

STANDARD INSURANCE COMPANY LIMITED



FIFTY FOUR ANNUAL REPORT - 2021

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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	Crowe 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 54th Annual General Meeting of Shareholders 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 30th June, 2022 at 11AM, to transact the following business an Agenda:

ORDINARY BUSINESS

1. To confirm the Minutes of the Fifty Three Annual General Meeting,
2. To received and adopt the Audited Accounts for the year ended 31st December, 2021 and report of Directors and Auditors thereon.
3. To appoint Auditors for the year 2022 and to fix their remuneration.
4. To elect Directors in accordance with the Companies Act 2017 for the period of three years.
5. To transact any other business with prior permission of the Chairman.

By Order of Board

(M. Ishtiaq Khan)
Secretary

Karachi 08-06-2022

NOTE:

1. The Share Transfer Book of the Company will remain closed from 19th June, 2022 to 3rd July, 2022 (both days inclusive).
2. 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.
3. The proxy shall produce his CNIC original or original passport at the time of meeting.
4. Shareholders are requested to immediately notify any change of address with photocopy of CNIC.
5. The Member is also requested to maintain Coronavirus SOPS according to the laws of the Government of Pakistan



STANDARD INSURANCE COMPANY LIMITED

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 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 statement for the year ended December 31, 2021.

Place: Karachi
Date: 08-06-2022

Mr. Saeed ur Rehman
Managing Director
& Chief Executive



STANDARD INSURANCE COMPANY LIMITED

DIRECTORS REPORT

1. The Directors of the Company present 54th Annual 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.
2. Our efforts to increase revenue have gained fruit and we have been successful in realizing rental income from our tenants by actively pursuing cases against them. As a result we were able to obtain back rent from the tenants as per orders of Sindh High Court Karachi.
3. Due to the above situation the company earning per share of Rupees (13.02).
4. Regarding revocation of Insurance License the SECP (Insurance Division), vide letter No. ID/OSM/Standard/2020/1022, dated: 7th October 2020, had clarified that as the Company did not renew Insurance license under Insurance Act, as such there is no need to issue revocation or any NOC to change the name of the Company.
5. Regarding the change of name of the company. After the advice of SECP (Insurance Division) the Company started the process for change of name before SECP (Registration Office), Karachi but still awaited and once this is done the company can start any other business in accordance with the revised Memorandum and Articles of Association of the Company under new name.

We are grateful to SECP and its Insurance Department SECP for their support and cooperation.

We are grateful to Almighty Allah for bestowing His blessings and give us the strength for successfully facing the challenges ahead. For Board of Directors Chairman

For Board of Directors

Chairman



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. Aziz uddin Ahmed Suharwady
Executive Director	Mr. Saeed ur Rehmat (CEO)
Non-Executive Directors	Mr. Shamin ur Rehman (Chairman) Mr. Anwar ur Rehman Mrs. Rukhsana Mansoor Munir Ahmed Mrs. Fazana Ismail Ahmed Mrs. Farhana Sayeed

2. The Directors have confirmed that none of them is serving as a director on more than seven listed 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 defaulted in payment of any loan to a banking company, a DFI or an NBFIs 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 taken 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: 08-06-2022. Place: Karachi.

Managing Director & Chief Executive

Mr. Saeed ur Rehman

Date: 08-06-2022

Place: Karachi



STANDARD INSURANCE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT To the Members of Standard Insurance Company Limited Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the annexed financial statements of **Standard Insurance Company Limited** (the Company), which comprise the statement of financial position as at December 31, 2021, and the profit or loss account and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

- 1) The financial statements have been prepared on going concern basis. As at the balance sheet date, accumulated loss of the Company is Rs. 50.429 million (December 31, 2020: Rs. 37.408 million) as against the issued, subscribed and paid-up share capital of Rs. 10.00 million (December 31, 2020: Rs. 10.00 million) and current liabilities of the Company exceed its current assets by Rs. 3.32 million (December 31, 2020: Rs. 2.938 million). Although, the management is working for the exploration of new line of business including income from rental properties but still there exist no formal plans and feasibility which can improve the situation of the Company. Based on the above, there are material uncertainties on the use of the going concern assumption in the preparation of financial statements.
- 2) As disclosed under head 'Insurance/Re-insurance payable' to the financial statements, the Company has recorded a liability of Rs. 3.27 million (2020: Rs. 3.27 million) which is 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 statements.
- 3) As disclosed under head 'Retirement benefit obligation' to the financial statements, the Company has recorded a liability of Rs. 12.53 million (2020: Rs. 0.605 million). We have not been provided any evidence regarding movement in this balance. Further, this balance could not be verified from other alternative audit procedures. Accordingly, we are unable to determine whether any adjustment might have been found necessary in respect of the related disclosure and balance in the financial statements.

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



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of 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements.

Report on Other Legal and Regulatory Requirements

Because of the significance of the matters described in Basis of Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. Accordingly, we were unable to form an opinion whether:

- a. proper books of account have been kept by the Company as required by 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 not been drawn up in conformity with the Companies Act, 2017 (XXI of 2017), however 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.

In our opinion no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

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

Crabwe Hussain Chaudhury & Co.
Chartered Accountants

Karachi
Date: 03-06-2022



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STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Note	2021 ----- Rupees -----	2020
ASSETS			
Non-current assets			
Property and equipment	8	82,084	91,205
Investment property	9	13,775,600	14,500,632
Investments in equity securities	10	13,857,684	14,591,837
Current assets			
Loans and other receivables	11	1,079,306	397,790
Insurance and reinsurance receivable	12	-	-
Taxation	13	1,115,955	1,115,955
Cash and bank		366,895	370,106
		2,562,156	1,883,851
		<u>16,419,840</u>	<u>16,475,688</u>
Total assets			
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity holders			
Ordinary share capital	14	10,000,000	10,000,000
Accumulated loss		(50,429,801)	(37,408,837)
Total Equity		<u>(40,429,801)</u>	<u>(27,408,837)</u>
Liabilities			
Non-current liabilities			
Borrowings - Director	15	38,432,356	38,456,356
Retirement benefits obligation		12,529,711	605,635
		<u>50,962,067</u>	<u>39,061,991</u>
Current liabilities			
Insurance / reinsurance payables	16	3,276,738	3,276,738
Other creditors and accruals		2,267,454	1,353,214
Provision for taxation		343,382	192,582
		<u>5,887,574</u>	<u>4,822,534</u>
		<u>16,419,840</u>	<u>16,475,688</u>
Total equity and liabilities			
Contingencies and commitments			
	17		

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 ----- Rupees -----	2020
Administrative expenses	18	(14,273,409)	(9,164,492)
Rental income		649,998	411,666
Other income		953,246	-
Other expenses	19	(200,000)	(130,000)
Loss before taxation		(12,870,164)	(8,882,826)
Taxation	20	(150,800)	(95,507)
Loss after taxation		(13,020,964)	(8,978,333)
Other comprehensive income:			
Other comprehensive income for the year			
Total comprehensive loss for the year		(13,020,964)	(8,978,333)
Loss per share - basic and diluted	21	(13.02)	(8.98)

The annexed notes from 1 to 31 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, 2021

	2021	2020
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(12,870,164)	(8,882,826.08)
Adjustment for non cash items:		
Provision for retirement benefit obligation	11,924,076	-
Provision for doubtful receivable	-	6,565,081
Depreciation	734,152	773,325
Net cash (outflow) from underwriting activities	(211,936)	(1,544,420)
Working Capital Changes:		
Decrease / (increase) in current assets	(681,516)	1,828,141
Loans and other receivables	866,241	30,000
Other creditors and accruals	184,725	1,858,141
Income tax paid	-	-
Total cash outflow from operating activities	(27,211)	313,721
Total cash inflow from investing activities		
Financing activities		
Borrowings - Director	24,000	(177,000)
Total cash inflow from financing activities	24,000	(177,000)
Net cash (outflow) / inflow from all activities	(3,211)	136,720
Cash and cash equivalents at beginning of the year	370,106	233,386
Cash and cash equivalents at end of the year	366,895	370,106

The annexed notes from 1 to 31 form an integral part of these financial statements.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

Particulars	Issued, subscribed and paid-up share capital	Revenue reserves	Total equity
		Accumulated loss	
----- Rupees -----			
Balance as at January 01, 2020	10,000,000	(28,430,504)	(18,430,504)
Total comprehensive income for the year	-	(8,978,333)	(8,978,333)
Balance as at December 31, 2020	10,000,000	(37,408,837)	(27,408,837)
Balance as at January 01, 2021	10,000,000	(37,408,837)	(27,408,837)
Total comprehensive income for the year	-	(13,020,964)	(13,020,964)
Balance as at December 31, 2021	10,000,000	(50,429,801)	(40,429,801)

The annexed notes from 1 to 31 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 POSITION

FOR THE YEAR ENDED DECEMBER 31, 2021

1. STATUS AND NATURE OF BUSINESS

- 1.1.** Standard Insurance Company 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.** The Company is listed on the Pakistan Stock Exchange Limited (PSX) and it is currently placed in the defaulter segment.
- 1.3.** In previous years, the Company in its annual general meeting held on May 30, 2018 has resolved to surrender the insurance license and has applied to SECP for the same. It was also approved in the meeting that the Company will apply for the de-listing from PSX and the same has been applied also.
- 1.4.** On October 07, 2020, the Company has received a letter from SECP whereby it was informed that there remains no need for revocation of insurance license as the Company is not a registered insurer with the SECP under the Insurance Ordinance 2000 rather it was registered with Controller of insurance under the repealed Insurance Act, 1918. Accordingly, the Company is no longer required to prepare its financial statements in accordance with Insurance Ordinance 2000 and Insurance Rules 2017. Further, the Company has applied for change in name with SECP.
- 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 provisions of directives issued under the Companies Act 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.



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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

2.2.3 Standards, interpretations and amendments not effective at year end

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan have not become effective during current year:

Standards, amendments or interpretation	Effective Date (Annual periods beginning on or after)
IFRS 7 Financial Instruments: Disclosures	January 01, 2021

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

2.3. Standards, interpretations and amendments becoming effective in future period but not relevant:

There are certain new standards, amendments to standards and interpretations that are effective for different future periods but are considered not to be relevant to Company's operations, therefore not disclosed in these financial statements.

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.



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5. IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organization declared the COVID-19 outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is difficult to predict at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Company's financial condition or results of operations.

6 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 6.

6.1 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.

6.2 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.



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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.

6.3 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. As the Company is only earning from rental income mainly, so segment reporting is not presented.

6.4 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.

6.5 Revenue recognition

- 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.



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6.6 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

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.

6.7 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.

6.8 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.

6.9 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.



STANDARD INSURANCE COMPANY LIMITED

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.

6.10 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.

6.11 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.

6.12 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.

6.13 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.



STANDARD INSURANCE COMPANY LIMITED

6.14 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.

6.15 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.

7. 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	6.1
Taxation	6.9
Impairment of assets	6.10



STANDARD INSURANCE COMPANY LIMITED

	2021	2020
	----- Rupees -----	
9 INVESTMENT PROPERTY		
Opening value	14,500,632	15,263,824
Charged for the year -	(725,032)	(763,191)
Closing value	<u>13,775,600</u>	<u>14,500,632</u>
The market value of the investment properties as per valuations carried out by professional valuers is Rs. 450 million (2020: Rs. 400 million).		
	2021	2020
	----- Rupees -----	
10 INVESTMENTS IN EQUITY SECURITIES		
At fair value through profit or loss		
Suraj Ghee Industries	78,080	78,080
Sadiqabad Textile Mills Limited	<u>24,360</u>	<u>24,360</u>
	102,440	102,440
Provision for impairment	10.1 <u>(102,440)</u>	<u>(102,440)</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.	
	2021	2020
	----- Rupees -----	
11 LOANS AND OTHER RECEIVABLES		
Rent receivable	11.1 -	-
Loans to employees	397,790	397,790
Deposit	11.2 -	-
Other receivable	<u>681,516</u>	-
	<u>1,079,306</u>	<u>397,790</u>
11.1 Rent receivable		
Considered good	-	-
Considered doubtful	11.1.1 <u>6,565,081</u>	<u>6,565,081</u>
	6,565,081	6,565,081
Provision for doubtful	<u>(6,565,081)</u>	<u>(6,565,081)</u>
	-	-



STANDARD INSURANCE COMPANY LIMITED

11.1.1 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. During the year the tenants have vacated the property and based on prudent approach, management has fully provided the amount of rent receivable.

	2 0 2 1	2 0 2 0
Note	----- Rupees -----	----- Rupees -----
11.2 Deposit		
Considered good	-	-
Considered doubtful	11.2.1 <u>1,141,000</u>	<u>1,141,000</u>
	<u>1,141,000</u>	<u>1,141,000</u>
Adjusted against re-insurance payable	<u>(1,141,000)</u>	<u>(1,141,000)</u>
	<u>-</u>	<u>-</u>

11.2.1 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. 1,141,000 under protest. During the year the Company has settled the amount against the re-insurance payable balance.

	2 0 2 1	2 0 2 0
	----- Rupees -----	----- Rupees -----
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>
13 CASH AND BANK		
Cash and other equivalents		
Cash with State Bank of Pakistan	300	300
Cash in hand	<u>8,091</u>	<u>8,091</u>
	<u>8,391</u>	<u>8,391</u>
Cash at banks		
Current accounts	<u>358,504</u>	<u>361,715</u>
	<u>366,895</u>	<u>370,106</u>



STANDARD INSURANCE COMPANY LIMITED

14 ORDINARY SHARE CAPITAL

14.1 AUTHORISED SHARE CAPITAL

2021 2020
(Number of shares)

1,000,000 1,000,000 10,000,000 10,000,000

2021 2020
Rupees

14.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2021 2020
(Number of shares)

1,000,000 1,000,000 10,000,000 10,000,000

15 BORROWING - DIRECTORS

This represents interest free loan from directors which is repayable on demand.

2021 2020
Rupees

16 OTHER CREDITORS AND ACCRUALS

Unclaimed dividend

Others

693,214 693,214
1,574,240 660,000
2,267,454 1,353,214

17 CONTINGENCIES AND COMMITMENTS

17.1 There were no outstanding contingencies & commitments as at December 31, 2021 (2020: Nil).



STANDARD INSURANCE COMPANY LIMITED

		2021	2020
		----- Rupees -----	
18 ADMINISTRATIVE EXPENSES	Note		
Salaries, allowances and other benefits		1,180,500	1,548,000
Retirement benefits		11,924,078	
Advertisement		18,000	32,400
Printing and stationery		90,000	82,000
Depreciation on fixed assets		9,120	10,134
Depreciation on investment property		725,032	763,191
Provision for loans and other receivable		-	6,565,081
Legal and professional charges		236,000	105,575
Office repairs and maintenance		39,000	8,216
Bank charges		2,559	13,400
Postage, telegram and telephone		12,000	20,895
Miscellaneous		37,120	15,600
		<u>14,273,409</u>	<u>9,164,492</u>
19 OTHER EXPENSES			
Auditors' remuneration	19.1	<u>200,000</u>	<u>130,000</u>
19.1 Auditors' remuneration			
Audit fee		150,000	90,000
Half yearly review		25,000	25,000
Review of CCG		10,000	10,000
Out of pocket expenses		<u>15,000</u>	<u>5,000</u>
		<u>200,000</u>	<u>130,000</u>
20 TAXATION			
- Current	20.1	<u>150,800</u>	<u>95,507</u>
20.1	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.		
20.2	The Company has not recognised the deferred tax asset as the Company does not foresee future taxable profits.		
21 LOSS PER SHARE - BASIC AND DILUTED		2021	2020
		----- Rupees -----	
Loss after tax for the year		<u>(13,020,964)</u>	<u>(8,978,333)</u>
Weighted average number of ordinary shares		<u>1,000,000</u>	<u>1,000,000</u>
Loss per share - basic and diluted		<u>(13.02)</u>	<u>(8.98)</u>
21.1	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.		



STANDARD INSURANCE COMPANY LIMITED

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

2 0 2 1 2 0 2 0
----- Rupees -----

23 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

Financial assets

Loans and receivables

Loans and other receivables

1,079,306 397,790

Cash and bank deposits

Cash and other equivalents
Current and other accounts

	2021	2020
	8,391	8,391
	358,504	361,715
	366,895	370,106
	<u>1,446,201</u>	<u>767,896</u>

Financial Liabilities

Amortised cost

Borrowings
Retirement benefits obligation
Insurance / reinsurance payables
Other creditors and accruals

	2021	2020
	38,432,356	38,456,356
	12,529,711	605,635
	3,276,738	3,276,738
	2,267,454	1,353,214
	<u>56,506,259</u>	<u>43,691,943</u>

24 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

25. RISK MANAGEMENT

25.1 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:

Financial assets

Cash and bank deposits
Loans and other receivables

Financial liabilities

Borrowings
Retirement benefits obligation
Insurance / Reinsurance Payables
Other creditors and accruals

2021		
Non Interest / mark-up bearing		
Maturity upto one year	Maturity after one year	Total
----- Rupees -----		
366,895	-	366,895
1,079,306	-	1,079,306
1,446,201	-	1,446,201
-	38,432,356	38,432,356
-	12,529,711	12,529,711
-	3,276,738	3,276,738
2,267,454	-	2,267,454
2,267,454	54,238,805	56,506,259

Financial assets

Cash and bank deposits
Loans and other receivables

Financial liabilities

Borrowings
Retirement benefits obligation
Insurance / Reinsurance Payables
Other creditors and accruals

2020		
Non Interest / mark-up bearing		
Maturity upto one year	Maturity after one year	Total
----- Rupees -----		
370,106	-	370,106
397,790	-	397,790
767,896	-	767,896
-	38,456,356	38,456,356
-	605,635	605,635
-	4,417,738	4,417,738
1,353,214	-	1,353,214
1,353,214	43,479,729	44,832,943



STANDARD INSURANCE COMPANY LIMITED

(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.

(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 policy holders 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.

	2021	2020
	----- Rupees -----	
- Bank deposits	<u>358,504</u>	<u>361,715</u>

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

Description	Short term	Long term	Rating agency	2021	2020
National Bank of Pakistan	A1+	AAA	PACRA	358,504	361,715
	A1+	AAA	JCR VIS		



STANDARD INSURANCE COMPANY LIMITED

26. SUBSEQUENT EVENTS

There is no subsequent event effecting the financial statements for the year ended December 31, 2021.

27. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2021 and 2020 respectively are as follows:

	2 0 2 1 ----- Numbers -----	2 0 2 0 ----- Numbers -----
Average number of employees during the year	<u>6</u>	<u>7</u>
Number of employees as at December 31,	<u>6</u>	<u>7</u>

28. GENERAL

Figures have been rounded off to the nearest rupees.

29. AUTHORISATION FOR ISSUANCE

These financial statements have been approved by the Board of Directors of the Company and are authorised for issue on _____.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

PATTERN OF SHAREHOLDING

As at 31 December 2021

No. of Shareholders	Share Holdings			Total Shares Held
100	1	₹	100	5,650
33	101	₹	500	9,885
1	501	₹	1000	700
0	1001	₹	5000	15,000
3	5001	₹	10000	22,750
1	10001	₹	20000	20,000
0	50001	₹	90000	534,174
2	100000	₹	200000	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	--	--	--
UCF 200 (11-200)	2	400	0.04
Academy Companies	--	--	--
Abandoned Properties	1	5,000	0.5
Other	--	--	--
Buy to Hold Ltd	1	7,600	0.76
Buy to Hold Fisheries	1	395	0.04
	169	1,000,000	100.00

SAEED UR REHMAN
Managing Director
& Chief Executive

Date: 08-06-2022
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 Three Annual General Meeting of the Company to be held
 on Thursday 30th June, 2022 at 2nd Floor Standard Insurance House, I.I. Chundrigar Road, Karachi.

Signed this _____ day of _____ 2022

WITNESSES:

1. Signature: _____
 Name: _____
 Address: _____

 CNIC No. or
 Passport No. _____

Signature on
 Revenue Stamps
 of Rupees Five

2. Signature: _____
 Name: _____
 Address: _____

 CNIC No. or
 Passport No. _____

Signature should agree with the
 specimen signature with the company

***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.



SECP
INSURANCE DIVISION
Islamabad

Through Courier
April 28, 2022

No. ID/MDPR/Approvals/Standard/2022/2454

Mr. Muhammad Ishtiaq Khan
Company Secretary
Standard Insurance Company Limited
2nd Floor, Standard Insurance House,
I.I. Chundrigar Road,
Karachi.

Subject: Request for 30 days Extension in Holding of Annual General Meeting Scheduled to be Held on 30th April 2022, Under Section 132 & 223 of the Companies Act, 2017

This is with reference to your letter dated April 08, 2022, wherein Standard Insurance Company Limited (the "Company") has requested for extension up to May 30, 2022, to hold its Annual General Meeting (AGM), under Section 132(2) read with Section 223(2) of the Companies Act, 2017 (the "Act") and Regulation 27 of the Companies (General Provisions & Forms) Regulations, 2018 (the "Regulations").

2. In this connection, I am directed to convey to you that the competent authority has acceded to your request and has allowed an extension till May 30, 2022, to the Company to hold its Annual General Meeting, as requested.

Regards,

Shehrbano Shakaib
Management Executive

SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN
Insurance Division, NIC Building,
63 Jinnah Avenue, Islamabad.

PABX: +92-51-9195000-2, Fax: +92-51-9100496, Web: www.secp.gov.pk



Dated: 8th June, 2022

The Secretary,
Karachi Stock Exchange (Guaranteed) Ltd.,
Stock Exchange Building,
Karachi.

Subject: Printed Copies of Balance Sheet for the year 2021

Dear Sir,

We are pleased to forward herewith three (3) printed copies of Balance Sheet 2021 for the year ended 31.12.2021 for your kind perusal and record.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

(Muhammad Ishtiaq Khan)
Secretary



Encl: As stated above