SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (Level-10)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, Fax: 88-02-9672006
Mobile : 01552-638228, 01711-520770,
01922-117370, 01920-719463
E-mail : shirazkhanbasak@yahoo.com

AUDITORS' REPORT TO THE SHAREHOLDERS OF PARAMOUNT INSURANCE COMPANY LIMITED

We have audited the accompanying Financial Statements of Paramount Insurance Company Limited consisting of Statement of Financial Position (Balance Sheet) as of **December 31, 2016** and Statement of Comprehensive Income (Profit & Loss Account), Profit & Loss Appropriation Account, Consolidated Revenue Account, Fire Insurance Revenue Account, Marine Insurance Revenue Account, Motor Insurance Revenue Account, Miscellaneous Insurance Revenue Account, Cash Flow Statement and Statement of Changes in Equity together with Notes thereto for the year then ended.

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

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

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

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

Opinion:
In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of December 31, 2016 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, Insurance Act, 2010 and Insurance Rules 1958, Securities Exchange Rules, 1987 and other applicable laws and regulations.

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (Level-10)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, Fax: 88-02-9672006
Mobile : 01552-638228, 01711-520770,
01922-117370, 01920-719463
E-mail : shirazkhanbasak@yahoo.com

We report that:

i) We have obtained information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

ii) In our opinion, proper books of account as required by law have been kept by the company.

iii) The company's Balance Sheet and Profit and Loss Account and its Cash Flows dealt with by the report are in agreement with the books of account and returns;

iv) The expenditure incurred was for the purposes of the company's business;

v) As per Section 63(2) of the Insurance Act, 2010 as amended, we certify that to the best of our knowledge and belief and according to the information and explanations given to us, all expenses of management wherever incurred and whether incurred directly or indirectly, in respect of insurance business of the company transacted in Bangladesh during the year under report have been duly debited to the related Revenue Accounts and the Profit & Loss Account of the Company; and

vi) As per Section 59 (5) of the Insurance Act, 2010, we certify that to the best of our information and as shown by its books, the Company during the year under report has not paid any person any commission in any form outside Bangladesh in respect of any of its business re-insured abroad.

Dated: Dhaka, April 27, 2017

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

PARAMOUNT INSURANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
AS AT 31 DECEMBER 2016

Particulars	Notes	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
CAPITAL & LIABILITIES			
AUTHORIZED CAPITAL			
60,000,000 Ordinary Shares of Tk. 10/- each.	10.01	600,000,000	600,000,000
ISSUED, SUBSCRIBED & PAID-UP CAPITAL	10.02	266,338,080	242,125,530
26,633,808 Ordinary Shares of Tk. 10/- each.			
RESERVE FOR CONTINGENCY ACCOUNT:		**111,878,049**	**109,018,497**
Reserve for Exceptional losses	11.00	81,643,612	76,643,612
Reserve for Gratuity	12.00	3,209,473	4,500,000
Profit and Loss Appropriation Account		27,024,964	27,874,885
BALANCE OF FUND & ACCOUNTS:		**44,434,164**	**35,008,795**
Fire Insurance Revenue Account		16,102,666	10,715,625
Marine Insurance Revenue Account		16,949,727	13,043,696
Motor Insurance Revenue Account		9,270,224	9,247,918
Misc. Insurance Revenue Account		2,111,546	2,001,556
Premium Deposit	13.00	658,687	1,835,307
Estimated Liabilities in respect of outstanding claims whether due or intimated	14.00	2,522,614	8,777,412
Amount due to other persons or bodies carrying on insurance business (S.B.C)	15.00	49,244,635	35,810,170
Provision for Tax & Deferred Tax	16.00	57,066,137	41,201,130
Provision for Loss on Investment Fluctuation	17.00	2,256,569	1,841,515
Sundry Creditors	18.00	3,605,701	5,445,365
		538,004,636	**481,063,721**

Particulars	Notes	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
PROPERTY & ASSETS			
INVESTMENT:			
Government Treasury Bond	1.00	25,000,000	25,000,000
Investment in Shares & Securities	2.00	5,387,257	5,387,257
Interest, Dividend & Rent Outstanding	3.00	10,707,951	10,678,204
Amount due from other persons or bodies carrying on insurance business (S.B.C)	4.00	57,348,410	47,677,764
Sundry Debtors	5.00	71,665,632	98,591,388
CASH AND BANK BALANCES:		**289,762,670**	**286,072,608**
Fixed Deposit with Bank	6.00	276,450,000	254,400,000
Cash at Bank	7.00	13,182,492	30,660,446
Cash in Hand	8.00	130,178	1,012,162
OTHER ACCOUNTS:		**78,132,715**	**7,656,500**
Fixed Assets	9.00	77,453,713	6,936,134
Stamps in Hand		9,453	168,453
Printing and Stationery (at cost)		669,549	551,913
		538,004,636	**481,063,721**

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

MANAGING DIRECTOR (CC) | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Dated: Dhaka, April 27, 2017

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

An associate firm of D.N.Gupta & Associates

PARAMOUNT INSURANCE COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME (PROFIT & LOSS ACCOUNT)

AS AT 31 DECEMBER 2016

Particulars	Notes	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015	Particulars	Notes	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Expenses of Management		**5,035,006**	**6,122,026**	**Interest, Dividend and Rents**			
(Not applicable to any fund or account)				(Not applicable to any fund or account)			
Advertisement & Publicity		340,225	957,298	Interest Received & Accrued		22,423,468	25,793,894
Registration & Renewal		647,792	508,496	**Profit/(Loss) Transferred from:**		**26,733,939**	**34,863,157**
Subscription & Donation		947,536	795,218	Fire Revenue Account		447,676	(5,709,474)
Legal & Professional Charge		307,500	115,000	Marine Revenue Account		20,164,784	37,138,905
Audit Fee		174,250	173,500	Motor Revenue Account		5,919,820	4,240,295
Depreciation		2,002,649	1,259,172	Miscellaneous Revenue Account		201,659	(806,569)
Investment Fluctuation Reserve	17.01	415,054	813,342				
Reserve for Gratuity Expenses		200,000	1,500,000	**Other Income:**			
Profit/ (Loss) for the year (Transferred to				Investment Income/(Loss)		(581)	(42,785)
Profit & Loss Appropriation Account)		44,227,636	54,653,222	Capital Gain (Profit on Sale of Car)		97,696	137,276
				Dividend Income		8,120	23,706
		49,262,642	**60,775,248**			**49,262,642**	**60,775,248**

PROFIT AND LOSS APPROPRIATION ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2016

Particulars	Notes	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015	Particulars	Notes	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Reserve for Exceptional Losses		5,000,000	10,000,000	**Opening Balance**		27,874,885	24,155,302
Provision for Income Tax	16.01	15,665,007	18,422,229				
Provision for Deferred Tax	16.02	200,000	500,000	Net Profit for the Year Transferred			
Dividend Paid (Previous Year)		24,212,550	22,011,410	from Profit & Loss Account		44,227,636	54,653,222
Balance Transferred to Balance Sheet	19.00	27,024,964	27,874,885				
		72,102,521	**78,808,524**			**72,102,521**	**78,808,524**
Earning Per Share (EPS)		**1.06**	**1.34 (Restated)**				
01. NAV Per Share		**14.08**	**14.32**				

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

MANAGING DIRECTOR (CC) **DIRECTOR** **DIRECTOR** **CHAIRMAN**

Subject to our separate report of even date.

Dated: Dhaka, April 27, 2017

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

An associate firm of D.N.Gupta & Associates

PARAMOUNT INSURANCE COMPANY LIMITED
CONSOLIDATED REVENUE ACCOUNT
AS AT 31 DECEMBER 2016

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015	Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Claims Under Policies Less Reinsurance	**9,116,270**	**(5,807,812)**	**Balance of Account at the Beginning of the Year**	35,008,795	31,110,110
Paid during the year	15,371,068	23,025,180			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	2,522,614	8,777,412	Premium Less Reinsurance	98,423,229	77,419,828
	17,893,682	**31,802,592**			
Less: Outstanding at the end of previous year	8,777,412	37,610,404	Commission on Reinsurance Ceded	15,386,074	13,365,992
Agency Commission	15,977,653	15,022,451	Service Charge	34,327	29,192
Expenses of Management	51,955,004	42,322,897			
Insurance Stamp	139,544	120,899			
Service Charge	231,717	195,135			
Commission on R/I Acceptance	264,134	199,600			
Reserve for unexpired risks being 45% of Fire, Marine Cargo & Miscellaneous and 100% of Marine Hull of the net premium income for the year	44,434,164	35,008,796			
Profit/(Loss) Transferred to Profit and Loss Account	26,733,939	34,863,156			
	148,852,425	**121,925,122**		**148,852,425**	**121,925,122**

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

MANAGING DIRECTOR (CC) **DIRECTOR** **DIRECTOR** **CHAIRMAN**

Subject to our separate report of even date.

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 27, 2017

SHIRAZ KHAN BASAK & CO. Chartered Accountants Dhaka

PARAMOUNT INSURANCE COMPANY LIMITED

FIRE INSURANCE REVENUE ACCOUNT

AS AT 31 DECEMBER 2016

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015	Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Claims Under Policies Less Reinsurance	**4,811,954**	**3,665,574**	**Balance of Account at the Beginning of the Year**	10,715,625	4,766,816
Paid during the year	4,148,392	16,195,793			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	1,225,273	561,711	Premium Less Reinsurance	35,783,703	23,812,501
	5,373,665	**16,757,504**			
Less: Outstanding at the end of previous year	561,711	13,091,930	Commission on Reinsurance Ceded	8,004,213	6,993,883
Agency Commission	8,375,835	7,347,083	Service Charge	17,070	17,070
Expenses of Management	24,516,729	19,352,727			
Service Charge	203,145	177,582			
Insurance Stamp	62,606	41,153			
Reserve for unexpired risks being 45% of the net	16,102,666	10,715,625			
Profit/(Loss) Transferred to Profit and Loss Account	**447,676**	(5,709,474)			
	54,520,611	**35,590,270**		**54,520,611**	**35,590,270**

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

MANAGING DIRECTOR (CC) | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 27, 2017

PARAMOUNT INSURANCE COMPANY LIMITED
MARINE INSURANCE REVENUE ACCOUNT
AS AT 31 DECEMBER 2016

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015	Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Claims Under Policies Less Reinsurance	**(3,727,192)**	**(17,041,343)**	**Balance of Account at the Beginning of the Year**	13,043,697	17,608,205
Paid during the year	(149,026)	1,395,487			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	687,341	4,265,507	Premium Less Reinsurance	37,346,700	28,608,496
	538,315	**5,660,994**			
Less: Outstanding at the end of previous year	4,265,507	22,702,337	Commission on Reinsurance Ceded	4,759,491	4,280,698
Agency Commission	4,684,157	4,271,157	Service charge	2,198	-
Expenses of management	17,052,695	13,079,326			
Service Charge	27,914	5,658			
Reserve for unexpired risks being 45% of Marine Cargo and 100% of Marine Hull of net premium income of the year	16,949,727	13,043,697			
Profit/(Loss) Transferred to Profit and Loss Account	**20,164,784**	37,138,904			
	55,152,086	**50,497,399**		**55,152,086**	**50,497,399**

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

MANAGING DIRECTOR (CC) | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Dated: Dhaka, April 27, 2017

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

PARAMOUNT INSURANCE COMPANY LIMITED
MOTOR INSURANCE REVENUE ACCOUNT
AS AT 31 DECEMBER 2016

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015	Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Claims Under Policies Less Reinsurance	**5,077,649**	**4,534,868**	**Balance of Account at the Beginning of the Year**	9,247,918	7,165,656
Paid during the year	5,217,843	3,939,437			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	610,000	750,194	Premium Less Reinsurance	20,600,500	20,550,929
	5,827,843	**4,689,631**			
Less: Outstanding at the end of previous year	750,194	154,763	Commission on Reinsurance Ceded	44,952	377,047
Agency Commission	2,224,284	2,695,892			
Expenses of management	7,359,333	7,333,021			
Insurance Stamp	42,059	41,638			
Reserve for unexpired risks being 45% of the net premium income of the year	9,270,224	9,247,918			
Profit/(Loss) Transferred to Profit and Loss Account	**5,919,820**	4,240,295			
	29,893,370	**28,093,632**		**29,893,370**	**28,093,632**

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

MANAGING DIRECTOR (CC) DIRECTOR DIRECTOR CHAIRMAN

Subject to our separate report of even date.

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 27, 2017

PARAMOUNT INSURANCE COMPANY LIMITED
MISCELLANEOUS INSURANCE REVENUE ACCOUNT
AS AT 31 DECEMBER 2016

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015	Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Claims Under Policies Less Reinsurance	**2,953,859**	**3,033,089**	**Balance of Account at the Beginning of the Year**	2,001,556	1,569,433
Paid during the year	6,153,859	1,494,463			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	-	3,200,000	Premium Less Reinsurance	4,692,326	4,447,902
	6,153,859	**4,694,463**			
Less: Outstanding at the end of previous year	3,200,000	1,661,374	Commission on Reinsurance Ceded	2,577,418	1,714,364
Agency Commission	693,377	708,319	Service Charge	15,059	12,122
Expenses of management	3,026,247	2,557,823			
Service Charge	658	11,895			
Insurance Stamp	34,879	38,108			
Commission on R/I Acceptance	264,134	199,600			
Reserve for unexpired risks being 45% of the net premium income of the year	2,111,546	2,001,556			
Profit/(Loss) Transferred to Profit and Loss Account	201,659	(806,569)			
	9,286,359	**7,743,821**		**9,286,359**	**7,743,821**

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

MANAGING DIRECTOR (CC) **DIRECTOR** **DIRECTOR** **CHAIRMAN**

Subject to our separate report of even date.

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

Dated: Dhaka, April 27, 2017

AMARSTOCK

PARAMOUNT INSURANCE COMPANY LTD.

CASH FLOWS STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2016

SL No.	Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
01.00	**Cash Flows From Operating Activities**		
	Collection from Premium & Other Income	255,989,492	183,587,399
	Payment for Management Expenses, Commission, Claim, Re-Insurance and Others	(158,712,259)	(148,935,310)
	Income Tax Paid and Deducted	(21,066,943)	(16,136,756)
		76,210,290	**18,515,332**
02.00	**Cash Flows From Investing Activities**		
	Purchase of Fixed Assets	(72,542,532)	(745,363)
	Disposal of Fixed Assets	22,304	302,724
		(72,520,228)	**(442,639)**
03.00	**Cash Flows from Financing Activities**		
	Increase of Share Capital	-	-
		-	-
	Net Cash in Flows (Outflows) (1+2+3)	**3,690,062**	**18,072,693**
	Cash and Bank Balance at Opening	286,072,608	267,999,915
	Cash and Bank Balance at Closing	**289,762,670**	**286,072,608**
	02. Net Operating Cash Flow Per Share	**2.86**	**0.70(Restated)**

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

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

MANAGING DIRECTOR (CC) | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Dated: Dhaka, April 27, 2017

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

PARAMOUNT INSURANCE COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

Particulars	Share Capital	Reserve for Exceptional Loss	Profit & Loss Appropriation Account	Total
Opening Balance as on 01-01-2016	**242,125,530**	**76,643,612**	**27,874,885**	**346,644,027**
Stock Dividend Paid (2015)	24,212,550	-	(24,212,550)	-
Profit during the year	-	-	44,227,636	44,227,636
Reserve for Exceptional Losses	-	5,000,000	(5,000,000)	-
Provision for Income Tax	-	-	(15,665,007)	(15,665,007)
Provision for Deferred tax	-	-	(200,000)	(200,000)
Closing Balance as on 31-12-2016	**266,338,080**	**81,643,612**	**27,024,964**	**375,006,655**

PARAMOUNT INSURANCE COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

Particulars	Share Capital	Reserve for Exceptional Loss	Profit & Loss Appropriation Account	Total
Opening Balance as on 01-01-2015	**220,114,120**	**66,643,612**	**24,155,302**	**310,913,034**
Stock Dividend Paid (2014)	22,011,410	-	(22,011,410)	-
Profit during the year	-	-	54,653,222	54,653,222
Reserve for Exceptional Losses	-	10,000,000	(10,000,000)	-
Provision for Income Tax	-	-	(18,422,229)	(18,422,229)
Provision for Deferred tax	-	-	(500,000)	(500,000)
Closing Balance as on 31-12-2015	**242,125,530**	**76,643,612**	**27,874,885**	**346,644,027**

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

MANAGING DIRECTOR (CC) | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Dated: Dhaka, April 27, 2017

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

PARAMOUNT INSURANCE COMPANY LIMITED
NOTES ON ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2016

GENERAL:

a) SIGNIFICANT ACCOUNTING POLICES AND OTHER RELEVANT INFORMATION

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

ii) Basis of Accounting:
The financial statements have been prepared on a going concern basis under Bangladesh Accounting Standards on historical cost convention.

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

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

v) Interest on Statutory and other Investments:
Interest earned on statutory investment lying with Bangladesh Bank in the form of BGTB'S as renewed has been accrued and accounted for. Accordingly accrued Tk. 924,250 has duly been credited to the profit and loss account of the company. Interests on other investments in the form of STD and FDR have been credited to profit & loss account.

vi) Management Expenses:
Management expenses as charged to Revenue Accounts, amounting to Tk.5,19,550,04 represents approximately 30.68% of Gross premium of Tk. 16,93,29,903 Management expenses have been apportioned @ 47.18% to Fire, 32.82% to Marine, 14.16% to Motor and 5.83%to Miscellaneous business based on premium income as per management decision. As per Insurance Act 2010 Section 63(2) the management expenses which incurred direct & indirect has been included as revenue expenditure in the accounts.

SHIRAZ KHAN BASAK & CO. Chartered Accountants Dhaka

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

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

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

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

IAS 1 Presentation of Financial statements
IAS 2 Inventories
IAS 7 Cash flow statements
IAS 8 Net Profit or Loss for the Period, Fundamental errors and changes in Accounting Policies.
IAS10 Events after the Balance Sheet date
IAS11 Construction Contracts
IAS 12 Income Taxes
IAS 16 Property, Plant & Equipment
IAS 17 Leases
IAS 18 Revenue
IAS 19 Employee Benefits
IAS 20 Accounting for government grants
IAS 21 The effects of changes in foreign exchange
IAS 23 Borrowing Cost
IAS 24 Related Party Disclosure
IAS 25 Accounting for Investment
IAS 26 Accounting and Reporting by Retirement Benefit Plans
IAS 27Consolidated Financial Statements and Accounting for Investments of Banks and similar Financial Institutions.
IAS 28 Investments in Associates.
IAS 29 Financial Reporting in Hyperinflationary Economics.
IAS 31 Financial Reporting of Interests in Join Ventures.
IAS 32 Financial Instruments: Presentation
IAS 33 Earnings Per Share
IAS 34 Interim Financial Reporting
IAS 36 Impairments of Assets
IAS 37 Provision for Contingents Liabilities and Contingents Assets
IAS 38 Intangible Assets.
IAS 39 Financial Instruments: Recognition and Measurement
IAS 40 Investment Property

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

ix) Depreciation on Fixed Assets:

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

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

x) Employees' Benefits (BAS- 19):

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

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

xi) Risk and Uncertainties:

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

b) OPERATION:

During the year, through the operation of 9 offices (including Head Office) the gross premium income earned by the company amount to Tk.169,329,904 including public sector business of Tk. 4,24,60,016. After ceding for re-insurance premium the net premium for the year amounted to Tk. 98,423,229 and after charging direct expenses there of the net underwriting profit/(loss) stood at Tk. 26,733,939.

c) PUBLIC SECTOR BUSINESS:

Public Sector Business for 4(four) quarters up to June 2016 has been accounted for on the basis of statement received from SBC.

d) INCOME TAX

I) Income Tax provision has been made on profit in the amount of Tk.15,665,007.

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 is under Reference Case in the High-Court and assessment year 2015-2016 is under Appeal and assessments year 2016-2017 is under process.

III) In compliance to BAS-12 "Income Tax" the company has provided Tk. 200,000 for Deferred Taxation during the year.

e) DEFERRED TAX:

Provision for deferred tax is made on lump-sum basis on best estimate.

f) I) RELATED PARTY TRANSACTIONS (BAS-24):

During the year 2016 the company carried out a few number of transactions with parties owned by the directors, which may be called the related parties, in the normal course of business and on an arms' length basis. The name of the related parties, the nature of transactions and transaction amount for the year ended December 31, 2016 have been stated below:

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

WWW.PSTOCK

Sl. No.	Name of Related Parties	Nature of Transaction	Relationship	Transaction Amount (Taka)
01.	M/s. Foodex International	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	2,73,780
02.	M/s. Paramount Textile Ltd.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	2,20,46,114
03.	M/S. Sunrise Chemicals Ind.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	7,992
04.	M/S. Foreign Food	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	43,284
05.	M/S. Sarban International	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	2,48,317
06.	M/S. Fine Food Traders	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	99,920
07.	M/S. Paramount Agro Ltd.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	13,610
08.	M/S. Meghna Bank Ltd.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	1,16,990

II) Key management personnel compensation

- In compliance with the requirement of schedule XI,para 4 of company act 1994 and para 17 of BAS 24 following has been disclosed.
- **No remuneration**, board meeting attendance fees is provided to any of the directors of the company except Managing Director.
- As per management decision, the following amount has been paid for the period ended from to December 31, 2016

Name	Designation	Short term benefits		Post employment benefit (provident fund)	Other long term benefit	Termination benefit	Share based benefit
		Remuneration / salary (Taka)	Bonus				
Mr. Khawja Manzer Nadeem	CEO & MD	1,950,000	N/A	N/A	N/A	N/A	N/A
Mr. Hari Pada Deb	Company Secretary	897,960	-	10% of basic salary	N/A	N/A	N/A
Mr. Harun-Or-Rashid Patwary	Chief Financial Officer	748,300	-	10% of basic salary	N/A	N/A	N/A
Mr. Mohammad Arif Hossain	Chief Financial Officer	80,000	-	-	N/A	N/A	N/A

g) RESERVE FOR EXCEPTION LOSS:

As per the provision of Paragraph 6 (2) of the 4th schedule of Income Tax Ordinance 1984 the company is entitled to make provision under Reserve for Exceptional Loss up to 10% of premium income. However, the management has decided to make Tk.50,00,000 reserves for the year 2016.The balance to the account of December 31,2016 stands at Tk. 8,16,43,612

h) OTHERS:

Figures have been rounded off to the nearest Taka.

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

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

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
11.30% 5 years BGTB (Purchased in 2012)	9,000,000	9,000,000
11.82% 5 years BGTB (Purchased in 2013)	16,000,000	16,000,000
	25,000,000	**25,000,000**

2.00 Investment & Securities Shares: Tk. 5,387,257

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

SL No.	Particulars	2016						2015
	Name of the Company	Balance of Shares	Cost price per share	Total Cost	Market Price Per share as on 31-12-2016	Total Market Price as on 31-12-2016	Investment Fluctuation	Total Market Price
01.	Lafarge Surma Cement	390	28.04	10,934	82.10	32,019	21,085	29,094
02.	Atlas BD.	52	186.34	9,690	109.40	5,689	(4,001)	8,070
03.	KEYA COSMETIC	2,548	17.39	44,302	13.30	33,888	(10,413)	25,920
04.	Exel Shoe	16,700	64.56	1,078,171	27.00	450,900	(627,271)	1,078,171
05.	FINE FOODS	107	79.90	8,549	23.90	2,557	(5,992)	861
06.	ICB Islami Bank Ltd.	20,000	10.00	200,000	5.10	102,000	(98,000)	90,000
07.	Sandhani Life Insurance	85	84.99	7,224	33.50	2,848	(4,377)	2,611
08.	USMANIA GLASS	1	175.07	175	85.60	86	(89)	96
09.	Lanka Bangla Finance	625	43.16	26,977	34.80	21,750	(5,227)	15,776
10.	United Airways	135	19.96	2,695	6.90	932	(1,763)	986
11.	EHL	630	58.76	37,016	42.90	27,027	(9,989)	20,940
12.	ICB	15,520	156.34	2,426,391	104.50	1,621,840	(804,551)	1,659,088
13.	BGIC	100	76.19	7,619	19.20	1,920	(5,699)	1,660
14.	SIBL	1,050	14.57	15,297	18.40	19,320	4,023	14,400
15.	ILFSL	47,276	24.70	1,167,683	12.70	600,405	(567,277)	409,728
16.	NCC BANK	4,400	37.98	167,132	12.60	55,440	(111,692)	40,040
17.	Agni System Ltd.	7,276	24.38	177,403	20.90	152,068	(25,334)	148,302
	Total			**5,387,257**		**3,130,689**	**(2,256,569)**	**3,545,742**

3.00 Interest, Dividend and Rents Outstanding: Tk.10,707,951

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

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Bangladesh Govt. Treasury Bond (BGTB)	924,250	897,808
Fixed Deposit Receipt (FDR)	9,783,701	9,780,396
	10,707,951	**10,678,204**

4.00 Amount due from other persons or bodies carrying on insurance business: Tk. 57,348,410

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

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Opening Balance	47,677,764	39,069,743
Add: Public Sector Business (PSB) - Net on 3rd & 4th Qtrs of 2015 and 1st & 2nd Qtrs (Upto June) of 2016	9,201,615	8,264,140
	56,879,379	**47,333,883**
Add: Net Receivable on Re-Insurance (RI)/Misc. Accepted	469,031	343,881
	57,348,410	**47,677,764**

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

5.00 Sundry Debtors: Tk. 71,665,632

The balance is make up of as under:

Particulars		Amount in Taka 331-12-2016	Amount in Taka 31-12-2015
Advance against Office Rent		546,600	51,000
Advance against Salary		2,790,220	1,179,020
Security Deposits		911,320	1,053,600
LRK Securities Ltd.		132	714
Advance against Land Purchase		-	48,956,637
Advance against Insurance Claim		7,831,029	8,831,029
Advance against Income Tax	5.01	59,586,331	38,519,388
		71,665,632	98,591,388

5.01 Advance against Income Tax : 59,586,331

	2016	2015
Opening Balance	38,519,388	62,662,910
Add: Addition during the year	21,066,944	16,136,756
	59,586,332	78,799,666
Less: Provision Adjusted	-	40,280,278
	59,586,331	38,519,388

6.00 Fixed Deposited with Banks : Tk. 276,450,000

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

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Name of the Bank		
Islami Bank (BD) Ltd	9,500,000	4,000,000
Sonali Bank Ltd.	6,000,000	6,000,000
IFIC Bank Ltd	5,100,000	6,600,000
Uttara Bank Ltd.	1,000,000	1,000,000
Agrani Bank Ltd.	2,500,000	2,500,000
Al-Arafa Islami Bank Ltd.	34,450,000	29,700,000
The City Bank Ltd	2,500,000	500,000
Eastern Bank Ltd.	500,000	500,000
Janata Bank Ltd.	3,000,000	3,000,000
Prime Bank Ltd	9,000,000	9,500,000
National Bank Ltd.	2,000,000	2,000,000
AB Bank Ltd.	3,500,000	6,500,000
Basic Bank Ltd.	1,000,000	1,000,000
Bangladesh Krishi Bank	1,000,000	1,000,000
Dhaka Bank Ltd.	4,000,000	2,000,000
Dutch Bangla Bank Ltd.	1,000,000	1,000,000
National Credit & Commerce Bank Ltd.	5,000,000	5,000,000
Bangladesh Development Bank	3,000,000	5,000,000
Pubali Bank Ltd.	4,500,000	4,500,000
Rupali Bank Ltd.	2,000,000	2,000,000
Mercantile Bank Ltd.	6,000,000	3,500,000
United Commercial Bank Ltd.	1,500,000	3,500,000
First Security Bank Ltd.	3,000,000	14,000,000
One Bank Ltd.	8,000,000	9,000,000
Social Islami Bank Ltd.	37,000,000	27,500,000
Southeast Bank Ltd.	14,600,000	15,600,000
State Bank Of India	1,000,000	1,000,000
Shahjalal Bank Ltd.	4,500,000	3,500,000
Premier Bank Ltd.	7,000,000	6,000,000
Jamuna Bank Ltd.	2,500,000	3,000,000
Trust Bank Ltd.	1,000,000	1,000,000
Mutual Trust Bank Ltd.	14,000,000	15,000,000
EXIM Bank Ltd.	12,500,000	14,000,000
Bank Asia Ltd.	5,000,000	6,000,000
Standard Bank Ltd.	7,000,000	9,000,000
National Bank of Pakistan Ltd.	1,000,000	3,500,000
Meghna Bank Ltd.	12,000,000	10,000,000
Midland Bank Ltd.	3,000,000	1,000,000
NRB Bank Ltd.	2,000,000	-
SouthBanglaAgricultural &Com. Bank Ltd	21,800,000	14,000,000
Lanka Bangla Finance	1,000,000	1,000,000
Midas Finance Ltd.	2,000,000	-
NRB Commercial Bank Ltd.	1,000,000	-
NRB Global Bank Ltd.	7,500,000	-
	276,450,000	254,400,000

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

AMARSTOCK

7.00 Cash at Bank: Tk. 13,182,492

The make-up of the sum is as follows:

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
STD Account (Under 33 Acc of different Bank)	13,035,979	28,825,830
Current Account (Under6 Acc of 6 different Bank)	146,513	1,834,616
	13,182,492	**30,660,446**

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

8.00 Cash in Hand: Tk. 130,178

The make-up of the sum isas follows:

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Head Office	919	97,304
Gulshan Branch	9,613	631,734
Motijheel Branch	10,320	44,624
Kawran Bazar Branch	9,844	42,722
Agrabad Branch	18,785	40,573
Khulna Branch	49,656	144,120
Rangpur Branch	25,866	11,085
Bogra Branch	3,810	-
Jessore Branch	1,366	-
	130,178	**1,012,162**

9.00 Fixed Assets: Tk. 77,453,713

This represents the written dawn value of Fixed Asstes, the make up whereof is as under:

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Cost	110,321,382	38,349,700
Less: Accumulated depreciation	(32,867,669)	(31,413,566)
	77,453,713	**6,936,134**

The details hereof are stated in Annexure-1

10.00 Share Capital:

10.01 Authorized Capital: Tk. 600,000,000

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

10.02 Issued Subscribed and Paid up Capital: Tk. 266,338,080

This represents the sum against 26,633,808 ordinary shares of Tk. 10 each, the relevant particulars whereof are as under:

SHAREHOLDING STRUCTURE		2016		2015	
Sponsors	10.02 (a)	11,294,628	42.41%	10,267,849	42.41%
Public	10.02 (b)	15,339,180	57.59%	13,944,704	57.59%
		26,633,808	**100%**	**24,212,553**	**100%**

The distribution schedule of the abov-mentioned share capital setting-out the number of holders and percentage of holding as on 31.12.2016 is as follows:

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

10.02(a) Shareholders (Sponsors):

Class of Interval	2016				2015	
	No. of Shares	No. of Shareholders	Total Holdings %	% of Total Paid up Capital	Total Paid up Capital	% of Total Paid up Capital
100,001-500,000	443,895	1	3.93%	1.67%	1,874,172	7.74%
500,001-1000,000	2,505,485	4	22.18%	9.41%	807,084	3.33%
1000,001-1500,000	1,242,908	1	11.00%	4.67%	7,586,593	31.33%
1500,001-2,000,000	7,102,340	4	62.88%	26.67%	-	-
2,000,001-2,500,000	-	-	-	-	-	-
Total	**11,294,628**	**10**	**100%**	**42.41%**	**10,267,849**	**42.41%**

10.02 (b) Public:

Financial & Other Institutions (including ICB)	5,026,370	32.77%
General Public	10,312,810	67.23%
10.02 (b) (i)	**15,339,180**	**100%**

10.02(b)(i) Shareholders (Public):

Class Interval	2016				2015	
	No. of Shares	No. of Shareholders	Total Holdings	% of Total Paid up Capital	Total Paid up Capital	% of Total Paid up Capital
01-500	170,646	1330	1.11%	0.64%	209,217	0.86%
501-5000	2,237,950	1417	14.59%	8.40%	2,913,703	12.03%
5001-10000	984,430	138	6.42%	3.70%	1,207,654	4.99%
10001-15000	437,595	35	2.85%	1.64%	822,111	3.40%
15001-20000	344,627	20	2.25%	1.29%	601,212	2.48%
20001-25000	322,965	14	2.11%	1.21%	398,364	1.65%
25001-30000	227,281	8	1.48%	0.85%	497,060	2.05%
30001-40000	485,953	14	3.17%	1.82%	522,486	2.16%
40001-50000	264,713	6	1.73%	0.99%	546,564	2.26%
50001-60000	394,620	7	2.57%	1.48%	494,771	2.04%
60001-70000	127,653	2	0.83%	0.48%	375,271	1.55%
70001-80000	151,000	2	0.98%	0.57%	144,087	0.60%
80001-90000	172,860	2	1.13%	0.65%	85,682	0.35%
90001-100000	100,000	1	0.65%	0.38%	95,381	0.39%
100001-120000	550,884	5	3.59%	2.07%	760,559	3.14%
120001-200000	623,273	4	4.06%	2.34%	574,045	2.37%
200001-400000	2,731,059	10	17.80%	10.25%	1,483,020	6.13%
400001-800000	941,090	2	6.14%	3.53%	711,000	2.94%
800001-2000000	4,070,581	4	26.54%	15.28%	1,502,517	6.21%
Total:	15,339,180	3021	100%	57.59%	13,944,704	57.59%

11.00 Reserve for Exceptional Losses: Tk. 81,643,612

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

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Opening Balance	76,643,612	66,643,612
Add: For this year	5,000,000	10,000,000
	81,643,612	**76,643,612**

12.00 Reserve for Gratuity: Tk. 3,209,473

This represents the aggregate sum of reserve, made Tk 200,000 as lump sum amount for this year 2016 as decided by the Company's Board of Directors with intention to utilize the fund at the time of employees retirement. The movement of the sum is as follows:

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Opening Balance	4,500,000	3,000,000
Add: For this year	200,000	1,500,000
	4,700,000	4,500,000
Less: Adjusted (Paid during this year)	1,490,527	-
	3,209,473	**4,500,000**

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

13.00 Premium Deposit: Tk. 658,687

The amount represents the adjusted balance of premium received against Marine Cargo Cover Notes for which policies have not been issued within December 31, 2016.The makeup of the sum is follows:

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Opening Balance	**1,835,307**	**3,824,571**
Add: Premium underwritten	125,695,849	102,579,086
	127,531,156	**106,403,657**
Less: Refund & Cancelled	757,249	796,666
	126,773,907	**105,606,991**
Less: Converted into Policy	126,115,220	103,771,684
	658,687	**1,835,307**

14.00 Estimated Liabilities in respect of outstanding claims whether due or intimated: Tk. 2,522,614

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

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Fire Insurance Account	1,225,273	561,711
Marine Insurance Account	687,341	4,265,507
Motor Insurance Account	610,000	750,194
Miscellaneous Insurance Account	-	3,200,000
	2,522,614	**8,777,412**

15.00 Amount due to other persons or bodies carrying on Insurance Business: Tk. 49,244,635

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

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Opening Balance	35,810,170	23,681,733
Add: Ceded Premium on Business (Net)	20,253,669	6,451,485
	56,063,839	**30,133,218**
Less: Paid to SBC during the year	6,819,204	(5,676,952)
	49,244,635	**35,810,170**

16.00 Provision for Taxation: Tk. 57,066,137

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

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Provision for Income Tax: Note-16.01	51,762,881	36,097,874
Provision for Deferred Tax: Note-16.02	5,303,256	5,103,256
	57,066,137	**41,201,130**

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

16.01 Provision for Income Tax: Tk. 51,762,881

The movement of the sum is as under:

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Provision for Income Tax (Previous)	36,097,874	57,955,923
Add: Provision for this year	15,665,007	18,422,229
	51,762,881	76,378,152
Less: Provision Adjusted	-	40,280,278
	51,762,881	**36,097,874**

The details of the sum are as under:

The makeup of the sum is as follows:

Accounting Year	Tax Assessment Year	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
2014	2015-2016	17,675,645	17,675,645
2015	2016-2017	18,422,229	18,422,229
2016	2017-2018	15,665,007	-
		51,762,881	**36,097,874**

16.02 Provision for Deferred Tax: Tk. 5,303,256

The balance is make up is as follows:

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Opening Balance	5,103,256	4,603,256
Add: Provision for this year	200,000	500,000
	5,303,256	**5,103,256**

17.00 Provision for Investment Fluctuation Reserve: Tk. 2,256,569

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

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Total cost price of share	5,387,257	5,387,257
Less: Market price of share	3,130,688	3,545,742
	2,256,569	**1,841,515**

17.01 Investment Fluctuation Reserve: Tk. 415,054

The makeup of this sum as follows:

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Investment fluctuation reserve 2016	2,256,569	1,841,515
Less: Opening Balance (2015)	1,841,515	1,028,173
Balance for the year 2016	**415,054**	**813,342**

18.00 Sundry Creditors: Tk. 3,605,701

The makeup of the sum is as follows:

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Stamp Duty	99,903	293,583
Bills Payable: Note - 18.01	3,186,173	5,009,473
AIT Agency Commission	154,593	126,489
Income Tax deducted on survey fee	31,431	5,160
Income Tax deducted on Salary	87,060	2,200
Income Tax deducted on Suppliers	5,735	
Vat deducted on survey fee	40,806	8,460
	3,605,701	**5,445,365**

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

18.01 Bills Payable: Tk.3,186,173

The makeup of this sum is follows:

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
Salaries & Allowances	475,150	2,589,689
VAT Collected on premium	612,918	746,938
Audit Fee (Including special audit for 8 years from 2008)	595,000	530,000
Provident Fund deducted from salary	288,876	43,169
Car Fuel Cost	14,229	499,677
Insurance Stamp	1,200,000	600,000
	3,186,173	5,009,473

18.02 Earning Per Share (EPS)

The earning per share of the company is as follows:

Particulars	Amount in Taka 31-12-2016	Amount in Taka 31-12-2015
EPS (After Tax)	1.06	1.34 (Restated)

Calculation:

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

Net Profit after Tax	28,362,629	35,730,993
Number of Shares	26,633,808	26,633,808
Earning per Shares (EPS)	1.06	1.34 (Restated)

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

AMARSTOCK

19.00 REVENUE ACCOUNTS :

The Summarized position of Net Underwriting Profit earned during the year 2016 is as follows.

PARTICULARS	FIRE	MARINE	MOTOR	MISCELL-ANEOUS	TOTAL
A. Gross Premium (Including PSB Business)	66,042,622	63,758,746	20,780,306	18,748,230	169,329,904
B. Re-Insurance Premium Ceded	30,258,919	26,412,046	179,806	14,055,904	70,906,675
C. Net Premium (A-B)	**35,783,703**	**37,346,700**	**20,600,500**	**4,692,326**	**98,423,229**
DIRECT EXPENSES:					
D. Commission (Net)	**371,622**	**(75,334)**	**2,179,332**	**(1,619,907)**	**855,713**
E. Claim Settled and Provided (Net)	4,811,954	(3,727,192)	5,077,649	2,953,859	9,116,270
F. Management Expenses (including service charge & stamp expenses)	24,765,410	17,078,411	7,401,392	3,046,725	52,291,938
G.Total Direct Expenses (D+E+F)	**29,948,986**	**13,275,885**	**14,658,373**	**4,380,677**	**62,263,921**
H. Adjusted Fund Balance for unexpired risk (Opening balance less closing balance)	(5,387,041)	(3,906,031)	(22,306)	(109,990)	(9,425,369)
Net Underwriting Profit (C-G+H)	**447,676**	**20,164,784**	**5,919,820**	**201,659**	**26,733,939**
COMMISSION (NET):					
Commission Paid on Direct Business	8,375,835	4,684,157	2,224,284	693,377	15,977,653
Commission Paid on Re-insurance Accepted	-	-	-	264,134	264,134
Less: Commission earned or Re-Insurance Ceded	8,004,213	4,759,491	44,952	2,577,418	15,386,074
Net Commission	**371,622**	**(75,334)**	**2,179,332**	**(1,619,907)**	**855,713**
CLAIMS SETTLED (NET):					-
Gross Claim	8,174,488	1,344,050	5,217,843	6,460,779	21,197,160
Less: Re-Insurance Claim Recovery	4,026,096	1,493,076	-	306,920	5,826,092
Paid during the year	**4,148,392**	**(149,026)**	**5,217,843**	**6,153,859**	**15,371,068**
Add: Outstanding claim at the end of the year whether due or intimated	1,225,273	687,341	610,000	-	2,522,614
	5,373,665	**538,315**	**5,827,843**	**6,153,859**	**17,893,682**
Less: Outstanding claim at the end of the previous year	561,711	4,265,507	750,194	3,200,000	8,777,412
Claim Settled and Provided (Net)	**4,811,954**	**(3,727,192)**	**5,077,649**	**2,953,859**	**9,116,270**

Net Profit for the year and its Appropriation :	
Underwriting Profit as per Revenue Accounts	**26,733,939**
Interest Income	22,423,468
Investment & Other Income	105,235
	49,262,642
Less: Expenses of Management (Not applicable to any Fund or Account)	5,035,006
Gross Profit	**44,227,636**
Less: Reserve for Exceptional Losses:	5,000,000
	39,227,636
Less: Provision for Income Tax	15,665,007
	23,562,629
Less: Deffered Tax Provision	200,000
	23,362,629
Add: Surplus Brought Forward	27,874,885
	51,237,514
Less Stock Dividend Paid (2015)	24,212,550
Surplus Carried forward	**27,024,964**

SHIRAZ KHAN BASAK & CO. Chartered Accountants Dhaka

20.00 During the year 2016 the company had 10 members to the Board of Directors and there held **15** board meetings. Board of Directors of the company has formed other committees and sub-committees like Executive committee, Claims Committee and Audit Committee. Meeting of these committees were also held during the year.

21.00 Employees:

Out of the total of 132 employees engaged during the year 2016, No employee have received salary below Tk. 3,000 per month and 132 employees received more than Tk. 3,000 per month.

22.00 Post Balance Sheet Event:

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

a) The Board of Directors in its meeting held on 27th April 2017 has recommended cash dividend **@ 2%** & stock dividend **@ 8% (1B:10)** for the year 2016 out of the surplus for approval of the shareholders in the ensuing annual general meeting.

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

AMARSTOCK

Paramount Insurance Company Ltd.

Assets Schedule

As on 31 December, 2016

ANNEXURE-1

Sl. No.	Particulars	COST				Rate of Dep.	DEPRECIATION				WRITTEN DOWN VALUE	
		As on 01-01-2016	Sale Adjustment	Addition the year	Total as on 31-12-2016		As on 01-01-2016	Adjustment	Charged during the year	Total as on 31-12-2016	As on 31-12-2016	As on 31-12-2015
1	Motor Vehicles	18,415,914	570,850	7,104,672	24,949,736	20%	15,753,194	548,546	1,268,189	16,472,837	8,476,899	2,662,720
2	Furniture & Fixtures	9,675,963	-	358,373	10,034,336	10%	7,281,198	-	259,359	7,540,557	2,493,779	2,394,765
3	Office equipments	663,557	-	32,714	696,271	20%	560,998	-	23,937	584,935	111,336	102,559
4	Office Decoration	2,625,497	-	251,271	2,876,768	10%	1,892,712	-	80,531	1,973,243	903,525	732,785
5	Telephone Installation	2,056,669	-	-	2,056,669	20%	1,852,749	-	40,784	1,893,533	163,136	203,920
6	Electrical Installation	635,994	-	27,600	663,594	20%	511,973	-	29,794	541,767	121,827	124,021
7	Sign Board	95,903	-	27,752	123,655	10%	82,618	-	3,555	86,173	37,482	13,285
8	Air Conditioner	1,739,851	-	-	1,739,851	20%	1,573,014	-	33,367	1,606,381	133,470	166,837
9	Computer	2,370,352	-	663,643	3,033,995	30%	1,843,613	-	259,110	2,102,723	931,272	526,739
10	Software Installation	70,000	-	83,160	153,160	20%	61,497	-	4,023	65,520	87,640	8,503
Sub Total		**38,349,700**	**570,850**	**8,549,185**	**46,328,035**	-	**31,413,566**	**548,546**	**2,002,649**	**32,867,669**	**13,460,366**	**6,936,134**
11	Land Purchase	-		63,993,347	63,993,347	0%	-	-	-	-	63,993,347	-
Total:		**38,349,700**	**570,850**	**72,542,532**	**110,321,382**	-	**31,413,566**	**548,546**	**2,002,649**	**32,867,669**	**77,453,713**	**6,936,134**

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

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

PARAMOUNT INSURANCE COMPANY LTD.
FORM-AA
CLASSIFIED SUMMARY OF ASSETS AT 31,DECEMBER 2016

Class of Assets	Book Value	Remarks
Investment:		
Government Security Bond (BGTB)		
(Deposit with Bangladesh Bank 5 years BGTB @ 11.30% for Tk.9,000,000/= and @ 11.82% for Tk.16,000,000/= Interest)	25,000,000	Not Quoted in Market
Investment in Shares	5,387,257	At Cost
Amount due from other persons or bodies carrying on insurance business	57,348,410	Book Value
Cash and Bank balance:	289,762,670	Realizable Value
Interest accrued but not due	10,707,951	Realizable Value
Sundry debtors (advance, deposits and prepayments)	71,665,632	Book Value
Stock of Printing and Stationery	669,549	At cost
Fixed Assets (at cost less depreciation)	77,453,713	Depreciated Value
Stamp in hand	9,453	At Actual
Total	**538,004,636**	

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

MANAGING DIRECTOR (CC) DIRECTOR DIRECTOR CHAIRMAN

Subject to our separate report of even date.

Dated: Dhaka, April 27, 2017

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

AMAR STOCK

PARAMOUNT INSURANCE COMPANY LIMITED

FORM - XL

Statement Showing Details of Re-Insurance Ceded and Accepted of Paramount Insurance Co. Ltd.
For the year ended 31 December 2016

Class of Business	PREMIUM				COMMISSION				CLAIM			
	Received on		Paid on	NET	Paid on		Received on	NET	Paid on		Received on	NET
	Direct Business	Re-Insurance Accepted	Re-Insurance Ceded		Direct Business	Re-Insurance Accepted	Re-Insurance Ceded		Direct Business	Re-Insurance Accepted	Re-Insurance Ceded	
FIRE	66,042,622	-	30,258,919	35,783,703	8,375,835	-	8,004,213	371,622	8,174,488	-	4,026,096	4,148,392
MARINE CARGO	56,310,578	-	19,225,173	37,085,405	4,684,157	-	4,364,879	319,278	1,343,921	-	1,493,076	(149,155)
MARINE HULL	7,448,168	-	7,186,873	261,295	-	-	394,612	(394,612)	129	-	-	129
MOTOR	20,780,306	-	179,806	20,600,500	2,224,284	-	44,952	2,179,332	5,217,843	-	-	5,217,843
MISC. OTHER THAN MOTOR	17,993,563	754,667	14,055,904	4,692,326	693,377	264,134	2,577,418	(1,619,907)	6,439,277	21,502	306,920	6,153,859
Total	**168,575,237**	**754,667**	**70,906,675**	**98,423,229**	**15,977,653**	**264,134**	**15,386,074**	**855,713**	**21,175,658**	**21,502**	**5,826,092**	**15,371,068**

SHIRAZ KHAN BASAK & CO. Chartered Accountants Dhaka

PRIMARY STOCK