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**HALLMARK COMPANY LIMITED**

**CONDENSED INTERIM FINANCIAL  
INFORMATION**

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**FOR THE QUARTER ENDED  
SEPTEMBER 30, 2020**



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## COMPANY INFORMATION

### Chairman

S. Muhammad Imran

### Chief Executive

Mr. Naveed Hamid

### Directors

Mr. Muhammad Farrukh Bashir	Executive director
Mr. SaadAftabShamsi	Independent director
Mr. Ahtesham Ashraf	Non-executive
Mrs. MehnazManzoor	Non-executive
Mr. Abdul Rahim	Non-executive
Mr. S. Muhammad Imran	Non-executive
Mr. Zubair Ahmed Khan	Independent director

### Audit Committee

Mr. Zubair Ahmed Khan	Chairman and Member
Mr. Ahtesham Ashraf	Member
Mrs. MehnazManzoor	Member

### HR & Remuneration Committee

Mr. SaadAftabShamsi	Chairman and Member
Mr. Muhammad Farrukh Bashir	Member
Mr. Abdul Rahim	Member

### Chief Financial Officer

Mr. Muhammad Farrukh Bashir

### Company Secretary

Mrs. KishwarParveen

### External Auditors

M/s. S. M. Suhail & Co.  
Chartered Accountants

### Legal Advisor

Mr. Bhagwan Das  
Advocate High court

### Shares Registrar

M/s. F.D. Registrar Services (SMC-Private) Limited

### Bankers

Habib Metropolitan Bank Limited

## OFFICE OF THE COMPANY

### Registered Office Karachi

Suite # 1001/1005, Uni Centre, 10<sup>th</sup> Floor,  
I.I. Chundrigar Road,  
Karachi, Pakistan.

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Email: [hallmark@bizcorei.com](mailto:hallmark@bizcorei.com)

Web: [www.hiclpk.com](http://www.hiclpk.com)

## **REPORT OF THE DIRECTORS TO MEMBERS OF THE COMPANY**

The Directors of the Company are pleased to present before you the (unaudited) Financial Statements of the Company for the first quarter ended on September 30, 2020.

The Company's result shows net profit of Rs.0.382 Million during the period under review, which has resulted in an increase of accumulated profits to Rs. 1,712,641 which was Rs. 362,843 at September 30, 2019, carried forward to the Statement of Financial Position. Due to the continue impact of COVID 19, on small sized entities in Pakistan, the operations of the Company were very limited. However, still the management is able to keep the financial results positive Earnings per share EPS for the period remains at Rs. 0.07.

During the period, public offer under the Listed companies (Substantial acquisition of controlling shares and takeovers) Regulations, 2017 (the Regulation) has been completed, including the transfer of shares.

At the request of the acquirer, under the Regulation, the election and appointment of new directors in place of the existing Board, is scheduled in the upcoming AGM on November 26, 2020. The existing directors are not willing to continue as directors of the Company.

The Board has always been acted in best interest of the Company and now expect that after transfer of controls, the Company shall prosper, and its stakeholder would be more satisfied than present as results of corporate returns.

### **Future Prospects**

We expect that the present strategy developed by the existing Board shall continue until the new board is developed and implemented. Our existing budget for financial year 2021 is focused on achieving steady growth. This growth shall be depending the injection of capital by the acquirer are going to be attributed to the following factors:

- The Company is engaged in trading of used personal computers, laptops and notebooks, and has large market available to access but, due to the financial constraints and limited funds it has restricted its operations to limited markets. The injection of funds will let the Company to concentrate on those existing strategic space in markets to increase its volume of profit.
- Through increase in volume of sales, the Company shall be able to reduce its fixed cost per unit and ultimately will be earning gross profit margin prevailing in the market.
- We are also intended to invest in sectors other than Information Technology too, to earn profits from there and reduce the dependability of the Company in any one sector.
- The capital injection may be made with intent to expand not only locally but globally, in another industry or market. IT sector is flourishing worldwide, and based on the current growth rate and profit margin in I.T. sector, we are expecting that the return from business activities shall further increase.
- The Company is going through a takeover process and its future course shall mainly be decided by the acquirer with approval of other members. Presently, the Company has available resources to continue its existing business in normal course.

## **Acknowledgement**

We strongly believe that the Company's success can only be driven by the commitment and dedication of its management, employees and trust of our valued clients. We acknowledge the contribution of every member/staff for their hard work in delivering performance during such critical situation. We do also acknowledge guidance and support provided from the SECP, PSX, Auditors and thank to all our shareholder and customer for their support and confidence they reposed.

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**Naveed Hamid**  
**Chief Executive Officer**

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**Muhammad Farrukh Bashir**  
**Director**

**HALLMARK COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2020**

<b>ASSETS</b>	Note	<b>(Un-Audited)</b> <b>30-Sep-20</b> <b>Rupees</b>	(Audited) 30-Jun-20 <i>Rupees</i>
<b>Non Current Assets</b>			
Furniture, fixtures and office equipment	5	<b>818,487</b>	845,130
Intangibles	6	<b>1,560,000</b>	1,605,000
Deferred tax asset		<b>84,575</b>	59,555
Security deposit for rent		<b>1,500,000</b>	1,500,000
		<b>3,963,062</b>	4,009,685
<b>Current Assets</b>			
Stock in trade		<b>758,636</b>	854,990
Trade receivable		<b>1,242,451</b>	1,578,052
Loans and advances		<b>916,148</b>	836,500
Cash and bank balance	7	<b>267,410</b>	221,477
		<b>3,184,645</b>	3,491,019
<b>TOTAL ASSETS</b>		<b>7,147,707</b>	7,500,704
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital And Reserves</b>			
Authorized Share Capital		<b>10,000,000</b>	10,000,000
Issued, subscribed and paid-up capital		<b>5,000,000</b>	5,000,000
Accumulated profit		<b>1,748,153</b>	1,712,641
		<b>6,748,153</b>	6,712,641
<b>Current Liabilities</b>			
Trade creditors		<b>98,135</b>	156,050
Accrued expenses		<b>15,453</b>	370,738
Unclaimed dividends		<b>23,150</b>	23,150
Provision for taxation		<b>262,816</b>	238,125
		<b>399,554</b>	788,063
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,147,707</b>	7,500,704
Contingencies and commitments	8	-	-

*The annexed notes from 1 to 14 form an integral part of these financial information.*

**Chief Executive**

**Director**

**Chief Financial Officer**

**HALLMARK COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

	Note	<b>Quarter Ended September 30, 2020</b>	Quarter Ended September 30, 2019
		<b>Rupees</b>	<i>Rupees</i>
Sales		<b>1,646,120</b>	4,537,800
Cost of sales		<b>(1,051,214)</b>	(3,077,519)
Gross profit		<b>594,906</b>	1,460,281
Administrative expenses	9	<b>(190,168)</b>	(285,628)
Selling expenses	10	<b>(189,555)</b>	(512,580)
Other expenses		<b>(180,000)</b>	(227,835)
Profit before tax		<b>35,183</b>	434,238
Taxation - net		<b>328</b>	(71,395)
Profit after taxation		<b>35,511</b>	362,843
Earning per share		<b>0.07</b>	0.73

*The annexed notes from 1 to 14 form an integral part of these financial information.*

**Chief Executive**

**Director**

**Chief Financial Officer**

**HALLMARK COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

	<b>Quarter Ended September 30, 2020</b>	Quarter Ended September 30, 2019
	<i>Rupees</i>	<i>Rupees</i>
Profit after taxation	<b>35,511</b>	362,843
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>35,511</b>	<b>362,843</b>

*The annexed notes from 1 to 14 form an integral part of these financial information.*

**Chief Executive**

**Director**

**Chief Financial Officer**



**HALLMARK COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

	Capital and reserve		Revenue reserve	Total
	Issued, subscribed and paid up capital	Capital contribution from Directors	Accumulated loss	
	----- (Rupees) -----			
<b>Balance as at June 30, 2019</b>	<b>5,000,000</b>	<b>300,000</b>	<b>1,329,809</b>	<b>6,629,809</b>
Total comprehensive income for the 3 months period	-	-	362,843	362,843
Capital contribution returned during the period	-	(300,000)		(300,000)
<b>Balance as at September 30, 2019</b>	<b>5,000,000</b>	<b>-</b>	<b>1,692,652</b>	<b>6,692,652</b>
Total comprehensive income for the 9 months period	-	-	19,990	19,990
<b>Balance as at June 30, 2020</b>	<b>5,000,000</b>	<b>-</b>	<b>1,712,641</b>	<b>6,712,641</b>
Total comprehensive income for the 3 months period	-	-	35,511	35,511
<b>Balance as at September 30, 2020</b>	<b>5,000,000</b>	<b>-</b>	<b>1,748,153</b>	<b>6,748,153</b>

*The annexed notes from 1 to 14 form an integral part of these financial information.*

**Chief Executive**

**Director**

**Chief Financial Officer**

**HALLMARK COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

	Quarter Ended September 30, 2020 <i>Rupees</i>	Quarter Ended September 30, 2019 <i>Rupees</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	35,183	434,238
<b>Adjustments for:</b>		
Depreciation	26,643	30,669
Amortization	45,000	45,000
Operating Profit Before Working Capital Changes	<u>106,826</u>	<u>509,907</u>
<b>Changes in working capital</b>		
<b>Decrease/ (increase) in current assets:</b>		
Stock in trade	96,354	287,519
Trade debts	335,601	130,766
Loan to employees	(79,648)	(31,407)
<b>Increase / (decrease) in current liabilities:</b>		
Contract liability	-	(289,474)
Creditors	(57,915)	(104,504)
Accrued expenses	(355,285)	(457,032)
Total Changes In Working Capital	<u>45,933</u>	<u>45,775</u>
Taxes paid	-	-
Net Cash Inflow From Operating Activities	<u>45,933</u>	<u>45,775</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Return of capital contribution	-	(300,000)
Net Cash (Outflow) From Financing Activities	<u>-</u>	<u>(300,000)</u>
Net increase in cash and cash equivalents	45,933	(254,225)
Cash and cash equivalents at the beginning of the period	<u>221,477</u>	<u>587,269</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>267,410</u></u>	<u><u>333,044</u></u>

*The annexed notes from 1 to 14 form an integral part of these financial information.*

**Chief Executive**

**Director**

**Chief Financial Officer**

**HALLMARK COMPANY LIMITED  
CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

**1 LEGAL STATUS AND BUSINESS ACTIVITIES OF THE COMPANY**

**Hallmark Company Limited** was incorporated as a Public Limited Company on 31 October, 1981 under the repealed Companies Act, 1913 (now the Companies Act, 2017), and subsequently obtained registration under repealed Insurance Act, 1938, (now the Insurance Ordinance, 2000) as an insurer. Subsequently, on application of the Company, the insurance license of the company was got revoked from the SECP Insurance Division, vide the S.R.O.1079(I)/2016 dated 22 November, 2016. Consequently, the principal activity of the company changed to engage in trading of computer and allied I.T. equipment, and allied products. The registered head office of the Company is situated at Suite 1001, Uni Centre, I.I. Chundrigar Road, Karachi.

**2 BASIS OF PREPARATION**

These condensed interim financial statements are unaudited and are being circulated to the shareholders in accordance with the listing regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017 and being prepared in condensed form in accordance with the requirements of approved accounting standards as applicable in Pakistan for interim financial reporting. They do not include all of the information required for the full financial statements, and should be read in conjunction with the annual financial statements for the year ended on June 30, 2020.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these condensed interim financial statements are same as those applied by the company in its financial statements for the year ended on June 30, 2020.

**4 ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of these condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statement, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended on June 30, 2020.

**HALLMARK COMPANY LIMITED  
CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

	<b>(Un-Audited) 30-Sep-20 Rupees</b>	<b>(Audited) 30-Jun-20 Rupees</b>
<b>5 FURNITURE, FIXTURES AND OFFICE EQUIPMENT</b>		
Net book value as at end of period	<u><b>818,487</b></u>	<u>845,130</u>
<b>Additions</b>		
Furniture	-	15,000
Computer and allied accessories	-	45,700
Net addition	<u>-</u>	<u>60,700</u>
<b>Depreciation charged</b>	<u><b>26,643</b></u>	<u>30,669</u>
<b>6 INTANGIBLES</b>		
Net book value as at end of period	<u><b>1,560,000</b></u>	<u>1,605,000</u>
<b>Amortization charged</b>	<u><b>45,000</b></u>	<u>45,000</u>
<b>7 CASH AND BANK BALANCE</b>		
Cash in hand	<b>143,038</b>	135,105
Cash at bank - Current	<u><b>124,372</b></u>	<u>86,372</u>
	<u><b>267,410</b></u>	<u>221,477</u>
<b>8 CONTINGENCIES AND COMMITMENTS</b>		
There were no contingency or commitment as at period end.		

**HALLMARK COMPANY LIMITED**  
**CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020**

	(Un-Audited) 30-Sep-20 <i>Rupees</i>	(Audited) 30-Jun-20 <i>Rupees</i>
<b>9 ADMINISTRATIVE EXPENSES</b>		
Salaries	<b>66,018</b>	82,500
Printing and stationary	<b>32,549</b>	64,916
Advertisement	<b>12,540</b>	30,192
Travelling and conveyance	<b>5,875</b>	12,984
Entertainment	<b>1,543</b>	19,367
Depreciation expense	<b>26,643</b>	30,669
Amortization expense	<b>45,000</b>	45,000
	<b><u>190,168</u></b>	<b><u>285,628</u></b>
<b>10 SELLING EXPENSES</b>		
Salaries	<b>143,234</b>	379,934
Printing and stationary	<b>19,854</b>	49,765
Advertisement	<b>15,467</b>	33,467
Travelling and conveyance	<b>8,454</b>	28,640
Entertainment	<b>2,546</b>	20,774
	<b><u>189,555</u></b>	<b><u>512,580</u></b>

**11 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES**

Considering the financial position of the Company the Directors and Chief Executive have consented to act without any remuneration.

**12 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out at arms length. Amounts due from and due to related parties and key management personnel, if any, are shown under receivables and payables. No significant transactions were made with related parties during the period.

**13 AUTHORIZATION FOR ISSUE**

These financial information were authorized for issue in accordance with a resolution of the Board of Directors on November 4, 2020.

**14 GENERAL**

Figures in the financial statement have been rounded off to the nearest of Rupee.

**Chief Executive**

**Director**

**Chief Financial Officer**