engaged during the year 2019. No employee have received salary below Tk. 6,000 per month and 183 employees received more than Tk. 6,000 per month.

**40.00 Credit Facility**

No credit facilities availed by the company at the date of balance sheet under any contract other than trade credit which is the ordinary course of business

**41.00 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 03 March, 2020 has recommended **2% Cash Dividend & 2% Stock Dividend** for the year 2019 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, 2019

ANNEXURE-1

Sl. No.	Particulars	Cost						Rate of Dep. (%)	Depreciation			Written Down Value	
		As on 01 Jan 2019	Disposal during the year	Addition during the year	Revaluation Surplus	Total as on 31-Dec-19	As on 01-Jan-19		Adjustment during the year	Charged during the year	Total as on 31-Dec-19	As on 31-Dec-19	As on 31-Dec-18
1	Motor Vehicles	23,293,087	3,440,561	1,965,000		21,817,526	9,614,224	2,308,489	2,902,965	10,208,700	11,608,826	13,678,863	
2	Furniture & Fixtures	10,653,171		33,090		10,686,261	8,096,593		257,134	8,353,727	2,332,534	2,556,578	
3	Office Equipments	982,195		314,685		1,296,880	704,497		63,453	767,950	528,930	277,698	
4	Office Decoration	3,256,528		593,569		3,850,097	2,189,730		162,783	2,352,513	1,497,584	1,066,798	
5	Telephone Installation	2,073,344		13,850		2,087,194	1,956,355		24,268	1,980,623	106,571	116,989	
6	Electrical Installation	1,037,615		-		1,037,615	650,847		77,353	728,200	309,415	386,768	
7	Sign Board	197,590		-		197,590	102,671		9,491	112,162	85,428	94,919	
8	Air Conditioner	2,421,583		-		2,421,583	1,779,919		128,332	1,908,251	513,332	641,664	
9	Computer	3,894,803		169,768		4,064,571	2,845,006		327,909	3,172,915	891,656	1,049,797	
10	Software Installation	2,651,210		-		2,651,210	791,116		372,018	1,163,134	1,488,076	1,860,094	
11	Website design & Development	-		57,834		57,834			951	951	56,883	-	
	<b>Sub Total</b>	<b>50,461,126</b>	<b>3,440,561</b>	<b>3,147,796</b>		<b>50,168,361</b>	<b>28,730,958</b>	<b>2,308,489</b>	<b>4,326,657</b>	<b>30,749,126</b>	<b>19,419,235</b>	<b>21,730,168</b>	
12	Land and Land Development	64,003,347			260,496,653	324,500,000	-	-	-	-	324,500,000	64,003,347	
	<b>Total</b>	<b>114,464,473</b>	<b>3,440,561</b>	<b>3,147,796</b>	<b>260,496,653</b>	<b>374,668,361</b>	<b>28,730,958</b>	<b>2,308,489</b>	<b>4,326,657</b>	<b>30,749,126</b>	<b>343,919,235</b>	<b>85,733,515</b>	





**Paramount Insurance Company Ltd.**  
**Other Comprehensive Income**  
**For the year ended 31 December 2019**

**ANNEXURE-2**

Sl. No.	Name of the Companies	Balance of Shares	Cost price per share	Total Cost	Market Price Per share as on 31-Dec-19	Total Market Price as on 31-Dec-19	Investment fluctuation reserve
01.	BBS	103,130	25.82	2,662,392	16.00	1,650,080	(1,012,312)
02.	CITY BANK	150,558	27.81	4,187,722	21.10	3,176,774	(1,010,949)
03.	FEKDIL	136,500	15.87	2,165,902	9.00	1,228,500	(937,402)
04.	GENEXIL	392	8.70	3,409	67.40	26,421	23,011
05.	PDL	114,000	14.18	1,616,770	9.80	1,117,200	(499,570)
06.	COPPERTECH	4,979	9.52	47,420	23.50	117,007	69,587
07.	SEAPEARL	3,916	9.53	37,300	41.30	161,731	124,431
08.	KPPL	17,500	15.11	264,419	14.50	253,750	(10,669)
09.	NAHEEACP	66,000	52.42	3,459,921	36.60	2,415,600	(1,044,321)
10.	PTL	527,810	53.44	28,206,131	59.00	31,140,790	2,934,659
11.	RUNNER AUTO	3,963	71.43	283,083	59.50	235,799	(47,284)
12.	ADN TEL	18,968	30.00	569,040	27.00	512,136	(56,904)
13.	SILCOPHL	4,377	9.09	39,793	30.30	132,623	92,830
14.	NEWLINE	4,282	9.35	40,023	14.80	63,374	23,350
15.	RING SHINE TEXTILE LTD.	130,689	8.70	1,136,426	10.30	1,346,097	209,671
16.	IFIC	1,000	12.67	12,668	9.90	9,900	(2,768)
17.	Southeast Bank	1,000	15.49	15,493	13.40	13,400	(2,093)
18.	Bangal WTL	40,000	22.05	882,005	16.90	676,000	(206,005)
19.	Kay & Que	14,500	207.73	3,012,039	209.60	3,039,200	27,161
20.	Excel Shoe	16,700	64.56	1,078,171	13.20	220,440	(857,731)
<b>Total</b>				<b>49,720,128</b>		<b>47,536,820</b>	<b>(2,183,308)</b>



**Paramount Insurance Company Ltd.**  
**Fixed Deposit**  
For the year ended 31 December, 2019

**ANNEXURE-3**

Particulars	Amount in Taka	Amount in Taka
	31-Dec-19	31-Dec-18
<b>Name of the Bank</b>		
Islami Bank (BD) Ltd	23,000,000	14,500,000
Sonali Bank Ltd.	2,500,000	2,500,000
IFIC Bank Ltd	2,000,000	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.	50,400,000	48,932,087
The City Bank Ltd	3,500,000	3,500,000
Eastern Bank Ltd.	500,000	500,000
Janata Bank Ltd.	2,000,000	2,000,000
Prime Bank Ltd	7,500,000	7,500,000
National Bank Ltd.	4,700,000	3,200,000
AB Bank Ltd.	4,000,000	4,000,000
Basic Bank Ltd.	1,500,000	1,500,000
Bangladesh Krishi Bank	1,000,000	1,000,000
Dhaka Bank Ltd.	3,000,000	5,000,000
Dutch Bangla Bank Ltd.	1,000,000	1,000,000
National Credit & Commerce Bank Ltd.	6,000,000	7,000,000
Bangladesh Development Bank	4,000,000	3,000,000
Bangladesh Commerce Bank	4,000,000	2,000,000
BRAC Bank Ltd.	2,000,000	2,000,000
Rajshahi Krishi Unnayan Bank Ltd.	-	1,000,000
Pubali Bank Ltd.	8,500,000	5,000,000
Rupali Bank Ltd.	2,000,000	2,000,000
Mercantile Bank Ltd.	17,000,000	12,500,000
United Commercial Bank Ltd.	12,500,000	8,500,000
First Security Bank Ltd.	5,500,000	4,500,000
One Bank Ltd.	9,000,000	5,000,000
Social Islami Bank Ltd.	16,500,000	30,000,000
Southeast Bank Ltd.	1,500,000	4,600,000
Union Bank Ltd	1,500,000	500,000
Shahjalal Bank Ltd.	4,200,000	14,200,000
Premier Bank Ltd.	12,000,000	11,000,000
Jamuna Bank Ltd.	14,000,000	13,000,000
Trust Bank Ltd.	1,000,000	500,000
Mutual Trust Bank Ltd.	3,000,000	1,000,000
EXIM Bank Ltd.	6,500,000	12,500,000
Bank Asia Ltd.	14,500,000	4,500,000
Standard Bank Ltd.	5,000,000	2,000,000
Meghna Bank Ltd.	58,000,000	25,000,000
Midland Bank Ltd.	2,000,000	1,000,000
NRB Bank Ltd.	4,000,000	-
South BanglaAgricultural &Com. Bank Ltd	18,750,000	15,800,000
Lanka Bangla Finance	3,000,000	2,000,000
Midas Finance Ltd.	1,000,000	2,000,000
NRB Commercial Bank Ltd.	1,000,000	1,200,000
NRB Global Bank Ltd.	2,500,000	7,500,000
Modhumoti Bank Ltd.	2,000,000	1,000,000
<b>Total</b>	<b>352,550,000</b>	<b>307,532,087</b>



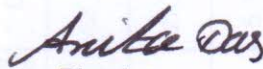


**Paramount Insurance Company Limited**  
**FORM-AA**  
**Classified Summary of Assets at 31 December, 2019**

<b>Class of Assets</b>	<b>Book Value</b>	<b>Remarks</b>
<b>Non Current Assets</b>	<b>361,557,985</b>	
Fixed Assets (at cost less depreciation)	343,919,235	Depreciated Value
Assets under construction	17,638,750	Book Value
<b>Investments</b>	<b>425,086,820</b>	
Bangladesh 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	47,536,820	Fair Value
Fixed Deposit Receipt (FDR )	352,550,000	Realizable Value
<b>Current Assets</b>	<b>273,317,545</b>	
Amount due from other persons or bodies carrying on insurance business	94,073,714	Book Value
Cash and Cash Equivalents	8,118,782	Realizable Value
Interest accrued but not due	14,130,793	Realizable Value
Advance, Deposits & Prepayments	155,785,718	Book Value
Premium Control Account	495,723	Book Value
Stock of Printing and Stationery	667,238	At cost
Stamp in Hand	45,577	At Actual
<b>Total Assets</b>	<b><u>1,059,962,351</u></b>	



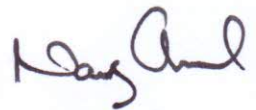
Managing Director



Director



Director



Chairman



**A. M. K. Lohani, FCA**  
Senior Partner  
**ARTISAN**  
Chartered Accountants

Place: Dhaka  
Dated: 11 March, 2020


**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, 2019

Class of Business	Premium			Commission			Claim				
	Received on		Net	Paid on		Received on Re-Insurance Ceded	Net	Paid on		Received on Re-Insurance Ceded	Net
	Direct Business	Re-Insurance Accepted		Re-Insurance Ceded	Re-Insurance Accepted			Direct Business	Re-Insurance Accepted		
FIRE	135,413,046		66,845,354	18,351,570	11,449,877	6,901,693	37,510,532		34,829,642	2,680,890	
MARINE CARGO	66,650,989		39,356,564	8,517,582	6,464,185	2,053,397	6,176,725		1,713,824	4,462,902	
MARINE HULL	5,365,883		227,032	-	282,637	(282,637)	272,127		217,384	54,743	
MOTOR	39,708,527		38,466,149	5,359,751	351,467	5,008,284	7,876,818		-	7,876,818	
MISC. OTHER THAN MOTOR	44,489,617	194,973	6,361,803	1,483,380	6,288,867	(4,737,247)	248,750	8,636	47,331	210,055	
<b>Total</b>	<b>291,628,061</b>	<b>194,973</b>	<b>151,256,902</b>	<b>33,712,283</b>	<b>24,837,033</b>	<b>8,943,491</b>	<b>52,084,952</b>	<b>8,636</b>	<b>36,808,181</b>	<b>15,285,408</b>	

  
Managing Director

  
Anita Das  
Director

  
Director

  
Chairman  
A. M. K. Jodhani, FCA  
Senior Partner  
**ARTISAN**  
Chartered Accountants