

STANDARD INSURANCE COMPANY LIMITED



HALF YEARLY (UNAUDITED) REPORT 2024



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 Aamir Salman Rizwan & Company 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 2024 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 have reviewed the accompanying condensed interim statement of financial position of **Standard Insurance Company Limited** ("the Company") as at June 30, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted 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 statements 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 qualified conclusion

As disclosed under head 'Insurance / Re-insurance payable' to the condensed interim financial statements, the Company has recorded a liability of Rs. 3.2 million (2023: Rs. 3.2 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.

Qualified Conclusion

Except for the adjustments to the condensed interim financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to the attention that causes us to believe that the condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



STANDARD INSURANCE COMPANY LIMITED

Emphasis of Matter(s)

We draw attention to Note 2 to the condensed interim financial statements which explain that the company has seized its insurance business and no longer an insurance company, the company has applied for change in its name with SECP. However, it does not have any formal plan for revival and to explore new lines of business due to uncertainty on political and financial environment of the Country. Therefore, the management has assessed it to be appropriate to adopt an Alternative basis rather than going concern assumption in preparing the condensed interim financial statements. Accordingly, these condensed interim financial statements have been prepared on an alternative basis as described in Note 2.

Our conclusion is not qualified in respect of the above matters.

Other matter(s)

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2024 and 2023 have not been reviewed as we are required to review only the cumulative figures for the six months period ended June 30, 2024.

The engagement partner on the review resulting in this report on interim financial statements is **Muhammad Farooq**.

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: 20 August 2024
UDIN: RR202410127tA8k23gmr



STANDARD INSURANCE COMPANY LIMITED

STANDARD INSURANCE COMPANY LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

		(Un-Audited) June 30, 2024	(Audited) December 31, 2023
	Note	Rupees	Rupees
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	6	63,638	66,988
Investment property	7	12,121,667	12,432,479
Investments in equity securities	8	-	-
		<u>12,185,305</u>	<u>12,499,467</u>
Current Assets			
Loan and other receivables		1,665,921	1,522,547
Insurance and reinsurance receivables	9	-	-
Bank balances	10	281,675	614,329
		<u>1,947,596</u>	<u>2,136,876</u>
Total Assets		<u>14,132,901</u>	<u>14,636,343</u>
<u>EQUITY AND LIABILITIES</u>			
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		<u>(53,620,330)</u>	<u>(52,952,922)</u>
Shareholders' Equity		<u>(43,620,330)</u>	<u>(42,952,922)</u>
Current Liabilities			
Retirement benefits obligation		12,603,398	12,551,041
Borrowings - Director	12	38,357,356	38,357,356
Insurance / reinsurance payables		3,181,204	3,181,204
Other creditors and accruals	13	1,732,974	1,866,974
Provision for taxation		1,878,299	1,632,690
		<u>57,753,231</u>	<u>57,589,265</u>
Contingency and commitment	14	-	-
Total Equity and Liabilities		<u>14,132,901</u>	<u>14,636,343</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, 2024

	<i>Half Year ended</i>		<i>2nd Quarter ended</i>	
	<i>June 30,</i>	<i>June 30,</i>	<i>June 30,</i>	<i>June 30,</i>
<i>Note</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Administrative expenses	(1,480,459)	(1,358,489)	(788,199)	(970,739)
Other income				
Rental income	-	241,666	-	-
Other income	1,058,660	943,730	524,690	459,250
	1,058,660	1,185,396	524,690	459,250
Other charges	-	-	-	-
Loss before taxation	(421,799)	(173,093)	(263,509)	(511,489)
Taxation	(245,609)	(275,012)	(245,609)	(275,012)
Loss after taxation	(667,408)	(448,105)	(509,118)	(786,501)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(667,408)	(448,105)	(509,118)	(786,501)
Loss per share - basic and diluted	15 (0.67)	(0.45)	(0.51)	(0.79)

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, 2024

	<i>Issued, subscribed and paid-up</i>	<i>Revenue Reserves Unappropriated loss Rupees</i>	<i>Shareholders' Equity</i>
Balance as at Jan 01, 2023	10,000,000	(51,935,432)	(41,935,432)
Total comprehensive loss for the period	-	(448,105)	(448,105)
Balance as at June 30, 2023	10,000,000	(52,383,537)	(42,383,537)
Balance as at Jan 01, 2024	10,000,000	(52,952,922)	(42,952,922)
Total comprehensive loss for the period	-	(667,408)	(667,408)
Balance as at June 30, 2024	10,000,000	(53,620,330)	(43,620,330)

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 CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2024

	<i>June 30, 2024 Rupees</i>	<i>June 30, 2023 Rupees</i>
CASH GENERATED FROM OPERATING ACTIVITIES		
Loss before taxation	(421,799)	(173,093)
Adjustment for non-cash charges and other items:		
Depreciation	314,162	330,892
Taxation	-	-
	<u>(107,637)</u>	<u>157,799</u>
Working capital changes		
(Increase) / decrease in current assets		
Loan and other receivables	(143,374)	697,951
Increase / (Decrease) in current liabilities		
Retirement benefits obligation	52,357	-
Insurance / reinsurance payables	-	(95,534)
Other creditors and accruals	(134,000)	(538,950)
Cash (used in) / generated from operating activities	<u>(332,654)</u>	<u>221,266</u>
(Decrease) / Increase in cash and cash equivalent	(332,654)	221,266
Cash and cash equivalents at the beginning of the period	614,329	276,309
Cash and cash equivalents at the end of the period	<u>281,675</u>	<u>497,575</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 STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2024

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, LI Chundrigar Road, Karachi.

2 NON-GOING CONCERN BASIS OF ACCOUNTING

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

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.

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.

The company has incurred a loss after taxation of **Rs. 0.667 Million** (June 2023: Rs. 0.448 Million) and its accumulated loss stood at **Rs. 53.620 Million** (2023: Rs. 52.952 Million). The net equity of the Company is also negative by **Rs 43.620 million** (2023: Rs. 42.952 Million).

The company does not have any formal plan for revival and to explore new lines of business due to uncertainty on political and financial environment of the Country. Therefore, based on the above circumstances, the Company is not considered as going concern and these financial statements are prepared on "Alternative Basis", as per new accounting standard issued by the SECP for "Non Going Concern Basis of Accounting."

The Property & Equipment and Investment property has been valued at book value and estimated profit on intended sale of these assets have not been recognised. These assets have been classified as non current assets as it does not meet the criteria of held of sale assets. Appropriate provisions have been recorded for the amounts considered not recoverable. All impairment losses have been recognised in profit or loss statement. The company does not have any non current liability. All current liabilities are recorded at estimated settlement value.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statement 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, including new accounting standard issued by the SECP for "Non Going Concern Basis of Accounting". 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, 2023.

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, 2023, whereas the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from the unaudited condensed interim financial information for the period ended June 30, 2023.

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, 2024 and June 30, 2023 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, 2024 and June 30, 2023.

3.2 Functional and presentation currency

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

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The annual financial statement have been prepared by the company for the year ended december 31, 2023 on alternate basis of accounting and same basis has been applied 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, 2023.

5 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 2023.

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

6 PROPERTY AND EQUIPMENT

	<i>Furniture and fixture</i>	<i>Office equipment</i>	<i>Motor vehicle</i>	<i>Total</i>
	<i>----- Rupees -----</i>			
Net book value as at December 31, 2022 (Audited)	18,178	45,701	10,552	74,431
Addition	-	-	-	-
Depreciation charged	(1,818)	(4,570)	(1,055)	(7,443)
Net book value as at December 31, 2023 (Audited)	16,360	41,131	9,497	66,988
Addition	-	-	-	-
Depreciation charged	(818)	(2,057)	(475)	(3,350)
Net book value as at June 30, 2024 (Un-Audited)	15,542	39,074	9,022	63,638
At year ended December 31, 2023 (Audited)				
Cost	34,206	85,995	18,810	139,011
Accumulated depreciation	(17,846)	(44,864)	(9,313)	(72,023)
Written down value	16,360	41,131	9,497	66,988
At period ended June 30, 2024 (Un-Audited)				
Cost	34,206	85,995	18,810	139,011
Accumulated depreciation	(18,664)	(46,921)	(9,788)	(75,373)
Written down value	15,542	39,074	9,022	63,638

7 INVESTMENT PROPERTY

	<i>(Un-Audited) June 30, 2024 Rupees</i>	<i>(Audited) December 31, 2023 Rupees</i>
Opening value	12,432,479	13,086,820
Depreciation for the period	(310,812)	(654,341)
Closing value	12,121,667	12,432,479

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



STANDARD INSURANCE COMPANY LIMITED

	(Un-Audited) June 30, 2024 Rupees	(Audited) December 31, 2023 Rupees
8 INVESTMENT IN EQUITY SECURITIES		
<i>At fair value through profit or loss</i>		
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>
	<u>-</u>	<u>-</u>
9 INSURANCE AND REINSURANCE RECEIVABLES		
Due from insurers / reinsurers	2,308,189	2,308,189
Provision for impairment of due from insurers / reinsurers	<u>(2,308,189)</u>	<u>(2,308,189)</u>
	<u>-</u>	<u>-</u>
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	273,284	605,938
	<u>281,675</u>	<u>614,329</u>
11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
<i>June 30, 2024</i>	<i>December 31, 2023</i>	
<i>Number of Shares</i>		
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	1,039,760	1,173,760
	<u>1,732,974</u>	<u>1,866,974</u>
14 CONTINGENCY AND COMMITMENT		
There were no outstanding contingency and commitment as at June 30, 2024 (December 31, 2023 : Nil).		



STANDARD INSURANCE COMPANY LIMITED

	<i>(Un-Audited)</i> <i>Half year ended</i>		<i>(Un-Audited)</i> <i>2nd Quarter ended</i>	
	<i>June 30,</i> <i>2024</i>	<i>June 30,</i> <i>2023</i>	<i>June 30,</i> <i>2024</i>	<i>June 30,</i> <i>2023</i>
15 LOSS PER SHARE - BASIC AND DILUTED				
Loss after tax for the period (Rs.)	<u>(667,408)</u>	<u>(448,105)</u>	<u>(509,118)</u>	<u>(786,501)</u>
Weighted average number of ordinary shares	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Loss per share - basic and diluted (Rs.)	<u>(0.67)</u>	<u>(0.45)</u>	<u>(0.51)</u>	<u>(0.79)</u>

16 TRANSACTION WITH RELATED PARTY

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

During the period, no transactions with related parties was carried out.

17 DATE OF AUTHORIZATION FOR ISSUE

These Condensed Interim Financial Statements were authorized for issue by the Board of Directors on 17-08-2024.

18 GENERAL

Figures have been rounded off to the nearest rupee.

Chairman

Director

Director

Chief Executive Officer

Chief Financial Officer