



**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 as at 31 December, 2020 and the Statement of Profit or Loss & Other Comprehensive Income, Statement of Profit or Loss Appropriation Account, 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 2020, 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
Premium Income	
<p>Premium income is the most significant item in the statement of profit or loss and profit or loss appropriation account. The Company has reported gross premium of Taka 393,714,728 for the ended 31 December 2020 (Taka 291,823,034 for the year ended 31 December 2019)</p> <p>Gross general insurance premiums comprise the total premium received during the accounting period of coverage for which insurance policy has been issued by contracts with Paramount Insurance Company Limited.</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"> • The design and operating effectiveness of key controls around premium income recognition process. • Carried out analytical procedures and recalculated premium income for the period. • Carried out cut-off testing to ensure unearned premium income has not been included in the premium income. • 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. • Ensured on a sample basis that the premium income was being deposited in the designated bank account. • Tested on a sample basis to see that appropriate VAT was being collected and deposited to bank through Treasury Chalan. • 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. • Applying specialist judgment ensured if there is any impairment of the reinsurer. • 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.
<p>Details of Premium Income have been included in Note 08 to the Financial Statements.</p>	



Risk	Our response to the risk
<p>Estimated liability in respect of outstanding claims whether due or intimated and claim payment.</p> <p>This amount represents the claim due or intimated from the insured and involves significant judgment and risk of understatement. As at 31 December 2020 the reported balance under the head of estimated liability in respect of outstanding claims whether due or intimated was Taka 21,465,845 and Claims paid in the year ended 31 December 2020 was Taka 16,975,887 (Outstanding claims as at 31 December 2019 was Taka 22,936,125 and claims paid for the year ended 31 December 2019 was Taka 15,285,408)</p> <p>This provision has a direct impact on the profitability and liquidity of the Company which makes it an important item for key stakeholders. Considering its impact on multiple line items on the financial statements, its sensitivity and importance to key stakeholders, we believe this area possesses high level of risk.</p> <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"> • Obtained the claim register and tested for completeness of claims recorded in the register on a sample basis. • Obtained a sample of claimed policy copy and cross check it with claim. • Obtained a sample of survey reports <p>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.</p> <ul style="list-style-type: none"> • Obtained and discussed with management about their basis for estimation and challenged their assumptions where appropriate. • Reviewed the claim committee meeting minutes about decision about impending claims. • Tested a sample of claims payments with intimation letter, survey report, bank statement, claim payment register and general ledger. • 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.
<p>Details of Estimated Liability have been included in Note 09 to the Financial Statements.</p>	





Risk	Our response to the risk
Investment Fluctuation Reserve	
<p>Insurance company makes a number of investments in the listed shares in stock exchange with required regulatory permission. Income generated from the investments dividend received is amount of Taka 2,113,084 and realized gain amount of Taka 128,762,629 is credited to the Profit or Loss Account. Provision for Taka 3,516,298 has been made on Account Investment Fluctuation Fund.</p> <p>This item has significant impact on net asset value of the company and equity balances might be prone to misreporting as large unreported fall in the value of any holding may wipe out the value of the portfolio and hamper the distribution capability of the company.</p>	<p>We tested the design and operating effectiveness of key controls around monitoring, valuation and updating of prices of the positions held by the company from trusted sources. Additionally, we performed the following:</p> <ul style="list-style-type: none"> • Obtained year-end share holding positions from the company and through directional testing assessed the completeness of the report. • Reviewed and challenged the assumptions used for the valuation models for any unquoted securities. • Recalculated unrealized gain or loss at the year end. • Carried out cut-off testing to ensure unrealized gain or loss was recognized in correct period. • Obtained the share portfolio and cross checked against each share transactions. • Finally assessed the appropriateness and presentation of disclosures as per IFRS 13, Insurance Act 1938 (as amended in 2010), Insurance Rules, 1958 and other applicable rules and regulations and regulatory guidelines.
<p>Details of Investment Fluctuation Reserve have been included in Note 05 to the Financial Statements.</p>	

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 and Statement of Profit or Loss & Other Comprehensive Income, Profit or 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: March 14, 2021.

AMK Lohani, FCA
Senior Partner
Enrolment No-575

ARTISAN
Chartered Accountants
DVC: 2103140575AS629197

Paramount Insurance Company Limited

Statement of Financial Position

As at December 31, 2020

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Shareholders' Equity & Liabilities			
Share Capital			
Authorized Capital			
60,000,000 Ordinary Shares of Tk. 10/- each.		600,000,000	600,000,000
Issued, subscribed & paid-up capital	03.00	338,874,720	332,230,120
33,887,472 Ordinary Shares of Tk. 10/- each.			
Reserve for Contingency Account		563,275,892	392,890,390
Reserve for Exceptional Losses	04.00	139,797,868	119,838,715
Investment Fluctuation Reserve	05.00	3,516,298	(2,183,308)
General Reserve Fund	06.00	500,000	500,000
Revaluation Reserve (Surplus)	07.00	260,496,653	260,496,653
Profit or Loss Appropriation Account		158,965,074	14,238,331
Shareholders' Equity		902,150,613	725,120,511
Balance of Fund and Accounts		79,868,426	75,741,966
Fire Insurance Revenue Account		33,858,461	33,422,677
Marine Insurance Revenue Account		26,986,639	19,905,314
Motor Insurance Revenue Account		17,183,869	19,233,074
Misc. Insurance Revenue Account		1,839,458	3,180,901
Liabilities & Provisions		320,008,501	259,099,873
Premium Deposit	08.00	36,871,126	23,400,556
Estimated Liabilities in respect of outstanding claims whether due or intimated	09.00	21,465,845	22,936,125
Amount due to other persons or bodies carrying on insurance business	10.00	122,279,427	109,396,550
Reserve for Gratuity	11.00	1,527,719	2,585,051
Sundry Creditors	12.00	19,846,576	16,593,588
Income Tax Provision	13.00	100,795,755	81,847,834
Deferred Tax Liability	14.00	17,222,053	2,340,169
Total Shareholders' Equity & Liabilities		1,302,027,540	1,059,962,351
Net Assets Value (NAV) Per Share	32.00	26.62	21.40

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.



Sajjad Yahya
Managing Director & CEO

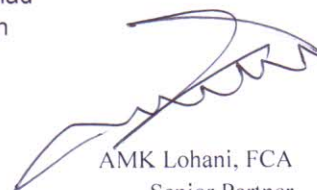


Anita Das
Director

Anita Haque
Director

Nawaz Ahmad
Chairman

Signed as per our separate report of same date.



AMK Lohani, FCA
Senior Partner
Enrollment No: 575

ARTISAN

Chartered Accountants

DVC: 2103140575AS629197

Place: Dhaka

Dated: March 14, 2021.

Paramount Insurance Company Limited

Statement of Financial Position

As at December 31, 2020


Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Property & Assets			
Non-Current Assets		558,622,858	434,094,805
Property, Plant & Equipment	15.00	343,486,924	343,919,235
Asset Under Construction	16.00	20,130,310	17,638,750
Investment		195,005,624	72,536,820
Bangladesh Government Treasury Bond (BGTB)	17.00	25,000,000	25,000,000
Investment in Shares & Securities	18.00	170,005,624	47,536,820
Current Assets		743,404,682	625,867,546
Interest Accrued But Not Due	19.00	14,246,320	14,130,793
Insurance Stamps in Hand		308,737	45,577
Stock of Printing and Stationery		1,369,013	667,238
Premium Control Account	20.00	5,782,896	495,723
Advance, Deposits & Prepayments	21.00	131,724,977	155,785,718
Amount due from other persons or bodies carrying on insurance business	22.00	106,289,779	94,073,714
Cash and Cash Equivalents		483,682,959	360,668,783
Cash at Bank	23.00	75,363,350	7,968,199
Cash in Hand	24.00	269,609	150,583
Fixed Deposit	25.00	408,050,000	352,550,000
Total Property & Assets		1,302,027,540	1,059,962,351

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.

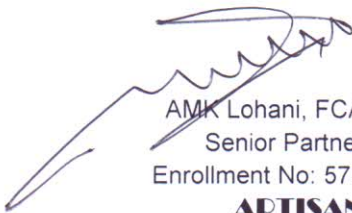

Sajjad Yahya
Managing Director & CEO


Anita Das
Director


Anita Haque
Director


Nawaz Ahmad
Chairman

Signed as per our separate report of same date.


AMK Lohani, FCA
Senior Partner
Enrollment No: 575
ARTISAN
Chartered Accountants
DVC: 2103140575AS629197

Place: Dhaka
Dated: March 14, 2021.

Paramount Insurance Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2020

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Expenses of Management		6,904,736	6,592,752
(Not applicable to any fund or account)			
Advertisement & Publicity		846,365	916,886
Legal & Professional Fees		537,500	531,500
Audit Fees		197,500	181,750
Depreciation		4,200,983	4,326,657
Subscription & Donation		471,790	175,000
Gratuity Expenses		200,000	200,000
Registration & Renewal		450,598	260,959
Profit Before Tax		246,250,083	52,442,316
Income Tax Expenses		63,961,470	13,695,885
Current Tax	26.00	49,079,586	11,841,585
Deferred Tax	27.00	14,881,884	1,854,300
Profit/ (Loss) after tax during this year (Transferred to Profit or Loss Appropriation Account)		182,288,613	38,746,431
Total		253,154,819	59,035,068

Profit or Loss Appropriation Account

For the year ended December 31, 2020

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Reserve for Exceptional Losses	28.00	19,959,153	15,125,690
Income Tax (Arrear)		4,313,515	-
Dividend Paid (2019)		13,289,202	15,820,480
Balance at the end of the year as transferred to Statement of Financial Position	29.00	158,965,074	14,238,331
Total		196,526,944	45,184,500


Other Comprehensive Income


For the year ended December 31, 2020


Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Earning per Share (EPS)	33.00	5.38	1.14

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.

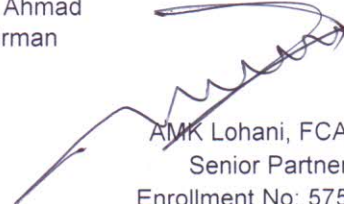

Sajjad Yahya
Managing Director & CEO


Anita Das
Director


Anita Haque
Director


Nawaz Ahmad
Chairman

Signed as per our separate report of same date.


AMK Lohani, FCA
Senior Partner
Enrollment No: 575

Place: Dhaka
Dated: March 14, 2021.

Paramount Insurance Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2020

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Interest Received & Accrued	30.00	28,668,610	24,002,441
Profit/(Loss) Transferred from		93,097,283	26,991,215
Fire Revenue Account		34,719,474	888,526
Marine Revenue Account		37,580,036	13,376,443
Motor Revenue Account		16,460,317	6,321,244
Miscellaneous Revenue Account		4,337,457	6,405,002
Non Operating Income:		131,388,926	8,041,412
Other Income		243,596	-
Profit /(Loss) on Investment in Shares		128,762,629	7,337,310
Profit on Sale of Car		269,617	123,428
Dividend Income		2,113,084	580,674
Total		253,154,819	59,035,068

Profit or Loss Appropriation Account
For the year ended December 31, 2020

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Balance Brought Forward From Last Year		14,238,331	6,438,070
Net Profit for the Year Transferred from Statement of Profit or Loss and Other Comprehensive Income		182,288,613	38,746,431
Total		196,526,944	45,184,500

Other Comprehensive Income
For the year ended December 31, 2020


Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Profit After Tax		182,288,613	38,746,431
Other Comprehensive Income		5,699,606	258,313,345
Unrealized Profit/(Loss) on Share	31.00	5,699,606	(2,183,308)
Revaluation Reserve (Surplus)	7.00	-	260,496,653
Total Comprehensive Income		187,988,220	297,059,775

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.


Sajjad Yahya
Managing Director & CEO


Anita Das
Director


Anita Haque
Director


Nawaz Ahmad
Chairman

Signed as per our separate report of same date.


AMK Lohani, FCA
Senior Partner
Enrollment No: 575
ARTISAN
Chartered Accountants
DVC: 2103140575AS629197

Paramount Insurance Company Limited
Consolidated Revenue Account
For the year ended December 31, 2020

Particulars	Amount in Taka						Taka
	31-Dec-2020						31-Dec-2019
	Fire	Marine Cargo	Marine Hull	Motor	Misc.	Total	
Balance of Account at the Beginning of the Year :							
Reserve for Unexpired Risks	33,422,677	19,678,282	227,032	19,233,074	3,180,901	75,741,966	57,061,952
Premium Less Re-Insurance	84,646,153	67,334,041	53,022	42,959,671	4,598,643	199,591,531	151,256,902
Commission on Reinsurance Ceded	28,127,736	6,676,504	161,580	770,752	3,463,239	39,199,811	24,837,033
Service Charge	2,009	5,491	-	-	-	7,500	100
	146,198,575	93,694,318	441,634	62,963,497	11,242,783	314,540,808	233,155,986
Claims Under Policies Less Reinsurance	4,060,887	(2,853,281)	454,746	13,404,404	438,850	15,505,607	22,404,288
Paid during the year	8,259,431	(3,527,046)	454,746	11,549,905	238,850	16,975,887	15,285,408
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	11,612,056	2,952,133	-	6,701,656	200,000	21,465,845	22,936,125
Less: Outstanding at the end of previous year	19,871,487	(574,913)	454,746	18,251,561	438,850	38,441,732	38,221,533
	15,810,600	2,278,368	-	4,847,157	-	22,936,125	15,817,245
Agency Commission	15,916,573	10,141,669	-	4,127,572	743,167	30,928,981	33,712,283
Expenses of Management	57,243,006	21,542,355	226,679	11,656,215	3,583,936	94,252,191	73,451,664
Insurance Stamp	148,591	-	-	131,120	13,672	293,383	296,079
Service Charge	251,583	57,109	-	-	52,736	361,428	490,250
Commission on R/I Acceptance	-	-	-	-	233,508	233,508	68,241
Reserve for unexpired risks being 40% of Fire, Marine Cargo & Miscellaneous and 100% of Marine Hull of the net premium income for the year	33,858,461	26,933,617	53,022	17,183,869	1,839,458	79,868,426	75,741,966
Profit/(Loss) Transferred to Profit or Loss and other Comprehensive Income	34,719,474	37,872,849	(292,813)	16,460,317	4,337,457	93,097,283	26,991,215
	146,198,575	93,694,318	441,634	62,963,497	11,242,783	314,540,808	233,155,986

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.



Sajjad Yahya
Managing Director & CEO



Anita Das
Director



Anita Haque
Director



Nawaz Ahmad
Chairman

Signed as per our separate report of same date.



AMK Lohani, FCA
Senior Partner
Enrollment No: 575

ARTISAN

Chartered Accountants

DVC: 2103140575AS629197

Place: Dhaka

Dated: March 14, 2021.


Paramount Insurance Company Limited

Fire Insurance Revenue Account For the year ended December 31, 2020


Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019	Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Claims Under Policies Less Reinsurance	4,060,887	4,820,474	Balance of Account at the Beginning of the Year	33,422,677	19,251,484
Paid during the year	8,259,431	2,680,890			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	11,612,056	15,810,600	Premium Less Reinsurance	84,646,153	66,845,354
	19,871,487	18,491,490	Commission on Reinsurance Ceded	28,127,736	11,449,877
Less: Outstanding at the end of previous year	15,810,600	13,671,016			
Agency Commission	15,916,573	18,351,570			
Expenses of Management	57,243,006	39,610,410	Service Charge	2,009	-
Service Charge	251,583	331,828			
Insurance Stamp	148,591	121,229			
Reserve for unexpired risks being 40% of the net premium income of the year	33,858,461	33,422,677			
Profit/(Loss) Transferred to Statement of Profit or Loss and Other Comprehensive Income	34,719,474	888,526			
Total	146,198,575	97,546,715	Total	146,198,575	97,546,715

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.


Sajjad Yahya
Managing Director & CEO


Anita Das
Director


Anita Haque
Director


Nawaz Ahmad
Chairman


AMK Lohani, FCA
Senior Partner
Enrollment No: 575

ARTISAN
Chartered Accountants
DVC: 2103140575AS629197

Signed as per our separate report of same date.

Place: Dhaka
Dated: March 14, 2021.

Paramount Insurance Company Limited

Marine Insurance Revenue Account

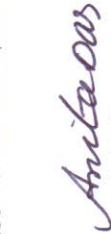
For the year ended December 31, 2020

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019	Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Claims Under Policies Less Reinsurance	(2,398,534)	6,696,013	Balance of Account at the Beginning of the Year	19,905,314	18,496,895
Paid during the year	(3,072,299)	4,517,645			
claims at the end of the year whether due or intimated	2,952,133	2,278,368	Premium Less Reinsurance	67,387,064	39,583,596
	(120,166)	6,796,013	Commission on Reinsurance Ceded	6,838,084	6,746,822
Less: Outstanding at the end of previous year	2,278,368	100,000	Service charge	5,491	100
Agency Commission	10,141,669	8,517,582			
Expenses of management	21,769,034	16,194,237			
Service Charge	57,109	137,824			
Reserve for unexpired risks being 40% of Marine Cargo and 100% of Marine Hull of net premium income of the year	26,986,639	19,905,314			
Profit/(Loss) Transferred to Statement of Profit or Loss and Other Comprehensive Income	37,580,036	13,376,443			
Total	94,135,953	64,827,413	Total	94,135,953	64,827,413

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.



Sajjad Yahya
Managing Director & CEO



Anita Das
Director



Anita Haque
Director



Nawaz Ahmad
Chairman



AMK Lohani, FCA
Senior Partner
Enrollment No: 575

ARTISAN

Chartered Accountants
DVC: 2103140575AS629197

Signed as per our separate report of same date.

Place: Dhaka
Dated: March 14, 2021.


Paramount Insurance Company Limited

Motor Insurance Revenue Account

For the year ended December 31, 2020

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019	Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Claims Under Policies Less Reinsurance	13,404,404	10,704,413	Balance of Account at the Beginning of the Year	19,233,074	14,791,724
Paid during the year	11,549,905	7,876,818			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	6,701,656	4,847,157	Premium Less Reinsurance	42,959,671	38,466,149
	18,251,561	12,723,975	Commission on Reinsurance Ceded	770,752	351,467
Less: Outstanding at the end of previous year	4,847,157	2,019,562			
Agency Commission	4,127,572	5,359,751			
Expenses of management	11,656,215	11,865,199			
Insurance Stamp	131,120	125,658			
Reserve for unexpired risks being 40% of the net premium income of the year	17,183,869	19,233,074			
Profit/(Loss) Transferred to Statement of Profit or Loss and Other Comprehensive Income	16,460,317	6,321,244			
Total	62,963,497	53,609,339	Total	62,963,497	53,609,339

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.


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Anita Das
Director


Anita Haque
Director


Nawaz Ahmad
Chairman


AMK Lohani, FCA
Senior Partner
Enrollment No: 575

ARTISAN
Chartered Accountants
DVC: 2103140575AS629197

Signed as per our separate report of same date.

Place: Dhaka
Dated: March 14, 2021.

Paramount Insurance Company Limited


Miscellaneous Insurance Revenue Account

For the year ended December 31, 2020


Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019	Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Claims Under Policies Less Reinsurance	438,850	183,388	Balance of Account at the Beginning of the Year	3,180,901	4,521,849
Paid during the year	238,850	210,055			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	200,000	-	Premium Less Reinsurance	4,598,643	6,361,803
	438,850	210,055	Commission on Reinsurance Ceded	3,463,239	6,288,867
Less: Outstanding at the end of previous year	-	26,667			
Agency Commission	743,167	1,483,380			
Expenses of management	3,583,936	5,781,817			
Service Charge	52,736	20,598			
Insurance Stamp	13,672	49,191			
Commission on R/I Acceptance	233,508	68,241			
Reserve for unexpired risks being 40% of the net premium income of the year	1,839,458	3,180,901			
Profit/(Loss) Transferred to Statement of Profit or Loss and Other Comprehensive Income	4,337,457	6,405,002			
Total	11,242,783	17,172,519	Total	11,242,783	17,172,519

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.


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AMK Lohani, FCA
Senior Partner
Enrollment No: 575

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APTISAN
Chartered Accountants
DVC: 2103140575AS629197

Place: Dhaka
Dated: March 14, 2021.

Paramount Insurance Company Limited

Statement of Changes In Shareholders' Equity

For the year ended December 31, 2020

Particulars	Share Capital (Notes-36)	Reserve for Exceptional Loss	Investment Fluctuation Reserve	General Reserve	Revaluation Reserve (Surplus)	Profit or Loss Appropriation Account	Total
Opening Balance as on 01-Jan-2020	332,230,120	119,838,715	(2,183,308)	500,000	260,496,653	14,238,331	725,120,511
Provision for Arrear Income Tax	-	-	-	-	-	(4,313,515)	(4,313,515)
Profit after tax during the year	-	-	-	-	-	182,288,613	182,288,613
Stock Dividend Paid (2019)	6,644,600	-	-	-	-	(6,644,600)	-
Cash Dividend Paid (2019)	-	-	-	-	-	(6,644,602)	(6,644,602)
Current Period Result	-	19,959,153	5,699,606	-	-	(19,959,153)	5,699,606
Closing Balance as on 31-Dec-2020	338,874,720	139,797,868	3,516,298	500,000	260,496,653	158,965,074	902,150,613

Statement of Changes In Shareholders' Equity


For the year ended December 31, 2019


Particulars	Share Capital (Notes-36)	Reserve for Exceptional Loss	Investment Fluctuation Reserve	General Reserve	Revaluation Reserve (Surplus)	Profit or Loss Appropriation Account	Total
Opening Balance as on 01-Jan-2019	316,409,640	104,713,025	5,087,660	500,000	-	6,438,071	433,148,396
Profit 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
Closing Balance as on 31-Dec-2019	332,230,120	119,838,715	(2,183,308)	500,000	260,496,653	14,238,331	725,120,511

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.


Sajjad Yahya
Managing Director & CEO


Anita Haque
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Anita Das
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AMK Lohani, FCA
Senior Partner
Enrollment No: 575

Signed as per our separate report of same date.


ARTISAN
Chartered Accountants
DVC: 2103140575AS629197

Place: Dhaka
Dated: March 14, 2021.

Paramount Insurance Company Limited
Statement of Cash Flows
For the year ended December 31, 2020


SL No.	Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
01.00	<u>Cash Flows From Operating Activities</u>			
	Collection from Premium & Other Income		453,349,392	295,694,848
	Payment for Management Expenses, Commission, Claim, Re-Insurance and Others		(341,722,095)	(265,694,818)
	Income Tax Paid and Deducted at sources		(18,637,500)	(13,062,599)
	Net Cash Flows From Operating Activities	35.00	92,989,797	16,937,431
02.00	<u>Cash Flows From Investing Activities</u>			
	Purchase of Non-Current Assets		(4,789,055)	(3,147,796.00)
	Disposal of Non-Current Assets		1,020,383	1,132,072.00
	Payment against Asset under construction		(2,491,560)	(17,638,750.00)
	Increase/(Decrease) investment in share		(116,769,198)	(25,220,734)
	Interest Received		28,553,083	23,256,738
	Profit on Sale of car		269,617	123,428.00
	Investment Income (Sale Of Share)		128,762,629	7,337,310.00
	Dividend Received		2,113,084	580,674.00
	Net Cash Flows From Investing Activities		36,668,981	(13,577,058)
03.00	<u>Cash Flows from Financing Activities</u>			
	Cash Dividend Paid		(6,644,602)	-
	Net Cash Flows from Financing Activities		(6,644,602)	-
	Net Cash in Flows (Outflows) (1+2+3)		123,014,176	3,360,372
	Opening Cash and Cash Equivalents		360,668,783	357,308,411
	Closing Cash and Cash Equivalents		483,682,959	360,668,783
	Net Operating Cash Flow Per Share (NOCFPS)	34.00	2.74	0.50

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.



Sajjad Yahya
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Signed as per our separate report of same date.


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Enrollment No: 575
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Chartered Accountants
DVC: 2103140575AS629197

Place: Dhaka
Dated: March 14, 2021.


Paramount Insurance Company Limited

FORM-AA

Classified Summary of Assets as at December 31, 2020


Class of Assets	Book Value	Remarks
Non Current Assets	363,617,234	
Fixed Assets (at cost less depreciation)	343,486,924	Depreciated Value
Asset under construction	20,130,310	Book Value
Investment	195,005,624	
Bangladesh Government Treasury 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	170,005,624	Fair Value
Current Assets	743,404,682	
Amount due from other persons or bodies carrying on insurance business	106,289,779	Book Value
Cash and Cash Equivalents	75,632,959	Realizable Value
Fixed Deposit Receipt (FDR)	408,050,000	Realizable Value
Interest accrued but not due	14,246,320	Realizable Value
Advance, Deposits & Prepayments	131,724,977	Book Value
Premium Control Account	5,782,896	Book Value
Stock of Printing and Stationery	1,369,013	At cost
Stamp in Hand	308,737	At Actual
Total Property & Assets	1,302,027,540	

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.


Sajjad Yahya
Managing Director & CEO


Anita Das
Director


Anita Haque
Director


Nawaz Ahmad
Chairman

Signed as per our separate report of same date.

Place: Dhaka
Dated: March 14, 2021.


AMK Lohani, FCA
Senior Partner
Enrollment No: 575
ARTISAN
Chartered Accountants
DVC: 2103140575AS629197

Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

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 Chattogram 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) & Chattogram 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 Bangladeshi taka which is the functional currency of the company. All figures are presented in Taka which 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 01 January, 2020 to 31 December, 2020.

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 December 31, 2020

2.08 Risk and Uncertainties

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

2.09 Comparative Information

Comparative information has been disclosed in respect to the year 2019 & 2020 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)

IAS Standards	IAS No	Status
Presentation of Financial Statements	01	Applied
Inventories	02	Applied
Statement of Cash flows	07	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	08	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant & Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants	20	N/A
The Effects of Changes in Foreign Exchange Rates	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 and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	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 Properties	40	N/A
Agriculture	41	N/A



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

IFRS Standards	IFRS No	Status
First- Time Adoption of International Financial Reporting Standards	01	N/A
Share-Based Payment	02	N/A
Business Combinations	03	N/A
Insurance Contracts	04	Applied
Non- Current Assets Held for Sale and Discontinued Operations	05	N/A
Exploration for and Evaluation of Mineral Resources	06	N/A
Financial Instrument: Disclosures	07	Applied
Operating Segments	08	Applied
Financial Instruments	09	Applied
Consolidated Financial Statement	10	N/A
Joint Arrangements	11	N/A
Disclosure of Interest in other Entities	12	N/A
Regulatory Deferral Accounts	14	N/A
Revenue from Contract with Customers	15	Applied
Leases	16	N/A

2.11 Recognition and measurement of Fixed Assets and Depreciation

Property, Plant and Equipment 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 equipment having different useful life which accounted for as separate items of property, plant and equipment.

The cost of replacing or upgrading part of an item of property, plant and equipment 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 equipment is recognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss of arising on de-recognition of an item of property, plant and equipment are included in the statement 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 equipment. Depreciation on other depreciable assets have been charged on diminishing balance method in compliance with IAS 16 "Property, plant and equipment" at the following rates:

Category of Assets	Rate of Depreciation
Motor Vehicles	20%
Furniture & Fixture	10%
Office Equipment's	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 December 31, 2020

2.12 Revaluation

Revaluation on land under the head of Property, Plant and Equipment is performed by BSEC approved professionally qualified valuer, M/S A B Saha & Co, chartered Accountants in the year of 2019. The valuer has revalued the property based on the fair value at the date of valuation and the carrying amount at Financial Position 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 2020 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 and 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 Benefit

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 in accordance with Bangladesh Labor Act 2006 (As amended in 2013) but provision is made as lump sum basis. A formal policy in this regard not yet adopted by the company but it was mandatory to make actual valuation as per IAS 19. The management of the company will adopted a policy soon in this regard;

c) WPPF: The Company does not provide WPPF. It is required to provide WPPF @5% of net profit before tax after charging such expense in accordance with Bangladesh Labor Act 2006 (As amended in 2013). Bangladesh Insurance Association (BIA) letter Ref: BIA-3(58)/2020-100, Dated: 19 March, 2020 & Bank and Financial Institution division letter Ref: 53.00.0000.311.22.002.17-130, Dated: 14 February, 2017, they requested Ministry of Finance and Ministry of Labor & Employment not to implement WPPF for Bank and All Financial Institution. Based on those letters, this issue is pending for all Financial Institution. However, WPPF is mandatory for all Financial Institution 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. 94,907,002 based on gross premium in the following ratio:



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

Class of business	Gross Premium	Percent (%) of Ratio	Management Expenses	Service Charge	Stamp Expenses	Total Expenses
Fire	221,041,701	60.70	57,243,006	251,583	148,591	57,643,180
Marine	98,149,549	23.02	21,769,034	57,109	-	21,826,143
Motor	45,161,802	12.47	11,656,215	-	131,120	11,787,335
Miscellaneous	29,361,676	3.81	3,583,936	52,736	13,672	3,650,344
Total	393,714,728	100	94,252,191	361,428	293,383	94,907,002

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 has settled (final settlement) and assessments year 2018-2019 is under Tribunal & assessment year 2019-2020 & 2020-2021 has settled (Final settlement).

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.

2.18 Reserves for Exceptional Loss

As per provision of the Insurance Act 2010 & 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. 1,99,59,153 reserves for the year 2020. The balance to the account of December 31, 2020 stands at Tk. 13,97,97,868.

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 40% 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 December 31, 2020

2.20 Related Party Transactions

During the Year 2020 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, 2020 have been stated below:

SL NO.	Name of Related Parties	Nature of Transaction	Relationship	Transaction Amount	Claim Paid (Taka)
1	M/S. Paramount Textile Ltd.	Insurance Premium	Common Director/Sponsor	37,277,327	200,000
2	M/S. Paramount B-Track Energy Ltd.	Insurance Premium	Common Director/Sponsor	25,527,208	-
3	M/S. Paramount Agro Ltd.	Insurance Premium	Common Director/Sponsor	15,569	-
4	M/S. Foodex International	Insurance Premium	Common Director/Sponsor	330,448	-
Total				63,150,552	200,000

2.21 Key Management Personnel Compensation

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

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

* As per management decision, the following amount has been paid for the period ended from 1st January to 31st December, 2020.

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 (1st January to 31st May)	CEO & MD	7,50,000	1,05,000	N/A	N/A	N/A	N/A
Md. Sajjad Yahyaa (1st June to 31st December)	CEO & MD	16,97,500	203,750	N/A	N/A	N/A	N/A
Mr. Mohammad Arif Hossain	Chief Financial Officer	12,00,000	1,00,000	10% of Basic Salary	N/A	N/A	N/A
Mrs. Zharna Parul	Company Secretary	9,58,200	79,850	10% of Basic Salary	N/A	N/A	N/A



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

2.22 Contingent Liabilities

Sl.	Submission Year	Assessment Year	Reference Number	VAT/ Tax Amount	Remarks
1	2005	VAT	666/2005	2,343,287	Writ petition Against VAT
2	2006	2004-2005	397/2006	10,408,652	Income Tax Reference Case
3	2015	2012-2013	423/2015	6,928,241	Income Tax Reference Case
4	2016	2013-2014	31/2016	3,170,454	Income Tax Reference Case
5	2017	2014-2015	103/2017	3,296,033	Income Tax Reference Case
6	2018	2015-2016	1585/2018	3,681,906	Income Tax Reference Case
7	2019	2016-2017	431/2019	8,296,599	Income Tax Reference Case
Total Amount				38,125,172	

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
- ✓ Statement of Profit or Loss and Other Comprehensive Income
- ✓ Statement of Profit or 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 December 31, 2020

3.00 Share Capital

Tk. 338,874,720

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
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Issued Subscribed and Paid up Capital	3.02	338,874,720	332,230,120
33,887,472 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. 338,874,720

This represents the sum against 33,887,472 ordinary shares of Tk. 10 each, the relevant particulars whereof are as under:

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance	332,230,120	316,409,640
Add: Stock Dividend 2% (2019)	6,644,600	15,820,480
Closing Balance	<u>338,874,720</u>	<u>332,230,120</u>

Composition Of Share Holding

Shareholding Structure	31-Dec-2020				31-Dec-2019	
Sponsors	03.02 (a)	14,370,680	42.41%	14,088,905	42.41%	
Public	03.02 (b)	19,516,792	57.59%	19,134,107	57.59%	
Total		<u>33,887,472</u>	<u>100%</u>	<u>33,223,012</u>	<u>100%</u>	

3.02(a) Shareholders (Sponsors)

Class of Interval	31-Dec-2020				31-Dec-2019	
	No. of Shares	No. of Share	% of 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	2,623,052	4	18.25%	7.74%	2,571,621	7.74%
1000,001-1500,000	1,129,578	1	7.86%	3.33%	1,107,430	3.33%
1500,001-2,000,000	1,581,410	1	11.00%	4.67%	1,550,402	4.67%
2,000,001-2,500,000	9,036,640	4	62.88%	26.67%	8,859,452	26.67%
Total	<u>14,370,680</u>	<u>10</u>	<u>100%</u>	<u>42.41%</u>	<u>14,088,905</u>	<u>42.41%</u>



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

3.02 Public (b)	No. of Shares	% of Total Holdings
Financial & Other Institutions (including ICB)	4,796,449	24.58%
General Public	14,720,343	75.42%
Total	19,516,792	100%

3.02 Shareholders (Public)

Class Interval	31-Dec-2020				31-Dec-2019	
	No. of Shares	No. of Share	% of Total Holdings	% of Total Paid up	Total Paid up Capital	% of Total Paid up Capital
01-500	133,751	1108	0.69%	0.39%	135,145	0.41%
501-5000	1,223,763	785	6.27%	3.61%	1,751,920	5.27%
5001-10000	739,959	102	3.79%	2.18%	1,104,779	3.33%
10001-15000	498,735	40	2.56%	1.47%	686,148	2.07%
15001-20000	304,215	17	1.56%	0.90%	694,940	2.09%
20001-25000	314,120	14	1.61%	0.93%	459,793	1.38%
25001-30000	541,503	19	2.77%	1.60%	541,390	1.63%
30001-40000	622,037	18	3.19%	1.84%	701,682	2.11%
40001-50000	369,045	8	1.89%	1.09%	818,470	2.46%
50001-60000	278,260	5	1.43%	0.82%	514,383	1.55%
60001-70000	328,462	5	1.68%	0.97%	457,646	1.38%
70001-80000	448,621	6	2.30%	1.32%	535,085	1.61%
80001-90000	164,854	2	0.84%	0.49%	515,919	1.55%
90001-100000	768,362	8	3.94%	2.27%	100,000	0.30%
100001-120000	765,563	7	3.92%	2.26%	335,643	1.01%
120001-200000	947,152	6	4.85%	2.79%	2,124,439	6.39%
200001-400000	2,980,930	11	15.27%	8.80%	1,938,321	5.83%
400001-800000	5,275,014	9	27.03%	15.57%	4,723,381	14.22%
800001-4000000	2,812,446	3	14.41%	8.30%	995,024	2.99%
Total:	19,516,792	2173	100%	57.59%	19,134,107	57.59%

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. 139,797,868

This represents the sum of reserve created in each year, at currently the reserve is kept 10% of respective yearly Net Premium Income as per provision of the Insurance Act 2010 & Income Tax Ordinance 1984, Paragraph 6 (2) of the 4th schedule. The movement of the sum is as under:

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance		119,838,715	104,713,025
Add: Provision made during the year	4.01	19,959,153	15,125,690
Closing Balance		139,797,868	119,838,715



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

4.01 Calculation for current year provision Tk. 19,959,153

Reserve for Exceptional Losses on Net Premium	Net Premium	Rate of Reserve (%)	At 10 % of Net Premium
	Amount in Taka 31-Dec-2020		Amount in Taka 31-Dec-2020
Fire Insurance Business	84,646,153	10%	8,464,615
Marin Insurance Business	67,387,064	10%	6,738,706
Motor Insurance Business	42,959,671	10%	4,295,967
Miscellaneous Insurance Business	4,598,643	10%	459,864
Total	199,591,531		19,959,153

5.00 Investment Fluctuation Reserve Tk. 3,516,298

The makeup of this sum is as follows:

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Fair (Market) Value of share as on 31-Dec-2020		170,005,624	47,536,820
Less: Cost Price of Share as on 31-Dec-2020		166,489,326	49,720,128
Total		3,516,298	(2,183,308)

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 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance		500,000	500,000
Add: Reserve made during the year		-	-
Closing Balance		500,000	500,000

7.00 Revaluation Reserve (Surplus) Tk. 260,496,653

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

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance		260,496,653	-
Add: Reserve made during the year		-	260,496,653
Closing Balance		260,496,653	260,496,653



Paramount Insurance Company Limited

Notes to the Financial Statements As at and for the year ended December 31, 2020

8.00 Premium Deposit Tk. 36,871,126

The amount represents the adjusted balance of premium received against Marine Cargo Cover Notes for which policies have not been issued within December 31, 2020. The makeup of the sum is as follows:

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance	23,400,556	9,630,367
Add: Premium underwritten	345,709,508	229,294,078
	369,110,064	238,924,445
Less: Refund & Cancelled	980,828	562,890
	368,129,236	238,361,555
Less: Converted into Policy	331,258,110	214,960,999
Closing Balance	36,871,126	23,400,556

9.00 Estimated Liabilities in respect of outstanding claims whether due or intimated Tk. 21,465,845

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

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Fire Insurance Account	11,612,056	15,810,600
Marine Insurance Account	2,952,133	2,278,368
Motor Insurance Account	6,701,656	4,847,157
Miscellaneous Insurance Account	200,000	-
Total	21,465,845	22,936,125

10.00 Amount due to other persons or bodies carrying on Insurance Business Tk. 122,279,427

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

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance	109,396,550	111,223,598
Add: Ceded Premium on Business (Net) SBC	50,946,360	18,779,218
Add: Ceded Premium on Business (Net) UIBS	9,123,909	4,912,151
	169,466,819	134,914,967
Less: Paid to SBC during the year	38,063,484	20,606,266
Less: NASCO France Insurance Broking Services PVT.Ltd during the year	9,123,909	4,912,151
Closing Balance	122,279,427	109,396,550



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

8.00 Premium Deposit

Tk. 36,871,126

The amount represents the adjusted balance of premium received against Marine Cargo Cover Notes for which policies have not been issued within December 31, 2020. The makeup of the sum is as follows:

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance	23,400,556	9,630,367
Add: Premium underwritten	345,709,508	229,294,078
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Less: Refund & Cancelled	980,828	562,890
	368,129,236	238,361,555
Less: Converted into Policy	331,258,110	214,960,999
Closing Balance	36,871,126	23,400,556

9.00 Estimated Liabilities in respect of outstanding claims whether due or intimated

Tk. 21,465,845

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

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Fire Insurance Account	11,612,056	15,810,600
Marine Insurance Account	2,952,133	2,278,368
Motor Insurance Account	6,701,656	4,847,157
Miscellaneous Insurance Account	200,000	-
Total	21,465,845	22,936,125

10.00 Amount due to other persons or bodies carrying on Insurance Business

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Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance	109,396,550	111,223,598
Add: Ceded Premium on Business (Net) SBC	50,946,360	18,779,218
Add: Ceded Premium on Business (Net) UIBS	9,123,909	4,912,151
	169,466,819	134,914,967
Less: Paid to SBC during the year	38,063,484	20,606,266
Less: NASCO France Insurance Broking Services PVT.Ltd during the year	9,123,909	4,912,151
Closing Balance	122,279,427	109,396,550



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

11.00 Reserve for Gratuity Tk. 1,527,719

This represents the aggregate sum of reserve, made Tk 200,000 as lump sum amount for this year 2020 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 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance	2,585,051	2,790,318
Add: Addition for this year	200,000	200,000
	2,785,051	2,990,318
Less: Adjustment (Paid during this year)	1,257,332	405,267
Closing Balance	1,527,719	2,585,051

Details in note no 2.14 (c).

12.00 Sundry Creditors Tk. 19,846,576

The makeup of this sum is as follows:

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Stamp Duty		7,121,158	4,088,190
VAT Collected on Premium		(19,074)	(14,001)
Bills Payable	12.01	12,639,269	12,454,034
AIT Agency Commission		105,223	54,563
Vat Deducted on Others		-	10,802
Total		19,846,576	16,593,588

12.01 Bills Payable Tk. 12,639,269

The makeup of this sum is as follows:

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Salaries & Allowances	5,256,650	4,861,440
VAT on Premium	1,652,522	1,712,084
Insurance Stamp	-	816,790
Audit Fee (Including special audit from 2008 to 2016)	720,000	728,750
TDS on Audit Fee	15,000	-
VDS on Audit Fee	22,500	-
Provident Fund Deducted From Salary	44,804	46,155
Refundable Premium & Stamp	145,260	279,134
Telephone Bill	-	15,917
Office Rent	5,035	-
Electric Bill	-	41,231
Gas Bill	-	11,829
Agency Commission	4,777,498	3,940,704
Total	12,639,269	12,454,034



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

13.00 Income Tax Provision

Tk. 100,795,755

The movement of the sum is as under:

Particulars			Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance			81,847,834	70,006,250
Less: Adjustment during this year	Accounting Year	Amount in Taka		
	2,016	15,665,007		
	2,018	2,625,073		
	2,019	11,841,585	30,131,665	-
			51,716,169	70,006,250
Add: Provision for this year			49,079,586	11,841,584
Closing Balance			100,795,755	81,847,834

The details of the sum are as under:

Accounting Year	Tax Assessment Year	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
2014	2015-2016	17,675,645	17,675,645
2015	2016-2017	18,422,229	18,422,229
2016	2017-2018	-	15,665,007
2017	2018-2019	15,618,296	15,618,296
2018	2019-2020	-	2,625,073
2019	2020-2021	-	11,841,585
2020	2021-2022	26.00	-
Total		100,795,755	81,847,834

The details hereof are stated in Note-26

14.00 Deferred Tax Liability

Tk. 17,222,053

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Accounting base written down Value	18,986,924	19,419,235
Tax base written down Value	9,149,874	12,550,415
Taxable temporary difference	9,837,050	6,868,820
Provident fund payable	44,804	46,155
Deductible temporary difference	44,804	46,155
Total taxable/(deductible) temporary difference	9,792,246	6,822,665
Tax Rate	37.50%	37.50%
Deferred tax liabilities/(assets)excluding investment fluctuation reserve & Revaluation Surplus on land current period(A):	3,672,092	2,558,499
Investment Fluctuation Reserve	5,699,606	(2,183,308)
Tax Rate	10%	10%
Deferred tax liabilities/(assets) on Investment fluctuation reserve during this Year(B) :	569,961	(218,331)
Land and Land Development	324,500,000	-
Tax Rate	4.00%	-
Deferred tax liabilities/(assets) of Revaluation Surplus on Land and Land Developmentduring this Year(C) :	12,980,000	-
Deferred tax liabilities/(assets) as on current year (A+B+C):	17,222,053	2,340,169



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

15.00 Property, Plant & Equipment Tk. **343,486,924**

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

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Cost	377,065,136	374,668,361
Less: Accumulated depreciation	(33,578,212)	(30,749,126)
Written Down Value	343,486,924	343,919,235

The details hereof are stated in Annexure-1

16.00 Asset Under Construction Tk. **20,130,310**

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

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance	17,638,750	-
Add: Addition during the Year	2,491,560	17,638,750
Closing Balance	20,130,310	17,638,750

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 are already started construction work.

17.00 Bangladesh Government Treasury Bond Tk. **25,000,000**

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

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
7.09% 5 years BGTB (Purchased in 2017, Issued '2016)	9,000,000	9,000,000
5.82% 5 years BGTB (Purchased in 2018, Issued '2016)	5,700,000	5,700,000
7.6% 10 years BGTB (Purchased in 2018, Issued '2016)	10,300,000	10,300,000
Total	25,000,000	25,000,000

18.00 Investment in Shares & Securities Tk. **170,005,624**

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, 2020.

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Investment in listed companies	170,005,624	47,536,820
Total	170,005,624	47,536,820

The details hereof are stated in Annexure-2



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

19.00 Interest Accrued but not due Tk. 14,246,320

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 31-Dec-2020	Amount in Taka 31-Dec-2019
Bangladesh Govt. Treasury Bond (BGTB)	759,339	764,583
Fixed Deposit Receipt (FDR)	13,486,981	13,366,210
Total	14,246,320	14,130,793

20.00 Premium Control Account Tk. 5,782,896

The make-up of the sum is as follows:

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Fire	-	-
Marine Cargo	5,782,896	495,723
Motor	-	-
Miscellaneous	-	-
Total	5,782,896	495,723

Cover note has been issued against Bank Guarantee which has been adjusted within the following month.

21.00 Advance, Deposits & Prepayments Tk. 131,724,977

The balance is make up of as under:

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Advance against Office Rent	826,300	601,972
Advance against Salary	2,284,500	3,125,500
Security Deposits	1,111,320	1,111,320
LRK/EBL Securities Ltd.	-	2,108,194
IDLC Securities Ltd.	13,190,111	229,040
UCB Capital Management	17,860	26,826
Quayum Securities Ltd.	11,915,784	-
City Bank Capital Resource	2,259,841	-
Advance Website Design & Development	50,000	50,000
Rates & Taxes Advance	10,830,356	21,660,712
Advance against Insurance Claim	1,500,000	21,500,000
Bill Receivable (Premium)	-	1,825,570
Advance against Income Tax	87,738,905	103,546,584
Total	131,724,977	155,785,718



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

21.01 Advance against Income Tax Tk. 87,738,905

Accounting Year	Tax Assessment Year	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance		103,546,584	90,483,985
2015	2016-17	-	2,004,782
2016	2017-18	801,819	917,814
2018	2018-19	5,975	-
2019	2020-21	2,011,838	10,140,003
2020	2021-22	15,817,868	-
Less. Adjustment (Year Ending- 2016, 2018 & 2019)		(34,445,179)	-
Closing Balance		87,738,905	103,546,584

22.00 Amount due from other persons or bodies carrying on insurance business Tk. 106,289,779

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

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance	94,073,714	79,775,230
Add: Public Sector Business (PSB) - Net on 3 rd & 4 th Qtrs of 2019 and 1 st & 2 nd Qtrs (Upto June) of 2020	11,785,154	14,180,387
Sub-Total	105,858,868	93,955,617
Add: Net Receivable on Re-Insurance (RI) Misc. Accepted	430,911	118,096
Closing Balance	106,289,779	94,073,714

23.00 Cash at Bank Tk. 75,363,350

The make-up of the sum is as follows:

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
CD Account	49,969,017	4,989,643
STD Account	25,394,334	2,978,556
Total	75,363,350	7,968,199



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

24.00 Cash in Hand Tk. 269,609

The make-up of the sum is as follows:

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Head Office	62,005	20,760
Gulshan Branch	38,324	13,614
Motijheel Branch	10,684	38,771
Kawran Bazar Branch	58,564	12,056
Agrabad Branch	4,937	10,485
Khulna Branch	2,837	3,995
Rangpur Branch	6,351	6,999
Bogra Branch	12,009	10,755
Jessore Branch	4,520	13,857
Naogaon Branch	14,601	4,176
Kushtia Branch	7,373	3,964
Dinajpur Branch	45,415	6,811
Meherpur Branch	1,989	4,340
Total	269,609	150,583

25.00 Fixed Deposit Tk. 408,050,000

The make-up of the sum is as follows:

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Opening Balance	352,550,000	307,532,087
Add: Addition during the year	104,000,000	169,800,000
	456,550,000	477,332,087
Less: Encashed during the year	48,500,000	124,782,087
Closing Balance	408,050,000	352,550,000

The details hereof are stated in Annexure-3

26.00 Current Tax Tk. 49,079,586

Particulars	Taxable Income	Rate of (%) Percentage	Tax Provision
Income from business or profession & Interest income from FDR & STD Accounts	94,902,004	37.50%	35,588,251
Other Income	243,596	37.50%	91,349
Investment Income (Profit on Sale of Share)	128,762,629	10.00%	12,876,263
Revenue Gain (Profit on Sale of Car)	269,617	37.50%	101,106
Dividend Income	2,113,084	20.00%	422,617
Total	226,290,930		49,079,586



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

Taxable Income

Particulars	Notes	Taxable Income	Exempted (Exceptional Loss & Dividend Income)	Taxable Income
Income from business or profession,	26.01	86,192,547		
Interest income from BGTB, FDR & STD Accounts		28,668,610	19,959,153	94,902,004
Other Income		243,596	-	243,596
Investment Income (Profit on Sale of Share)		128,762,629	-	128,762,629
Revenue Gain (Profit on Sale of Car)		269,617	-	269,617
Dividend Income		2,113,084	-	2,113,084
Total		246,250,083	19,959,153	226,290,930

26.01 Income from Business or profession

Tk. 86,192,547

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Gross Profit	246,250,083	52,442,316
Less: Other Income	243,596	-
Less: Interest income from FDR & STD Accounts	28,668,610	24,002,441
Less: Investment Income (Profit on Sale of Share)	128,762,629	7,337,310
Less: Revenue Gain (Profit on Sale of Car)	269,617	123,428
Less: Dividend Income	2,113,084	580,674
Total	86,192,547	20,398,463

27.00 Deferred Tax

Tk. 14,881,884

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Deferred Tax Liabilities/(Assets) as on current year	17,222,053	2,340,169
Less: Deferred Tax Liabilities/(Assets) as on previous year	2,340,169	485,869
Deferred Tax Expenses/(Income) for the current year	14,881,884	1,854,300

Details in note - 14.

28.00 Reserve for Exceptional Losses

Tk. 19,959,153

Reserve for Exceptional Losses on Net Premium	Net Premium	Percentage (%) of Reserve	At 10 % of Net Premium
	Amount in Taka 31-Dec-2020		Amount in Taka 31-Dec-2020
Fire Insurance Business	84,646,153	10%	8,464,615
Marin Insurance Business	67,387,064	10%	6,738,706
Motor Insurance Business	42,959,671	10%	4,295,967
Miscellaneous Insurance	4,598,643	10%	459,864
Total	199,591,531		19,959,153



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

29.00 Revenue Accounts

The Summarized position of Net Underwriting Profit earned during the year 2020 is as follows:

Particulars	Fire	Marine	Motor	Miscell- aneous	Total
A. Gross Premium (Including PSB Business)	221,041,701	98,149,549	45,161,802	29,361,676	393,714,728
B. Re-Insurance Premium Ceded	136,395,548	30,762,485	2,202,131	24,763,033	194,123,196
C. Net Premium (A-B)	84,646,153	67,387,064	42,959,671	4,598,643	199,591,531
DIRECT EXPENSES:					
D. Commission (Net)	(12,211,163)	3,303,585	3,356,820	(2,486,564)	(8,037,322)
E. Claim Settled and Provided (Net)	4,060,887	(2,398,534)	13,404,404	438,850	15,505,607
F. Management Expenses (including service charge & stamp expenses)	57,641,171	21,820,652	11,787,335	3,650,344	94,899,502
G.Total Direct Expenses (D+E+F)	49,490,895	22,725,703	28,548,559	1,602,630	102,367,787
H. Adjusted Fund Balance for unexpired risk (Opening balance less closing balance)	(435,784)	(7,081,325)	2,049,205	1,341,443	(4,126,460)
Net Underwriting Profit (C-G+H)	34,719,474	37,580,036	16,460,317	4,337,457	93,097,283
COMMISSION (NET):					
Commission Paid on Direct Business	15,916,573	10,141,669	4,127,572	743,167	30,928,981
Commission Paid on Re-insurance	-	-	-	233,508	233,508
Less: Commission earned on Re-Insurance Ceded	28,127,736	6,838,084	770,752	3,463,239	39,199,811
Net Commission	(12,211,163)	3,303,585	3,356,820	(2,486,564)	(8,037,322)
Claims Settled (Net):					
Gross Claim	52,131,970	17,181,558	11,549,905	1,031,168	81,894,601
Less: Re-Insurance Claim Recovery	43,872,539	20,253,857	-	792,318	64,918,714
Paid during the year	8,259,431	(3,072,299)	11,549,905	238,850	16,975,887
Add: Outstanding claim at the end of the year whether due or intimated	11,612,056	2,952,133	6,701,656	200,000	21,465,845
	19,871,487	(120,166)	18,251,561	438,850	38,441,732
Less: Outstanding claim at the end of the previous year	15,810,600	2,278,368	4,847,157	-	22,936,125
Claim Settled and Provided (Net)	4,060,887	(2,398,534)	13,404,404	438,850	15,505,607
Net Profit for the year and its Appropriation :					182,288,613
Underwriting Profit as per Revenue Accounts	93,097,283			Less: Reserve for Exceptional Losses	19,959,153
Interest Income	28,668,610				162,329,460
Investment & Other Income	131,388,926			Less Provision for Arrear Income Tax	4,313,515
	253,154,819				158,015,945
Less: Expenses of Management (Not applicable to any Fund or Account)	6,904,736			Less. Dividend Paid (2019)	13,289,202
Gross Profit	246,250,083			Add. Surplus Brought Forward	14,238,331
Less: Income Tax Expenses	49,079,586			Surplus Carried forward	158,965,074
	197,170,497				
Less: Deffered Tax Expenses/ (Benefit)	14,881,884				
Profit after Tax during this year	182,288,613				



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

30.00 Interest Received & Accrued Tk. 28,668,610

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Bank Interest on STD		715,365	430,896
Interest on FDR		26,200,039	21,801,916
Interest on BGTB		1,753,206	1,769,628
Total		28,668,610	24,002,441

31.00 Unrealized Profit/(Loss) on Share Tk. 5,699,606

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Fair (Market) Value of share as on 31-Dec-2020		170,005,624	47,536,820
Less: Cost Price of Share as on 31-Dec-2020		166,489,326	49,720,128
		3,516,298	(2,183,308)
Less: Opening Balance		(2,183,308)	-
Unrealized Profit/(Loss) on Share		5,699,606	(2,183,308)

The details hereof are stated in Annexure-2

32.00 Net Assets Value per Share (NAV) Tk. 26.62

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 31-Dec-2020	Amount in Taka 31-Dec-2019
a) Total Shareholders Equity		902,150,613	725,120,511
b) Number of ordinary shares	36.00	33,887,472	33,887,472
Net Assets Value per Share (NAV) (a/b)		26.62	21.40

NAV per share has been increased due to Increased in profit after tax which has been added to the statement of changes in shareholder's equity during this period to corresponding period of last year.

33.00 Earning Per Share (EPS) Tk. 5.38

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

Particulars	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Net Profit after Tax	33.01	182,288,613	38,746,431
Number of Shares	36.00	33,887,472	33,887,472
Earning per Share (EPS)		5.38	1.14

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



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

33.01 **Net Profit After Tax** Tk. 182,288,613
The make up of this sum is as follows:

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Net Profit /(Loss) Before Tax	246,250,083	52,442,316
Less: Income Tax Expenses	49,079,586	11,841,585
Less: Deferred Tax Expenses/ (Benefit)	14,881,884	1,854,300
Net Profit /(Loss) After Tax	182,288,613	38,746,431

34.00 **Net Operating Cash Flow Per Share (NOCFPS)** Tk. 2.74

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	Notes	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
a) Net Cash Flows From Operating Activities	35.00	92,989,797	16,937,431
b) Number of ordinary shares	36.00	33,887,472	33,887,472
Net Operating Cash Flow Per Share (NOCFPS) (a/b)		2.74	0.50

NOCFPS has been increased due to not payment of Re-Insurance Premium as well as recovery of R/I claim from SBC also increase in premium income during this accounting period to corresponding period of last year.

35.00 **Reconciliation of net income with cash flows from operating activities**

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Net Profit/(Loss) (As per statement of profit or loss and other Comprehensive income)	182,288,613	38,746,431
Adjustment to Reconcile net profit to net cash provided by operating activities		
Non Cash and Non Operating Items		
Depreciation	4,200,983	4,326,657
Provision for current Income Tax & Deferred Tax	63,961,470	13,695,885
Profit on other Income (Interest, Share & Dividend & Profit on Sale of Car)	(159,813,940)	(32,043,853)
	90,637,126	24,725,120
Changes in Operating Accruals		
(Increase)/Decrease Amount due from other persons or bodies	(12,216,066)	(14,298,484)
Increase/(Decrease) Stamp in Hand	(263,160)	616,405
Increase/(Decrease) Stock of Printing & Stationery	(701,775)	31,129
(Increase)/Decrease Advance, Deposit and Prepayment	(10,384,438)	(32,020,823)
(Increase)/Decrease Premium Control Account	(5,287,173)	(495,723)
Increase/(Decrease) Investment in Share	-	-
Increase/(Decrease) Deposit Premium	13,470,570	13,770,189
Increase/(Decrease) Outstanding Claims	(1,470,280)	7,118,880
Increase/(Decrease) Amount due to other persons or bodies	12,882,877	(1,827,048)
Increase/(Decrease) Gratuity Reserve	(1,057,332)	(205,267)
Increase/(Decrease) Sundry Creditors	3,252,988	843,036
Increase/(Decrease) in Balance of Fund	4,126,460	18,680,015
Net Cash Provided by Operating Activities	2,352,671	(7,787,690)
Net Cash Flows from Operating Activities	92,989,797	16,937,431



Paramount Insurance Company Limited

Notes to the Financial Statements

As at and for the year ended December 31, 2020

36.00 Number of Share

Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
Number of share at the beginning of the year	33,223,012	31,640,964
Add. Bonus share issued	664,460	1,582,048
Number of share outstanding	33,887,472	33,223,012

Total number of share outstanding 3,38,87,472 as on 31st December 2020 with face value Tk. 10 in which 2% stock dividend i.e. 66,64,460 shares issued on 3rd August 2020 which was approved on 11th July 2020 at the 21st AGM.

37.00 Board Meeting

During the year 2020 the company had 10 members to the Board of Directors and there held 10 board meetings. Board of Directors of the company has formed other committees and sub-committees like Executive committee, Claims Committee, Audit Committee and Nomination & Remuneration Committee (NRC). Meeting of these committees were also held during the year.

38.00 Employees

Out of the total of 191 employees engaged during the year 2020, No employee have received salary below Tk. 6,000 per month and 191 employees received more than Tk. 6,000 per month.

39.00 Credit Facility

No credit facilities availed by the company at the date of Statement of Financial Position under any contract other than trade credit which is the ordinary course of business.

40.00 Post Financial Position Event

There was no significant event that has occurred between the Financial Position 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 08 March 2021 has recommended **20% Stock Dividend** for the year ended 2020 out of the surplus for approval of the shareholders in the ensuing annual general meeting.



Paramount Insurance Company Limited
Non-Current Assets Schedule
As at December 31, 2020

Annexure-1

Sl. No.	Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value	
		As on 01-Jan-2020	Disposal during the year	Addition during the year	Total as on 31-Dec-2020		As on 01-Jan-2020	Adjustment	Charged during the year	Total as on 31-Dec-2020	As on 31-Dec-2020	As on 31-Dec-2019
1	Motor Vehicles	21,817,526	2,392,280	4,174,987	23,600,233	20%	10,208,700	1,371,897	2,892,593	11,729,396	11,870,837	11,608,826
2	Furniture & Fixtures	10,686,261	-	46,071	10,732,332	10%	8,353,727	-	234,780	8,588,507	2,143,825	2,332,534
3	Office equipments	1,296,880	-	-	1,296,880	20%	767,950	-	105,786	873,736	423,144	528,930
4	Office Decoration	3,850,097	-	-	3,850,097	10%	2,352,513	-	149,758	2,502,271	1,347,826	1,497,584
5	Telephone Installation	2,087,194	-	3,520	2,090,714	20%	1,980,623	-	21,513	2,002,136	88,578	106,571
6	Electrical Installation	1,037,615	-	77,971	1,115,586	20%	728,200	-	72,965	801,165	314,421	309,415
7	Sign Board	197,590	-	-	197,590	10%	112,162	-	8,543	120,705	76,885	85,428
8	Air Conditioner	2,421,583	-	240,888	2,662,471	20%	1,908,251	-	126,844	2,035,095	627,376	513,332
9	Computer	4,064,571	-	245,618	4,310,189	30%	3,172,915	-	279,210	3,452,125	858,064	891,656
10	Software Installation	2,651,210	-	-	2,651,210	20%	1,163,134	-	297,615	1,460,749	1,190,461	1,488,076
11	Website Design & Development	57,834	-	-	57,834	20%	951	-	11,376	12,327	45,507	56,883
	Sub Total	50,168,361	2,392,280	4,789,055	52,565,136		30,749,126	1,371,897	4,200,983	33,578,212	18,986,924	19,419,235
12	Land and Land Development	324,500,000	-	-	324,500,000	-	-	-	-	-	324,500,000	324,500,000
	Total	374,668,361	2,392,280	4,789,055	377,065,136		30,749,126	1,371,897	4,200,983	33,578,212	343,486,924	343,919,235



Paramount Insurance Company Limited
Unrealized Profit/(Loss) on Share
For the year ended December 31, 2020

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-2020	Total Market Price as on 31-Dec-2020	Investment Fluctuation Reserve
01.	Asiapac Ins.	280,000	68.07	19,060,440	74.90	20,972,000	1,911,560
02.	Asia Ins.	200,000	98.74	19,748,708	107.80	21,560,000	1,811,292
03.	BNICL	148,520	66.31	9,847,639	73.50	10,916,220	1,068,581
04.	Contin Ins.	200,000	46.05	9,209,955	46.20	9,240,000	30,045
05.	Crystal Ins.	10,879	10.00	108,790	39.40	428,633	319,843
06.	Eastern Ins.	260,000	107.93	28,060,824	106.30	27,638,000	(422,824)
07.	Excel Shoe	16,700	64.56	1,078,171	13.20	220,440	(857,731)
08.	Greendelta	50,000	65.79	3,289,464	61.60	3,080,000	(209,464)
09.	NFML	58,160	19.12	1,112,077	22.60	1,314,416	202,339
10.	Nitol Ins.	81,945	67.22	5,508,354	63.80	5,228,091	(280,263)
11.	PTL	796,750	51.99	41,426,786	53.00	42,227,750	800,964
12.	Republic Ins.	486,197	57.63	28,020,354	55.60	27,032,553	(987,801)
13.	Seapearl	1,865	9.53	17,764	79.10	147,522	129,757
Total				166,489,326		170,005,624	3,516,298



Paramount Insurance Company Limited

Fixed Deposit

For the year ended December 31, 2020

Annexure-3

SL NO.	Particulars	Amount in Taka 31-Dec-2020	Amount in Taka 31-Dec-2019
	Name of the Bank:		
01	Islami Bank (BD) Ltd	30,000,000	23,000,000
02	Sonali Bank Ltd.	2,500,000	2,500,000
03	IFIC Bank Ltd	4,000,000	2,000,000
04	Uttara Bank Ltd.	1,000,000	1,000,000
05	Agrani Bank Ltd.	11,500,000	2,500,000
06	Al-Arafa Islami Bank Ltd.	45,900,000	50,400,000
07	The City Bank Ltd	1,500,000	3,500,000
08	Eastern Bank Ltd.	500,000	500,000
09	Janata Bank Ltd.	2,000,000	2,000,000
10	Prime Bank Ltd	5,000,000	7,500,000
11	National Bank Ltd.	4,700,000	4,700,000
12	AB Bank Ltd.	5,000,000	4,000,000
13	Basic Bank Ltd.	1,500,000	1,500,000
14	Bangladesh Krishi Bank	1,000,000	1,000,000
15	Dhaka Bank Ltd.	8,000,000	3,000,000
16	Dutch Bangla Bank Ltd.	1,000,000	1,000,000
17	National Credit & Commerce Bank Ltd.	6,000,000	6,000,000
18	Bangladesh Development Bank	4,000,000	4,000,000
19	Bangladesh Commerce Bank	3,000,000	4,000,000
20	BRAC Bank Ltd.	5,000,000	2,000,000
21	Pubali Bank Ltd.	9,500,000	8,500,000
22	Rupali Bank Ltd.	2,000,000	2,000,000
23	Mercantile Bank Ltd.	17,500,000	17,000,000
24	United Commercial Bank Ltd.	6,000,000	12,500,000
25	First Security Bank Ltd.	15,500,000	5,500,000
26	One Bank Ltd.	13,000,000	9,000,000
27	Social Islami Bank Ltd.	19,500,000	16,500,000
28	Southeast Bank Ltd.	6,500,000	1,500,000
29	Union Bank Ltd	1,500,000	1,500,000
30	Shahjalal Bank Ltd.	4,700,000	4,200,000
31	Premier Bank Ltd.	12,000,000	12,000,000
32	Jamuna Bank Ltd.	17,000,000	14,000,000
33	Trust Bank Ltd.	1,000,000	1,000,000
34	Mutual Trust Bank Ltd.	2,000,000	3,000,000
35	EXIM Bank Ltd.	7,500,000	6,500,000
36	Bank Asia Ltd.	22,000,000	14,500,000
37	Standard Bank Ltd.	5,000,000	5,000,000
38	Meghna Bank Ltd.	53,000,000	58,000,000
39	Midland Bank Ltd.	2,000,000	2,000,000
40	NRB Bank Ltd.	1,000,000	4,000,000
41	South BanglaAgricultural &Com. Bank Ltd	19,750,000	18,750,000
42	Lanka Bangla Finance	6,000,000	3,000,000
43	Midas Finance Ltd.	1,000,000	1,000,000
44	NRB Commercial Bank Ltd.	3,000,000	1,000,000
45	NRB Global Bank Ltd.	2,000,000	2,500,000
46	Modhumoti Bank Ltd.	2,000,000	2,000,000
47	IPDC Finance	6,000,000	-
48	United Finance	7,000,000	-
	Total	408,050,000	352,550,000



Paramount Insurance Company Limited


FORM - XL

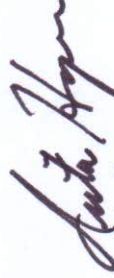
Statement Showing Details of Re-Insurance Ceded and Accepted of Paramount Insurance Company Limited
For the year ended December 31, 2020


Class of Business	Premium				Commission				Claim			
	Received on		Paid on Re-Insurance Ceded	Net	Paid on		Received on Re-Insurance Ceded	Net	Paid on		Received on Re-Insurance Ceded	Net
	Direct Business	Re-Insurance Accepted			Direct Business	Re-Insurance Accepted			Direct Business	Re-Insurance Accepted		
Fire	221,041,701	-	136,395,548	84,646,153	15,916,573	-	28,127,736	(12,211,163)	52,131,970	-	43,872,539	8,259,431
Marine Cargo	95,158,712	-	27,824,670	67,334,041	10,141,669	-	6,676,504	3,465,165	3,632,143	-	7,159,189	(3,527,046)
Marine Hull	2,990,837	-	2,937,815	53,022	-	-	161,580	(161,580)	13,549,415	-	13,094,668	454,746
Motor	45,161,802	-	2,202,131	42,959,671	4,127,572	-	770,752	3,356,820	11,549,905	-	-	11,549,905
Misc. Other Than Motor	28,694,509	667,167	24,763,033	4,598,643	743,167	233,508	3,463,239	(2,486,564)	1,028,421	2,747	792,318	238,850
Total	393,047,561	667,167	194,123,196	199,591,531	30,928,981	233,508	39,199,811	(8,037,322)	81,891,855	2,747	64,918,714	16,975,887

The annexed notes from 01 to 40, Annexure 01 to 03, "From-AA" and "From-XL" form an integral part of these financial statements.


Sajjad Yahya
Managing Director & CEO


Anita Das
Director


Anita Haque
Director


Nawaz Ahmad
Chairman


AMK Johani, FCA
Senior Partner
Enrollment No: 575

ARTISAN
Chartered Accountants
DVC: 2103140575AS629197

Signed as per our separate report of same date.

Place: Dhaka
Dated: March 14, 2021.