PARAMOUNT INSURANCE COMPANY LIMITED

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

AUDITORS' REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS
R.K Tower
86, Bir Uttam C.R Datta Road, Level-10, Hatirpool, Dhaka-1205.
An Associate firm of D.N. Gupta & Associates, Chartered Accountants

AMARSTOCK

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
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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, 2017** 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, 2017 and of the results of

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

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its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994, Insurance Act, 2010 and Insurance Rules 1958, Securities Exchange Rules, 1987 and other applicable laws and regulations.

We report that:

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

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

iii) The company's 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.

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

Dated: Dhaka, May 3, 2018

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

Paramount Insurance Company Limited

Statement Of Financial Position (Balance Sheet)

As at 31 December 2017

Particulars	Notes	Amount In Taka 31-12-2017	Amount In Taka 31-12-2016
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	287,645,130	266,338,080
28,764,513 Ordinary Shares of Tk. 10/- each.			
RESERVE FOR CONTINGENCY ACCOUNT:		**126,443,575**	**111,878,049**
Reserve for Exceptional losses	11.00	93,326,333	81,643,612
Reserve for Gratuity	12.00	3,367,218	3,209,473
Profit and Loss Appropriation Account		29,750,024	27,024,964
BALANCE OF FUND & ACCOUNTS:		**52,686,205**	**44,434,164**
Fire Insurance Revenue Account		18,491,807	16,102,666
Marine Insurance Revenue Account		18,867,109	16,949,727
Motor Insurance Revenue Account		12,721,316	9,270,224
Misc. Insurance Revenue Account		2,605,973	2,111,546
Premium Deposit	13.00	7,723,164	658,687
Estimated Liabilities in respect of outstanding claims whether due or intimated	14.00	4,612,731	2,522,614
Amount due to other persons or bodies carrying on insurance business (S.B.C)	15.00	55,030,801	49,244,635
Provision for Income Tax	16.00	67,381,177	51,762,881
Provision for Deferred Tax	17.00	753,299	5,303,256
Provision for Loss on Investment Fluctuation		-	2,256,569
Sundry Creditors	18.00	8,021,956	3,605,701
Total Capital & Liabilities:		**610,298,039**	**538,004,636**
Net Assets Value (NAV) Per Share	19.00	**14.28**	**13.04**

Particulars	Notes	Amount In Taka 31-12-2017	Amount In Taka 31-12-2016
PROPERTY & ASSETS			
INVESTMENT:		**32,109,487**	**30,387,257**
Government Treasury Bond	01.00	25,000,000	25,000,000
Investment in Shares & Securities	02.00	7,109,487	5,387,257
Interest, Dividend & Rent Outstanding	03.00	11,674,438	10,707,951
Amount due from other persons or bodies carrying on insurance business (S.B.C)	04.00	67,911,270	57,348,410
Sundry Debtors	05.00	103,250,404	71,665,632
CASH AND BANK BALANCES:		**307,025,196**	**289,762,670**
Fixed Deposit with Bank	06.00	284,282,087	276,450,000
Cash at Bank	07.00	22,630,201	13,182,492
Cash in Hand	08.00	112,908	130,178
OTHER ACCOUNTS:		**88,327,244**	**78,132,715**
Fixed Assets	09.00	87,458,584	77,453,713
Stamps in Hand		116,004	9,453
Printing and Stationery (at cost)		752,656	669,549
Total Property & Assets:		**610,298,039**	**538,004,636**

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

MANAGING DIRECTOR | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Place: Dhaka
Dated: May 3, 2018

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)

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016	Particulars	Notes	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Expenses of Management		**5,173,099**	**5,035,006**	**Interest, Dividend and Rents**			
(Not applicable to any fund or account)				(Not applicable to any fund or account)			
Advertisement & Publicity		225,993	340,225	Interest Received & Accrued		19,276,657	22,423,468
Legal & Professional Charge		285,500	307,500	**Profit/(Loss) Transferred from:**		**35,974,557**	**26,733,939**
Audit Fee		156,250	174,250	Fire Revenue Account		8,509,524	447,676
Depreciation		3,941,172	2,002,649	Marine Revenue Account		18,091,149	20,164,784
Subscription & Donation		423,790	947,536	Motor Revenue Account		5,653,772	5,919,820
Fluctuation Reserve/ Fair Value	02.01	(1,328,287)	415,054	Miscellaneous Revenue Account		3,720,112	201,659
Reserve for Gratuity Expenses		200,000	200,000				
Registration & Renewal		1,268,681	647,792	**Other Income:**		**2,031,816**	**105,235**
Profit/ (Loss) for the year (Transferred to Profit & Loss Appropriation Account)		52,109,932	44,227,636	Profit /(Loss) on Investment in Shares		947,543	(581)
				Capital Gain (Profit on Sale of Car)		929,401	97,696
				Dividend Income		154,872	8,120
Total		**57,283,031**	**49,262,642**	**Total**		**57,283,031**	**49,262,642**

Profit and Loss Appropriation Account

For the year ended December 31, 2017

Particulars	Notes	Amount In Taka 31-12-2017	Amount In Taka 31-12-2016	Particulars	Notes	Amount In Taka 31-12-2017	Amount In Taka 31-12-2016
Reserve for Exceptional Losses	11.01	11,682,721	5,000,000	**Opening Balance**		27,024,964	27,874,885
Provision For Income Tax	16.01	15,618,296	15,665,007				
Provision For Deferred Tax	17.01	(4,549,957)	200,000	Net Profit for the Year Transferred			
Dividend Paid (2016)		26,633,812	24,212,550	from Profit & Loss Account		52,109,932	44,227,636
Balance Transferred to Balance Sheet	20.00	29,750,024	27,024,964				
Total		**79,134,896**	**72,102,521**	**Total**		**79,134,896**	**72,102,521**
Earning Per Share (EPS)	21.00	**1.43**	**0.99**				

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

MANAGING DIRECTOR | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Place: Dhaka
Dated: May 3, 2018

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

Paramount Insurance Company Limited

Consolidated Revenue Account

For the year ended December 31, 2017

Particulars	Amount In Taka 31-12-2017	Amount In Taka 31-12-2016	Particulars	Amount In Taka 31-12-2017	Amount In Taka 31-12-2016
Claims Under Policies Less Reinsurance	**14,861,480**	**9,116,270**	**Balance of Account at the Beginning of the Year**	44,434,164	35,008,795
Paid during the year	12,771,363	15,371,068			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	4,612,731	2,522,614	Premium Less Re-Insurance	116,827,212	98,423,229
	17,384,094	**17,893,682**			
Less: Outstanding at the end of previous year	2,522,614	8,777,412	Commission on Re-Insurance Ceded	16,999,807	15,386,074
Agency Commission	17,799,198	15,977,653	Service Charge	31,335	34,327
Expenses of Management	56,149,141	51,955,004			
Insurance Stamp	206,163	139,544			
Service Charge	225,445	231,717			
Commission on R/I Acceptance	390,328	264,134			
Reserve for unexpired risks being 45% of Fire, Marine Cargo & Miscellaneous and 100% of Marine Hull of the net premium income for the year	52,686,205	44,434,164			
Profit/(Loss) Transferred to Profit and Loss Account	35,974,557	26,733,939			
Total	**178,292,517**	**148,852,425**	**Total**	**178,292,517**	**148,852,425**

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

MANAGING DIRECTOR | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Place: Dhaka
Dated: May 3, 2018

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

An associate firm of D.N. Gupta & Associates

Paramount Insurance Company Limited

Fire Insurance Revenue Account

For the year ended December 31, 2017

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016	Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Claims Under Policies Less Reinsurance	**5,970,798**	**4,811,954**	**Balance of Account at the Beginning of the Year**	16,102,666	10,715,625
Paid during the year	6,107,529	4,148,392			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	1,088,542	1,225,273	Premium Less Reinsurance	41,092,905	35,783,703
	7,196,071	**5,373,665**			
Less: Outstanding at the end of previous year	1,225,273	561,711	Commission on Reinsurance Ceded	8,014,244	8,004,213
Agency Commission	7,859,029	8,375,835			17,070
Expenses of Management	24,181,972	24,516,729			
Service Charge	135,382	203,145	Service Charge	31,335	
Insurance Stamp	92,638	62,606			
Reserve for unexpired risks being 45% of the net premium income of the year	18,491,807	16,102,666			
Profit/(Loss) Transferred to Profit and Loss Account	8,509,524	447,676			
Total	**65,241,150**	**54,520,611**	**Total**	**65,241,150**	**54,520,611**

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

MANAGING DIRECTOR | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date

Place: Dhaka
Dated: May 3, 2018

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

An associate firm of D.N.Gupta & Associates

Paramount Insurance Company Limited

Marine Insurance Revenue Account

For the year ended December 31, 2017

Particulars	Amount In Taka 31-12-2017	Amount In Taka 31-12-2016	Particulars	Amount In Taka 31-12-2017	Amount In Taka 31-12-2016
Claims Under Policies Less Reinsurance	**2,871,376**	**(3,727,192)**	**Balance of Account at the Beginning of the Year**	16,949,727	13,043,697
Paid during the year	1,347,079	(149,026)			
claims at the end of the year whether due or intimated	2,211,638	687,341	Premium Less Reinsurance	41,673,664	37,346,700
	3,558,717	**538,315**			
Less: Outstanding at the end of previous year	687,341	4,265,507	Commission on Reinsurance Ceded	5,608,228	4,759,491
Agency Commission	5,782,597	4,684,157	Service charge	-	2,198
Expenses of management	18,573,305	17,052,695			
Service Charge	46,083	27,914			
Reserve for unexpired risks being 45% of Marine Cargo and 100% of Marine Hull of net premium income of the year	18,867,109	16,949,727			
Profit/(Loss) Transferred to Profit and Loss Account	18,091,149	20,164,784			
Total	**64,231,619**	**55,152,086**	**Total**	**64,231,619**	**55,152,086**

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

MANAGING DIRECTOR | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Place: Dhaka
Dated: May 3, 2018

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

Paramount Insurance Company Limited

Motor Insurance Revenue Account

For the year ended December 31, 2017

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016	Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Claims Under Policies Less Reinsurance	**5,958,582**	**5,077,649**	**Balance of Account at the Beginning of the Year**	9,270,224	9,247,918
Paid during the year	5,376,031	5,217,843			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	1,192,551	610,000	Premium Less Reinsurance	28,269,591	20,600,500
	6,568,582	**5,827,843**			
Less: Outstanding at the end of previous year	610,000	750,194	Commission on Reinsurance Ceded	11,129	44,952
Agency Commission	3,547,470	2,224,284			
Expenses of management	9,605,591	7,359,333			
Insurance Stamp	64,213	42,059			
Reserve for unexpired risks being 45% of the net premium income of the year	12,721,316	9,270,224			
Profit/(Loss) Transferred to Profit and Loss Account	5,653,772	5,919,820			
Total	**37,550,944**	**29,893,370**	**Total**	**37,550,944**	**29,893,370**

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

MANAGING DIRECTOR | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Place: Dhaka
Dated: May 3, 2018

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

An associate firm of D.N.Gupta & Associates

Paramount Insurance Company Limited

Miscellaneous Insurance Revenue Account

For the year ended December 31, 2017

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016	Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Claims Under Policies Less Reinsurance	60,723	2,953,859	**Balance of Account at the Beginning of the Year**	2,111,546	2,001,556
Paid during the year	(59,277)	6,153,859			
Total estimated liability in respect of outstanding claims at the end of the year whether due or intimated	120,000	-	Premium Less Reinsurance	5,791,051	4,692,326
	60,723	**6,153,859**			
Less: Outstanding at the end of previous year	-	3,200,000	Commission on Reinsurance Ceded	3,366,206	2,577,418
Agency Commission	610,102	693,377	Service Charge	-	15,059
Expenses of management	3,788,273	3,026,247			
Service Charge	43,980	658			
Insurance Stamp	49,312	34,879			
Commission on R/I Acceptance	390,328	264,134			
Reserve for unexpired risks being 45% of the net premium income of the year	2,605,973	2,111,546			
Profit/(Loss) Transferred to Profit and Loss Account	3,720,112	201,659			
Total	**11,268,803**	**9,286,359**	**Total**	**11,268,803**	**9,286,359**

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

MANAGING DIRECTOR | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Place: Dhaka
Dated: May 3, 2018

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

Paramount Insurance Company Limited

Cash Flow Statement

For the year ended December 31, 2017

SL No.	Particulars	Notes	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
01.00	**Cash Flows From Operating Activities**			
	Collection from Premium & Other Income		219,557,495	255,989,492
	Payment for Management Expenses, Commission,		(171,709,232)	(158,712,259)
	Income Tax Paid and Deducted		(16,639,694)	(21,066,943)
	Net Cash Flows From Operating Activities		**31,208,569**	**76,210,290**
02.00	**Cash Flows From Investing Activities**			
	Purchase of Fixed Assets		(14,948,642)	(72,542,532)
	Disposal of Fixed Assets		1,002,599	22,304
	Net Cash Flows From Investing Activities		**(13,946,043)**	**(72,520,228)**
03.00	**Cash Flows from Financing Activities**			
	Increase of Share Capital		-	-
	Net Cash Flows from Financing Activities		-	-
	Net Cash in Flows (Outflows) (1+2+3)		**17,262,526**	**3,690,062**
	Cash and Bank Balance at Opening		289,762,670	286,072,608
	Cash and Bank Balance at Closing		**307,025,196**	**289,762,670**
	Net Operating Cash Flow Per Share (NOCFPS)	22.00	**1.08**	**2.65**

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

MANAGING DIRECTOR | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Place: Dhaka
Dated: May 3, 2018

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

Paramount Insurance Company Limited
Statement Of Changes In Shareholder's Equity
For the year ended December 31, 2017

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

Paramount Insurance Company Limited
Statement Of Changes In Shareholder's Equity
For the year ended December 31, 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**	**375,006,656**

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

MANAGING DIRECTOR | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Place: Dhaka
Dated: May 3, 2018

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

PARAMOUNT INSURANCE COMPANY LIMITED
NOTES ON ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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. 8,99,904 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.56,149,141 represents approximately 28.96% of Gross premium of Tk. 193,880,171 Management expenses have been apportioned @ 43.07% to Fire, 30.77% to Marine, 17.71% to Motor and 6.92%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. Dhaka Chartered Accountants

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:

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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 11 offices (including Head Office) the gross premium income earned by the company amount to Tk. 193,880,171 including public sector business of Tk. 48,877,896. After ceding for re-insurance premium the net premium for the year amounted to Tk. 116,827,212 and after charging direct expenses there of the net underwriting profit/(loss) stood at Tk. 35,974,557

c) **Public Sector Business:**
Public Sector Business for 4(four) quarters up to June 2017 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.15,618,296

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 Tribunal and assessments year2016-2017 & 2017-2018 is under process.

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iii) In compliance to BAS-12 "Income Tax" the company has provided Tk.(4,549,957) for Deferred Taxation during the year.

e) **Deferred Tax :**
Provision for deferred tax is made as per BAS 12 " Income Taxes".

f) **Related Party Transactions (BAS-24):**
During the year 2017 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, 2017 have been stated below:

Sl. No.	Name of Related Parties	Nature of Transaction	Relationship	Transaction Amount (Taka)
01.	M/s. Foodex International	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	65,515
02.	M/s. Paramount Textile Ltd.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	24,442,434
03.	M/S. Sunrise Chemicals Ind.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	11,262
04.	M/S. Foreign Food	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	4,077
05.	M/S. Sarban International	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	177,089
06.	M/S. Fine Food Traders	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	114,479
07.	M/S. Paramount Agro Ltd.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	14,243
08.	M/S. Meghna Bank Ltd.	Insurance Premium	Business owned by the Director of Paramount Insurance Co. Ltd.	68,286

g) **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 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 December 31, 2017

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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 (01/01/2017-28/02/2017)	CEO & MD	3,25,000	-	N/A	N/A	N/A	N/A
Md. Sajjad Yahya (01/03/2017-31/05/2017)	CEO & MD(CC)	4,95,000	13,000	N/A	N/A	N/A	N/A
Mr. Bayazid Muztaba Siddiqui (01/06/2017-31/12/2017)	CEO & MD	10,50,000	2,10,000	N/A	N/A	N/A	N/A
Mr. Mohammad Arif Hossain	CFO	6,60,000	57,750	10% of Basic Salary	N/A	N/A	N/A
Mrs. Zharna Parul	CS	4,42,200	38,850	10% of Basic Salary	N/A	N/A	N/A

h) **Reserve for Exceptional Loss:**

As per the provision of Paragraph 6 (2) of the 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.11,682,721 reserves for the year 2017.The balance to the account of December 31,2017 stands at Tk. 93,326,333

i) **Others:**

Figures have been rounded off to the nearest Taka.

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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 31-12-2017	Amount In Taka 31-12-2016
7.09%% 5 years BGTB (Purchased in 2017)	9,000,000	9,000,000
11.82% 5 years BGTB (Purchased in 2013)	16,000,000	16,000,000
Total	**25,000,000**	**25,000,000**

2.00 Investment in Shares & Securities : **Tk. 7,109,487**

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

SL No.	Particulars Name of the Company	2017 Balance of Shares	Cost price per share	Total Cost	Market Price Per share as on 31-12-2017	Total Market Price as on	Investment Fluctuation	2016 Total Market Price
01	Lafarge Surma Cement	-	-	-	-	-	-	32,019
02	Aamra Tech	39,700	38.86	1,542,820	33.30	1,322,010	(220,810)	-
03	AFC Agro	12,000	45.81	549,735	45.00	540,000	(9,735)	-
04	Apex Tanary	1,375	154.77	212,809	148.60	204,325	(8,484)	-
05	MJLBD	5,541	123.08	681,972	109.10	604,523	(77,449)	-
06	Regent Tex	1,601	28.21	45,170	20.70	33,141	(12,029)	-
07	Prime Bank	75,400	27.66	2,085,562	27.40	2,065,960	(19,602)	-
08	PTL	42,410	42.59	1,806,104	43.90	1,861,799	55,695	-
09	Atlas BD.	-	-	-	-	-	-	5,689
10	KEYA COSMETIC	-	-	-	-	-	-	33,888
11	Exel Shoe	16,700	64.56	1,078,171	27.00	450,900	(627,271)	450,900
12	FINE FOODS	-	-	-	-	-	-	2,557
14	Sandhani Life Insurance	102	70.83	7,224	31.50	3,213	(4,011)	2,848
15	USMANIA GLASS	-	-	-	-	-	-	86
16	Lanka Bangla Finance	-	-	-	-	-	-	21,750
17	United Airways	-	-	-	-	-	-	932
18	EHL	480	58.76	28,203	49.20	23,616	(4,587)	27,027
19	ICB	-	-	-	-	-	-	1,621,840
20	BGIC	-	-	-	-	-	-	1,920
21	SIBL	-	-	-	-	-	-	19,320
22	ILFSL	-	-	-	-	-	-	600,405
23	NCC BANK	-	-	-	-	-	-	55,440
24	Agni System Ltd.	-	-	-	-	-	-	152,068
	Total			**8,037,769**		**7,109,487**	**(928,282)**	**3,028,689**

2.01 Fluctuation Reserve/ Fair Value: **Tk. 1,328,287**

The makeup of this sum as follows:

Particulars	Amount In Taka 31-12-2017	Amount In Taka 31-12-2016
Fair (Market) Value of share as on 31/12/17	7,109,487	3,130,688
Less: Cost Price of Share as on 31/12/17	8,037,769	5,387,257
Fair Value Reserve at 31/12/17	**(928,282)**	**(2,256,569)**
Less: Fair Value Reserve at 01/01/17	(2,256,569)	(1,841,515)
Fluctuation Reserve/ Fair Value	**1,328,287**	**(415,054)**

As per BFRS -9, Paragraph-4.1.1 and 4.1.5 Investment in Shares & Securities has been presented at Fair Value basis in the year of 2017.

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3.00 Interest, Dividend and Rent Outstanding: **Tk. 11,674,438**

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 31-12-2017	Amount In Taka 31-12-2016
Bangladesh Govt. Treasury Bond (BGTB)	899,904	924,250
Fixed Deposit Receipt (FDR)	10,774,534	9,783,701
Total	**11,674,438**	**10,707,951**

4.00 Amount due from other persons or bodies carrying on insurance business: **Tk. 67,911,270**

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

Particulars	Amount In Taka 31-12-2017	Amount In Taka 31-12-2016
Opening Balance	57,348,410	47,677,764
Add: Public Sector Business (PSB) - Net on 3rd & 4th Qtrs of 2016 and 1st & 2nd Qtrs (Upto June) of 2017	9,854,346	9,201,615
Sub-Total	**67,202,756**	**56,879,379**
Add: Net Receivable on Re-Insurance (RI) Misc. Accepted	708,514	469,031
Total	**67,911,270**	**57,348,410**

5.00 Sundry Debtors: **Tk. 103,250,404**

The balance is make up of as under:

Particulars		Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Advance against Office Rent		1,127,408	546,600
Advance against Salary		3,282,220	2,790,220
Security Deposits		1,111,320	911,320
LRK Securities Ltd.		2,368	132
IDCL Securities Ltd.		8,193,896	-
Advance against Insurance Claim		12,331,029	7,831,029
Bill Receivable (Premium)		976,138	-
Advance against Income Tax	5.01	76,226,025	59,586,331
Total		**103,250,404**	**71,665,632**

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

5.01 Advance against Income Tax : **Tk. 76,226,025**

Particulars			Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Opening Balance			59,586,331	38,519,388
Add: Addition	Tax Assessment Year	2014-15	710,000	315,299
	Tax Assessment Year	2015-16	409,659	-
	Tax Assessment Year	2016-17	-	12,625,858
	Tax Assessment Year	2017-18	7,539,220	8,125,786
	Tax Assessment Year	2018-19	7,980,815	-
Total			**76,226,025**	**59,586,331**

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TAMARSTOCK

6.00 Fixed Deposit with Banks : **Tk. 284,282,087**

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

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Name of the Bank:		
Islami Bank (BD) Ltd	11,500,000	9,500,000
Sonali Bank Ltd.	2,500,000	6,000,000
IFIC Bank Ltd	7,100,000	5,100,000
Uttara Bank Ltd.	1,000,000	1,000,000
Agrani Bank Ltd.	2,500,000	2,500,000
Al-Arafa Islami Bank Ltd.	48,082,087	34,450,000
The City Bank Ltd	3,500,000	2,500,000
Eastern Bank Ltd.	1,700,000	500,000
Janata Bank Ltd.	2,000,000	3,000,000
Prime Bank Ltd	9,000,000	9,000,000
National Bank Ltd.	3,200,000	2,000,000
AB Bank Ltd.	4,000,000	3,500,000
Basic Bank Ltd.	1,000,000	1,000,000
Bangladesh Krishi Bank	1,000,000	1,000,000
Dhaka Bank Ltd.	3,000,000	4,000,000
Dutch Bangla Bank Ltd.	1,000,000	1,000,000
National Credit & Commerce Bank Ltd.	3,000,000	5,000,000
Bangladesh Development Bank	3,000,000	3,000,000
Bangladesh Commerce Bank	2,000,000	-
BRAC Bank Ltd.	1,000,000	-
IDLC Finance Ltd.	5,000,000	-
Rajshahi Krishi Unnayan Bank Ltd.	3,200,000	-
Pubali Bank Ltd.	3,500,000	4,500,000
Rupali Bank Ltd.	2,000,000	2,000,000
Mercantile Bank Ltd.	19,500,000	6,000,000
United Commercial Bank Ltd.	1,500,000	1,500,000
First Security Bank Ltd.	4,000,000	3,000,000
One Bank Ltd.	4,000,000	8,000,000
Social Islami Bank Ltd.	28,500,000	37,000,000
Southeast Bank Ltd.	8,600,000	14,600,000
State Bank Of India	-	1,000,000
Shahjalal Bank Ltd.	3,700,000	4,500,000
Premier Bank Ltd.	10,000,000	7,000,000
Jamuna Bank Ltd.	10,500,000	2,500,000
Trust Bank Ltd.	-	1,000,000
Mutual Trust Bank Ltd.	2,000,000	14,000,000
EXIM Bank Ltd.	12,500,000	12,500,000
Bank Asia Ltd.	1,000,000	5,000,000
Standard Bank Ltd.	3,200,000	7,000,000
National Bank of Pakistan Ltd.	-	1,000,000
Meghna Bank Ltd.	12,000,000	12,000,000
Midland Bank Ltd.	1,000,000	3,000,000
NRB Bank Ltd.	2,000,000	2,000,000
SouthBanglaAgricultural &Com. Bank Ltd	21,800,000	21,800,000
Lanka Bangla Finance	2,000,000	1,000,000
Midas Finance Ltd.	2,000,000	2,000,000
NRB Commercial Bank Ltd.	2,200,000	1,000,000
NRB Global Bank Ltd.	7,500,000	7,500,000
Total	**284,282,087**	**276,450,000**

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SMARTSTOCK

7.00 Cash at Bank: **Tk. 22,630,201**

The make-up of the sum is as follows:

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
STD Account (Under 43 Account of 43 different Bank)	19,747,181	13,035,979
Current Account (Under 7 Account of 7 different Bank)	2,883,020	146,513
Total	**22,630,201**	**13,182,492**

8.00 Cash in Hand: **Tk. 112,908**

The make-up of the sum isas follows:

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Head Office	63,901	919
Gulshan Branch	13,659	9,613
Motijheel Branch	5,403	10,320
Kawran Bazar Branch	10,419	9,844
Agrabad Branch	4,645	18,785
Khulna Branch	1,305	49,656
Rangpur Branch	2,613	25,866
Bogra Branch	4,769	3,810
Jessore Branch	2,773	1,366
Naogaon Branch	1,400	-
Kushtia Branch	2,021	-
Total	**112,908**	**130,178**

9.00 Fixed Assets: **Tk. 87,458,584**

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

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Cost	114,958,535	110,321,382
Less: Accumulated depreciation	(27,499,951)	(32,867,669)
Total	**87,458,584**	**77,453,713**

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. 287,645,130**

This represents the sum against 28,764,513 ordinary shares of Tk. 10 each, the relevant particulars whereof are as under:

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Opening Balance	266,338,080	242,125,530
Add: Stock Dividend 8% (2016)	21,307,050	24,212,550
Paid- Up Capital	**287,645,130**	**266,338,080**

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MARSTOCK

Composition Of Share Holding:

SHAREHOLDING STRUCTURE		2017		2016	
Sponsors	10.02 (a)	12,198,193	42.41%	11,294,628	42.41%
Public	10.02 (b)	16,566,320	57.59%	15,339,180	57.59%
Total		**28,764,513**	**100%**	**26,633,808**	**100%**

10.02(a) Shareholders (Sponsors):

Class of Interval	2017				2016	
	No. of Shares	No. of Share	Total Holdings %	% of Total Paid up	Total Paid up Capital	% of Total Paid up
100,001-500,000	479,406	1	3.93%	1.67%	443,895	1.67%
500,001-1000,000	2,705,923	4	22.18%	9.41%	2,505,485	9.41%
1000,001-1500,000	1,342,340	1	11.00%	4.67%	1,242,908	4.67%
1500,001-2,000,000	7,670,524	4	62.88%	26.67%	7,102,340	26.67%
2,000,001-2,500,000	-	-	-	-	-	0.00%
Total	**12,198,193**	**10**	**100%**	**42.41%**	**11,294,628**	**42.41%**

10.02 (b) Public:

Financial & Other Institutions (including ICB)	5,817,443	35.12%
General Public	10,748,877	64.88%
Total	**16,566,320**	**100%**

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

Class Interval	2017				2016	
	No. of Shares	No. of Share	Total Holdings	% of Total Paid up	Total Paid up Capital	% of Total Paid up
01-500	147,602	1122	0.89%	0.51%	170,646	0.64%
501-5000	2,047,697	1229	12.36%	7.12%	2,237,950	8.40%
5001-10000	1,130,574	159	6.82%	3.93%	984,430	3.70%
10001-15000	452,412	36	2.73%	1.57%	437,595	1.64%
15001-20000	298,866	17	1.80%	1.04%	344,627	1.29%
20001-25000	202,047	9	1.22%	0.70%	322,965	1.21%
25001-30000	249,377	9	1.51%	0.87%	227,281	0.85%
30001-40000	691,292	20	4.17%	2.40%	485,953	1.82%
40001-50000	378,724	8	2.29%	1.32%	264,713	0.99%
50001-60000	269,215	5	1.63%	0.94%	394,620	1.48%
60001-70000	128,009	2	0.77%	0.45%	127,653	0.48%
70001-80000	-	0	0.00%	0.00%	151,000	0.57%
80001-90000	525,723	6	3.17%	1.83%	172,860	0.65%
90001-100000	100,000	1	0.60%	0.35%	100,000	0.38%
100001-120000	115,000	1	0.69%	0.40%	550,884	2.07%
120001-200000	374,000	2	2.26%	1.30%	623,273	2.34%
200001-400000	1,972,827	6	11.91%	6.86%	2,731,059	10.25%
400001-800000	1,716,580	3	10.36%	5.97%	941,090	3.53%
800001-2000000	5,766,375	3	34.81%	20.05%	4,070,581	15.28%
Total:	**16,566,320**	**2638**	**100%**	**57.60%**	**15,339,180**	**57.59%**

11.00 Reserve for Exceptional Losses: **Tk. 93,326,333**

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

Particulars	Notes	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Opening Balance		81,643,612	76,643,612
Add: Provision made during the year	11.01	11,682,721	5,000,000
Total		**93,326,333**	**81,643,612**

11.01 Reserve for Exceptional Losses: **Tk. 11,682,721**

Reserve for Exceptional Losses on Net Premium	Net Premium	%	At 10 % of Net Premium Amount in Taka 31-12-2017
Fire Insurance Business	41,092,905	10%	4,109,291
Marin Insurance Business	41,673,664	10%	4,167,366
Motor Insurance Business	28,269,591	10%	2,826,959
Miscellaneous Insurance Business	5,791,051	10%	579,105
Total	**116,827,212**		**11,682,721**

Provision for Exceptional Loss is made on lump-sum basis up to the year of 2016.

12.00 Reserve for Gratuity: **Tk. 3,367,218**

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 31-12-2017	Amount in Taka 31-12-2016
Opening Balance	3,209,473	4,500,000
Add: For this year	200,000	200,000
	3,409,473	**4,700,000**
Less: Adjusted (Paid during this year)	42,255	1,490,527
Total	**3,367,218**	**3,209,473**

13.00 Premium Deposit: **Tk. 7,723,164**

The amount represents the adjusted balance of premium received against Marine Cargo Cover Notes for which policies have not been issued within December 31, 2017.The makeup of the sum is follows:

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Opening Balance	658,687	1,835,307
Add: Premium underwritten	151,680,188	125,695,849
	152,338,875	**127,531,156**
Less: Refund & Cancelled	728,657	757,249
	151,610,217	**126,773,907**
Less: Converted into Policy	143,887,053	126,115,220
Total	**7,723,164**	**658,687**

14.00 Estimated Liabilities in respect of outstanding claims whether due or intimated: **Tk. 4,612,731**

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

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Fire Insurance Account	1,088,542	1,225,273
Marine Insurance Account	2,211,638	687,341
Motor Insurance Account	1,192,551	610,000
Miscellaneous Insurance Account	120,000	-
Total	**4,612,731**	**2,522,614**

15.00 Amount due to other persons or bodies carrying on Insurance Business: **Tk. 55,030,801**

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

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Opening Balance	49,244,635	35,810,170
Add: Ceded Premium on Business (Net)	10,530,552	20,253,669
	59,775,187	**56,063,839**
Less: Paid to SBC during the year	4,744,386	6,819,204
Total	**55,030,801**	**49,244,635**

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16.00 Provision for Income Tax: **Tk. 67,381,177**

The movement of the sum is as under:

Particulars		Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Provision for Income Tax (Previous)		51,762,881	36,097,874
Add: Provision for this year	16.01	15,618,296	15,665,007
Total		**67,381,177**	**51,762,881**

The details of the sum are as under:

The makeup of the sum is as follows:

Accounting Year	Tax Assessment Year	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
2014	2015-2016	17,675,645	17,675,645
2015	2016-2017	18,422,229	18,422,229
2016	2017-2018	15,665,007	15,665,007
2017	2018-2019	15,618,296	-
Total		**67,381,177**	**51,762,881**

16.01 Computation of current year tax provision: **Tk. 15,618,296**

Particulars	Taxable Income	Rate of Percentage	Tax Provision
Income from business or profession	19,118,737	40%	7,647,495
Interest income from FDR & STD Accounts	19,276,657	40%	7,710,663
Investment Income (profit on Sale of share)	947,543	10%	94,754
Capital Gain (profit on Sale of Car)	929,401	15%	139,410
Dividend Income	129,872	20%	25,974
Total	**40,402,211**		**15,618,296**

Taxable Income:

Particulars	Notes No.	Taxable Income	Exempted (Exceptional	Taxable Income
Income from business or profession	16.02	30,801,458	11,682,721	19,118,737
Interest income from FDR & STD Accounts		19,276,657		19,276,657
Investment Income (profit on Sale of share)		947,543		947,543
Capital Gain (profit on Sale of Car)		929,401		929,401
Dividend Income		154,872	25,000	129,872
Total		**52,109,932**	**11,707,721**	**40,402,211**

16.02 Income from Business or profession: **Tk. 30,801,458**

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Gross Profit	52,109,932	44,227,636
Less: Interest income from FDR & STD Accounts	19,276,657	22,423,468
Less: Investment Income (profit on Sale of Share)	947,543	(581)
Less: Capital Gain (profit on Sale of Car)	929,401	97,696
Less: Dividend Income	154,872	8,120
Total	**30,801,458**	**21,698,933**

17.00 Provision for Deferred Tax: **Tk. 753,299**

The balance is make up is as follows:

Particulars		Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Opening Balance		5,303,256	5,103,256
Add: Deferred Tax Expenses/ (Benifit)	17.01	(4,549,957)	200,000
		753,299	**5,303,256**

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

17.01 Computation of current Deferred Tax provision: **Tk. (4,549,957)**

Particulars	Amount in Taka 31-12-2017
Accounting base written down Value	23,455,237
Tax base written down Value	21,522,100
Taxable temporary difference	**1,933,137**
Provident fund payable	49,890
Provision for incentive bonus	-
Deductible temporary difference	**49,890**
Total taxable/(deductible) temporary difference	**1,883,247**
Tax Rate @ 40%	40%
Deferred tax liabilities/(assets) as on current year	**753,299**
Less:Deferred tax liabilities/(assets) as on previous year	5,303,256
Deferred tax expenses/(income) for the current year	**(4,549,957)**

Provision for Deferred Tax is made on lump-sum basis up to the year of 2016.

18.00 Sundry Creditors: **Tk. 8,021,956**

The makeup of this sum as follows:

Particulars	Notes	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Stamp Duty		1,907,569	99,903
Bills Payable	18.01	5,983,288	3,186,173
AIT Agency Commission		107,730	154,593
Income Tax deducted on survey fee		4,578	31,431
Income Tax deducted on Salary		-	87,060
Income Tax deducted on Suppliers		3,978	5,735
Vat deducted on survey fee		14,399	40,806
Income Tax deducted on Motor Garrege		414	-
Total		**8,021,956**	**3,605,701**

18.01 Bills Payable: **Tk. 5,983,288**

The makeup of this sum is follows:

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Salaries & Allowances	2,851,956	475,150
VAT Collected on premium	717,454	612,918
Audit Fee (Including special audit for 10 years from 2008)	665,000	595,000
Provident Fund deducted from salary	49,890	288,876
Car Fuel Cost	-	14,229
Insurance Stamp	800,000	1,200,000
Agency Commission	898,988	-
Total	**5,983,288**	**3,186,173**

19.00 Net Assets Value per Shares (NAV): **Tk. 14.28**

Last year Net Assets Value Per Share has been adjusted.

Particulars	Notes	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
a)Total Shareholders Equity		410,721,487	375,006,657
b) Number of ordinary shares		28,764,513	28,764,513
Net Assets Value per Shares (NAV) (a/b)		**14.28**	**13.04**

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.

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20.00 REVENUE ACCOUNTS :

The Summarized position of Net Underwriting Profit earned during the year 2017 is as follows.

PARTICULARS	FIRE	MARINE	MOTOR	MISCELL-ANEOUS	TOTAL
A. Gross Premium (Including PSB Business)	70,470,322	69,311,709	28,376,741	25,721,399	193,880,171
B. Re-Insurance Premium Ceded	29,377,417	27,638,045	107,150	19,930,348	77,052,959
C. Net Premium (A-B)	**41,092,905**	**41,673,664**	**28,269,591**	**5,791,051**	**116,827,212**
DIRECT EXPENSES:					
D. Commission (Net)	**(155,215)**	**174,369**	**3,536,341**	**(2,365,776)**	**1,189,719**
E. Claim Settled and Provided (Net)	5,970,798	2,871,376	5,958,582	60,723	14,861,480
F. Management Expenses (including service charge & stamp expenses)	24,378,657	18,619,388	9,669,804	3,881,565	56,549,414
G.Total Direct Expenses (D+E+F)	**30,194,240**	**21,665,133**	**19,164,727**	**1,576,512**	**72,600,613**
H. Adjusted Fund Balance for unexpired risk (Opening balance less closing balance)	(2,389,141)	(1,917,382)	(3,451,092)	(494,427)	(8,252,042)
Net Underwriting Profit (C-G+H)	**8,509,524**	**18,091,149**	**5,653,772**	**3,720,112**	**35,974,557**
COMMISSION (NET):					
Commission Paid on Direct Business	7,859,029	5,782,597	3,547,470	610,102	17,799,198
Commission Paid on Re-insurance Accepted	-	-	-	390,328	390,328
Less: Commission earned or Re-Insurance Ceded	8,014,244	5,608,228	11,129	3,366,206	16,999,807
Net Commission	**(155,215)**	**174,369**	**3,536,341**	**(2,365,776)**	**1,189,719**
CLAIMS SETTLED (NET):					-
Gross Claim	19,632,966	18,725,214	5,376,031	59,229	43,793,440
Less: Re-Insurance Claim Recovery	13,525,437	17,378,135	-	118,506	31,022,077
Paid during the year	**6,107,529**	**1,347,079**	**5,376,031**	**(59,277)**	**12,771,363**
Add: Outstanding claim at the end of the year whether due or intimated	1,088,542	2,211,638	1,192,551	120,000	4,612,731
	7,196,071	**3,558,717**	**6,568,582**	**60,723**	**17,384,094**
Less: Outstanding claim at the end of the previous year	1,225,273	687,341	610,000	-	2,522,614
Claim Settled and Provided (Net)	**5,970,798**	**2,871,376**	**5,958,582**	**60,723**	**14,861,480**

Net Profit for the year and its Appropriation :

Underwriting Profit as per Revenue Accounts	**35,974,557**
Interest Income	19,276,657
Investment & Other Income	2,031,816
	57,283,030
Less: Expenses of Management (Not applicable to any Fund or Account)	5,173,099
Gross Profit	**52,109,931**
Less: Reserve for Exceptional Losses:	11,682,721
	40,427,210
Less: Income Tax Expenses	15,618,296
	24,808,914
Less: Deffered Tax Expenses/ (Benefit)	(4,549,957)
	29,358,871
Add: Surplus Brought Forward	27,024,964
	56,383,836
Less Stock Dividend Paid (2016)	21,307,050
	35,076,785
Less:Cash Dividend Paid (2016)	5,326,762
Surplus Carried forward	**29,750,024**

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

21.00 Earning Per Share (EPS) **Tk. 1.43**

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 adjusted.The calculation of EPS is stated below:

The earning per share of the company is as follows:

Particulars	Notes	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Net Profit after Tax	21.01	41,041,593	28,362,629
Number of Shares		28,764,513	28,764,513
Earning per Shares (EPS)		**1.43**	**0.99**

21.01 Net Profit After Tax: **Tk. 41,041,593**

The makeup of this sum is follows:

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
Net Profit /(Loss) Before Tax	52,109,932	44,227,636
Less: Income Tax Expenses	15,618,296	15,665,007
Less: Deferred Tax Expenses/ (Benefit)	(4,549,957)	200,000
Net Profit /(Loss) After Tax	**41,041,593**	**28,362,629**

22.00 Net Operating Cash Flow Per Shares (NOCFPS) : **Tk. 1.08**

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

Particulars	Amount in Taka 31-12-2017	Amount in Taka 31-12-2016
a) Net Cash Flows From Operating Activities	31,208,569	76,210,290
b) Number of ordinary shares	28,764,513	28,764,513
Net Operating Cash Flow Per Shares (NOCFPS) (a/b):	**1.08**	**2.65**

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.

23.00

During the year 2017 the company had 10 members to the Board of Directors and there held **14** 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.

24.00 Employees:

Out of the total of 191 employees engaged during the year 2017, No employee have received salary below Tk. 5,000 per month and 191 employees received more than Tk. 5,000 per month.

25.00 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 25 April 2018 has recommended **10% Stock Dividend** for the year 2017 out of the surplus for approval of the shareholders in the ensuing annual general meeting.

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

Paramount Insurance Company Ltd.

Assets Schedule

As at 31 December, 2017

ANNEXURE-1

Sl. No.	Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value	
		As on 01-01-2017	Sale Adjustment	Addition during the year	Total as on 31-12-2017		As on 01-01-2017	Adjustment	Charged during the year	Total as on 31-12-2017	As on 31-12-2017	As on 31-12-2016
1	Motor Vehicles	24,949,736	10,311,489	10,696,960	25,335,207	20%	16,472,837	9,308,890	2,728,896	9,892,843	15,442,364	8,476,899
2	Furniture & Fixtures	10,034,336	-	343,361	10,377,697	10%	7,540,557	-	275,849	7,816,406	2,561,291	2,493,779
3	Office equipments	696,271	-	235,233	931,504	20%	584,935	-	56,452	641,387	290,117	111,336
4	Office Decoration	2,876,768	-	257,456	3,134,224	10%	1,973,243	-	103,539	2,076,782	1,057,442	903,525
5	Telephone Installation	2,056,669	-	9,375	2,066,044	20%	1,893,533	-	33,949	1,927,482	138,562	163,136
6	Electrical Installation	663,594	-	185,148	848,742	20%	541,767	-	45,661	587,428	261,314	121,827
7	Sign Board	123,655	-	32,445	156,100	10%	86,173	-	6,655	92,828	63,272	37,482
8	Air Conditioner	1,739,851	-	290,031	2,029,882	20%	1,606,381	-	58,118	1,664,499	365,383	133,470
9	Computer	3,033,995	-	440,583	3,474,578	30%	2,102,723	-	369,012	2,471,735	1,002,843	931,272
10	Software Installation	153,160	-	2,448,050	2,601,210	20%	65,520	-	263,041	328,561	2,272,649	87,640
Sub Total		**46,328,035**	**10,311,489**	**14,938,642**	**50,955,188**	-	**32,867,669**	**9,308,890**	**3,941,172**	**27,499,951**	**23,455,237**	**13,460,366**
11	Land Purchase	63,993,347		10,000	64,003,347		-	-	-	-	64,003,347	63,993,347
Total:		**110,321,382**	**10,311,489**	**14,948,642**	**114,958,535**	-	**32,867,669**	**9,308,890**	**3,941,172**	**27,499,951**	**87,458,584**	**77,453,713**

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

SHIRAZ KHAN BASAK & CO. Dhaka Chartered Accountants

Paramount Insurance Company Limited

FORM-AA

Classified Summary Of Assets at 31 December ,2017

Class of Assets	Book Value	Remarks
Investment:		
Government Security Bond (BGTB) (Deposit with Bangladesh Bank 5 years BGTB @ 7.09% for Tk.9,000,000/= and @ 11.82% for Tk.16,000,000/= Interest)	25,000,000	Not Quoted in Market
Investment in Shares	7,109,487	At Cost
Amount due from other persons or bodies carrying on insurance business	67,911,270	Book Value
Cash and Bank balance:	307,025,196	Realizable Value
Interest accrued but not due	11,674,438	Realizable Value
Sundry debtors (advance, deposits and prepayments)	103,250,404	Book Value
Stock of Printing and Stationery	752,656	At cost
Fixed Assets (at cost less depreciation)	87,458,584	Depreciated Value
Stamp in hand	116,004	At Actual
Total	**610,298,039**	

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

MANAGING DIRECTOR | DIRECTOR | DIRECTOR | CHAIRMAN

Subject to our separate report of even date.

Place: Dhaka
Dated: May 3, 2018

SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

PARAMOUNT INSURANCE COMPANY LIMITED

FORM - XL

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

For the year ended 31 December 2017

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	70,470,322	-	29,377,417	41,092,905	7,859,029	-	8,014,244	(155,215)	19,632,966	-	13,525,437	6,107,529
MARINE CARGO	63,811,485	-	22,345,020	41,466,465	5,782,597	-	5,317,112	465,485	8,022,845	-	6,749,447	1,273,398
MARINE HULL	5,500,224	-	5,293,025	207,199	-	-	291,116	(291,116)	10,702,369	-	10,628,687	73,681
MOTOR	28,376,741	-	107,150	28,269,591	3,547,470	-	11,129	3,536,341	5,376,031	-	-	5,376,031
MISC. OTHER THAN MOTOR	24,606,177	1,115,222	19,930,348	5,791,051	610,102	390,328	3,366,206	(2,365,776)	42,849	16,380	118,506	(59,277)
Total	**192,764,949**	**1,115,222**	**77,052,959**	**116,827,212**	**17,799,198**	**390,328**	**16,999,807**	**1,189,719**	**43,777,060**	**16,380**	**31,022,077**	**12,771,363**

SHIRAZ KHAN BASAK & CO Dhaka Chartered Accountants