

STANDARD INSURANCE COMPANY LIMITED



FIFTY FIVE ANNUAL REPORT 2022

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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 Ishtiq Khan

Auditors

Reanda Haroon & 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 55th 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 Friday 28th April 2023 at 11 AM, to transact the following business an Agenda:

ORDINARY BUSINESS

1. To confirm the Minutes of the Fifty Four Annual General Meeting,
2. To received and adopt the Audited Accounts for the year ended 31st December, 2022 and report of Directors and Auditors thereon.
3. To appoint Auditors for the year 2023 and to fix their remuneration.
4. To elect Directors in accordance with 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 07th April 2023

NOTE:

1. The Share Transfer Book of the Company will remain closed from 17th April, 2023 to 1st May, 2023 (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 in which the company is 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 situations 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 the company. All directors, officers, 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 a 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's legal, financial and reporting obligations. All business records, expense 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 employment 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, 2022

Place: Karachi
Date: 07-04-2023

Mr. Saeed ur Rehman
Managing Director
& Chief Executive



STANDARD INSURANCE COMPANY LIMITED

DIRECTORS REPORT

1. The Directors of the Company present 55th 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 (1.47)
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 is under 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 Suharwardy |
| Executive Director | Mr. Saeed ur Rehmat (CEO) |
| Non-Executive Directors | Mr. Shamin ur Rehman (Chairman) Mr. Anwar ur Rehman Mrs. Rukhsana Manmor Muni r Ahmed Mrs. Fazana 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 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 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.



STANDARD INSURANCE COMPANY LIMITED

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: 05-05-2021. Place: Karachi.

Managing Director & Chief Executive
Mr. Saeed ur Rehman

Date: 07-04-2023
Place: Karachi



STANDARD INSURANCE COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE IVIE1VIBEIRS 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, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows 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 matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

- 1) During the current year, Company has incurred after tax loss amounting to Rs. 1.5 million rising its accumulated losses as on reporting date amounting to Rs.51.9 million (2021: Rs. 50.4 million) wiping off the equity to Rs. 41.9 million (2021: 40.4 million). Further, the current liabilities of the Company exceed the current assets by Rs.42.6 million (2021: Rs.41.8 million).

Operations of the Company are limited to generate minimal rental income which is not sufficient to inert the expenses due to which the Company is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. Although, the management is working to explore new line of business ncluding income from rental properties but the feasibility its intended plans is yet to be finalized mainly due to current un-favorable socio-economic situation of the country.

Without any concrete business and financial plan and other mitigating factors, there exists a material uncertainty about the Company's ability to continue as a going concern and in the absence of management assessment of appropriateness of going concern assumption, we have not been able to obtain sufficient appropriate audit evidence regarding the use of going concern assumption for the preparation of these financial statements. As a result, we do not have sufficient basis to form our opinion on the appropriateness or otherwise of the use of the going concern assumption in these financial statements.

- 2) As disclosed under head 'Insurance / Re-insurance payable' to the financial statements, the Company has recorded a liability of Rs. 3.3 million (2021: Rs. 3.3 million) which is outstanding for a number of years. We have not been provided with any evidence regarding this liability through confirmation or otherwise, accordingly 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. 12.5 million (2021: Rs. (2.5 million). We have not been provided any evidence regarding calculation in this balance in accordance with IAS-19 'Employee benefits'. Further, this balance could not be verified from other alternative audit procedures. Accordingly, we arc unable to determine whether any adjustment might have been found necessary in respect of the related disclosure and balance in the financial statements.



STANDARD INSURANCE COMPANY LIMITED

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 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 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.

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 profit or loss and other 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; investment 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 Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other matter paragraph

The financial statements of the Company for the year ended December 31, 2021 were audited by another firm of Chartered Accountants who expressed a disclaimer of opinion on those statements on June 03, 2022.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Farooq**.

Reanda Haroon Zakaria & Company

Chartered Accountants

Place : Karachi.

Dated : 3rd April 2023

UDIN : AR202210127CsZHAxFy2



STANDARD INSURANCE COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

| | Note | 2022 Rupees | 2021 Rupees |
|--|------|----------------------------|----------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property and equipment | 4 | 74,431 | |
| Investment property | 5 | 13,086,820 | |
| Investments in equity securities | 6 | - | - |
| | | <u>13,161,251</u> | <u>13,857,684</u> |
| Current Assets | | | |
| Loan and other receivables | 7 | 2,152,708 | 1,079,306 |
| Insurance and reinsurance receivables | 8 | - | - |
| Taxation | 9 | - | 1,115,955 |
| Cash and bank balances | 10 | 276,309 | 366,895 |
| | | <u>2,429,017</u> | <u>2,562,156</u> |
| Total Assets | | <u>15,590,268</u> | <u>16,419,840</u> |
| EQUITY AND LIABILITIES | | | |
| Authorized Capital | | | |
| 1,000,000 Ordinary shares of Rs. 10 each | | 10,000,000 | 10,000,000 |
| Share capital and reserves | | | |
| Issued, subscribed and paid up capital | 11 | 10,000,000 | 10,000,000 |
| Revenue reserves - Accumulated loss | | (51,935,432) | (50,429,801) |
| Shareholders' Equity | | <u>(41,935,432)</u> | <u>(40,429,801)</u> |
| Non-Current Liabilities | | | |
| Retirement benefits obligation | | 12,529,711 | 12,529,711 |
| Current Liabilities | | | |
| Borrowings - Director | 12 | 38,357,356 | 38,432,356 |
| Insurance / reinsurance payables | | 3,276,738 | 3,276,738 |
| Other creditors and accruals | 13 | 2,260,454 | 2,267,454 |
| Provision for taxation | | 1,101,441 | 343,382 |
| | | <u>44,995,989</u> | <u>44,319,930</u> |
| Contingency and commitment | 14 | | |
| Total Equity and Liabilities | | <u>15,590,268</u> | <u>16,419,840</u> |

The annexed notes from 1 to 29 form an integral part of these financial statements

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

| | Note | 2022 Rupees | 2021 Rupees |
|--|------|--------------------|---------------------|
| Administrative expenses | 15 | (2,702,113) | (14,273,408) |
| Rental income | | 1,374,996 | 649,998 |
| Other income | | 1,892,500 | 953,246 |
| Other expenses | 16 | (1,312,955) | (200,000) |
| Loss before taxation | | (747,572) | (12,870,164) |
| Taxation | 17 | (758,059) | (150,800) |
| Loss after taxation | | (1,505,631) | (13,020,964) |
| Other comprehensive income | | | |
| Other comprehensive income for the year | | - | - |
| Total comprehensive loss for the year | | (1,505,631) | (13,020,964) |
| Loss per share - Basic and Diluted | 18 | (1.51) | (13.02) |

The annexed notes from 1 to 29 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, 2022

| | Issued, subscribed and paid-up | Revenue Reserves Unappropriated loss ----- Rupees | Shareholders' Equity |
|--|--------------------------------------|---|-------------------------|
| Balance as at December 31, 2020 | 10,000,000 | (37,408,837) | (27,408,837) |
| Total comprehensive loss for the year | - | (13,020,964) | (13,020,964) |
| Balance as at December 31, 2021 | 10,000,000 | (50,429,801) | (40,429,801) |
| Total comprehensive loss for the year | - | (1,505,631) | (1,505,631) |
| Balance as at December 31, 2022 | 10,000,000 | (51,935,432) | (41,935,432) |

The annexed notes from 1 to 29 form an integral part of these financial statements

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

| | 2022 Rupees | 2021 Rupees |
|---|------------------|------------------|
| A. CASH GENERATED FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (747,572) | (12,870,164) |
| Adjustment for non-cash charges and other items: | | |
| Depreciation | 696,433 | 734,153 |
| Retirement benefits obligation | - | 11,924,076 |
| Taxation | 1,115,955 | - |
| | <u>1,064,816</u> | <u>(211,935)</u> |
| Working capital changes | | |
| Increase in current assets | | |
| Loan and other receivables | (1,073,402) | (681,516) |
| (Decrease) / Increase in current liabilities | | |
| Other creditors and accruals | (7,000) | 914,241 |
| Cash (used in) / generated from operating activities | <u>(15,586)</u> | <u>20,790</u> |
| B. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Borrowings - Director | (75,000) | (24,000) |
| Net cash used in financing activities | <u>(75,000)</u> | <u>(24,000)</u> |
| Decrease in cash and cash equivalent (A+B) | (90,586) | (3,210) |
| Cash and cash equivalents at the beginning of the year | 366,895 | 370,106 |
| Cash and cash equivalents at the end of the year | <u>276,309</u> | <u>366,895</u> |

The annexed notes from 1 to 29 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 STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

Standard Insurance Company Limited (the Company) was incorporated on December 19, 1967 as a public limited Company under 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 Controller of insurance under the repealed Insurance Act, 1918. Registered office of the company is situated at 2nd floor, Standard Insurance House, I.I. Chundrigar Road, Karachi.

1.1 The Company is listed on the Pakistan Stock Exchange Limited (PSX) and it is currently placed in the defaulter segment.

1.2 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.

1.3 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 insurers 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.

Keeping in view the above facts, these financial statements have been prepared on going concern basis.

2 BASIS OF PREPARATION

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.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed hereafter.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani rupees which is the functional currency of the company. Figures are rounded off to the nearest thousand rupee, unless otherwise stated.



STANDARD INSURANCE COMPANY LIMITED

2.4 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 No. |
|-----------------------------------|---------------------|
| Useful life of depreciable assets | 3.1 |
| Taxation | 3.6 |
| Impairment of assets | 3.7 |

2.5 Standards, interpretations and amendments to approved accounting standards

2.5.1 Amendments to published accounting and reporting standards which are effective for the year ended September 30, 2022

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

2.5.2 Amendments to published accounting and reporting standards which are not yet effective

Effective date (annual reporting periods beginning on or after)

- IAS 1 Presentation of financial statements (Amendments)
- IAS 8 Accounting policies, changes in accounting estimates and errors (Amendments)
- IAS 12 Income Taxes (Amendments)

3 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.

3.1 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.



STANDARD INSURANCE COMPANY LIMITED

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.

3.2 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.

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.

3.3 Cash and cash equivalent

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

3.4 Revenue recognition

Rental Income is recongnised when service is provided and on the basis of time proportion and related performance obligation is satisfied

3.5 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.

3.6 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 do 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.



STANDARD INSURANCE COMPANY LIMITED

3.7 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.

3.8 Dividend distribution

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

3.9 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.

3.10 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.

3.11 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.

3.12 Financial Instruments

3.12.1 Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost as the case may be.

3.12.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through other comprehensive income ("FVTOCI"), or
- at fair value through profit and loss ("FVTPL"),

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.



STANDARD INSURANCE COMPANY LIMITED

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through OCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Financial assets at fair value through P&L

A financial asset is measured at fair value through P&L unless it is measured at amortized or at fair value through OCI.

3.12.3 Financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or - at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

3.12.4 Subsequent measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in OCI.

Investments in un-quoted equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value. However, in limited circumstances, where there is insufficient recent information is available or where there is wide range of possible fair value measurements, the cost may be an appropriate estimate of fair value.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.



STANDARD INSURANCE COMPANY LIMITED

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

3.12.5 Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets that are measured at amortized cost. Loss allowances are measured on the basis of life time (ECLs) that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL is only recognized if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the country of customers) on ECLs. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Provision against financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.12.6 Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit or loss and other comprehensive income.

3.12.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.



STANDARD INSURANCE COMPANY LIMITED

| | As at January 01, 2022 | As at December 31, 2022 | Rate % | As at January 01, 2022 | Change for the year 2022 | As at December 31, 2022 | Written down value as at December 31, 2022 | |
|---------------------------------|------------------------------|-------------------------------|-----------|------------------------------|-----------------------------------|-------------------------------|---|--|
| | Rupees | | | Rupees | | Rupees | | |
| | Cost | | | | Depreciation | | | |
| 4 PROPERTY AND EQUIPMENT | | | | | | | | |
| Tangible - Owned | | | | | | | | |
| Furniture and fixtures | 34,206 | - | 10 | 14,008 | 2,020 | 16,028 | 18,178 | |
| Office equipment | 85,995 | - | 10 | 35,216 | 5,078 | 40,294 | 45,701 | |
| Motor vehicles | 18,810 | - | 10 | 7,703 | 555 | 8,258 | 10,552 | |
| December 31, 2022 | 139,011 | - | | 56,927 | 7,653 | 64,580 | 74,431 | |
| December 31, 2021 | 139,011 | - | | 47,806 | 9,120 | 56,927 | 82,084 | |



STANDARD INSURANCE COMPANY LIMITED

| | Note | 2022 Rupees | 2021 Rupees |
|------------------------------|------|-------------------|----------------|
| 5 INVESTMENT PROPERTY | | | |
| Opening value | | 13,775,600 | 14,500,632 |
| Charged for the year | | (688,780) | (725,032) |
| Closing balance | | 13,086,820 | 13,775,600 |

The marketvalue of the investmentpropertiesas per valuationscarried out by professionalvaluersis Rs.450 million (2021 : Rs.450 million).

6 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 |
| | | 102,440 | 102,440 |
| Provision for impairment | 6.1 | (102,440) | (102,440) |
| | | - | - |

6.1 In prior years, the Company has made an investmentin equity sharesof thesecompanieslisted on PakistanStock Exchange(PSX). The tradingin theseshareshasbeensuspendedby the exchangeso the Company has fully provided for the said investments.

| | Note | 2022 Rupees | 2021 Rupees |
|--------------------------------------|-------|--------------------|----------------|
| 7 LOANS AND OTHER RECEIVABLES | | | |
| Rent receivables | 7.1 | - | - |
| Loans to employees | | 417,790 | 397,790 |
| Deposit | 7.2 | - | - |
| Other receivable | | 1,734,918 | 681,516 |
| | | 2,152,708 | 1,079,306 |
| 7.1 Rent receivables | | | |
| Considered goods | | - | - |
| Considered doubtful | 7.1.1 | 6,565,081 | 6,565,081 |
| | | 6,565,081 | 6,565,081 |
| Provision for doubtful | | (6,565,081) | (6,565,081) |
| | | - | - |

7.1.1 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.



STANDARD INSURANCE COMPANY LIMITED

| | Note | 2022 Rupees | 2021 Rupees |
|---|-------------------------|--|--------------------|
| 7.2 Deposit | | | |
| Considered goods | | - | - |
| Considered doubtful | 7.2.1 | <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> |
| 7.2.1 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. | | | |
| 8 INSURANCE AND REINSURANCE RECEIVABLE | | | |
| Due from insurer/ reinsurer | | <u>2,308,189</u> | <u>2,308,189</u> |
| Provision for impairment of due from insurer/ reinsurer | | <u>(2,308,189)</u> | <u>(2,308,189)</u> |
| | | <u>-</u> | <u>-</u> |
| 9 TAXATION | | | |
| Adjustable income tax | | <u>1,115,955</u> | <u>1,115,955</u> |
| Provision against adjustable Income Tax | | <u>(1,115,955)</u> | <u>-</u> |
| | | <u>-</u> | <u>1,115,955</u> |
| 10 CASH AND BANK | | | |
| Cash and other equivalents | | | |
| Cash with State Bank of Pakistan | | <u>300</u> | <u>300</u> |
| 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>267,918</u> | <u>358,504</u> |
| | | <u>276,309</u> | <u>366,895</u> |
| 11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL | | | |
| | 2022 | 2021 | |
| | Number of Shares | | |
| 1,000,000 | 1,000,000 | Ordinary shares of Rs.10 each fully paid in cash | |
| | | | <u>10,000,000</u> |
| <u>1,000,000</u> | <u>1,000,000</u> | | <u>10,000,000</u> |

12 BORROWING - Directors

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



STANDARD INSURANCE COMPANY LIMITED

| | 2022 Rupees | 2021 Rupees |
|---|-------------------------|--------------------------|
| 13 OTHER CREDITORS AND ACCRUALS | | |
| Unclaimed dividend | 693,214 | 693,214 |
| Others | 1,567,240 | 1,574,240 |
| | <u>2,260,454</u> | <u>2,267,454</u> |
| 14 CONTINGENCIES AND COMMITMENTS | | |
| There were no outstanding contingencies & commitments as at December 31, 2022 (2021 :Nil). | | |
| 15 ADMINISTRATIVE EXPENSES | | |
| Salaries, allowances and other benefits | 1,428,000 | 1,180,500 |
| Retirement benefits | - | 11,924,078 |
| Utility | 37,414 | - |
| Advertisement | 14,000 | 18,000 |
| Printing and stationery | 100,500 | 90,000 |
| Depreciation on fixed assets | 7,653 | 9,120 |
| Depreciation on investment property | 688,780 | 725,032 |
| Legal and professional charges | 203,000 | 236,000 |
| Office repairs and maintenance | 19,000 | 39,000 |
| Postage, telegram and telephone | 81,110 | 12,000 |
| Bank charges | 696 | 2,558 |
| Miscellaneous | 121,960 | 37,120 |
| | <u>2,702,113</u> | <u>14,273,408</u> |
| 16 OTHER EXPENSES | | |
| Auditors' remuneration | 197,000 | 200,000 |
| Provision against adjustable Income Tax | 1,115,955 | - |
| | <u>1,312,955</u> | <u>200,000</u> |
| 16.1 Auditors' remuneration | | |
| Audit fee | 150,000 | 150,000 |
| Half yearly review | 27,000 | 25,000 |
| Review of COCG | 10,000 | 10,000 |
| Out of pocket expenses | 10,000 | 15,000 |
| | <u>197,000</u> | <u>200,000</u> |
| 17 TAXATION | | |
| - Current | 17.1 | <u>758,059</u> |
| | | <u>150,799</u> |
| 17.1 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. | | |
| 17.2 The Company has not recognised the deferred tax asset as the Company does not foresee future taxable profits. | | |



STANDARD INSURANCE COMPANY LIMITED

| 18 LOSS PER SHARE - Basic and diluted | 2022 Rupees | 2021 Rupees |
|--|---------------------------|------------------------|
| Loss after tax for the year | <u>(1,505,631)</u> | <u>(13,020,964)</u> |
| Weighted average number of ordinary shares | <u>1,000,000</u> | <u>1,000,000</u> |
| Loss per share - basic and diluted | <u>(1.51)</u> | <u>(13.02)</u> |

18.1 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.

19 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

No remuneration was paid to Chief Executive Officer, Directors and Executives.

20 FINANCIAL INSTRUMENTS

| Financial assets and financial liabilities | 2022 Rupees | 2021 Rupees |
|---|--------------------------|------------------------|
| Financial assets | | |
| Loans and receivables | | |
| Loans and other receivables | 2,152,708 | 1,079,306 |
| Cash and bank deposits | | |
| Cash and other equivalents | 8,391 | 8,391 |
| Current accounts | 267,918 | 358,504 |
| | 276,309 | 366,895 |
| | <u>2,429,017</u> | <u>1,446,201</u> |
| Financial Liabilities | | |
| Amortised cost | | |
| Borrowings | 38,357,356 | 38,432,356 |
| Insurance / reinsurance payables | 3,276,738 | 3,276,738 |
| Other creditors and accruals | 2,260,454 | 2,267,454 |
| | <u>43,894,548</u> | <u>43,976,548</u> |

21 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:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 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); and



STANDARD INSURANCE COMPANY LIMITED

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

22 RISK MANAGEMENT

22.1 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 does not have any interest based financial assets and liabilities.

(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 does not hold any financial instruments as on reporting date which are exposed to price risk.

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 liabilities are disclose as under:

| | December 31, 2022 | | | |
|----------------------------------|----------------------------|-----------------------------------|--------------------------|-------------------------------|
| | Carrying Amount | Contractual cash flows | Upto One Year | More than one year |
| | ----- Rupees ----- | | | |
| Financial liabilities | | | | |
| Loan from Directors | 38,357,356 | 38,357,356 | 38,357,356 | - |
| Insurance / reinsurance payables | 3,276,738 | 3,276,738 | 3,276,738 | - |
| Other creditors and accruals | 2,260,454 | 2,260,454 | 2,260,454 | - |
| | 43,894,548 | 43,894,548 | 43,894,548 | - |

(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. 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.

| | 2022 Rupees | 2021 Rupees |
|------------------------------------|------------------------|------------------------|
| Current account | 267,918 | 358,504 |
| Loan and other receivables | | |
| Outstanding for less than one year | 1,304,918 | 1,079,306 |
| Outstanding for more than one year | 847,790 | - |



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 Agency | Short Term | Long Term |
|--|----------------------|-------------------|------------------|
|--|----------------------|-------------------|------------------|

| | | | |
|---------------------------|------------------|------------|------------|
| National Bank of Pakistan | PACRA JCR VIS | A1+ A1+ | AAA AAA |
|---------------------------|------------------|------------|------------|

23 CAPITAL RISK MANAGEMENT

The objective of Company when managing capital is to safeguard its ability to operate as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company manages respective capital structure by monitoring return on net assets and making adjustments to it in the light of changes in economic conditions.

The company manages its operations through loans from sponsors which are interest free and payable on demand. There is no external loan on the company, therefore no gearing ratio is calculated.

24 SUBSEQUENT EVENTS

There is no subsequent event effecting the financial statements for the year ended December 31, 2022.

25 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of directors and key management personnel. Year end balances of related parties are disclosed in the relevant notes to these financial statements. Details of remuneration and perquisites paid to Chief Executive and Directors during the year are disclosed in Note-20. Transactions with related parties are as follows:

| Names of related party / Nature of transactions | 2022 Rupees | 2021 Rupees |
|--|------------------------|------------------------|
| Directors | | |
| Loan repaid to Directors | 75,000 | 24,000 |

26 NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2022 and 2021 respectively are as follows:

| | 2022 | 2021 |
|---|-------------|-------------|
| Average number of employees during the year | 6 | 6 |
| Number of employees as at December 31, | 6 | 6 |

27 RECLASSIFICATION

During the year Borrowings from Directors has been reclassified from Non-Current liabilities to Current liabilities.

28 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on 1st April 2023.

29 GENERAL

Figures have been rounded off to the nearest rupee.



STANDARD INSURANCE COMPANY LIMITED

PATTERN OF SHAREHOLDING

As at 31 December, 2022

| 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 : 07-04-2023

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 Friday 28th April 2023 at 2nd Floor Standard Insurance House, I.I. Chundrigar Road, Karachi.

Signed this _____ day of _____ 2023

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.