

STANDARD INSURANCE COMPANY LIMITED



HALF YEARLY (UNAUDITED) REPORT 2023



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	Reanda Haroon Zakaria & 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

DIRECTORS' REPORT

The directors of your company present the Audited Half Yearly Report for the year 2023 to the members of the company and inform you that our insurance business, as previously reported remains suspended but we continue to meet out financial and statutory obligations under the law.

The Company in its Annual General Meeting held on 27th May 2021 resolved to surrender the Insurance licence and applied to the SECP for the same.

The SECP vide its letter dated 7.10.2021 informed the company that there is no need to apply for revocation of Insurance licence as the company is not registered under Insurance Ordinance 2000. The Company can therefore change the name of the company so as to delete 'Insurance' from its name and commence other lines of business as per approval of the Board of Directors of the Company.

We are pleased to inform you that the change of name of the company is under process before the Registrar of the Company.

As soon as the change of name is approved by the Registrar, the company will relaunch itself and start non insurance business under the guidance of the Board.

Let us all pray to Almighty Allah for bestowing His blessings on us and to give us strength for successfully facing the challenging days ahead.

For and on behalf of BOARD OF DIRECTORS

Chairman



STANDARD INSURANCE COMPANY LIMITED

To the members of STANDARD INSURANCE COMPANY LIMITED Report on review of Condensed Interim Financial Statements

Introduction

We were engaged to review the accompanying condensed interim statement of financial position of **Standard Insurance Company Limited** (the Company) as at June 30, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred as the 'Condensed Interim Financial Statements'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. However, because of the matters described in the Basis for Disclaimer of Conclusion paragraph, we were not able to obtain sufficient appropriate evidence as a basis for expressing a conclusion on the financial statements.

Scope of Review

We were required to conduct our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Disclaimer of conclusion

1. As at the reporting date, accumulated loss of the Company is Rs. 52,384 million (December 31, 2022: Rs. 51,935 million) as against the share capital of Rs. 10.00 million (December 31, 2022: Rs. 10.00 million) and current liabilities of the Company exceed its current assets by Rs. 4.327 million (December 31, 2022: Rs. 4.210 million). Operations of the Company are limited to generate minimal rental income which is not sufficient to meet 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 including 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 are unable to perform our review procedures. As a result, we do not have sufficient basis to form our conclusion on the appropriateness or otherwise of the use of going concern assumption in these condensed interim financial statements.



STANDARD INSURANCE COMPANY LIMITED

2. As disclosed under head 'Insurance / Re-insurance payable' to the condensed interim financial statements, the Company has recorded a liability of Rs. 3.181 million (December 31, 2022: Rs. 3.277 million) which is outstanding for a number of years. Based on our review procedures, we were unable to determine whether any adjustments might have been found necessary in respect of the related balance and disclosure in the condensed interim financial statements.
3. As disclosed under head 'Retirement benefit obligation' to the condensed interim financial statements, the Company has recorded a liability of Rs. 12,530 million (December 31, 2022: Rs. 12,530 million). Based on our review procedures, we are unable to determine whether any adjustment might have been found necessary in respect of the related balance and disclosure in the condensed interim financial statements.

Disclaimer of Conclusion

Due to the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph, we were unable to obtain sufficient appropriate evidence to form a conclusion on the accompanying condensed interim financial information as at June 30, 2023. Accordingly, we do not express a conclusion on these financial statements.

Other Matter

The figures of the condensed statement of profit or loss and other comprehensive income for the quarters ended June 30, 2023 and 2022 have not been reviewed as we required to review only the cumulative figures for the six months period ended June 30, 2023.

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

Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 16th August, 2023
UDIN:



STANDARD INSURANCE COMPANY LIMITED

STANDARD INSURANCE COMPANY LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Note	(Un-Audited) Jun 30, 2023 Rupees	(Audited) December 31, 2022 Rupees
----- Rupees -----			
ASSETS			
Non-Current Assets			
Property and equipment	5	70,709	74,431
Investment property	6	12,759,650	13,086,820
Investments in equity securities	7	-	-
		<u>12,830,359</u>	<u>13,161,251</u>
Current Assets			
Loan and other receivables		1,454,757	2,152,708
Insurance and reinsurance receivables	8	-	-
Taxation	9	-	-
Bank balances	10	497,575	276,309
		<u>1,952,332</u>	<u>2,429,017</u>
Total Assets		<u>14,782,691</u>	<u>15,590,268</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		(52,383,537)	(51,935,432)
Shareholders' Equity		<u>(42,383,537)</u>	<u>(41,935,432)</u>
Non-Current Liabilities			
Borrowings - Director	12	38,357,356	38,357,356
Retirement benefits obligation		12,529,711	12,529,711
		<u>50,887,067</u>	<u>50,887,067</u>
Current Liabilities			
Insurance / reinsurance payables		3,181,204	3,276,738
Other creditors and accruals	13	1,721,504	2,260,454
Provision for taxation		1,376,453	1,101,441
		<u>6,279,161</u>	<u>6,638,633</u>
Contingency and commitment	14		
Total Equity and Liabilities		<u>14,782,691</u>	<u>15,590,268</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

Chairman Director Director Chief Executive Officer Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

**STANDARD INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2023**

	Half Year ended		2nd Quarter ended	
	Jun 30, 2023 Rupees	Jun 30, 2022 Rupees	Jun 30, 2023 Rupees	Jun 30, 2022 Rupees
Administrative expenses	(1,358,489)	(1,282,171)	(970,739)	(942,271)
Other income				
Rental income	241,666	649,998	-	324,999
Other income	943,730	906,960	459,250	450,870
	1,185,396	1,556,958	459,250	775,869
Other charges	-	(1,115,955)	-	(1,115,955)
Loss before taxation	(173,093)	(841,168)	(511,489)	(1,282,357)
Taxation	(275,012)	(343,154)	(275,012)	(343,154)
Loss after taxation	(448,105)	(1,184,322)	(786,501)	(1,625,511)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(448,105)	(1,184,322)	(786,501)	(1,625,511)
Loss per share - basic and diluted 15	(0.45)	(1.18)	(0.79)	(1.63)

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

**STANDARD INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2023**

	Issued, subscribed and paid-up	Revenue Reserves Unappropriated loss	Shareholders equity
	----- Rupees -----		
Balance as at Jan 01, 2022	10,000,000	(50,429,801)	(40,429,801)
Total comprehensive income for the period	-	(1,184,322)	(1,184,322)
Balance as at June 30, 2022	10,000,000	(51,614,123)	(41,614,123)
Balance as at January 01, 2023	10,000,000	(51,935,432)	(41,935,432)
Total comprehensive income for the period	-	(448,105)	(448,105)
Balance as at June 30, 2023	10,000,000	(52,383,537)	(42,383,537)

The annexed notes from 1 to 18 form an integral part of these financial statements.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

STANDARD INSURANCE COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2023

	Jun 30, 2023 Rupees	Jun 30, 2022 Rupees
A. CASH GENERATED FROM OPERATING ACTIVITIES		
Loss before taxation	(173,093)	(841,168)
Adjustment for non-cash charges and other items:		
Depreciation	330,892	348,494
Taxation	-	1,115,955
	<u>157,799</u>	<u>623,281</u>
Working capital changes		
(Increase) / decrease in current assets		
Loan and other receivables	697,951	(308,596)
Decrease in current liabilities		
Insurance / reinsurance payables	(95,534)	-
Other creditors and accruals	(538,950)	(172,240)
Cash generated from operating activities	<u>221,266</u>	<u>142,445</u>
B. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings - Director - repayment	-	(75,000)
Net cash used in financing activities	<u>-</u>	<u>(75,000)</u>
Increase in cash and cash equivalent (A+B)	221,266	67,445
Cash and cash equivalents at the beginning of the period	276,309	366,895
Cash and cash equivalents at the end of the period	<u>497,575</u>	<u>434,340</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

STANDARD INSURANCE COMPANY LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT FOR THE PERIOD ENDED JUNE 30, 2023

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 condensed interim financial statements have been prepared on going concern basis.

BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.



STANDARD INSURANCE COMPANY LIMITED

These condensed interim financial statements do not include all the information and disclosure required for the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for year ended December 31, 2022.

The comparative statement of financial position presented in this condensed interim financial statement has been extracted from the audited annual financial statements of the Company for the year ended December 31, 2022, whereas the comparative condensed interim statement of Profit or Loss Account and other comprehensive income, condensed interim Cash Flow Statement and condensed interim Statement of Changes in Equity are extracted from the unaudited condensed interim financial information for the period ended June 30, 2022.

This condensed interim financial statements are unaudited but subject to limited scope review by the statutory auditors as required by the Companies Act, 2017. The figures of the condensed interim statement of profit or loss and loss account and other comprehensive income for the quarters ended June 30, 2023 and June 30, 2022 have not been reviewed by the statutory auditors of the Company as they have reviewed the cumulative figures for the six months ended June 30, 2023 and June 30, 2022.

2.2 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency.

3 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

In preparing these condensed interim financial statements, the estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at and for the year ended December 31, 2022.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of the condensed interim financial information are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2022.

Certain amendments and interpretations to approved accounting standards became effective during the period were not relevant to the Company's operation and do not have any impact on the accounting policies of the Company.



STANDARD INSURANCE COMPANY LIMITED

	Furniture and fixture	Office equipment	Motor vehicle	Total
	----- Rupees -----			
5 PROPERTY AND EQUIPMENT				
Net book value as at January 1, 2022 (Audited)	20,198	50,779	11,107	82,084
Addition	-	-	-	-
Depreciation charged	(2,020)	(5,078)	(555)	(7,653)
Net book value as at December 31, 2022 (Audited)	18,178	45,701	10,552	74,431
Addition	-	-	-	-
Depreciation charged	(909)	(2,285)	(528)	(3,722)
Net book value as at June 30, 2023 (Un-Audited)	17,269	43,416	10,024	70,709
At year ended December 31, 2022 (Audited)				
Cost	34,206	85,995	18,810	139,011
Accumulated depreciation	(16,028)	(40,294)	(8,258)	(64,580)
Written down value	50,234	126,289	27,068	74,431
At period ended June 30, 2023 (Un-Audited)				
Cost	34,206	85,995	18,810	139,011
Accumulated depreciation	16,937	42,579	8,786	68,302
Written down value	17,269	43,416	10,024	70,709
Depreciation rates	10%	10%	10%	
			(Un-Audited)	(Audited)
			Jun 30,	December 31,
			2023	2022
			Rupees	Rupees
6 INVESTMENT PROPERTY				
Opening value			13,086,820	13,775,600
Depreciation for the period			(327,170)	(688,780)
Closing value			12,759,650	13,086,820

- 6.1** The market value of investment property as per valuation carried out by professional valuers was Rs. 450 million.



STANDARD INSURANCE COMPANY LIMITED

	(Un-Audited) Jun 30, 2023 Rupees	(Audited) December 31, 2022 Rupees
7 INVESTMENT 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
	<u>102,440</u>	<u>102,440</u>
Provision for impairment	<u>(102,440)</u>	<u>(102,440)</u>
	-	-
8 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>
	-	-
9 TAXATION		
Adjustable income tax	-	1,115,955
Provision against adjustable Income Tax	<u>-</u>	<u>(1,115,955)</u>
	-	-
10 BANK BALANCES		
Cash and other equivalents		
Cash with State Bank of Pakistan	300	300
Cash in hand	8,091	8,091
	<u>8,391</u>	<u>8,391</u>
Cash at banks		
Current accounts	489,184	267,918
	<u>497,575</u>	<u>276,309</u>
11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
Jun 30, 2023	December 31, 2022	
Number of Shares		
1,000,000	1,000,000	Ordinary shares of Rs.10 each fully paid in cash
<u>1,000,000</u>	<u>1,000,000</u>	
		<u>10,000,000</u>
		<u>10,000,000</u>
12 BORROWINGS - DIRECTOR		
This represents interest free loan from directors which is repayable on demand.		
13 OTHER CREDITORS AND ACCRUALS		
Unclaimed dividend	693,214	693,214
Other liabilities	1,028,290	1,567,240
	<u>1,721,504</u>	<u>2,260,454</u>



STANDARD INSURANCE COMPANY LIMITED

14 CONTINGENCY AND COMMITMENT

In preparing these condensed interim financial statements, the estimates / judgments and associated assumptions made by management in applying the Company's accounting policies and reported amounts of assets, liabilities, income and expenses are the same as those applied in the annual financial statements as at and for the year ended December 31, 2022.

There were no outstanding contingency and commitment as at June 30, 2023 (December 31, 2022 : Nil).

(Un-Audited) Half year ended		(Un-Audited) 2nd Quarter ended	
Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022

15 LOSS PER SHARE - BASIC AND DILUTED

Loss after tax for the period (Rs.)	(448,105)	(1,184,322)	(786,501)	(1,625,511)
Weighted average number of ordinary shares	1,000,000	1,000,000	1,000,000	1,000,000
Loss per share - basic and diluted (Rs.)	(0.45)	(1.18)	(0.79)	(1.63)

16 TRANSACTION WITH RELATED PARTY

The related parties and associated undertakings comprise group companies, associates, directors and key management personnel.

During the period, the following transactions with related parties are carried out: -



STANDARD INSURANCE COMPANY LIMITED

(Un-Audited) Half year ended		(Un-Audited) 2nd Quarter ended	
Jun 30, 2023	Jun 30, 2022	Jun 30, 2023	Jun 30, 2022
Rupees	Rupees	Rupees	Rupees
Loan from director - repayments	-	75,000	-

17 DATE OF AUTHORIZATION FOR ISSUE

These Condensed Interim Financial Statements were authorized for issue by the Board of Directors on 12th August 2023.

18 GENERAL

Figures have been rounded off to the nearest rupee.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer