

STANDARD INSURANCE COMPANY LIMITED



HALF YEARLY (UNAUDITED) REPORT 2022



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 2022 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 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, 2022 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. 51,614 million (December 31, 2021: Rs. 50.429 million) as against the share capital of Rs. 10.00 million (December 31, 2021: Rs. 10.00 million) and current liabilities of the Company exceed its current assets by Rs. 4.236 million (December 31, 2021: Rs. 3.325 million). These conditions along with other matters described in Note 1.3 of these condensed interim financial statements, indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and also discusses the reasons for preparing the condensed interim financial report on going concern basis.
2. As disclosed under head 'Insurance / Re-insurance payable' to the condensed interim financial statements, the Company has recorded a liability of Rs. 3.27 million (2021: Rs. 3.27 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.



STANDARD INSURANCE COMPANY LIMITED

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 (2021: 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, 2022. 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, 2022 and 2021 have not been reviewed as we required to review only the cumulative figures for the six months period ended June 30, 2022.

The financial statements of the Company for the year ended December 31, 2021, were audited, and condensed interim financial statements for the six months period ended June 30, 2022 were reviewed, by another auditor, who through their audit report dated June 30, 2022 and review report dated August 25, 2021 expressed a modified opinion and conclusion there on respectively.

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

Chartered Accountants

Place: Karachi

Dated: August 31, 2022

UDIN: RR202210127hBX5liCxE



STANDARD INSURANCE COMPANY LIMITED

STANDARD INSURANCE COMPANY LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	Jun 30, 2022	Dec 31, 2021
		----- Rupees -----	
ASSETS			
Non-Current Assets			
Property and equipment	5	77,980	82,084
Investment property	6	13,431,210	13,775,600
Long term investment	7	-	-
		13,509,190	13,857,684
Current Assets			
Loan and other receivables		1,387,902	1,079,306
Insurance and reinsurance receivables	8	-	-
Taxation	9	-	1,115,955
Bank balances	10	434,340	366,895
		1,822,242	2,562,156
Total Assets		15,331,432	16,419,840
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		(51,614,123)	(50,429,801)
Shareholders' Equity		(41,614,123)	(40,429,801)
Non-Current Liabilities			
Borrowings - Director	12	38,357,356	38,432,356
Retirement benefits obligation		12,529,711	12,529,711
		50,887,067	50,962,067
Current Liabilities			
Insurance / reinsurance payables		3,276,738	3,276,738
Other creditors and accruals	13	2,095,214	2,267,454
Provision for taxation		686,536	343,382
	14	6,058,488	5,887,574
Contingency and commitment			
Total Equity and Liabilities		15,331,432	16,419,840

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

Chief Executive

Director

Director

Chairman

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, 2022

	Half Year ended		2nd Quarter ended	
Note	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees
Administrative expenses	(1,282,171)	(29,300,782)	(942,271)	(29,083,576)
Other income				
Rental income	649,998	401,000	324,999	201,000
Other income	906,960	-	450,870	-
	1,556,958	401,000	775,869	201,000
Other charges	(1,115,955)	-	(1,115,955)	-
Loss before taxation	(841,168)	(28,899,782)	(1,282,357)	(28,882,576)
Taxation	(343,154)	(93,032)	(343,154)	(93,032)
Loss after taxation	(1,184,322)	(28,992,814)	(1,625,511)	(28,975,608)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(1,184,322)	(28,992,814)	(1,625,511)	(28,975,608)
Loss per share - basic and diluted	15 (1.18)	(28.99)	(1.63)	(28.98)

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

Chief Executive

Director

Director

Chairman

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, 2022

Particulars	Share capital	Revenue reserves	Total equity
	Issued, subscribed and paid-up share capital	Accumulated loss	
----- Rupees -----			
Balance as at Jan 01, 2021	10,000,000	(37,408,837)	(27,408,837)
Total comprehensive income for the period	-	(28,992,814)	(28,992,814)
Balance as at June 30, 2021	10,000,000	(66,401,651)	(56,401,651)
Balance as at January 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)

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

Chief Executive

Director

Director

Chairman

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, 2022

	June 30, 2022	June 30, 2021
	----- Rupees -----	
A. CASH GENERATED FROM OPERATING ACTIVITIES		
Loss before taxation	(841,168)	(28,899,782)
Adjustment for non-cash charges and other items:		
Depreciation	348,494	667,076
Retirement benefits obligation	-	11,924,078
Taxation	1,115,955	-
	<u>623,281</u>	<u>(16,308,628)</u>
Working capital changes		
Increase in current assets		
Loan and other receivables	(308,596)	-
(Decrease) / Increase in current liabilities		
Other creditors and accruals	(172,240)	15,980,809
Cash generated from / (used in) operating activities	<u>142,445</u>	<u>(327,819)</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>
Increase / (Decrease) in cash and cash equivalent (A+B)	67,445	(351,819)
Cash and cash equivalents at the beginning of the period	366,895	370,106
Cash and cash equivalents at the end of the period	<u>434,340</u>	<u>18,287</u>

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

Chief Executive

Director

Director

Chairman

Chief Financial Officer



STANDARD INSURANCE COMPANY LIMITED

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



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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, 2021.

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, 2021, 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, 2021.

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, 2022 and June 30, 2021 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, 2022 and June 30, 2021.

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, 2021.

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 2021.

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.



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	Furniture and fixture	Office equipment	Motor vehicle	Total
	----- Rupees -----			
5 PROPERTY AND EQUIPMENT				
Net book value as at December 31, 2020	22,442	56,421	12,341	91,204
Year ended December 31, 2021				
Addition	-	-	-	-
Depreciation charged	(2,244)	(5,642)	(1,234)	(9,120)
Net book value as at December 31, 2021 (Audited)	20,198	50,779	11,107	82,084
Period ended June 30, 2022				
Addition	-	-	-	-
Depreciation charged	(1,010)	(2,539)	(555)	(4,104)
Net book value as at June 30, 2022 (Un-Audited)	19,188	48,240	10,552	77,980
At year ended December 31, 2021 (Audited)				
Cost	34,206	85,995	18,810	139,011
Accumulated depreciation	14,008	35,216	7,703	56,927
Written down value	20,198	50,779	11,107	82,084
At period ended June 30, 2022 (Un-Audited)				
Cost	34,206	85,995	18,810	139,011
Accumulated depreciation	15,018	37,755	8,258	61,031
Written down value	19,188	48,240	10,552	77,980
Depreciation rates	10%	10%	10%	
			(Un-Audited) Jun 30, 2022 Rupees	(Audited) December 31, 2021 Rupees
6 INVESTMENT PROPERTY				
Opening value			13,775,600	14,500,632
Depreciation for the period			(344,390)	(725,032)
Closing value			13,431,210	13,775,600

6.1 The market value of investment properties as per valuation carried out by professional valuers is Rs. 450 million (2021: Rs. 450 million).



STANDARD INSURANCE COMPANY LIMITED

	(Un-Audited) Jun 30, 2022 Rupees	(Audited) December 31, 2021 Rupees
7 LONG TERM INVESTMENT		
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	(102,440)	(102,440)
	-	-
8 INSURANCE AND REINSURANCE RECEIVABLES		
Due from insurers / reinsurers	2,308,189	2,308,189
Provision for impairment of due from insurers / reinsurers	(2,308,189)	(2,308,189)
	-	-
9 TAXATION		
Adjustable income tax	1,115,955	1,115,955
Provision against adjustable Income Tax	(1,115,955)	-
	-	1,115,955
10 BANK BALANCES		
Cash and other equivalents		
Cash with State Bank of Pakistan	300	300
Cash in hand	8,091	8,091
	8,391	8,391
Cash at banks		
Current accounts	425,949	358,504
	434,340	366,895
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	10,000,000	10,000,000
	10,000,000	10,000,000

12 BORROWINGS - DIRECTOR

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



STANDARD INSURANCE COMPANY LIMITED

	(Un-Audited) Jun 30, 2022 Rupees	(Audited) December 31, 2021 Rupees
13 OTHER CREDITORS AND ACCRUALS		
Unclaimed dividend	693,214	693,214
Accrued expenses	1,002,000	-
Other liabilities	400,000	1,574,240
	2,095,214	2,267,454

14 CONTINGENCY AND COMMITMENT

There were no outstanding contingency and commitment as at June 30, 2022 (2021: Nil).

	(Un-Audited) Half year ended		(Un-Audited) 2nd Quarter ended	
	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees
15 LOSS PER SHARE - BASIC AND DILUTED				
Loss after tax for the period (Rs.)	(1,184,322)	(28,992,814)	(1,625,511)	(28,975,608)
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.)	(1.18)	(28.99)	(1.63)	(28.98)



STANDARD INSURANCE COMPANY LIMITED

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: -

	(Un-Audited) Half year ended		(Un-Audited) 2nd Quarter ended	
	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees	Jun 30, 2022 Rupees	Jun 30, 2021 Rupees
Loan from director - repayments	75,000	24,000	-	-

17 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on _____.

18 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Director

Chairman

Chief Financial Officer