

STANDARD INSURANCE COMPANY LIMITED



FIFTY ONE ANNUAL REPORT-2018

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STANDARD INSURANCE COMPANY LIMITED

COMPANY INFORMATION

Board of Directors	Mr. Shamim ur Rahman (Chairman) Mr. Azizuddin Ahmed Suharwardy Mr. Anwar ur Rehman Mrs. Rukhsana Mansoor Munir Ahmed Mrs. Farzana Ismail Ahmed Mrs. Farhana Sayeed Mr. Saeed ur Rehman (Managing Director & Chief Executive)
Managing Director/CEO	Mr. Saeed ur Rehman
Board Audit Committee	Mr. Shamim ur Rahman (Chairman) Mr. Azizuddin Ahmed Suharwardy Mr. Anwar ur Rehman
Board Human Resources & Remuneration Committee Board of Directors	Mr. Shamim ur Rahman (Chairman) Mr. Azizuddin Ahmed Suharwardy Mrs. Rukhsana Mansoor Munir Ahmed
CFO & Company Secretary	Mr. Muhammad Ishtiq Khan
Compliance Officer	Mr. Muhammad Ishtiaq Khan
Auditors	Horwath Hussain Chaudhury & Co. Chartered Accountants
Legal Advisor	Rais & Co., (Advocates)
Bankers	National Bank of Pakistan
Registered & Head Office	2nd Floor, Standard Insurance House I.I. Chundrigar Road, Karachi.



STANDARD INSURANCE COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty One Annual General Meeting of Shares Holders of the Company will be held at the Head office of the Company at 2nd Floor, Standard Insurance House, I.I. Chundrigar Road, Karachi on Thursday 27th June 2019 at 11:00a.m. to transact the following business on Agenda:

1. To confirm the minutes of the Fifty Annual General Meeting.
2. To receive and adopt the Audited Accounts for the year ended 31st December 2018 and reports of Directors and Auditors thereon.
3. To appoint Auditors for the year 2019 and to fix their remuneration.
4. To elect Directors in accordance with the Companies Ordinance, 1984 for the period of three years.
5. To transact any other business with prior permission of the Chairman.

By Order of the Board

(Muhammad Ishtiaq Khan)
Secretary

Karachi : 4th June 2019.

NOTE:

The Share Transfer Book of the Company will remain Closed
From 19th June to 30th June, 2019 (both days inclusive)

A Member entitled to attend and vote at this meeting may appoint another Member as his / her proxy to attend and vote instead of him / her. The Company must receive instrument of proxy, in order to be effective not later than 72 hours before the meeting.

The proxy shall produce his CNIC or Original Passport at the time of Meeting.

Share holders are requested to immediately notify any change of address with photocopy of CNIC.



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CODE OF CONDUCT

1. It is the responsibility of all directors, officers and employees of the company to carry out their assigned duties in compliance with all applicable legal requirements and company policies. Beyond compliance with strictly legal aspects involved, all directors, officers and employees are expected to conduct themselves with honesty, integrity and professionalism in the discharge of their assigned responsibilities. Except as otherwise permitted by company policies, all assets of the company shall be used for legitimate business purposes. All directors, officers and employees shall protect the company assets and ensure their efficient use.

Each director, officer and employee of the company must avoid any activities that could involve, or lead to involvement in any unlawful practice, as well as any actions that may jeopardize or impair the confidence or respect in which the company are held by their customers, regulators and the general public. All directors, officers and employees must comply completely with all applicable law, rules, and regulations.

2. The company policy statement regarding conflicts of interest requires all directors, officers and employees to avoid situation in which their personal interests conflict with the interests of the company. Prior to engaging in any conduct or activity that may result in a conflict of interest; the facts and circumstances of the proposed conduct or activity must be disclosed to the company.
3. Directors, officers, and employees shall not take for themselves personal opportunities that are discovered through the use of the corporate property, information, or position, shall not use corporate property, information or position for personal gain; and shall not compete with company. All directors, officer, and employees owe a duty to the company to advance the legitimate business interests of the company.
4. Directors, officers, and employees shall endeavor to deal fairly with the company customers, suppliers, competitors, and employees. No one should take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.
5. Directors, officers, and employees frequently have access to confidential information concerning the company, business and the businesses of customers, agents policyholders and other employees. Safeguarding confidential information is absolutely essential. Confidential information includes, but is not limited to all non-public information that might be of use to competitors, or harmful to the company or its customers, if disclosed. Directors, officers, and employees shall not disclose confidential information except when disclosure is authorized or legally mandated. Directors, officers, and employees shall not access, or use, confidential information unless it is relevant to the performance of their job and they have proper authorization. Except for information routinely provided to industry bureaus and agencies, vendors or other representatives of the Company, in accordance with the Company policies and procedures, no director, officer, or employee may disclose confidential information of any type to anyone, except person within the company who has a clear business need to know.
6. Accuracy and reliability in the preparation and maintenance of all books and records is not only mandated by law, it is of critical importance to the company decision making process and to the proper discharge of the company legal, financial and reporting obligations. All business records expenses accounts, vouchers, bills, payroll and services records and other reports must be prepared with care and honesty, and maintained in accordance with the company policy.
7. The company is an equal opportunity employer, and does not discriminate against employees or applicants for employments on the basis of race, color, religion, sex, sexual orientation, national origin, age, physical or mental disability. The company complies with all applicable laws and regulations in the hiring, treatment and termination of all employees, and endeavors to maintain a working environment that is conducive to professional growth accomplishment and satisfaction and free from any type of hostility or harassment.

The Directors of your company are pleased to present the annual report together with the audited financial statements for the year ended December 31, 2018

Date: 25.5.2019.
Place: Karachi

Mr. Saeed ur Rehman
Managing Director
& Chief Executive



STANDARD INSURANCE COMPANY LIMITED

DIRECTOR REPORT

The Directors of your company present 51th Annual General Report to the members of the Company and inform you that our insurance activities have remained suspended but we continue to meet our financial and statutory obligations under the law

However as previously reported, our efforts to increase revenue from the activities have gained fruit and we have been successful in realizing rental income from our tenants by actively perusing them in court. As a result we have obtained back rent from the existing tenants and this is being passed on the shareholders after the stay order has been vacated by the Sindh High Court Karachi

The statutory audit for the previous year ended December 31, 2017 was carried out by M/s. Muqtadir & Co., Chartered Accountants. Since the said firm's name is not enlisted on the approved panel of auditors issued by SECP to carry out Insurance Companies audit, SECP, the firm tendered its resignation The management appointed M/s Horwath Hussain Chaudhury & Co. to act as statutory auditors for the year ended December 31, 2018 after due process.

The Company earning per share comes to Rs.3.25 which is a substantial increase on earning per share / reported last years.

We are grateful to SECP and its Insurance department SECP and for their continued support and cooperation

Let us pray to Almighty Allah for bestowing His blessings on us and to give us the strength for successfully facing the challenges in days ahead

FOR BOARD OF DIRECTORS.



STANDARD INSURANCE COMPANY LIMITED

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (Code) contained in Regulation No. 5.19 of Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code of Corporate Governance in the following manner:

1. The company encourages representation of independent non-executive directors and director representing minority interests on its Board of Directors. At present the Board includes:

Category	Name of Directors
Independent Director	Mr. Azizuddin Ahmed Suharwady
Executive Director	Mr. Saeed ur Rehman (CEO)
Non-Executive Directors	Mr. Shamin ur Rehman (Chairman) Mr. Anwar ur Rehman Mrs. Rukhsana Mansoor Munir Ahmed Mrs. Farzana Ismail Ahmed Mrs. Farhana Sayeed

2. The Directors have confirmed that none of them is serving as a director on more that seven lister companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulter in payment of any loan to a banking company, a DFI or an NBF1 or, being a member of a stock exchange has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurred on the Board and was duly filled within 90 days.
5. The Company has prepared "Code of Conduct" and has ensured that appropriate steps have been take to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO other executive and non-executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the board meetings along with the agenda and working papers were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.
9. The Company arranged briefings for its Director to apprise them of their duties and responsibilities certification on "Role of Independent Director" Mr. Azizuddin Ahmed Suharwady.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.



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11. The Directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters required to be disclosed
12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
15. The Board has formed an Audit Committee. It comprises of four members, all of whom are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interring and final results of the Company and as required by the Code of Corporate Governance. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed a Human Resource Committee. It comprises of four members, of whom three are non-executive directors, and one is an executive director.
18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Rule book of Pakistan Stock Exchange Limited and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. The closed period, prior to the announcement of interim/final results, and business decision, which may materially affect the market price of the company's securities, was determined and intimated to directors employees and stock exchanges.
21. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.
22. We confirm that all other material principles enshrined in the Code of Corporate Governance have been complied with.

Managing Director & Chief Executive
Mr. Saeed ur Rehman

Date: 25.5.2019.
Place: Karachi



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Last year

INDEPENDENT AUDITOR'S MODIFIED REVIEW REPORT To the members of Standard Insurance Company Limited Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 and Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'Regulations') prepared by the Board of Directors of Standard Insurance Company Limited (the Company) for the year ended December 31, 2018 in accordance with the requirements of regulation 40 the Listed Companies (Code of Corporate Governance) Regulations, 2017 and provisions of Code of Corporate Governance for Insurers, 2016

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Regulations were observed which are not stated in the Statement of Compliance:

- i. The Board has not made arrangements to carry out orientation courses on the Code of Corporate Governance for its directors. Furthermore, the directors (excluding exempted directors) have not acquired the mandatory certification of directors training program from the Institutes specified by the Securities and Exchange Commission of Pakistan (SECP).
- ii. The board has not setup an effective internal audit function throughout the year.
- iii. The Company has not complied with all the corporate and financial reporting requirement of the Code of Corporate Governance.



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- iv. The members of Claim committee other than CEO are the same members of the underwriting committee or Reinsurance committee as per the Code of Corporate Governance for the insurer, 2016.
- v. The board has not devised investment policy of the Company as per the requirement of the Code of Corporate Governance for the Insurer, 2016.
- vi. The board has not setup risk management system as per the requirements of the Code of Corporate Governance for insurer 2016.
- vii. The board has not setup Grievance function in compliance with the requirement of the Code of Corporate Governance for the insurer, 2016.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended December 31, 2018.

Horwath Hussain Chaudhury & Co.
Chartered Accountants

Karachi
Date: 25-5-2019



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Last year

INDEPENDENT AUDITOR'S REPORT

To the members of Standard Insurance Company Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Standard Insurance Company Limited, which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, the statement of cash flow and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion except for the matters stated in the basis for qualified opinion paragraph below, to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Insurance Ordinance, 2000 and the Companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of Company's affairs as at December 31, 2018 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

- 1) As disclosed under head 'Insurance/Re-insurance payable' to the financial statement, the Company has recorded a liability of Rs. 4.4 million which are outstanding for a number of years. As part of our audit procedure, we had sent confirmations to the parties but have not received responses. In the absence of any other alternate audit procedures, we were unable to determine whether any adjustments might have been found necessary in respect of the related disclosure and balances in the financial statement.
- 2) As at the reporting date, the Company has accumulated loss of Rs. 26.6 million. Further, the insurance license has been suspended since the year 2002 and the Company has been placed in defaulter segment of the Pakistan Stock Exchange. The Company has applied for surrendering of license and also for de listing. These circumstances, along with the inability of the Company to meet the minimum solvency requirement and sizeable decline in business activities, indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the financial statements have been prepared on a going concern basis. In our opinion, Management's use of the going concern assumption in the financial statements is inappropriate.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



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Emphasis of Matter

We draw attention to notes 1.2 and 15.2 of the financial statements whereby it is disclosed that Company is not meeting the solvency requirement and the minimum capital requirement as at December 31, 2018.

Our opinion is not qualified in these respects.

Key Audit Matter

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

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
<p>Changes in accounting policies due to introduction of Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 (Refer notes 5.1.1 to the financial statements)</p> <p>Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 became effective for the first time for the year ended 31 December 2018. These regulations contained a new format of financial statements and changed the presentation basis.</p> <p>Changes prescribed under Annexure - II to the Rules, included a change in the overall presentation of the financial statements of non-life insurance companies and included additional disclosures as prescribed under the Rules.</p> <p>As this change materially affects the presentation and disclosure requirement so it was identified as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Evaluated the adequacy and completeness of the disclosures relating to changes in accounting policies and adjustments required in accordance with accounting and reporting standards as applicable in Pakistan;• Evaluated the adequacy and completeness of additional disclosures as required under new accounting regulations;• Considered the process adopted by Management to ensure that all required disclosures as required were provided or amended.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the Other Information. The Other Information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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



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Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Insurance Ordinance, 2000 and, Companies Act, 2017 (XIX of 2017), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit



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and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the possible effect of the matter described in the basis for qualified opinion section of our report, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Insurance Ordinance, 2000 and the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Insurance Ordinance, 2000, the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and;
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

Other Matters

These financial statements for the year ended December 31, 2017 were audited by another firm of Chartered Accountants which firm was not enlisted on the approved panel of firms maintained by SECP which carry the statutory audit of Insurance Companies. The said firm has expressed a qualified opinion in its audit report dated 22 March 2018.

The engagement partner on the audit resulting in this independent auditor's report is Najeeb Moochhala.

Horwath Hussain Chaudhury & Co.
Chartered Accountants

Karachi
Date: 25-5-2019



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STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

	Note	2018	(Restated) 2017	(Restated) 2016
-----Rupees-----				
ASSETS				
Property and equipment	8	✓ 112,599	125,109	139,011
Investment property	9	✓ 16,067,183	16,912,824	17,802,972
Investments in equity securities	10	-	-	-
Loans and other receivables	11	✓ 10,489,942	8,780,399	7,053,997
Insurance and reinsurance receivable	12	-	-	-
Taxation		✓ 807,523	807,523	807,523
Prepayments	13	-	134,528	134,528
Cash and bank	14	✓ 731,485	688,827	783,766
Total Assets		<u>28,208,732</u>	<u>27,449,210</u>	<u>26,721,798</u>
EQUITY AND LIABILITIES				
Capital and reserves attributable to Company's equity holders				
Ordinary share capital	15	10,000,000	10,000,000	10,000,000
Accumulated loss		✓ (26,680,469)	(29,911,342)	(29,642,709)
Total Equity		<u>(16,680,469)</u>	<u>(19,911,342)</u>	<u>(19,642,709)</u>
Liabilities				
Provision for outstanding claims including IBNR		✓ -	945,036	945,036
Borrowings - Director		✓ 38,977,394	38,977,394	38,081,049
Retirement benefits obligation		✓ 605,635	605,635	605,635
Insurance / reinsurance payables		✓ 4,417,738	4,417,738	4,417,738
Other creditors and accruals	16	✓ 813,214	2,381,144	2,315,049
Provision for taxation		✓ 75,220	33,604	-
Total Liabilities		<u>44,889,201</u>	<u>47,360,552</u>	<u>46,364,507</u>
Total Equity and Liabilities		<u>28,208,732</u>	<u>27,449,210</u>	<u>26,721,798</u>
Contingencies and commitments	17			

The annexed notes from 1 to 33 form an integral part of these financial statements.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018	(Restated) 2017
		-----Rupees-----	
Management expenses	18	(2,569,727)	(2,873,363)
Underwriting results		<u>(2,569,727)</u>	<u>(2,873,363)</u>
Rental income		3,329,250	2,688,335
Other income	19	2,632,966	-
Other expenses	20	(120,000)	(50,000)
Results of operating activities		<u>3,272,489</u>	<u>(235,028)</u>
Profit/(loss) before taxation		<u>3,272,489</u>	<u>(235,028)</u>
Taxation	21	(41,616)	(33,604)
Profit/(loss) after taxation		<u>3,230,873</u>	<u>(268,632)</u>
Other comprehensive income:			
Unrealised gains / (losses) on available-for-sale investments		-	-
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		<u>3,230,873</u>	<u>(268,632)</u>
Earning/(loss) per share - basic and diluted	22	<u>3.23</u>	<u>(0.27)</u>

The annexed notes from 1 to 33 form an integral part of these financial statements.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	(Restated) 2017
	----- Rupees -----	
Operating cash flows		
(a) Underwriting activities		
Management expenses paid	(75,000)	(50,000)
Net cash (outflow) / inflow from underwriting activities	(75,000)	(50,000)
(b) Other operating activities		
General management expenses paid	(1,901,072)	(1,541,892)
Net cash (outflow) from other operating activities	(1,901,072)	(1,541,892)
Total cash (outflow) from operating activities	(1,976,072)	(1,591,892)
Investment activities		
Rental income	2,018,730	1,496,953
Total cash inflow from investing activities	2,018,730	1,496,953
Net cash (outflow) / inflow from all activities	42,658	(94,939)
Cash and cash equivalents at beginning of the year	688,827	783,766
Cash and cash equivalents at end of the year	731,485	688,827
Reconciliation to profit and loss account		
Operating cash flows	(1,976,072)	(1,591,892)
Depreciation / amortisation expense	12,511	13,901
Rental income	3,329,250	2,688,335
Increase in assets other than cash	1,575,016	1,726,402
Decrease in liabilities other than borrowings	310,169	(3,105,378)
Profit/(loss) after taxation	3,250,873	(268,632)

The annexed notes from 1 to 33 form an integral part of these financial statements.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2018

	Share capital	Revenue reserves	Total shareholders' equity
	Issued, subscribed and paid-up share capital	Accumulated loss	
	----- Rupees -----		
Balance as at December 31, 2016 - as previously reported	10,000,000	(29,198,076)	(19,198,076)
Adjustment on correction of error - Note 5.23	-	(444,633)	(444,633)
Balance as at December 31, 2016 - restated	10,000,000	(29,642,709)	(19,642,709)
Balance as at January 01, 2017 - restated	10,000,000	(29,642,709)	(19,642,709)
Total comprehensive loss for the year	-	(268,632)	(268,632)
Balance as at December 31, 2017 - restated	10,000,000	(29,911,342)	(19,911,342)
Balance as at January 01, 2018 - restated	10,000,000	(29,911,342)	(19,911,342)
Total comprehensive income for the year	-	3,230,873	3,230,873
Balance as at December 31, 2018	10,000,000	(26,680,469)	(16,680,469)

The annexed notes from 1 to 33 form an integral part of these financial statements.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

1. STATUS AND NATURE OF BUSINESS

- 1.1. Standard Insurance Limited (the Company) was incorporated on December 19, 1967 as a public limited Company under the repealed Companies Act, 1913 (repealed by Companies Ordinance, 1984 and further repealed by Companies Act 2017) and registered as a non-life insurance company by the Securities and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance, 2000. The registered office of the Company is situated at 2nd Floor, Standard Insurance House, I.I. Chundrigar Road, Karachi.
- 1.2. In accordance with the requirements of the Insurance Ordinance, 2000 and as mentioned in the Insurance Rules, 2017, the minimum solvency requirement (i.e. excess of admissible assets over liabilities) is Rs 150 million. The Company is not meeting the minimum solvency requirement as at December 31, 2018.
- 1.3. The license of the Company has been suspended since the year 2000 due to various non-compliances. Furthermore, the Company is listed on the Pakistan Stock Exchange Limited and it is currently placed in the defaulter segment.
- 1.4. During the year, the Company in its annual general meeting held on May 30, 2018 has resolved to surrender the insurance license and has applied to Securities and Exchange Commission of Pakistan (the 'Commission') for the same. It was also approved in the meeting that the Company will apply for the de-listing from Pakistan Stock Exchange and the same has been applied also. Once these matters are resolved the Company shall seek new lines of business which includes renting out the building owned by Company after making structural improvements.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act 2017 and Insurance Accounting Regulations, 2017 provisions of and directives issued under the Companies Act 2017, the Insurance Ordinance, 2000 and Insurance Rules, 2017. In case requirements differ, the provisions or directives of the Companies Act 2017, Insurance Ordinance, 2000, Insurance Accounting Regulations 2017 and Insurance Rules, 2017 shall prevail.

2.2. Accounting Standards, IFRIC Interpretations and amendments which became effective during the year

2.2.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current year

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
IFRS 2 - Classification and Measurement of Share-based Payment Transaction (Amendments to IFRS 2)	January 1, 2018
IFRS 1 and IAS 28 - Annual Improvements to IFRSs 2014-2016	January 1, 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	January 1, 2018
IAS 40 - Transfers of Investment Property (Amendments to IAS 40)	January 1, 2018

Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the year ended December 31, 2018 and 2017.



STANDARD INSURANCE COMPANY LIMITED

2.2.2 Standards, amendments to published standards and interpretations that are effective but not relevant

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 1, 2018, but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

2.2.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date "(Annual periods beginning on or after)"
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Postponed
IFRS 15 - Revenue from Contracts with Customers	July 1, 2018
IFRS 9 - Financial Instruments	January 1, 2019
IFRS 16 - Leases	January 1, 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	January 1, 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	January 1, 2019
IFRS 9 - Prepayment Features with Negative Compensation (Amendments to IFRS 9)	January 1, 2019
IAS 19 - Plan Amendment, Curtail or Settlement (Amendments to IAS 19)	January 1, 2019
IAS 12/IAS 23/ IFRS 3/ IFRS 11 - Annual Improvements to IFRS Standards 2015-2017 Cycle	January 1, 2019
IAS 1/IAS 8 - Definition of Material (Amendments to IAS 1 and IAS 8)	January 1, 2020

The management anticipates that, except as stated above, adoption of the new standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than presentation and disclosures.

2.2.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	Effective Date "(Annual periods beginning on or after)"
IFRS 1 - First Time Adoption of International Financial Reporting Standards	Not yet notified
IFRS 14 - Regulatory Deferral Accounts	January 1, 2016
IFRS 17 - Insurance Contracts	January 1, 2021
IFRIC 4 - Determining Whether an Arrangement Contains a Lease	Not yet notified
IFRIC 12 - Service Concession Arrangements	Not yet notified



STANDARD INSURANCE COMPANY LIMITED

3. BASIS OF MEASUREMENT

These financial statements have been prepared under historical cost convention except for certain investments which are stated at their fair values. Accrual basis of accounting has been used except for cash flow information.

4. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all period presented in these financial statements except for format for preparation of these financial statements as disclosed in note 5.1.1.

5.1 Change in accounting policy

5.1.1 Adoption of new Insurance Rules, 2017 and Insurance Accounting Regulations, 2017

The SECP vide SRO 89(1)/2017 dated February 9, 2017, has issued the Insurance Rules, 2017 including the new Insurance Accounting Regulations, 2017 and format for the preparation of the financial statements. The new Insurance Rules are effective for the current period financial statements. In view of the applicability of the rules, the Company has changed its presentation and disclosure format to comply with the requirements of the said rules. The significant changes affecting these financial statements are as follows;

- Changes in the sequence of assets / liabilities in the statement of financial position;
- Underwriting results in relation to various classes of business which were previously on the face of the profit and loss account are now presented in a separate note (note 25).

5.1.2 Adoption of Companies Act, 2017

The Act has also brought certain changes with regard to the preparation and presentation of these financial statements under the third and fifth schedule. The disclosure requirements contained in the fifth schedule of the Act have been revised, resulting in elimination of duplicative disclosure with the IFRS disclosure requirements and incorporation of additional amended disclosures.

5.2 Property and Equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenditure are charged to the profit and loss account during the financial period in which they are incurred.

Depreciation is calculated on a diminishing balance basis over the estimated useful life of the asset. The useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged on additions from the date the asset is available for use and depreciation on disposals is charged till the date of disposal.

An item of fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal, if any, of assets are included in profit and loss account.



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5.3 Investment property

Investment property consist of building on lease hold land and it is accounted under the cost model in accordance with approved International Accounting Standard (IAS) 40, "Investment Property". Depreciation is charges at 5 % per anum at reducing balance method.

"Subsequent cost are included in the carrying amount of the property only when it is probable that the future economic benefits associated with the items will flow to the company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to consolidated profit and loss account.

5.4 Insurance contracts

Insurance contracts are those contracts under which the Company as insurer has accepted insurance risk from the insurance contract holders (insured) by agreeing to compensate the insured if a specified uncertain future event (the insured event) adversely affect the insured. Once the contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its tenure, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Insurance contracts are classified into following main categories, depending on the nature and duration of risk and whether or not the terms and conditions are fixed.

- Fire and property;
- Marine, aviation & transport;
- Motor; and
- Miscellaneous

These contracts are normally one year insurance contracts except Marine and some contracts of Fire and property, and miscellaneous class. Normally all Marine insurance contracts and some Fire and property contracts are of three months period.

These contracts are provided to all types of customers based on assessment of insurance risk by the Company. Normally personal insurance contracts e.g. vehicle are provided to individual customers, whereas, insurance contracts of fire and property, marine and transport, accident and other commercial line products are provided to commercial organization.

Fire and property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

Marine Insurance covers the loss or damage of vessels, cargo, terminals and any transport or property by which cargo is transferred, acquired or held between the points of origin and final destination.

Motor insurance provides protection against losses incurred as a result of theft, traffic accidents and against third party liability that could be incurred in an accident.

Other types of insurance are classified in miscellaneous category which includes mainly engineering, terrorism, personal accident, worker compensation, travel, products of financial institutions and crop insurance e.t.c.

5.5 Deferred commission expense /Acquisition costs

Commission incurred in obtaining and recording policies of insurance and re-insurance are deferred and recognised as an asset on acquisition of the related policies. Accordingly, these costs are charged to the profit and loss account as an expense based on the pattern of recognition of related premium revenue.



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5.6 Provision for unearned premium

Provision for unearned premium represents the portion of premium written relating to the unexpired period of coverage and is recognised as a liability by the Company. This liability is calculated as follows:

- For marine cargo business, as a ratio of unexpired period to the total period of policy applied on the gross premium of the individual policies; and
- For other classes / line of business, by applying 1/24th method as allowed by the Insurance Rules, 2017

5.7 Premium deficiency reserve

The Company is required as per Insurance Rules, 2017, to maintain a provision in respect of premium deficiency for the class of business where the unearned premium reserve is not adequate to meet the expected future liability for claims and other expenses expected to be incurred after the balance sheet date in respect of unexpired policies in that class of business at the balance sheet date. The movement in the premium deficiency reserve is recorded as an expense / income in profit and loss account for the year.

For this purpose, loss ratios for each class are estimated on historical claim development. Judgment is used in assessing the extent to which past trends may not apply in future or the effects of one-off claims. Further, actuarial valuation has been carried out to determine the amount of premium deficiency reserve in respect of accident and health insurance.

5.8 Reinsurance contracts held

The Company enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outward reinsurance premiums are accounted for in the same period as the related premiums for the direct or accepted insurance business being reinsured.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the provision for outstanding claims or settled claims associated with the reinsurance policies and are in accordance with the related reinsurance contract.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire.

The Company assesses its reinsurance assets for impairment on the balance sheet date. If there is an objective evidence that the reinsurance asset is impaired, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the profit and loss account.

5.9 Receivables and payables related to insurance contracts

Receivables and payables relating to insurance contracts are recognized when due. These include premiums due but unpaid, premiums received in advance, premiums due and claims payable to insurance contract holders. These are recognized at cost, which is the fair value of the consideration given less provision for impairment, if any.

If there is an objective evidence that any premium due but unpaid is impaired, the Company reduces the carrying amount of that insurance receivable and recognizes the loss in profit and loss account.

5.10 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.



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The Company presents segments reporting of operating results using the classes of business as specified under the Insurance Ordinance, 2000 and the Insurance Rules, 2017. The reported operating segments are also consistent with the internal reporting process of the Company for allocating resources and assessing performance of the operating segments. The performance of segments is evaluated on the basis of underwriting results of each segment. All the Company's business segments operate in Pakistan only.

Based on its classification of insurance contracts issued, the Company has five primary business segments for reporting purposes namely fire, marine, motor, accident and health and miscellaneous. The nature and business activities of these segments are disclosed in note 5.4.

Assets and liabilities are allocated to particular segments on the basis of premium earned. Those assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities. Depreciation and amortisation are allocated to a particular segment on the basis of net premium earned.

5.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash and cash equivalents comprise cash in hand and deposits with banks.

5.12 Revenue recognition

- Premium income under a policy is recognised over the period of insurance from the date of inception of the policy to which it relates till its expiry in case of marine cargo business whereas for all other cases of premium income is recognised as a difference between total premium written and provision for unearned premium using 1/24th method as mentioned in note 5.6 to these financial statements.
- Commission income is being taken to the profit and loss account, on a time proportionate basis, in accordance with the pattern of recognition of reinsurance premium to which they relate.
- Administrative surcharge recovered by the Company from policy holders is included in income currently.
- Return on bank balances and government securities is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.
- Gain / loss on sale / redemption of investments is included in the profit and loss account in the period of sale / redemption.
- Income from held to maturity investment is recognised on time proportion basis taking into account the effective yield on the investment. The difference between the redemption and the purchase price of the held to maturity investment is amortised and taken to the profit and loss account over the term of the investment.

5.13 Investments

All investments are initially recognized at cost, being the fair value of the consideration given and includes transaction costs except for investments designated at fair value through profit and loss.

Held to maturity

Investments with fixed or determinable payments and fixed maturity, where the Company has positive intent and ability to hold to maturity, are classified as Held-to-Maturity. Subsequently, these are measured at amortized cost using the effective interest method and taking any discount or premium on acquisition.

Investments at fair value through profit and loss account



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Investments which are acquired principally for the purposes of generating profit from short term fluctuation in price are classified as held-for-trading. Subsequent to initial recognition, these are remeasured at fair value. Gains or losses on investments on remeasurement of these investments are recognized in profit and loss account.

5.14 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to set-off and the Company intends either to settle the assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously.

5.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are regularly reviewed and adjusted to reflect the current estimate.

5.16 Taxation

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account rebates and tax credits available, if any.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is probable that the taxable profits will be available against which these can be utilised.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

5.17 Impairment of assets

The carrying values of the Company's fixed assets are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The resulting impairment loss is taken to the profit and loss account.

Earnings / loss per share

5.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved.

5.19 Management expenses

Expenses of management have been allocated to various classes of business as deemed equitable by management. Expenses not allocable to the underwriting business are charged under other expenses.



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5.20 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of ownership of the asset. Financial liabilities are de-recognised when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liabilities is recognised in the profit and loss account of the current period.

5.21 Foreign currencies transactions

Foreign currency transactions are translated into Pakistani Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are included in income currently.

5.22 Earnings / loss per share

The Company presents basic and diluted earnings / loss per share for its shareholders. Basic earnings / loss per share is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings / loss per share is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

5.23 Correction of prior period error

During the year, the Company conducted a detailed review of its financial statements and related accounting policies. While reviewing, it came across certain errors and mis-application of accounting policies on the financial statements which management has rectified by re-stating the balance of year ended December 31, 2016 and 2017.

The correction of the error is accounted for retrospectively, and the comparative information for 2017 has been restated. The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

Statement of financial position

	As at December 31, 2016			As at December 31, 2017		
	December 31, 2016	Increase/ (Decrease)	December 31, 2016 (Restated)	December 31, 2017	Increase/ (Decrease)	December 31, 2017 (Restated)
	Rupees					
Insurance and reinsurance receivable	2,308,189	(2,308,189)	-	2,308,189	(2,308,189)	-
Rent receivable	5,640,103	1,083,074	6,723,177	6,723,177	1,191,382	7,914,559
Security Deposit	1,819,920	(1,819,920)	-	1,819,920	(1,819,920)	-
Investment property	18,739,971	(936,999)	17,802,972	17,802,972	(890,149)	16,912,824
Investment - equity securities	102,440	(102,440)	-	102,440	(102,440)	-
Prepayments	-	-	-	850,000	(850,000)	-
Net impact on equity	28,610,623	(444,633)	24,526,150	29,606,699	(1,139,476)	24,827,383



STANDARD INSURANCE COMPANY LIMITED

Statement of profit and loss
For the year ended December 31, 2017

Impact of correction of prior period error

	As previously reported	Profit Increase/ (Decrease)	2017 (Restated)
	Rupees		
Rental income	1,496,953	1,191,382	2,688,335
Depreciation on investment property	-	(890,149)	(890,149)
Profit before income tax	327,641	562,669	235,028
Income tax expense	-	(33,604)	(33,604)

6. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

	Note
Useful life of depreciable assets	5.2
Taxation	5.16
Impairment of assets	5.17

7. SUMMARY OF SIGNIFICANT EVENTS

- Adoption of new Insurance Rules, 2017 and Insurance Accounting Regulations, 2017 (Refer note 5.1.1)
- Adoption of Companies Act, 2017 (Refer note 5.1.2)



STANDARD INSURANCE COMPANY LIMITED

8 PROPERTY AND EQUIPMENT

Description	2018									
	Cost			Accumulated depreciation / amortisation				Written down value As at		Rate
	As at January 01, 2018	Additions	Disposals	As at December 31, 2018	As at January 01, 2018	Charge for the year	Disposals	As at December 31, 2018	December 31, 2018	
	Rupees									%
Tangible - Owned										
Furniture and fixtures	34,206	-	-	34,206	3,421	3,079	-	6,499	27,707	10
Office equipment	85,995	-	-	85,995	8,600	7,740	-	16,339	69,656	10
Motor vehicles	18,810	-	-	18,810	1,881	1,693	-	3,574	15,236	10
	139,011	-	-	139,011	13,902	12,511	-	26,412	112,599	
	2017									
										(Restated)
Description	Cost			Accumulated depreciation / amortisation				Written down value As at		Rate
	As at January 01, 2017	Additions	Disposals	As at December 31, 2017	As at January 01, 2017	Charge for the year	Disposals	As at December 31, 2017	December 31, 2017	
	Rupees									%
Tangible - Owned										
Furniture and fixtures	34,206	-	-	34,206	-	3,421	-	3,421	30,785	10
Office equipment	85,995	-	-	85,995	-	8,600	-	8,600	77,396	10
Motor vehicles	18,810	-	-	18,810	-	1,881	-	1,881	16,929	10
	139,011	-	-	139,011	-	13,901	-	13,902	125,109	

8.1 Disposals of fixed assets during the year having written down value of more than Rs. 50,000 is nil.

	(Restated)	
	2018	2017
	Note ----- Rupees -----	
9 INVESTMENT PROPERTY		
Opening value	16,912,824	17,802,972
Charged for the year	(845,641)	(890,149)
Closing value	<u>16,067,183</u>	<u>16,912,824</u>

The market value of the investment properties as per valuations carried out by professional valuers is Rs. 400 million (2017: Rs. 350 million).



STANDARD INSURANCE COMPANY LIMITED

		2018	(Restated) 2017
	Note -----	Rupees -----	
10 INVESTMENTS IN EQUITY SECURITIES			
At fair value through profit or loss			
Suraj Ghee Industries		78,080	78,080
Sadiqabad Textile Mills Limited		24,360	24,360
Provision for impairment	10.1	<u>(102,440)</u>	<u>(102,440)</u>
		<u>-</u>	<u>-</u>
10.1	In prior years, the Company has made an investment in equity shares of these companies listed on Pakistan Stock Exchange (PSX). The trading in these shares has been suspended by the exchange so the Company has fully provided for the said investments.		
		2018	(Restated) 2017
	Note -----	Rupees -----	
11 LOANS AND OTHER RECEIVABLES			
Rent receivable	11.1	9,209,652	7,914,559
Accrued investment income		-	141,050
Deposit	11.2	1,090,500	535,000
Loans to employees		<u>189,790</u>	<u>189,790</u>
		<u>10,489,942</u>	<u>8,780,399</u>
11.1	The Company has filed an appeal for the fixation and increment of rent per square feet in the court of District Judge Karachi South against the order (No. 1366,1368/2001 dated 21.10.2010) passed by VII-Rent Controller Karachi South. After hearing the appeal, the court in its judgment has ordered to increase the rent at the rate of Rs. 4 per square feet from August 31, 2001 with a annual increment of 10% after every three years. This amount represents the balance receivable from the tenants upto December 31 2018.		
11.2	The Civil Court in suit No. 508/2004 filed by the Pakistan Re-Insurance Limited against the Company passed a decree for the payment of sum amounting to Rs. 1,195,533. The Company has filed an appeal against the said order and paid Rs. 1,090,500 under protest. The management is confident for the recovery of said amount.		
12 INSURANCE AND REINSURANCE RECEIVABLES			
Due from insurers / reinsurers		2,308,189	2,308,189
Provision for impairment of due from insurers / reinsurers		<u>(2,308,189)</u>	<u>(2,308,189)</u>
		<u>-</u>	<u>-</u>



STANDARD INSURANCE COMPANY LIMITED

		2018	(Restated) 2017
		Note	Rupees
13	PREPAYMENTS		
	Prepaid miscellaneous expenses	-	134,528
14	CASH AND BANK		
	Cash and other equivalents		
	Cash with State Bank of Pakistan	300	300
	Cash in hand	708,677	537,917
		<u>708,977</u>	<u>538,217</u>
	Cash at banks		
	Current accounts	22,508	150,610
		<u>✓ 731,485</u>	<u>688,827</u>
15	SHARE CAPITAL		
15.1	AUTHORISED SHARE CAPITAL		(Restated)
	2018 2017	2018	2017
	(Number of shares)	----- Rupees -----	
	<u>1,000,000</u> <u>1,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
15.2	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		(Restated)
	2018 2017	2018	2017
	(Number of shares)	----- Rupees -----	
	<u>1,000,000</u> <u>1,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
	The Company is not meeting with the minimum capital requirement for insurers which is Rs. 450 million as per the Insurance Rules 2017		
16	OTHER CREDITORS AND ACCRUALS		
	Unclaimed dividend	693,214	693,214
	Others	120,000	1,687,930
		<u>813,214</u>	<u>2,381,144</u>
17	CONTINGENCIES AND COMMITMENTS		
17.1	There were no outstanding contingencies & commitments as at December 31, 2018 (2017: Nil).		



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		(Restated)	
		2018	2017
	Note	----- Rupees -----	-----
18 MANAGEMENT EXPENSES			
Salaries, allowances and other benefits		✓ 1,137,200	1,058,400
Advertisement		✓ 52,000	18,000
Printing and stationery		✓ 146,704	24,900
Depreciation on fixed assets		✓ 12,511	13,901
Depreciation on investment property		845,641	890,149
Legal and professional charges		122,324	854,500
Office repairs and maintenance		10,700	-
Bank charges		5,385	-
Postage, telegram and telephone		19,079	13,513
Miscellaneous		218,183	-
		<u>2,569,727</u>	<u>2,873,363</u>
19 OTHER INCOME			
Liabilities written back		<u>2,632,966</u>	<u>-</u>
20 OTHER EXPENSES			
Auditors' remuneration	21.1	<u>120,000</u>	<u>50,000</u>
20.1 Auditors' remuneration			
Audit fee		85,000	30,000
Half yearly review		20,000	10,000
CCG		10,000	5,000
Out of pocket expenses		<u>5,000</u>	<u>5,000</u>
		<u>120,000</u>	<u>50,000</u>
21 TAXATION			
- Current	22.1	<u>41,616</u>	<u>33,604</u>

21.1 Since the Company has discontinued its business since year 2000, it is not filing its income tax returns since then. However the Company has made necessary provisions as per the Income Tax Ordinance 2001.

21.2 The Company has not recognised the deferred tax asset as the Company does not foresee future taxable



STANDARD INSURANCE COMPANY LIMITED

	2018	(Restated) 2017
	Note	Rupees
22 EARNING/(LOSS) PER SHARE - BASIC AND DILUTED		
Profit/(loss) after tax for the year	<u>3,230,873</u>	<u>(268,632)</u>
Weighted average number of Ordinary shares	<u>1,000,000</u>	<u>1,000,000</u>
	----- (Rupees) -----	
Earning/(loss) per share - basic and diluted	<u>3.23</u>	<u>(0.27)</u>

22.1 No figure for diluted loss per share has been presented as the Company has not issued any instrument which would have an impact on earning per share when exercised.

23 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

No remuneration was paid to Chief executive officer, Directors and Executives.



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24 SEGMENT INFORMATION

	For the year ended December 31, 2018				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	Rupees				
Gross written premium (inclusive of surcharges)	-	-	-	-	-
Insurance premium earned	-	-	-	-	-
Insurance premium ceded to reinsurers	-	-	-	-	-
Net insurance premium	-	-	-	-	-
Commission income	-	-	-	-	-
Net underwriting income	-	-	-	-	-
Insurance claims	-	-	-	-	-
Insurance claims recovered from reinsurers	-	-	-	-	-
Net claims	-	-	-	-	-
Commission expense	-	-	-	-	-
Management expense	-	-	-	-	(2,569,727)
Net insurance claims and expenses	-	-	-	-	(2,569,727)
Underwriting results	-	-	-	-	(2,569,727)
Rental income					3,329,250
Other income					2,632,966
Other expenses					(120,000)
Result of operating activities					<u>3,272,489</u>
Finance costs					-
Loss before tax					<u>3,272,489</u>



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	For the year ended December 31, 2017				
	Fire and property damage	Marine, aviation and transport	Motor	Miscellaneous	Aggregate
	Rupees				
Gross written premium (inclusive of surcharges)	-	-	-	-	-
Insurance premium earned	-	-	-	-	-
Insurance premium ceded to reinsurers	-	-	-	-	-
Net insurance premium	-	-	-	-	-
Commission income	-	-	-	-	-
Net underwriting income	-	-	-	-	-
Insurance claims	-	-	-	-	-
Insurance claims recovered from reinsurers	-	-	-	-	-
Net claims	-	-	-	-	-
Commission expense	-	-	-	-	-
Management expense	-	-	-	-	(2,873,363)
Net insurance claims and expenses	-	-	-	-	(2,873,363)
Underwriting results	-	-	-	-	(2,873,363)
Rental income					2,688,335
Other income					-
Other expenses					(50,000)
Result of operating activities					(235,028)
Finance costs					-
Loss before tax					(235,028)



STANDARD INSURANCE COMPANY LIMITED

25.1 Other information - Statement of

Assets and Liabilities

2018				
Fire and property	Marine, aviation and transport	Motor	Miscellaneous	Total
Rupees				
Segment assets	-	-	-	-
Unallocated assets	-	-	-	28,208,732
Consolidated total assets	-	-	-	28,208,732
Segment liabilities	-	-	-	-
Unallocated liabilities	-	-	-	44,889,201
Consolidated total liabilities	-	-	-	44,889,201

2017				
Fire and property	Marine, aviation and transport	Motor	Miscellaneous	Total
Rupees				
Segment assets	-	-	-	-
Unallocated assets	-	-	-	27,449,210
Consolidated total assets	-	-	-	27,449,210
Segment liabilities	-	-	-	-
Unallocated liabilities	-	-	-	47,360,552
Consolidated total liabilities	-	-	-	47,360,552



STANDARD INSURANCE COMPANY LIMITED

25	FINANCIAL INSTRUMENTS BY CATEGORY	2018	(Restated) 2017
		----- Rupees -----	
	Financial assets and financial liabilities		
	Financial assets		
	Loans and receivables		
	Loans and other receivables	10,489,942	8,780,399
	Cash and bank deposits		
	Cash and other equivalents	708,977	538,217
	Current and other accounts	22,508	150,610
		731,485	688,827
		<u>11,221,427</u>	<u>9,469,226</u>
	Financial Liabilities		
	Amortised cost		
	Provision for outstanding claims (including IBNR)	-	945,036
	Borrowings	38,977,394	38,977,394
	Retirement benefits obligation	605,635	605,635
	Insurance / Reinsurance Payables	4,417,738	4,417,738
	Other creditors and accruals	813,214	2,381,144
		<u>44,813,981</u>	<u>47,326,947</u>

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

The carrying values of all financial assets and financial liabilities reflected in the financial statements approximate their fair values.

The different level by valuation method of financial instruments have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).



STANDARD INSURANCE COMPANY LIMITED

27. RISK MANAGEMENT

27.1 Financial risk

(i) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest / mark-up rate risk in respect of the following:

		2018		
		Non Interest / mark-up bearing		
		Maturity upto one year	Maturity after one year	Total
		----- Rupees -----		
Financial assets				
Cash and bank deposits		731,485	-	731,485
Loans and other receivables		10,489,942	-	10,489,942
		11,221,427	-	11,221,427
Financial liabilities				
Borrowings		38,977,394	-	38,977,394
Retirement benefits obligation		605,635	-	605,635
Insurance / Reinsurance Payables		4,417,738	-	4,417,738
Other creditors and accruals		813,214	-	813,214
		44,813,981	-	44,813,981

		2017		
		Non Interest / mark-up bearing		
		Maturity upto one year	Maturity after one year	Total
		----- Rupees -----		
Financial assets				
Cash and bank deposits		688,827	-	688,827
Loans and other receivables		8,780,399	-	8,780,399
		9,469,226	-	9,469,226
Financial liabilities				
Provision for outstanding claims (including IBNR)		945,036	-	945,036
Borrowings		38,977,394	-	38,977,394
Retirement benefits obligation		605,635	-	605,635
Insurance / Reinsurance Payables		4,417,738	-	4,417,738
Other creditors and accruals		2,381,144	-	2,381,144
		47,326,947	-	47,326,947



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(b) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company manages its exposure to such risks by maintaining a diversified portfolio of investments.

(c) Claims development tables

The following table shows the development of claims of all classes over a period of time. The disclosure goes back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments.

Analysis on gross basis Accident year	2018	2017	2016 and prior years
Estimate of ultimate claims cost:	-	-	-
At end of accident year	-	-	-
One year later	-	-	-
Two year later	-	-	-
Current estimate of cumulative claims	-	-	-
Cumulative payments to date	-	-	-
Liability recognised in the balance sheet	-	-	-

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. To guard against the risk, the Company maintains balance of cash and other equivalents and readily marketable securities. The maturity profile of assets and liabilities are also monitored to ensure adequate liquidity is maintained. All financial liabilities of the Company are short term in nature.

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

(iii) Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. Credit risk also arises in respect of reinsurance contracts as reinsurance ceded does not relieve the Company from its obligation to policyholders and as a result the Company remains liable for the portion of outstanding claims ceded to the extent that the reinsurance operator fails to meet the obligation under the reinsurance arrangements. The Company attempts to control credit risk by monitoring credit exposures and continually assessing the credit worthiness of counterparties. The table below analyses the Company's maximum exposure to credit risk:

	2018	2017
	Rupees	
- Bank deposits	22,508	150,610



STANDARD INSURANCE COMPANY LIMITED

The credit quality of Company's bank deposits and accrued interest can be assessed with reference to external credit ratings as follows:

	Rating		Rating Agency	2018	2017
	Short	Long		----- Rupees -----	
Bank deposits					
National Bank of Pakistan	A1+	AAA	PACRA	22,508	150,610
National Bank of Pakistan	A1+	AAA	JCR VIS		

27.2 Capital management

Capital requirements applicable to the Company are set and regulated by the SECP. These requirements are put in place to ensure sufficient paid up capital and solvency margins. Currently, the Company has a paid-up capital of Rs 10 million against the minimum required paid-up capital of Rs 300 million set by the SECP for non-life insurance companies through issue of Circular No. 3 dated April 10, 2007 for the year ended December 31, 2018.

In accordance with the requirements of the Insurance Ordinance, 2000 and as mentioned in the Insurance Rules, 2017 (SECP vide SRO 89(1)/2017 dated February 09, 2017), the minimum solvency requirement (i.e excess of admissible assets over liabilities) is Rs 150 million. The Company is not meeting the minimum solvency requirement as at December 31, 2018.



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28. STATEMENT OF SOLVENCY

2018
--- Rupees ---

ASSETS

Property and equipment	112,599
Investment property	16,067,183
Loans and other receivables	10,489,942
Taxation - payments less provision	807,523
Cash and bank	731,485
Total Assets (A)	28,208,732

In-admissible assets as per following clauses of section 32(2) of the Insurance Ordinance, 2000

Vehicles, furnitures and fixtues and office equipment	112,599
Loans to employees	189,790
Total of In-admissible assets (B)	302,389

Total Admissible Assets (C=A-B) 27,906,343

Total Liabilities

Retirement benefits obligation	605,635
Insurance / Reinsurance Payables	4,417,738
Other creditors and accruals	813,214
Total Liabilities (D)	5,836,587

Total Net Admissible Assets (E=C-D) 22,069,756

Minimum Solvency Requirement (higher of following) 150,000,000

Method A - U/s 36(3)(a)	150,000,000
Method B - U/s 36(3)(b)	-
Method C - U/s 36(3)(c)	-

Excess in Net Admissible Assets over Minimum Requirements (127,930,244)



STANDARD INSURANCE COMPANY LIMITED

29. CORRESPONDING FIGURES

As referred to in note 5.1.1, the Insurance Accounting Regulations 2017 have become effective from January 1, 2018. These regulations have introduced a single balance sheet, profit and loss account, cash flow, which resulted in additional disclosures and certain changes in the presentation.

Due to change comparative figures can be reconciled to the financial statements for the year ended December 31, 2017 as follows:

Statement of financial position

Nature	Note	Reclassification from	Reclassification to	Amount
--- Rupees ---				
Asset	9	Buidling	Investment property	17,802,972
Asset	12	Amount due from other insurer / reinsurers	Insurance and reinsurance receivables	2,308,189
Asset	11	Pakistan Re-Insurance Corporation	Loans and other receivables - Deposit	535,000
Asset	11	Sundry receivables	Loans and other receivables - Rent receivable	7,914,559
Asset	13	Stock of stationay	Prepayments - Prepaid miscellaneous expense	109,704
Asset	13	Karachi Stock Exchange	Prepayments - Prepaid Stock Exchange Fee	850,000
Liability	-	Advance for right shares	Borrowings - Director	10,000,000
Liability	-	Other creditors and accruals - Loan from Directors	Borrowings - Director	28,977,394
Liability	-	Staff retirement benefits	Retirement benefit obligation	605,635
Liability	-	Amount due to other insurer / reinsurers	Insurance / reinsurance payables	4,417,738
Liability	16	Unclaimed dividend	Other creditors and accruals - Unclaimed dividend'	693,214



STANDARD INSURANCE COMPANY LIMITED

Profit and loss account

Nature	Note	Reclassification from	Reclassification to	Amount
--- Rupees ---				
Expense	18	General and administrative expenses - Salaries	Management expenses - Salaries, allowance and other benefits	1,058,400
Expense	18	General and administrative expenses - Advertisement	Management expenses - Advertisement	18,000
Expense	18	General and administrative expenses - Printing stationary	Management expenses - Printing and stationary	24,900
Expense	18	General and administrative expenses - SECP challan	Management expenses - Legal and professional charges	854,500
Expense	18	General and administrative expenses - Postage expense	Management expenses - Postage, telegram and telephone	13,513
Expense	18	Asset - Karachi Stock Exchange	Management expenses - Legal and professional charges	850,000
Expense	20	General and administrative expenses - Audit fee	Other expenses - Auditors' remuneration	50,000

30. SUBSEQUENT EVENTS

There is no subsequent event effecting the financial statements for the year ended December 31, 2018.

31. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2018 and 2017 respectively are as follows:

	2018	2017
Average number of employees during the year	8	8
Number of employees as at December 31,	8	8

32. GENERAL

Figures have been rounded off to the nearest rupees.

33. AUTHORISATION FOR ISSUANCE

These financial statements have been approved by the Board of Directors of the Company and are authorised

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

PATTERN OF SHAREHOLDING

As at 31 December, 2017.

No. of Shareholders	Share holdings			Total Shares Held
108	1	To	100	5,650
43	101	To	500	9,595
1	501	To	1000	700
5	1001	To	5000	15,000
3	5001	To	10000	22,750
1	10001	To	20000	20,000
6	60001	To	90000	534,174
2	150000	To	250000	392,131
169				1,000,000

Categories of Shareholders	Numbers	Share Held	Percentage
Individuals	161	954,105	95.41
Investment Companies	--	--	--
Insurance Companies	--	--	--
Joint Stock Companies	3	32,500	3.25
Financial Institutions	--	--	--
ICP 200 KIT-200	2	400	0.04
Modaraba Companies	--	--	--
Abandoned Properties	1	5,000	0.5
Other	--	--	--
Riaz-o-Khalid Ltd.	1	7,600	0.76
Riaz-o-Khalid Fisheries	1	395	0.04
	169	1,000,000	100.00

SAEED UR REHMAN

Managing Director
& Chief Executive

Dated : 25-5-2019
Place : Karachi.

Director

Director



STANDARD INSURANCE COMPANY LIMITED

PROXY FORM:

Annual General Meeting

I/We _____
of _____ being a member of Standard Insurance Company Limited and holder of _____

Ordinary Shares, as per:

Share Register Folio No. _____

hereby appoint Mr./Ms. _____ of

_____, another member of the Company * (or failing him Mr./Ms.

of _____, another member of the Company *) as my/our proxy to attend, speak and vote for me/us

and on my/ our behalf, at the Fifty One Annual General Meeting of the Company to be held

on Thursday 27, June 2019 at 2nd Floor Standard Insurance House, I.I. Chundrigar Road, Karachi.

Signed this _____ day of _____ 2019

WITNESSES:

1. Signature: _____
Name: _____
Address: _____

CNIC No. or
Passport No. _____

Signature on
Revenue Stamps
of Rupees Five

Signature should agree with the
specimen signature with the company

2. Signature: _____
Name: _____
Address: _____

CNIC No. or
Passport No. _____

***Proxy representing a corporation may or may not himself be a member of the Company.**

IMPORTANT:

1. This Proxy Form, duly completed, must be deposited at the Company's Registered Office, not less than seventy two hours before the meeting.
2. Shareholders and their proxies are each requested to attach an attested photocopy of their computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.
3. All proxies attending the AGM are requested to bring their original CNIC/Passport for identification.