



HALLMARK
COMPANY LIMITED

Eager to Grow

ANNUAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2021

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VISION AND MISSION STATEMENTS

OUR VISION

Our vision is to be the state-of-the art supplier of Information Technology (I.T.) I.T. enabled services and products in the market and ambitious to be a service-oriented and quality products Company, and explore other services for the customers, shareholders and employees.

To achieve this goal, we will be driven by an obsession even we are better than make ourselves be the best not focusing on destination but make a continuous onward journey.

Quality services means a sustained, dedicated and commitment to meet and exceed stakeholder expectations. As we will to go the "Mile & Miles" to delight our customers with services and products that exceed their expectations.

OUR MISSION

The Company's aims to become one of the leading I.T. related services and I.T products in the market for clients through commitment to providing products and services that best suits need of our customers. We will manage our affairs through modern technology, collective wisdom and institutionalized leadership and as result achieves zero defects in everything we do.

We aimed doing good business, with good clients with high integrity. We will not compromise on our principles and we would like to be known as a responsible corporate citizen, aware of our obligation to the Government, religion, and the society we serve at our best.

COMPANY'S INFORMATION

Chairman

Mr. Jawad Muhammad Rauf

Chief Executive

Mr. Salman Muhammad Yousuf

Directors

Mr. Jawad Muhammad Rauf
Mr. Salman Muhammad Yousuf
Mr. Muhammad Ashfaq
Ms. Areej Rafiq
Ms. Irsa Faruqi
Mr. Muhammad Saad Iqbal
Mr. Sharjeel Abdul Sattar

Chairman
Executive Director
Independent Director
Independent Director
Non-executive
Non-executive
Non-executive

Audit Committee

Mr. Muhammad Ashfaq
Mr. Jawad Muhammad Rauf
Mr. Muhammad Saad Iqbal

Chairman and Member
Member
Member

HR & Remuneration Committee

Ms. Areej Rafiq
Mr. Jawad Muhammad Rauf
Ms. Irsa Faruqi

Chairman and Member
Member
Member

Chief Financial Officer

Mr. Saqib Zubair

Company Secretary

Mr. Amjad Waqar

External Auditors

S.M. Suhail & Co.
Chartered Accountants

Legal Advisor

Mr. Bhagwan Das
Advocate High Court

Shares Registrar

F.D. Registrar Services (SMC-Private) Limited

Bankers

Habib Metropolitan Bank Limited

OFFICE OF THE COMPANY

Registered Office Karachi

Plot # 38/A, Opposite
The Intellect School,
Ground Floor, Korangi
Creek, Karachi, Sindh 75400
Phone: 021-35155112
Email: hallmark@bizcorei.com
Web: www.hiclpk.com

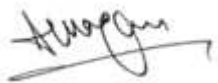
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd, Annual General Meeting of the Shareholders of **HALLMARK COMPANY LIMITED** will be held on, Monday, **August 9, 2021, at 11:00A.M.** at Suite # 1005, Uni Centre, 10th Floor, I.I. Chundrigar Road, Karachi, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 41st Annual General Meeting held on November 26, 2020.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2021, together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year ending on June 30, 2022 and fix their remuneration. The retiring Auditors, S.M. Suhail & Co., Chartered Accountants are eligible and, have provided their consent and the Directors have recommended for their reappointment.
4. To transact any other business with the permission of the Chairman.

By order of the Board



Company Secretary

Karachi: July 16, 2021

NOTES:

1. **A member is entitled to attend and vote** at the Annual General Meeting, may appoint another member as his/her proxy to attend, speak and vote instead of him/her.
2. **The Share Transfer Book of the Company will be closed** from August 3, 2021 to August 9, 2021 (both days inclusive). Transfers request received by our Shares Registrar, the F.D. Registrar Services (SMC-Private) Limited, located at, 17th Floor, Trade Centre, I.I. Chundrigar Road, Karachi, at the close of the business, on August 2, 2021 will be considered in time to attend and vote at the meeting and for the entitlement of Dividend (if any).
3. **The Forms of proxy** to validate it must be properly filled-in, executed and received at the registered office of the Company not later than 48 hours before the time of the meeting.
4. **Members are requested to notify** to the Share Registrar of the Company, promptly of any change in their addresses.
5. **Notice to Shareholders who have not provided CNIC** Pursuant to the directive of the Securities & Exchange Commission of Pakistan (SECP) contained in SRO 831(1)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc., and in absence of such information, payment of dividend may be withheld in terms of SECP's above mentioned directive, Shareholders are therefore, requested to submit a copy of their updated/ valid CNIC (if not already provided) to the Share Registrar.
6. **Video Conference Facility** can be availed by members of the Company. In this regard, please submit to the registered office address of the Company, the following request 10 days before holding of the Annual General Meeting.

"I/We, _____ of _____, being a member of Hallmark Company Limited, holder of _____ ordinary share(s) as per registered Folio / CDC Account No. _____ hereby opt for video conference facility at _____."

7. **E-Voting Facility**, in pursuant to the Notification vide SRO.43 (1)/2016 of January 22, 2016, the SECP has directed to facilitate the members of the Company for e-voting if the Company receives demand for poll from at least five (5) members or by any member or members having not less than one tenth of the voting power. In this regard, please submit to the registered address of the Company, the following request, 10 days before holding of the Annual General Meeting.

"I/We, _____ of _____, being a member of Hallmark Company Limited, holder of _____ ordinary share(s) as per registered Folio / CDC Account No. _____ hereby opt for e-voting through Intermediary and hereby consent the appointment of execution officer as proxy and will exercise e-voting as per the Companies (e-voting) Regulations, 2016 and hereby demand for poll for resolutions.

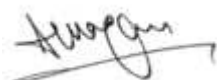
My/our secured email address is _____, please send login details, password and electronic signature through email."

8. **Mandate for E-Dividends for Shareholders**, to make payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividend may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc.

The SECP, through Notice No. 8(4) SM/CDC208 dated April 5, 2013, had advised to all listed companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide the Company, a dividend mandate in favor of e-dividend by providing mandate form duly filled in and signed. The dividend mandate form is available at website of the Company.

9. **Electronic Transmission of Financial Statements** the SECP, through notification No., SRO 787(I)/2014 dated September 8, 2014 has allowed companies to circulate Annual Financial Statements along with notice of Annual General Meeting through email, instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice through e-mail are requested to provide their written consent on Standard Request Form available at registered office of the Company.

10. **Form of Proxy** is enclosed at the end of this annual report.



By Order of the Board

COMPANY SECRETARY

Karachi: July 16, 2021

Chairman's Review

It gives me immense pleasure to present this report to the members of **HALLMARK COMPANY LIMITED** (the Company) pertaining to the overall performance of the Board and effectiveness of its role in attaining overall objectives of the Company.

Significant aspects of performance of your Company have been shared with you during the course of the financial year 2020-21. The Management of the Company is encouraged by the future prospects due to diversification to IT related service sector and expects to continue to demonstrate satisfactory performance through its efforts and strategic directions provided by the Board.

Overview of Economy

The impact of COVID 19 to the economy affected the overall economy of Pakistan, however Pakistan is coping well with the third wave of COVID 19 as compared to other nations in its region. Pakistan's government has set a 4.8% GDP growth target for the financial year starting on July 1 as the country recovers from the worst of the coronavirus pandemic.

Industry Review and Outlook

Pakistan has seen the largest-ever number of information technology companies registered during the current fiscal year and shown substantial growth in the last few years. Pakistan's IT exports increased to c.US\$ 2.0 billion in FY22 and it has increased at a CAGR of c.19% in the past five years – up c.45% in FY21 only. The government expects that Pakistan IT exports will cross c.US\$ 3.0 billion in FY23 (2yr CAGR of c.25%) – backed by rising international demand post Covid-19 pandemic, continuation of tax incentives for exporters, concerted effort to foster human capital development needed by the IT sector, and other government measures to improve ease of doing business in Pakistan.

Business Performance

The Covid-19 pandemic has had a significant impact on the domestic as well as the global economy, as the world tackles the third wave of the virus. The immunization drive is slowly gathering pace and there is renewed hope that the worst of the pandemic is behind us. The management of the Company is also monitoring the situation and due to restriction on imports procurement, cost of IT items has increased significantly which is mitigated through rise in selling prices to the possible extent to keep demand available in the market. Company did not opt for any redundancies or curtailment of employees' salaries. Operations of the Company has been impacted to some extent. However, as IT services and products are now have become necessity for most of the persons, therefore, management assumes that increase in market selling price would maintain the approximate pre-COVID profit margin. In longer term, management does not expect any significant adverse financial impact on financial position, performance, and cash flows of the Company due to COVID 19 outbreak.

I am pleased to inform that the Company has also started its service business of IT and, the IT enabled services and earned a significant revenue of Rs. 6.8 million during the year under review, the profit margin on the services is quite huge in comparison to trading of computer equipment, the Board and the management is quite confident that the IT services will bring a new wave in the sustainability and profitability of the Company.

There is significant need of establishing new procedures and controls due to the growing size of the Company. In such circumstances, administrative cost was very difficult to be controlled, but due to the selfless efforts of the executive and non-executive Directors, the Company has been able to restrict the increase in administrative expense at very low margin. The Board of Directors is still not receiving any remuneration from the Company for their services, and this is saving a significant cost to the Company. I really appreciate the efforts of the Board and involved staff for the progress of the Company in such difficult times, when it has very scant resources and business environment in the country is going through difficult crises.

The challenge of being price competitive for a new trading Company is very difficult specially where the Company is expected to earn profit over its every transaction to survive in the operations. The Board has effectively managed the equilibrium in overall functions of the Company especially during the period of COVID-19. The Company is still able to generate sizeable gross profits. Still the Company has able to generate gross profit margin of **62%** in comparison to last year **28%**.

Public Offer to Acquire Control

During the financial year under review, a public intention to acquire controls of the Company has been received during the month of June 2021. The acquirer is conducting the due diligence process which is expected to be completed during August 2021.

Diligence

The Board reviews the quality and appropriateness of the financial statements of the Company, reporting and transparency of the disclosures, Company's accounting policies, corporate objective plans, budgets, and other reports. The meetings of the Board are held at required frequencies and agenda along with working papers are circulated in sufficient time prior to Board and Committee meetings.

Governance

The Board has framed the Code of Conduct which defines requisite behavior and has been disseminated throughout the Company, along with supporting policies and procedures. Adequate controls and robust systems are in place to ensure effective control environment so compliance of best policies of Corporate Governance are achieved. The Board sets high standards of honesty and integrity which we consider are vital for success of the business.

Financial Management

The Company remained focused on effective management of funds in such a manner as to accomplish the objectives of the Company. The aim of our financial management is to maximize profits. During the year, the trade and other receivables were managed effectively to accomplish business objectives which added value for the shareholders. It has been focused to receive the outstanding dues from customers within due date and avoid sale on credit to those who are doubtful to pay full amount on time. Throughout the year, the management was much focused on cost effectiveness and profit improvement.

Internal Audit

The Company has an independent internal audit department to lead the internal audit function. The internal audit function is concerned with evaluating and improving the effectiveness of risk management, control and governance process in the Company. It is an independent appraisal activity in the Company to examine and evaluate its financial and operational matters. The objective of internal audit is to achieve operational efficiency, safeguard of profitability and Company's interests and establishment and observance of internal control.

Acknowledgement

On behalf of the Board of Directors, I would like to express gratitude to our stakeholders for their continued support and encouragement and place on record the appreciation of the valuable services rendered by the employees of the Company. I also acknowledge the commitment and diligence of our Chief Executive and his team and thank them for their concerted efforts.



Jawad Muhammad Rauf
Chairman

Karachi

Dated: July 16, 2021

چیرمین کا جائزہ

بورڈ کی مجموعی کارکردگی اور کمپنی کے مجموعی مقاصد کے حصول میں اس کے کردار کی تاثیر سے متعلق ہالمارک کمپنی لمیٹڈ (کمپنی) کے ممبروں کو یہ رپورٹ پیش کرنے پر مجھے بے حد خوشی محسوس ہو رہی ہے۔

مالی سال 2020-21 کے دوران آپ کی کمپنی کی کارکردگی کے اہم پہلوؤں کا اشتراک آپ کے ساتھ کیا گیا ہے۔ آئی ٹی سے متعلق خدمات کے شعبے میں توسیع/ترمیم کی وجہ سے کمپنی کے انتظام کو مستقبل کے امکانات کی طرف سے حوصلہ افزائی کی جاتی ہے اور بورڈ کی جانب سے فراہم کردہ اپنی کاوشوں اور حکمت عملی کے ذریعہ تسلی بخش کارکردگی کا مظاہرہ جاری رکھنے کی توقع کرتا ہے۔

معیشت کا جائزہ

معیشت پر COVID-19 کے اثرات نے پاکستان کی مجموعی معیشت کو متاثر کیا، تاہم پاکستان اپنے خطے کے دیگر ممالک کے مقابلے میں COVID-19 کی تیسری لہر کا مقابلہ کر رہا ہے۔ یکم جولائی سے شروع ہونے والے مالی سال کے لئے پاکستان کی حکومت نے GDP میں 4.8 فیصد اضافے کا ہدف مقرر کیا ہے کیونکہ ملک بدترین مرض کی بیماری سے نجات پا رہا ہے۔

صنعت کا جائزہ اور آؤٹ لک

پاکستان نے رواں مالی سال کے دوران رجسٹرڈ انفارمیشن ٹیکنالوجی کی سب سے بڑی تعداد میں کمپنیوں کو دیکھا ہے اور پچھلے کچھ سالوں میں خاطر خواہ اضافہ دیکھا ہے۔ توقع کی جا رہی ہے کہ مالی سال 2022 میں پاکستان کی IT برآمدات 2.0C.US\$ ارب ہوں گی اور یہ گزشتہ پانچ سالوں میں 19% C کی CAGR سے بڑھ گئی ہے۔ صرف مالی سال 2021 میں یہ 45% C زیادہ ہے۔ حکومت کو توقع ہے کہ پاکستان IT کی برآمدات مالی سال 2023 میں 3.0C.US\$ ارب ڈالر سے تجاوز کر جائیں گی۔ بین الاقوامی طلبہ پوسٹ COVID-19، برآمد کنندگان کے لئے ٹیکس مراعات کا تسلسل، IT سیکٹر کو درکار انسانی سرمائے کی ترقی کو فروغ دینے کے لئے متفقہ کوششیں اور پاکستان میں کاروبار کرنے میں آسانی کو بہتر بنانے کے لئے IT کے شعبے اور حکومت کے دیگر اقدامات کی ضرورت ہے۔

کاروبار کی کارکردگی

دنیا میں وائرس کی تیسری لہر سے نمٹنے کے ساتھ ہی COVID-19 وبائی بیماری کا ملکی اور عالمی معیشت پر بھی نمایاں اثر پڑا ہے۔ حفاظتی ٹیکوں کی مہم آہستہ آہستہ تیزی کے ساتھ جمع ہو رہی ہے اور اس امید کوئی امید ہے کہ سب سے زیادہ وبائی بیماری ہمارے پیچھے ہے۔ کمپنی کا انتظام بھی اس صورتحال کی نگرانی کر رہا ہے اور درآمدات کی خریداری پر پابندی کی وجہ سے، آئی ٹی اشیاء کی قیمت میں نمایاں اضافہ ہوا ہے جس کی قیمتوں میں فروخت میں اضافے کے ذریعہ تخفیف کی جا رہی ہے تاکہ مارکیٹ میں طلب برقرار رہے۔ کمپنی نے ملازمین کی تنخواہوں میں کوئی کٹوتی یا تخفیف کا انتخاب نہیں کیا۔ کسی حد تک کمپنی کے کاموں کو متاثر کیا گیا ہے۔ تاہم، چونکہ آئی ٹی خدمات اور مصنوعات اب زیادہ تر افراد کی ضرورت بن چکے ہیں، لہذا، انتظامیہ کا فرض ہے کہ مارکیٹ میں فروخت کی قیمت میں اضافے سے پہلے سے ہی COVID-19 منافع کا فرق برقرار رہے گا۔ طویل مدتی میں، انتظامیہ COVID-19 پھیلنے کی وجہ سے کمپنی کی مالی حیثیت،

کارکردگی اور کمپنی کے نقد بہاؤ پر کسی خاص منفی مالی اثر کی توقع نہیں کرتا ہے۔

مجھے یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی نے آئی ٹی کا اپنا سروس بزنس بھی شروع کیا ہے اور آئی ٹی نے خدمات کو قابل بنایا اور اس سے ایک لاکھ روپے کی قابل آمدنی حاصل ہوئی۔ جائزہ لینے والے سال کے دوران 6.8 ملین، خدمات پر منافع کا مارجن کمپیوٹر آلات کی تجارت کے مقابلے میں کافی زیادہ ہے، بورڈ اور انتظامیہ کو کافی اعتماد ہے کہ آئی ٹی خدمات کمپنی کے استحکام اور منافع میں ایک نئی لہر لائے گی۔

کمپنی کے بڑھتے ہوئے سائز کی وجہ سے نئے طریقہ کار اور کنٹرول کے قیام کی اہم ضرورت ہے۔ ایسے حالات میں انتظامی لاگت پر قابو پانا بہت مشکل تھا لیکن ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کی بے لوث کوششوں کی وجہ سے کمپنی انتظامی اخراجات میں اضافے کو بہت کم مارجن پر روکنے میں کامیاب ہو گئی ہے۔ بورڈ آف ڈائریکٹرز کو اب بھی ان کی خدمات کے لئے کمپنی سے کوئی معاوضہ نہیں مل رہا ہے اور اس سے کمپنی کو ایک اہم لاگت کی بچت ہو رہی ہے۔ میں واقعی ایسے مشکل وقتوں میں کمپنی کی ترقی کے لئے بورڈ اور اس میں شامل عملے کی کاوشوں کی تعریف کرتا ہوں، جبکہ اس کے وسائل بہت کم ہیں اور ملک میں کاروباری ماحول مشکل بحرانوں سے گزر رہا ہے۔

نئی ٹریڈنگ کمپنی کے لئے قیمت مسابقتی / برابر ہونے کا چیلنج خاصا مشکل ہے جہاں کمپنی سے توقع کی جاتی ہے کہ وہ اپنے ہر لین دین سے منافع حاصل کرے گی تاکہ وہ کاموں میں مستحکم / زندہ رہے۔ بورڈ نے خاص طور پر COVID-19 کی مدت کے دوران کمپنی کے مجموعی کاموں میں توازن کا مؤثر طریقے سے انتظام کیا ہے۔ کمپنی اب بھی قابل قدر مجموعی منافع پیدا کرنے میں کامیاب ہے۔ پھر بھی کمپنی گزشتہ سال 28% کے مقابلے میں 62% کے مجموعی منافع کا مارجن حاصل کرنے میں کامیاب ہے۔

کنٹرول کو حاصل کرنے کے لئے عوامی پیش کش

زیر غور مالی سال کے دوران، کمپنی کا کنٹرول حاصل کرنے کا عوامی ارادہ جون 2021 کے مہینے میں موصول ہوا ہے۔ حصول کار مستقل طور پر اس عمل کو انجام دے رہا ہے جو اگست 2021 کے دوران مکمل ہو جائے گا۔

نگہداشت

بورڈ کمپنی کے مالی بیانات، انکشافات کی اطلاع دہندگی اور شفافیت، کمپنی کی اکاؤنٹنگ پالیسیاں، کارپوریٹ مقصدی منصوبوں، بجٹ، اور دیگر رپورٹس کے معیار اور مناسبت کا جائزہ لیتا ہے۔ بورڈ کی میٹنگیں مطلوبہ تعداد پر ہوتی ہیں اور ورکنگ پیپرز کے ساتھ ایجنڈا بورڈ اور کمیٹی کے اجلاسوں سے پہلے کافی وقت میں گردش / سرکولٹ کیا جاتا ہے۔

گورنس

بورڈ نے ضابطہ اخلاق مرتب کیا ہے جو مطلوبہ طرز عمل کی وضاحت کرتا ہے اور اس کی حمایت کی پالیسیاں اور طریقہ کار کے ساتھ ساتھ پوری کمپنی میں اس کو پھیلا دیا جاتا ہے۔ موثر کنٹرول ماحول کو یقینی بنانے کے لئے مناسب کنٹرول اور مضبوط نظام موجود ہیں تاکہ کارپوریٹ گورنس کی بہترین پالیسیوں کی تعمیل ہو سکے۔ بورڈ ایمانداری اور دیانتداری کے اعلیٰ معیارات طے کرتا ہے جسے ہم کاروباری کامیابی کے لئے اہم سمجھتے ہیں۔

مالی انتظامات

کمپنی فنڈز کے موثر انتظام پر اس طرح مرکوز رہی کہ کمپنی کے مقاصد کو پورا کیا جاسکے۔ ہمارے مالیاتی انتظام کا مقصد زیادہ سے زیادہ منافع کرنا ہے۔ ایک سال کے دوران، تجارتی مقاصد کو پورا کرنے کے لئے تجارت اور دیگر وصولیوں کا مؤثر طریقے سے انتظام کیا گیا جس نے شیئر ہولڈرز کے لئے قدر میں اضافہ کیا۔ اس پر توجہ مرکوز کی گئی ہے کہ وہ مقررہ تاریخ کے اندر اندر صارفین سے بقایا واجبات وصول کریں اور وقت پر پوری رقم ادا کرنے میں شک کرنے والوں کو کریڈٹ پر فروخت سے گریز کریں۔ پورے سال میں، انتظامیہ لاگت کی تاثیر اور منافع میں بہتری پر زیادہ توجہ مرکوز رہی۔

اندرونی آڈٹ

اندرونی آڈٹ تقریب کی قیادت کرنے کے لئے کمپنی کا ایک آزاد اندرونی آڈٹ شعبہ ہے۔ اندرونی آڈٹ تقریب کا تعلق کمپنی میں رسک مینجمنٹ، کنٹرول اور گورننس کے عمل کی تاثیر کا جائزہ لینے اور بہتر بنانے سے ہے۔ کمپنی میں اس کے مالیاتی اور آپریشنل امور کی جانچ پڑتال اور جائزہ لینا ایک آزاد تشخصی سرگرمی ہے۔ اندرونی آڈٹ کا مقصد آپریشنل استعداد، منافع اور کمپنی کے مفادات کا تحفظ اور اندرونی کنٹرول کا قیام اور عمل ہے۔

تسلیمات

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے اسٹیک ہولڈرز کی جانب سے ان کی مسلسل حمایت اور حوصلہ افزائی اور کمپنی کے ملازمین کی جانب سے پیش کی گئی قیمتی خدمات کی تعریف کو ریکارڈ کرنے پر ان کا شکریہ ادا کرنا چاہتا ہوں۔ میں اپنے چیف ایگزیکٹو اور ان کی ٹیم کے عزم اور نگہداشت کا بھی اعتراف کرتا ہوں اور ان کی ٹھوس کوششوں کے لئے ان کا شکریہ ادا کرتا ہوں۔



چیرمین

کراچی

تاریخ: 16 جولائی 2021

DIRECTORS REPORT TO THE MEMBERS

The Directors of the Company are pleased to present the 42nd, Annual Report with the Financial Statements of the Company for the year ended on June 30, 2021.

Company's Performance

The Company has successfully completed this year despite having a challenging business environment and potential adverse effect of COVID-19 pandemic on the economy. The year under review is relatively tough year and it is apparent from the financial results of the Company. During this year it has earned a net profit after tax of Rs. 0.239 million as compared to last year Rs. 0.382 million. The current performance has declined mainly due to the impact of COVID-19. It has caused loss to the Company during partial and complete lockdowns in the year when management was mainly concerned establishing new operational environment where remote working was possible.

During the year, reduction in sales was there in the Company's trading business of computer equipment. Company has also started its service business of IT and IT enabled services and earned a significant revenue of Rs. 6.8 million during the year, the profit margin on the services is better in comparison to trading of computer equipment, the Board and the management is quite confident that the IT services will bring a new wave in the sustainability and profitability of the Company.

We are continuously working hard not only to sustain this growth but, to perform further better than this current market situation.

The summarized operating results of the Company for the year are as follows:

Operating Results

	Activities for Current year (Rs.) 2020-2021	Activities for last year (Rs.) 2019-2020
Revenue	8,689,329	15,874,970
Gross Profit	5,406,388	4,477,438
Operating Profit	337,173	388,681
Profit After Taxation	239,393	382,833
Earnings per Share	0.48	0.77

With the increase in revenue related to services, as compared to last year, the gross profit margins have significantly been increased during the year i-e 62% in comparison to 28% last year despite the trading revenue has decreased by 90% mainly due to COVID-19 which shows our management's dedication in performing their duties and generating return over the capital of the Company. It is a sign of appreciation and hope that we are earning profits since commencement of the new business and at an increasing trend from main business activities it is a great relief for the management and the Company.

Due to extension plan in operations, the management decided to locate its operations to some larger place, and due to shortage of funds it was assessed that the Company cannot presently bear the cost of owning any premises therefore, a premise has been obtained during the year on rent for operations. First rent is commenced during the year.

Despite of commencement of business and consistent profits, the Directors of the Company are still not receiving any remuneration from the Company with their consent. This has saved significant cost of the Company.

Outlook

Our 2022 budget is focused on increasing the working capital of the Company with significantly higher amount through injection of further equity and achieving increased growth which we shall hopefully achieve. This shall be going to attributed to the following factors:

- The Company has engaged in IT and IT enabled services and, trading of used personal computers, laptops, and notebooks, and has large market available to access but, due to the financial constraints and limited liquidity it has restricted its operations to limited markets. The injection of capital will let the Company to concentrate on those unaddressed markets to increase its volume of profit.
- Through increase in volume of service revenue, the Company shall be able to increase its gross profit margin and earning per share.
- 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 injected shall initially be invested in secured investments most probably debt securities of high credit ranking so that no working capital is left without generating further return.

Public Announcement of Intention to Acquire Control of the Company

During the June 2021, the Company has received a notice of public announcement of intention from Mr. Irtaza Zafar Sheikh, Mr. Kamran Ahmed, Mr. Khalid Farooq and Gazpak (Private) Limited through email from M. Munir M. Ahmed Khanani Securities Ltd., being the Manager to Offer, to acquire more than 50% shares and control of the Company, beyond the thresholds prescribed under Section 111 of the Securities Act, 2015, read with Regulation 2017. The Due Diligence process has commenced and, it is expected to be completed before end of August 2021.

Dividend

The Company has earned profit during the year. However, as the Company needs funds for further growing of the business, thus the situation does not permit presently, to consider payment of dividend, therefore, no dividend is being recommended by the Board for the year. However, as earlier disclosed we are heading towards and expecting to declare our next dividend very soon.

Evaluation of the Board's Performance and Directors' Training Program

The Board has developed a mechanism of annual performance evaluation. Every member of the Board ensures his active participation in all the meetings of the Board. Detailed discussions are held on strategic matters and clear directions are provided to the management, which are regularly monitored by the Board and its committees. The Board ensures that the Company adopts the best possible practices of corporate governance.

The Board also has planned to review performance of business at each quarter with an aim to improve the same.

In compliance with the provisions of Listed Companies (Code of Corporate Governance) Regulations, 2019, Directors' orientation arrangement to the Board is there by the Company which is performed periodically. However, as there are two Directors on Board who are also members of the ICAP, and making compliance of CPD requirements of ICAP, that gives an edge to the Company.

Statutory Auditors

The present auditors M/s. S.M. Suhail & Co., Chartered Accountants shall retire, and are eligible to reappoint as auditors of the Company. As recommended by the Audit Committee of the Company, the Board of Directors has recommended S.M. Suhail & Co., Chartered Accountants for re-appointment as auditors of the Company for the year ending on June 30, 2022, in the forthcoming AGM.

Corporate Social Responsibility

In the developing countries like Pakistan, Company consider and understand its Corporate Social Responsibility that there is an intense need to work together to address social issues as effectively and efficiently as possible. The Company values the importance of working together with its employees and with all other stakeholders to focus towards social responsibilities. Basic needs which are needed to be addressed in our society include education, health and safety, women empowerment, economic opportunity, equity of rights, law enforcement, and environmental protection and community grants.

Presently, due to scarce resources, the Company is unable to participate through monetary means. However, the Company has acknowledged and discharged its responsibility towards society through following measures:

Dealing in products of only those companies which are certified as Energy Star and only those products are sold which are recyclable and energy efficient. For compliance, certifications over products are strictly observed. Also the policy of paper less environment has been adopted as strictly as possible. The policies are adopted as step towards environmental protection.

The Company has established a policy of providing interest free loan convertible to Qarz-e-Hasna to its employees, for the purposes of higher education and treatment of serious medical injuries.

Compliance with Corporate Governance Environment

The requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 set out by the Securities and Exchange Commission of Pakistan, relevant for the year ended June 30, 2021 have mostly been complied with. A statement to this effect is part of this annual report.

Statement of Ethics and Business Practices

The Board has adopted the statement of Ethics and Business Practices, wherever practicable and shall continue to improve its' implementation all over the Company.

Audit Committee

The Company has an Audit Committee as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019. The existing Chairman of the Committee is FCA, member of ICAP, an independent director and the Committee comprises of three members as detailed below:

Mr. Muhammad Ashfaq, FCA	Chairman and Member
Mr. Jawad Muhammad Rauf, ACA	Member
Mr. Muhammad Saad Iqbal	Member

The existing and earlier Audit Committees have met in-person/ online 6 times during the year and the number of meetings attended by each member is given hereunder:

Name Of Member Meetings Attended	Status	Meetings Attended
Mr. Zubair Ahmed Khan	Outgoing Member	3
Mr. Ahtesham Ashraf	Outgoing Member	3
Ms. Mehnaz Manzoor	Outgoing Member	3
Mr. Muhammad Ashfaq	Incoming Member	3
Mr. Jawad Muhammad Rauf	Incoming Member	3
Mr. Muhammad Saad Iqbal	Incoming Member	2

The leave of absence was granted to the Members who could not attend the meeting due to their preoccupation.

HR and Remuneration Committee

The Company has a HR & Remuneration Committee as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Committee comprises of three members and details of the members are as follows:

Ms. Areej Rafiq	Chairman and Member
Mr. Jawad Muhammad Rauf, ACA	Member
Ms. Irsa Faruqui	Member

The Chairman of the Committee is an independent director. This new Committee has met 3 times in-person/ online, and the previous Committee has met 3 times in-person/ online during the year and the number of meetings attended by each member is given hereunder:

Name Of Member Meetings Attended	Status	Meetings Attended
Mr. Saad Aftab, Shamsi	Outgoing Member	2
Mr. Muhammad Farrukh Bashir	Outgoing Member	3
Mr. Abdul Rahim	Outgoing Member	3
Ms. Areej Rafiq	Incoming Member	3
Ms. Irsa Faruqui	Incoming Member	2
Mr. Jawad Muhammad Rauf	Incoming Member	3

The leave of absence was granted to the Members who could not attend the meeting due to their preoccupation.

Corporate and Financial Reporting Framework

- a) The financial statements prepared by the management of the Company, present fairly its financial position, the result of its operations, cash flows and changes in equity.
- b) Proper books of accounts have been maintained by the Company.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment, except for changes in accounting policy as mentioned in notes to the financial statements.
- d) The International Accounting and Financial Reporting Standards, as applicable to the Company in Pakistan, have been followed in preparation of these financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) The Company shall continue as a going concern, and there is no plan or indication contrary to the going concern.
- g) There has been no material departure from the best practices of Corporate Governance, as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- h) The key operating and financial data for the last six years is annexed herewith in this report.

During the year, six meetings of the Board of directors were held and the number of meetings attended in-person/ online by each director is given hereunder:

NAME OF DIRECTOR	CHANGE OF DIRECTORSHIPS	MEETINGS ATTENDED
Mr. Muhammad Farrukh Bashir	Outgoing Director	3
Mr. Saad A. Shamsi	Outgoing Director	2
Mr. S Muhammad Imran	Outgoing Director	3
Mr. Ahtesham Ashraf	Outgoing Director	2
Mr. Zubair Ahmed Khan	Outgoing Director	3
Mrs. Mehnaz Manzoor	Outgoing Director	3
Mr. Abdul Rahim	Outgoing Director	3
Mr. Jawad Muhammad Rauf	Incoming Director	3
Mr. Salman Muhammad Yousuf	Incoming Director	3

NAME OF DIRECTOR	CHANGE OF DIRECTORSHIPS	MEETINGS ATTENDED
Mr. Muhammad Ashfaq	Incoming Director	3
Ms. Areej Rafiq	Incoming Director	3
Ms. Irsa Faruqi	Incoming Director	2
Mr. Muhammad Saad Iqbal	Incoming Director	2
Mr. Sharjeel Abdul Sattar	Incoming Director	2

- i) The pattern of shareholding in the Company, as of June 30, 2021 has been included in this annual report.
- j) Information about taxes and levies is given in the notes forming part of the financial statements.

Acknowledgements

Directors of your company take this opportunity to express their deep sense of gratitude for all the stakeholders for their encouragement and continued support and look forward to your continued collaboration with the Company as we move forward to meet and execute our targets together.

Further, we appreciate the Company's management and supporting staff for their satisfactory performance and devotion to duty, and we are grateful to all the Government Institutions, statutory auditors S.M. Suhail & Co. Chartered Accountants, the SECP, the PSX, the AOB, the CDC and its bank, for their valuable support and cooperation throughout the year.

Salman Muhammad Yousuf
Chief Executive

Jawad Muhammad Rauf
Chairman

July 16, 2021

ممبروں کو ہدایت نامہ / ممبروں کی ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے سال کے مالیاتی بیانات کے ساتھ 42 ویں سالانہ رپورٹ پیش کرنے پر خوشی

محسوس کر رہے ہیں۔

کمپنی کی کارکردگی

چیلنجنگ کاروباری ماحول اور معیشت پر COVID-19 وبائی امراض کے ممکنہ منفی اثرات کے باوجود کمپنی نے یہ سال کامیابی کے ساتھ مکمل کیا ہے۔ زیر جائزہ سال نسبتاً سخت سال ہے اور یہ کمپنی کے مالی نتائج سے ظاہر ہوتا ہے۔ اس سال کے دوران اس نے 0.239 ملین روپے کے ٹیکس کے بعد خالص منافع حاصل کیا ہے جبکہ پچھلے سال 0.382 ملین روپے تھے۔ موجودہ کارکردگی بنیادی طور پر COVID-19 کے اثرات کی وجہ سے کم ہوئی ہے۔ اس کمپنی کو سال میں جزوی اور مکمل لاک ڈاؤن کے دوران نقصان پہنچا ہے جبکہ مینجمنٹ بنیادی طور پر نئے آپریشنل ماحول کے قیام کا تعلق رکھتی تھی جہاں دور دراز سے کام کرنا ممکن تھا۔

سال کے دوران کمپنی کے کمپیوٹر آلات کے تجارتی کاروبار کی فروخت میں کمی تھی کمپنی نے آئی ٹی اور آئی ٹی فعال خدمات کا اپنا سروس کاروبار بھی شروع کیا ہے اور سال کے دوران 6.8 ملین روپے کی نمایاں آمدنی حاصل کی ہے۔ کمپیوٹر آلات کی تجارت کے مقابلے میں خدمات پر منافع کا مارجن بہتر ہے۔ بورڈ اور انتظامیہ کافی حد تک پر اعتماد ہیں کہ آئی ٹی کی خدمات کمپنی کے استحکام اور منافع میں ایک نئی لہر لائیں گی۔

ہم نہ صرف اس نمونہ کو برقرار رکھنے کے لئے مستقل محنت کر رہے ہیں بلکہ مارکیٹ کی موجودہ صورتحال سے بھی بہتر کارکردگی کا مظاہرہ کر رہے ہیں۔

سال کے لئے کمپنی کے خلاصہ آپریٹنگ نتائج درج ذیل ہیں:-

آپریٹنگ نتائج

گزشتہ سال کی سرگرمیاں (Rs.) 2019-2020	موجودہ سال کے لئے سرگرمیاں (Rs.) 2020-2021	
15,874,970	8,689,329	آمدنی
4,477,438	5,406,388	کل منافع
388,681	337,173	آپریٹنگ منافع
382,833	239,393	ٹیکس لگانے کے بعد منافع
0.48	0.77	فی شیئر آمدنی

خدمات سے متعلق آمدنی میں اضافے کے ساتھ، پچھلے سال کے مقابلے میں، مجموعی منافع کے مارجن میں سال کے دوران نمایاں اضافہ ہوا ہے یعنی گزشتہ سال 28 فیصد کے مقابلے میں 62 فیصد کے باوجود تجارتی محصول میں 90 فیصد کمی واقع ہوئی ہے جس کی بنیادی وجہ COVID-19 ہے جو ہمارے فرائض منصبی کی انجام دہی میں اور کمپنی کے سرمائے میں واپسی پیدا کرنے میں ہماری لگن کو ظاہر کرتا ہے۔ یہ سٹاکش اور امید کی علامت ہے کہ ہم نئے کاروبار کے آغاز سے ہی منافع کما رہے ہیں اور کاروباری اہم سرگرمیوں سے بڑھتے ہوئے رجحان میں یہ انتظامیہ اور کمپنی کے لئے ایک بہت بڑا ریلیف ہے۔

کاروائیوں میں توسیع کے منصوبے کی وجہ سے انتظامیہ نے اپنی کاروائیوں کو کسی بڑی جگہ پر تلاش کرنے کا فیصلہ کیا اور فنڈز کی کمی کی وجہ سے اندازہ لگایا گیا کہ کمپنی اس وقت کسی بھی احاطے کے مالکانہ اخراجات برداشت نہیں کر سکتی ہے، لہذا کاروائیوں کے لئے کرایہ پر سال کے دوران ایک فیصلہ حاصل کیا گیا ہے پہلا کرایہ سال کے دوران شروع کیا جائے گا۔

کاروبار شروع کرنے اور مستقل منافع کے باوجود، کمپنی کے ڈائریکٹر کو ان کی رضامندی کے ساتھ کمپنی سے کوئی معاوضہ نہیں مل رہا ہے۔ اس سے کمپنی کی قابل قدر لاگت بچ گئی ہے۔

نظریہ:

ہمارا 2022 کا بجٹ مزید لگائے گئے سرمایہ کے ذریعہ نمایاں طور پر زیادہ رقم کے ساتھ کمپنی کے ورکنگ سرمایہ کو بڑھانے اور بڑھتی ہوئی نمو کو حاصل کرنے پر مرکوز ہے جس کی امید ہے کہ ہم اسے حاصل کریں گے۔ یہ مندرجہ ذیل عوامل کی طرف منسوب کیا جائے گا:

- ☆ کمپنی نے آئی ٹی اور آئی ٹی سے چلنے والی خدمات میں، اور استعمال شدہ پرسنل کمپیوٹرز، لیپ ٹاپس، اور نوٹ بکوں کی تجارت میں مشغول کیا ہے، اور اس تک رسائی کے لئے بڑی مارکیٹ دستیاب ہے لیکن، مالی رکاوٹوں اور محدود ذرائع کی وجہ سے اس نے اپنے کاموں کو محدود مارکیٹوں تک محدود کر دیا ہے۔ لگایا گیا سرمایہ کمپنی کو نفع کی مقدار میں اضافہ کرنے کے لئے ان عدم توجہ کا شکار مارکیٹوں پر توجہ دینے کی اجازت دے گا۔
- ☆ خدمت آمدنی کے حجم میں اضافے کے ذریعے کمپنی اپنے مجموعی منافع کے مارجن اور شیئر کی آمدنی میں اضافہ کرنے کے قابل ہوگی۔
- ☆ ہمارا مقصد انفارمیشن ٹیکنالوجی کے علاوہ دوسرے شعبوں میں بھی سرمایہ کاری کرنا ہے، تاکہ وہاں سے منافع کمایا جاسکے اور کسی ایک شعبے میں کمپنی کا انحصار کم ہو سکے۔

☆ لگائے گئے سرمائے میں ابتدائی طور پر اعلیٰ کریڈٹ ریٹنگ کی زیادہ سے زیادہ قرضوں کی سکیورٹیز میں سرمایہ کاری کی جائے گی تاکہ کوئی بھی کارآمد سرمایہ مزید منافع پیدا کرنے کے باقی نہ رہے۔

کمپنی کا کنٹرول حاصل کرنے کے ارادے کا عوامی اعلان

جون 2021 کے دوران کمپنی کو ایم منیر ایم احمد خانی سکیورٹیز لمیٹڈ کی ای میل کے ذریعے مسٹر ارضی ظفر شیخ، مسٹر کامران احمد، مسٹر خالد فاروق اور گزٹ پک (پرائیویٹ) لمیٹڈ سے عوامی مقصد کا عوامی نوٹس موصول ہوا ہے۔ سکیورٹیز ایکٹ 2015 کے سیکشن 111 کے تحت مقرر کردہ حد سے زیادہ 50 فیصد سے زیادہ شیئر اور کمپنی کا کنٹرول حاصل کرنے کی پیش کش کرنے والے نیچر کی حیثیت سے، ضابطہ 2017 کے ساتھ پڑھیں۔ مناسب گہدداشت کا عمل شروع ہو چکا ہے اور توقع ہے کہ اگست 2021 کے اختتام سے قبل یہ مکمل ہو جائے گا۔

منافع

کمپنی نے سال کے دوران منافع کمایا ہے تاہم چونکہ کمپنی کو کاروبار کو مزید بڑھانے کے لئے فنڈز کی ضرورت ہے اس طرح اس وقت صورتحال اس بات کی اجازت نہیں دیتی ہے کہ منافع کی ادائیگی پر غور کیا جائے لہذا بورڈ کے ذریعہ سال کے لئے کسی بھی منافع کی سفارش نہیں کی جارہی ہے۔ تاہم جیسا کہ پہلے انکشاف کیا گیا ہے ہم آگے بڑھ رہے ہیں اور توقع کر رہے ہیں کہ بہت جلد ہی ہمارا اگلا فائدہ ہوگا۔

بورڈ کی کارکردگی اور ڈائریکٹرز کے تربیتی پروگرام کا جائزہ

بورڈ نے سالانہ کارکردگی کی تشخیص کا ایک طریقہ تیار کیا ہے۔ بورڈ کا ہر ممبر بورڈ کے تمام اجلاسوں میں اپنی فعال شرکت کو یقینی بناتا ہے۔ اسٹرٹجک امور پر تفصیلی تبادلہ خیال کیا جاتا ہے اور انتظامیہ کو واضح ہدایات فراہم کی جاتی ہیں، جن کی باقاعدگی سے بورڈ اور اس کی کمیٹیوں کے ذریعہ نگرانی کی جاتی ہے۔ بورڈ اس بات کو یقینی بناتا ہے کہ کمپنی کارپوریٹ گورننس کے بہترین ممکنہ طریقوں کو اپنائے۔ بورڈ نے ہر سہ ماہی میں کاروبار کو بہتر بنانے کے مقصد کے ساتھ کارکردگی کا جائزہ لینے کا بھی منصوبہ بنایا ہے۔

لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شقوں کی تعمیل کرتے ہوئے، بورڈ میں ڈائریکٹرز کی واقفیت کا انتظام کمپنی کے ذریعہ ہوتا ہے جو وقتاً فوقتاً انجام دیا جاتا ہے۔ تاہم، چونکہ بورڈ میں دو ڈائریکٹر موجود ہیں جو ICAP کے ممبر بھی ہیں، اور ICAP کی CPD کی ضروریات کی تعمیل کرتے ہیں، جو کمپنی کو ایک اہم مقام فراہم کرتا ہے۔

قانونی آڈیٹر

موجودہ آڈیٹر میسرز ایس ایم۔ سہیل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ ریٹائر ہو جائیں گے، اور وہ کمپنی کے آڈیٹر کی حیثیت سے دوبارہ تقرری کے اہل ہیں۔ جیسا کہ کمپنی کی آڈٹ کمیٹی نے تجویز کیا ہے، بورڈ آف ڈائریکٹرز نے ایس ایم سہیل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ کو آئندہ کے سالانہ اجلاس میں 30 جون 2022 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹر کی حیثیت سے دوبارہ تقرری کے لئے سفارش کی ہے۔

کارپوریٹ کی سماجی ذمہ داریاں

پاکستان جیسے ترقی پذیر ممالک میں کمپنی اپنی کارپوریٹ کی سماجی ذمہ داریوں پر غور کرتی ہے اور سمجھتی ہے کہ معاشرتی امور کو موثر طریقے سے حل کرنے کے لئے مل جل کر کام کرنے کی ضرورت ہے۔ کمپنی معاشرتی ذمہ داریوں کی طرف توجہ دینے کے لئے اپنے ملازمین اور دیگر تمام اسٹیک ہولڈرز کے ساتھ مل کر کام کرنے کی اہمیت کی قدر کرتی ہے۔ ہمارے معاشرے میں جن بنیادی ضروریات کو حل کرنا ہے ان میں تعلیم، صحت اور حفاظت، خواتین کو بااختیار بنانا، معاشی مواقع، حقوق کی مساوات، قانون کا نفاذ، اور ماحولیاتی تحفظ اور برادری کے عطیات شامل ہیں۔ فی الحال، کم وسائل کی وجہ سے، کمپنی مالیاتی ذرائع سے حصہ لینے سے قاصر ہے۔ تاہم کمپنی نے مندرجہ ذیل اقدامات کے ذریعہ معاشرے کے خلاف اپنی ذمہ داری کو تسلیم کیا ہے اور اسے نبھایا ہے۔

صرف انہی کمپنیوں کی مصنوعات میں کاروبار کرنا جو انرجی اسٹار کے طور پر سند یافتہ ہیں اور صرف وہی مصنوعات فروخت کی گئیں جو قابل تجدید اور قابل توانائی ہیں۔ تعمیل سرٹیفیکیٹ کے لئے مصنوعات پر سختی سے مشاہدہ کیے جاتے ہیں۔ نیز کاغذی ماحول کی پالیسی کو ہر ممکن حد تک سختی سے اپنایا گیا ہے۔ ان پالیسیوں کو ماحولیاتی تحفظ کے اقدامات کے طور پر اپنایا جاتا ہے۔

کمپنی نے اپنے ملازمین کو اعلیٰ تعلیم اور سنگین طبی چوٹوں کے علاج معالجے کے لئے قرض حسنه کے بدلے مفت سودی قرض کی فراہمی کی پالیسی قائم کی ہے۔

کارپوریٹ گورننس کی ماحول کے ساتھ تعمیل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعہ طے شدہ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضے جو 30 جون 2021 کو ختم ہونے والے سال کے لئے متعلق ہیں، زیادہ تر اس کی تعمیل کی گئی ہے۔ اس بارے میں ایک بیان اس سالانہ رپورٹ کا ایک حصہ ہے۔

اخلاقیات اور کاروباری طریقوں کا بیان

بورڈ نے اخلاقیات اور کاروباری طریقوں کے بیان کو اپنایا ہے، جو کہ قابل عمل ہے اور کمپنی اس کے عمل کو بہتر بناتی رہے گی۔

آڈٹ کمیٹی

کمپنی کے پاس درج کمپنیوں (کوڈ آف کارپوریٹ گورننس) کے ضوابط، 2019 کی ضرورت کے مطابق ایک آڈٹ کمیٹی موجود ہے۔ کمیٹی کے موجودہ چیئرمین FCA ہیں، ICAP کے ممبر، ایک آزاد ڈائریکٹر ہیں اور کمیٹی تین ممبران پر مشتمل ہے جس کی تفصیل ذیل میں ہے:-

چیئرمین اور ممبر

جناب محمد اشفاق FCA

ممبر

جناب جواد محمد رؤف ACA

ممبر

جناب محمد سعد اقبال

موجودہ اور سابقہ آڈٹ کمیٹیوں نے سال کے دوران چھ اجلاس منعقد کیے اور ہر ممبر کے اجلاس میں شرکت کی تعداد ذیل میں دی گئی ہے:

میٹنگ میں شرکت	درجہ	میٹنگ میں شریک ممبروں کے نام
3	جانے والے ممبر	جناب زبیر احمد خان
3	جانے والے ممبر	جناب اہتیشام اشرف
3	جانے والے ممبر	محترمہ مہناز منظور
3	آنے والے ممبر	جناب محمد اشفاق
3	آنے والے ممبر	جناب جواد محمد رؤف
2	آنے والے ممبر	جناب محمد سعد اقبال

غیر موجودگی کی چھٹی ان ممبروں کو دے دی گئی جو اپنی دلچسپی کی وجہ سے اجلاس میں شرکت نہیں کر سکے۔

انسانی وسائل اور معاوضے کی کمیٹی

درج کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت مطلوبہ کمپنی کے پاس HR اور معاوضہ کمیٹی ہے۔ کمیٹی میں تین

ممبران شامل ہیں اور ممبروں کی تفصیلات مندرجہ ذیل ہیں:

چیئرمین اور ممبر

محترمہ ارتج رفیق

ممبر

جناب جواد محمد رؤف ACA

ممبر

محترمہ اسراء فاروقی

کمپنی کا چیئرمین آزاد ڈائریکٹر ہوتا ہے۔ اس نئی کمیٹی نے 3 بار ملاقات کی ہے، اور گزشتہ کمیٹی کی 3 مرتبہ ملاقات ہوئی ہے جس میں ہر ممبر کی شرکت کی گئی میٹنگیں یہاں دی گئیں ہیں:-

میٹنگ میں شریک ممبروں کے نام	درجہ	میٹنگ میں شرکت
جناب سعد آفتاب شمسی	جانے والے ممبر	2
جناب محمد فرخ بشیر	جانے والے ممبر	3
جناب عبدالرحیم	جانے والے ممبر	3
محترمہ ارتج رفیق	آنے والے ممبر	3
محترمہ اسراء فاروقی	آنے والے ممبر	2
جناب جواد محمد رفیق رؤف	آنے والے ممبر	3

غیر موجودگی کی چھٹی ان ممبروں کو دے دی گئی جو اپنی دلچسپی کی وجہ سے اجلاس میں شرکت نہیں کر سکے۔

کارپوریٹ اور مالی رپورٹنگ کا فریم ورک

- (1) کمپنی کی انتظامیہ کے ذریعہ تیار کردہ مالی بیانات، اس کی مالی حیثیت، اس کے کاموں، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کا نتیجہ پیش کرتے ہیں۔
- (2) کمپنی کی طرف سے اکاؤنٹس کے مناسب کھاتے برقرار رکھے گئے ہیں۔
- (3) مالی بیانات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی گئیں اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں، سوائے اس کے کہ اکاؤنٹنگ پالیسی میں تبدیلی کے علاوہ مالی بیانات کے نوٹ میں ذکر کیا گیا ہے۔
- (4) ان مالی بیانات کی تیاری کے سلسلے میں، بین الاقوامی اکاؤنٹنگ اور مالی رپورٹنگ معیارات، جیسے پاکستان میں کمپنی پر لاگو ہوتے ہیں، کی پیروی کی گئی ہے۔
- (5) اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اس کی موثر انداز میں نافذ اور نگرانی کی گئی ہے۔
- (6) کمپنی جاری تشویش کی حیثیت سے جاری رکھے گی اور جانے والی تشویش کے برخلاف کوئی منصوبہ بندی یا اشارہ نہیں ہے۔
- (7) کارپوریٹ گورننس کے بہترین طریقہ کار سے کسی قسم کی مراعات نہیں ہوئی ہیں جیسا کہ درج کمپنیوں (کارپوریٹ گورننس کا ضابطہ) ضابطہ، 2019 میں تفصیل سے بتایا گیا ہے۔
- (8) اس رپورٹ میں اس کے ساتھ پچھلے چھ سالوں کے کلیدی آپریٹنگ اور مالی اعداد و شمار کو منسلک کیا گیا ہے۔
- (9) سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس ہوئے اور ہر ڈائریکٹر کے اجلاسوں کی تعداد ذیل میں دی گئی ہے:-

ڈائریکٹرز کے نام	ڈائریکٹر شپ کی تبدیلی	میٹنگ میں شرکت
جناب محمد فرخ بشیر	جانے والے ممبر	3
جناب سعد آفتاب شمسی	جانے والے ممبر	2

ڈائریکٹرز کے نام	ڈائریکٹر شپ کی تبدیلی	میٹنگ میں شرکت
جناب ایس محمد عمران	جانے والے نمبر	3
جناب احتشام اشرف	جانے والے نمبر	2
جناب زبیر احمد خان	جانے والے نمبر	3
محترمہ مہناز منظور	جانے والے نمبر	3
جناب عبدالرحیم	جانے والے نمبر	3
جناب جواد محمد رؤف	آنے والے نمبر	3
جناب سلمان محمد یوسف	آنے والے نمبر	3
جناب محمد اشفاق	آنے والے نمبر	3
محترمہ ارتج رفیق	آنے والے نمبر	3
محترمہ اسراء فاروقی	آنے والے نمبر	2
جناب محمد سعد اقبال	آنے والے نمبر	2
جناب شرجیل عبدالستار	آنے والے نمبر	2


(10) کمپنی میں شیئر ہولڈرز کا نمونہ، 30 جون، 2021 کو اس سالانہ رپورٹ میں شامل کیا گیا ہے۔

(11) ٹیکسوں اور محصولات کے بارے میں معلومات مالی بیانات کا حصہ بننے والے نوٹ میں دی جاتی ہے۔

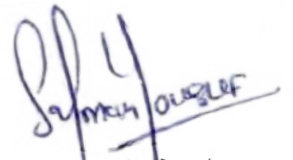
تسلیمات

آپ کی کمپنی کے ڈائریکٹرز اس موقع پر تمام فریقین کی حوصلہ افزائی اور ان کی حمایت کے لئے اظہار تشکر کرتے ہیں اور کمپنی کے ساتھ آپ کے مسلسل تعاون کے منتظر ہیں جب ہم مل کر اپنے اہداف کو پورا کرنے اور اس پر عملدرآمد کرنے کے لئے آگے بڑھیں گے۔

مزید ہم کمپنی کی انتظامیہ اور معاون عملے کی ان کی تسلی بخش کارکردگی اور فرائض کے ساتھ خلوص کے لئے ان کی تعریف کرتے ہیں اور ہم تمام سرکاری اداروں، قانونی آڈیٹرز ایس ایم سہیل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، SECP، PSX، AOB، CDC اور اس کا بینک، سال بھر ان کے گراں قدر اور تعاون کے شکر گزار ہیں۔


جواد محمد رؤف

چیئر مین


سلمان محمد یوسف

چیف ایگزیکٹو

مورخہ 16 جولائی 2021

HALLMARK COMPANY LIMITED

KEY FINANCIAL DATA FOR LAST SIX YEARS					
	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
					December, 2016
Total sales revenue	8,689,329	15,874,970	18,121,036	14,844,275	4,169,260
Cost of sales	(3,282,941)	(11,397,532)	(12,105,431)	(10,551,973)	(2,560,662)
Gross profit	5,406,388	4,477,438	6,015,605	4,292,302	1,608,598
Other income	-	-	215,500	1,780,000	1,165,000
Administration & Selling expenses	(4,435,999)	(3,285,755)	(2,934,607)	(2,541,520)	(450,515)
Other expenses	(633,216)	(803,002)	(1,301,175)	(1,270,260)	(395,148)
Profit before taxation	337,173	388,681	1,995,323	2,260,521	1,927,936
Taxation - net	(97,780)	(5,848)	(680,873)	(131,975)	(100,424)
Profit after taxation	239,394	382,833	1,314,450	2,128,546	1,827,511
Earning per share	0.48	0.77	2.63	4.26	3.66
					1.28
Shareholders equity excludng loan	6,952,035	6,712,641	6,329,810	5,015,360	2,886,815
					1,059,304
Non current assets	4,062,797	4,009,685	4,192,597	5,329,194	2,537,964
					1,775,473
Cash and bank balances	952,751	221,477	587,269	280,954	498,507
					192,691
Trade debts	4,204,925	1,578,052	1,296,906	1,003,564	1,095,446
					-
Total debt - Financing	-	-	300,000	1,800,000	1,500,000
					250,000
Creditor and other payable	758,974	549,938	1,219,179	1,358,387	799,371
					500,000
Tax payable	130,340	238,125	359,177	15,980	44,693
					-
Loan from a related Party	1,403,125	-	-	-	-
					-
Total Assets at book value	9,244,473	7,500,704	8,274,018	8,223,491	5,286,610
					2,318,164

HALLMARK COMPANY LIMITED

VERTICAL ANALYSIS						
	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017	Dec, 2016
Balance Sheet%					
Furniture and fixture	11%	11%	11%	10%	17%	42%
Other non current assets	33%	42%	40%	55%	31%	35%
Current assets	56%	47%	49%	35%	52%	23%
Total assets	100%	100%	100%	100%	100%	100%
Non current liabilities	61%	0%	4%	2%	6%	0%
Current liabilities	39%	100%	96%	98%	94%	100%
Total Liabilities	100%	100%	100%	100%	100%	100%
Profit and Loss						
Sale of goods	100%	100%	100%	100%	100%	0%
Cost of sales	-38%	-72%	-67%	-71%	-61%	0%
Gross profit	62%	28%	33%	29%	39%	0%
Administrative and selling expense	-51%	-24%	-16%	-17%	-11%	0%
Operating profit	11%	4%	17%	12%	28%	0%
Other income	0%	0%	1%	12%	28%	0%
Other expenses	-7%	-2%	-7%	-9%	-9%	0%
Profit before taxation	4%	2%	11%	15%	46%	0%
Taxation	-1%	0%	-4%	-1%	-2%	0%
Profit after taxation	3%	2%	7%	14%	44%	0%

*There were no operation during the year ended Dec 2016 therefore verical analysis for P & L items can not be calculate.

HALLMARK COMPANY LIMITED

HORIZONTAL ANALYSIS						
	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017	Dec, 2016
Balance SheetChange from preceeding year..... %					
Furniture and fixture	24%	-7%	16%	-10%	-11%	4%
Other non current assets	-5%	-4%	-28%	173%	108%	0%
Current assets	48%	-14%	41%	5%	406%	-62%
Total assets	23%	-9%	1%	56%	128%	-27%
Non current liabilities	100%	-100%	95%	-39%	100%	0%
Current liabilities	13%	-50%	15%	63%	-16%	-63%
Total Liabilities	191%	-52%	17%	56%	-11%	-63%
Total Net assets	4%	1%	-3%	55%	235%	211%
Issued subscribed and paid up capital	0%	0%	0%	0%	0%	0%
Accumulated losses	14%	29%	8558%	-101%	-46%	-14%
Director's equity contribution	0%	-100%	-83%	20%	500%	100%
Profit and Loss						
Sale of goods	-45%	-12%	22%	256%	100%	0%
Cost of sales	-71%	-6%	15%	312%	100%	0%
Gross profit	21%	-26%	40%	167%	100%	0%
Administrative and selling expense	17%	29%	15%	464%	-54%	688%
Operating profit	40%	-78%	76%	51%	-218%	688%
Other income	0%	-100%	-88%	53%	-39%	533%
Other expenses	109%	-77%	2%	221%	44%	0%
Profit before taxation	-13%	-81%	-12%	17%	202%	264%
Taxation	1572%	-99%	416%	31%	100%	0%
Profit after taxation	-37%	-71%	-38%	16%	187%	264%

HALLMARK COMPANY LIMITED

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

FOR THE YEAR ENDED JUNE 30, 2021

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Seven (7) as per the following combination:

There are 5 Male Directors and 2 Female Directors in the Company.

2. The composition of board is as follows:

- | | | |
|------|-------------------------------|----------------------------------------------------------------------------------------------------|
| i. | Independent Directors: | Mr. Muhammad Ashfaq
Ms. Areej Rafiq |
| ii. | Other Non-executive Director: | Ms. Irsa Faruqi
Mr. Muhammad Saad Iqbal
Mr. Sharjeel Abdul Sattar
Mr. Jawad Muhammad Rauf |
| iii. | Executive Directors | Mr. Salman Muhammad Yousuf |

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed vision and mission statements, 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.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.
7. 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. The Board has complied with the requirements of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019.
9. The Board does not need to have a Directors' Training program, as it has two Directors, and the Company, who are members of the Institute of Chartered Accountants of Pakistan.

The board has approved appointment of the CFO and the Company Secretary including their remuneration and terms and conditions of employment and complied with relevant requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

10. CFO and CEO duly endorsed the financial statements before approval of the Board. However, head of Internal Audit is not yet been appointed due to the heavy cost involved in his appointment as the business has recently commenced.

11. The Board has formed committees comprising of members given below:

Audit Committee

Mr. Muhammad Ashfaq, FCA	Chairman and Member
Mr. Jawad Muhammad Rauf, ACA	Member
Mr. Muhammad Saad Iqbal	Member

HR and Remuneration Committee

Ms. Areej Rafiq	Chairman and Member
Mr. Jawad Muhammad Rauf, ACA	Member
Ms. Irsa Faruqui	Member

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

13. The frequency of quarterly meetings of the committee were as per following:

Audit Committee	6 meetings were held during FY 2021
HR and Remuneration Committee	6 meetings were held during FY 2021

14. The board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

15. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and their 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, and that they and the partners of the firm involved in the audit are not close relative (spouses, parent dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and Director of the Company.

16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

17. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

On behalf of the Board of directors



Jawad Muhammad Rauf
Chairman

Karachi, July 16, 2021

HALLMARK COMPANY LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Hallmark Company Limited** (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not, and to highlight any non-compliance, with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the note reference, where it is stated in the Statement of Compliance:

Note Reference # 11

Description: There was no appointment of head of Internal Audit during the year.

S.M. Suhail & Co.

S.M. Suhail & Co.,
Chartered Accountants,
Karachi.

Engagement Partner: S. M. Suhail, FCA

Our Ref: SMS-A-0262022
Date: July 16, 2021

HALLMARK COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

ON THE AUDIT OF THE FINANCIAL STATEMENTS AS OF JUNE 30, 2021

Opinion

We have audited the annexed financial statements of **HALLMARK COMPANY LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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 forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive income, its changes in equity and cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

S. No.	Key Audit Matters	How the Matters were Addressed in our Audit
1	Revenue recognition of services	
	<p>Refer to the note 17 to the financial statements</p> <p>Service revenue formed a significant part of the Company's total revenue during the year. As of June 30, 2020, the total revenue from services is amounting to Rs. 6.8 million.</p>	<p>We have reviewed and understood the requirements of the IFRS 15 relates to the service revenue. Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Considered the management's process to record the revenue from service during a point in time or over the period in accordance with the requirements of the IFRS 15. - We have obtained details of the service revenue recorded during the year and obtain the relating contract to assess the relative terms of the contract. - Verified the supporting documents and recording of the service revenue. - Obtain details of the trade receivables from the service revenue and their aging and reviewed the payments received and dues.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprise the information included in the Annual Report for the year ended June 30, 2021, but does not include the financial statements, our auditor's report thereon and review report issued on statement of compliance with Code of Corporate Governance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 the accounting and reporting standards as applicable in Pakistan and the requirements of the 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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- 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, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is
S. M. Suhail, FCA.

S.M. Suhail FCA

S.M. Suhail & Co.
Chartered Accountants
Karachi

Ref: SMS-A-0272022
Date July 16, 2021

HALLMARK COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

ASSETS	<i>Note</i>	2021 Rupees	2020 Rupees
Non-Current Assets			
Property Plant and Equipment	7	1,045,682	845,130
Intangibles	8	1,425,000	1,605,000
Deferred tax asset	13	92,115	59,555
Security deposit for rent		1,500,000	1,500,000
		4,062,797	4,009,685
Current Assets			
Stock in trade		-	854,990
Trade debts - net	9	4,204,925	1,578,052
Loans and advances	10	24,000	836,500
Cash and bank balances	11	952,751	221,477
		5,181,676	3,491,019
TOTAL ASSETS		9,244,473	7,500,704
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorized Share Capital			
1,000,000 (2020: 1,000,000) Ordinary Shares of Rs. 10/- each		10,000,000	10,000,000
Issued, subscribed and paid-up capital	12	5,000,000	5,000,000
Accumulated profits		1,952,035	1,712,641
		6,952,035	6,712,641
Non Current Liabilities			
Long term loans from related parties		1,403,125	-
Current Liabilities			
Trade creditor		-	156,050
Accrued and other payables	14	735,823	370,738
Unclaimed dividends	15	23,150	23,150
Provision for taxation		130,340	238,125
		889,313	788,063
TOTAL EQUITY AND LIABILITIES		9,244,473	7,500,704
Contingencies and commitments	16		

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


Chief Executive


Director


Chief Financial Officer

HALLMARK COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	<i>Note</i>	2021 Rupees	2020 Rupees
Revenue from contracts with customers	17	8,689,329	15,874,970
Cost of sales	18	(3,282,941)	(11,397,532)
Gross profit		5,406,388	4,477,438
Administrative expenses	19	(2,752,511)	(1,656,347)
Selling expense	20	(1,683,488)	(2,129,408)
Other Expenses		(558,026)	(303,002)
Financial charges		(75,189)	-
Profit before taxation		337,174	388,681
Taxation	21	(97,780)	(5,848)
Profit after taxation		239,394	382,833
Other comprehensive income		-	
Total comprehensive income for the year		239,394	382,833
Earning per share	22	0.48	0.77

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

Sumo


Chief Executive


Director


Chief Financial Officer

HALLMARK COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	2021 <i>Rupees</i>	2020 <i>Rupees</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	337,174	388,681
Adjustments for:		
Depreciation	114,447	123,165
Amortization	180,000	180,000
Finance cost	75,189	-
Operating Profit Before Working Capital Changes	706,810	691,846
Changes in working capital		
(Increase)/ decrease in current assets:		
Stock in trade	854,990	1,189,159
Trade receivable	(2,626,873)	(281,146)
Other receivable	812,500	(683,403)
Increase / (decrease) in current liabilities:		
Trade creditor	(156,050)	(158,454)
Contract liabilities	-	(411,174)
Other payable	289,897	(99,613)
Total Changes In Working Capital	(118,727)	247,215
Finance cost paid	-	
Taxes paid	(238,124)	(252,308)
Net Cash Outflow From Operating Activities	(356,851)	(5,093)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for procurement of Computer Equipment	(315,000)	(60,700)
Net Cash Inflow / (Outflow) From Investing Activities	(315,000)	(60,700)
CASH FLOWS FROM FINANCING ACTIVITIES		
Received of loan from shareholder	1,403,125	
Repayment of capital contribution	-	(300,000)
Net Cash Inflow / Outflow From Financing Activities	1,403,125	(300,000)
Net increase / decrease in cash and cash equivalents	731,274	(365,793)
Cash and cash equivalents at the beginning of the year	221,477	587,269
Cash and cash equivalents at the end of the year	952,751	221,477

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


Chief Executive


Director


Chief Financial Officer

HALLMARK COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

	Capital and Reserves		Revenue reserves	Total Equity
	Issued subscribed and paid up capital	Capital contribution from Directors	Accumulated profits	
	----- (Rupees) -----			
Balance as at June 30, 2019	5,000,000	300,000	1,329,809	6,629,809
Total comprehensive income for the year	-	-	382,833	382,833
Capital contribution refunded to directors	-	(300,000)	-	(300,000)
Balance as at June 30, 2020	5,000,000	-	1,712,641	6,712,641
Total comprehensive income for the year	-	-	239,394	239,394
Capital contribution refunded to directors	-	-	-	-
Balance as at June 30, 2021	5,000,000	-	1,952,035	6,952,035

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

Summa


Chief Executive


Director


Chief Financial Officer

HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 CORPORATE INFORMATION, OPERATIONS AND LEGAL STATUS

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 obtained registration in the year 1983 under repealed Insurance Act, 1938, now the Insurance Ordinance, 2000 as an insurer. The Company is listed on the Pakistan Stock Exchange.

With promulgation of the Insurance Ordinance, 2000 the requirement of minimum paid up capital was introduced. The Company did not find itself in a position to increase its paid up capital to the required minimum level of Rs. 350 million at that time, and had ceased to underwrite insurance business w.e.f. January 01, 2003 and subsequently, the Company voluntarily got its insurance license revoked on November 22, 2016, from the Securities and Exchange Commission of Pakistan (the SECP).

After revocation of insurance license the Company's principal business activity comprises of engaging in trading of used laptops, used personal computers and, development and sale of software and provision of allied services. The Company has commenced its new trading business activities during the financial year June 30, 2017; and continued successfully carrying its business activities.

1.1 Geographical location and address of business units - Address

Plot # 38/A, Opposite the Intellect School, Ground Floor, Korangi Creek, Karachi, Pakistan.

Purpose

Registered office

2 FINANCIAL AND OPERATIONAL IMPACT DUE TO COVID 19

The Covid-19 pandemic has been a significant impact on the domestic as well as the global economy, as the world tackles the third wave of the virus. The immunization drive is slowly gathering pace and there is renewed hope that the worst of the pandemic is behind us. The management of the Company is also monitoring the situation and due to restriction on imports procurement, cost of IT items has increased significantly which is mitigated through rise in selling prices to the possible extent to keep demand available in the market. Company did not opt for any redundancies or curtailment of employees' salaries. Operations of the Company has been impacted to some extent. However, as IT products are now have become necessity, therefore management preferred to engage and increase the IT enabled services in foreign market. In the longer term, management does not expect any significant adverse financial impact on financial position, performance and cash flows of the Company due to COVID 19 outbreak.

3 BASIS OF PREPARATION

3.1 Statement Of Compliance

These financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. Those standards comprise of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions and directives issued under the Act. Where the provisions and directives issued under the Act differ with the requirement of IFRS, the provisions and directives issued under the Act have been followed.

3.2 Basis of Measurement

These financial statements have been prepared under historical cost convention and, on an accrual basis of accounting, except for cash flow information reported in statement of cash flows.

4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

4.1 Standards, interpretations, amendments to published approved accounting standards that are effective in the current year

The following standards and amendments became effective during the period but are not relevant to the Company's operations or, are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

4.2 Standard or Interpretation

Effective for Annual accounting period beginning

IFRS 3 'Definition of a business' Amendment to IFRS 3.	January 1, 2020
IAS 1/IAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8).	January 1, 2020
Various Amendments References to the Conceptual Framework in IFRS Standards.	January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Financial Instrument Recognition and, Measurement and Financial Instruments Disclosure interest rate benchmark reform.	January 1, 2020
IFRS 16 - Covid-19 Related Rent Concessions (Amendment).	July 1, 2020

Certain annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

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HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for the Company, for the accounting periods beginning on or after 01 July 2021:

	Effective for Annual accounting period beginning
IFRS 7, IFRS 9, and IAS 39 - Interest Rate Benchmark Reform phase 2	January 1, 2021
IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 1, 2022
IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 1, 2022
IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - cost of fulfilling a contract	January 1, 2022
2018-2020 annual improvement cycle	January 1, 2022
IAS 1 'Presentation of Financial Statements' - Classification of Liabilities as current and non-current	January 1, 2023
IAS 12 'Income Taxes' - Amendments on deferred tax arising from a single transaction	January 1, 2023
IAS 1 and IFRS Practice Statement 2- Amendments on Disclosure of accounting policies	January 1, 2023
IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' Amendments in definition of accounting estimates	January 1, 2023

The Company is in process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

4.4 Further, the following standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan

IFRS - 1, First-time adoption of International Financial Reporting Standards
 IFRS-17 Insurance Contracts

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that effect the reported amounts of assets, liabilities, income and expenses. These also require managements to exercise judgments in application of its accounting policies. The estimates and associated assumptions are based on historical 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 recognized in the period in which the estimate is revised and applied prospectively.

Areas where assumptions and estimates are significant to the financial statements are:

- useful life of depreciable assets
- provision for doubtful debts
- provision for taxation
- provision for obsolete stock and
- Provision for expected credit losses

6 SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

6.1 Property, Plant and Equipment

6.1.1 Owned

These are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation is charged to the statement of profit or loss over the useful life of the assets applying the reducing balance method at the rates specified in the relevant note to these financial statements. Depreciation on additions is charged from the date when it is available for use up to the date of disposal or transfer to the group held for sale, whichever is earlier.

An asset's carrying amount is written down immediately to its recoverable amount if the recoverable amount is assessed lower than the carrying amount.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as a separate group, under the property, plant and equipment.

Subsequent costs, if any, are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will follow to the Company and, the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss, during the financial year in which they are incurred.

Disposal of asset is recognized when significant risk and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are taken to the statement of profit or loss.

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HALLMARK COMPANY LIMITED
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FOR THE YEAR ENDED JUNE 30, 2021

6.2 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

6.2.1 Right of Use of Assets

The Company recognizes right-of-use assets (ROU assets) at commencement date of the lease i.e., the date the underlying asset is available for use. ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made on or before the commencement date less, any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Unless the Company is reasonably certain to obtain ownership of the leased asset or the ownership of the leased asset transfers to the Company at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

6.2.2 Lease Liabilities

At commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if, there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying assets.

6.3 Intangibles

Intangibles are initially recognized at cost only when there is technical feasibility exists and future inflow of economic benefits are probable. It is amortized at the rates mentioned in relevant note on the straight line basis.

These are measured at cost less amortization and impairment losses, if any.

Amortization is charged to the statement of profit or, loss from the date when it is made available for use till the date of disposal or transfer.

6.4 Stock in Trade

Stock-in-trade is valued at the lower of weighted average cost and estimated net realizable value.

Cost comprises, all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and selling expenses.

Items in transit, if any, are valued at cost comprising of invoice value plus other charges incurred thereon up to the reporting date.

6.5 Trade Debts and Other Receivables

Trade debts and other receivables are recognized at original invoice amount less provision for expected credit losses using provision matrix method, refer note 6.8.1 for details of calculation of provision for expected credit.

6.6 Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, bank deposits and highly liquid short term investments.

6.7 Trade Creditor and Other Payable

Liabilities for trade and other payables are carried at their fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Company.

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HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

6.8 Impairment

6.8.1 Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that financial assets or a group of financial assets are impaired. These are considered to be impaired, only if, there is an objective evidence of impairment as a result of one or more events that has any adverse impact over estimated future cash flows, that can be reliably estimated.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses on financial assets that are being carried at amortized cost are recognized in statement of profit or loss.

For Trade receivables company is using provision matrix model for its calculation of the provisions, the provision rates are based on days past due for customer segments i.e Trading and Service amount of ECL is recognized in profit and loss account on an annual basis.

The provision matrix is based in the company's historical observed default rates The Company's historical credit loss may not be representative of customer's actual default in the future.

6.8.2 Non Financial Assets

The carrying amount of the Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, or when annual impairment testing of an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted at present value of money and the risk specific to the asset. The fair value less cost to sell is based on available data on binding sales transactions, conducted at arms length.

A previously recognized impairment loss is reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss is recognized or on subsequent assessment it has been identified that the carrying value of the asset falls short of recoverable amount assessed. The reversal is limited so that the carrying amount of the assets does not exceeds its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

6.9 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event and 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.

6.10 Dividend

Dividend distribution to the Company's shareholders is recognized as liability at the time of their approval.

6.11 Taxation

Current

Provision for taxation is based on the taxable income for the year at current tax rates after taking into account tax credits and tax rebates, if any, computed in accordance with the enacted tax laws and based on minimum tax @1.50% of turnover, Alternate Corporate Tax @ 17% of accounting profit or normal corporate tax @29% of taxable income whichever is higher. Taxable income is computed in accordance with the provisions of the Income Tax Ordinance, 2001.

Deferred

Deferred tax, is a tax attributable to the temporary differences that is, difference between the carrying amount of assets or liability and its corresponding tax base.

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and, liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and, deferred tax assets are recognized for all deductible temporary differences to the extent where it is probable that, taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

6.12 Revenue Recognition

Revenue comprises of the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities.

The Company recognizes revenue at the point of time or over the period of time, whichever is applicable, as and when the related performance obligation of the Company is satisfied, amount of revenue can be reliably measured and it is more than probable that future economic benefits will flow to the Company. Generally, the performance obligation is deemed to be satisfied when following specific criteria has been met:

- in case of services, when these are rendered to the customer/ client, and
- in case of goods, when these are dispatched to the customers.

HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

6.13 Financial Instruments

6.13.1 Financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition, depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss transaction costs. Trade debts are measured at the transaction price determined under IFRS 15.

A financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement

The Company measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- 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 amortised at cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

The Company does not have any financial assets designated at FVTOCI with recycling of cumulative gains and losses (debt instruments), FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) and financial assets at FVTPL, during the current and last year and, as of the reporting date.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either, (a) the Company has transferred substantially all the risks and rewards of the asset, or, (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially, all of the risks and rewards of the asset, non transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

6.13.2 Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or, as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial Liabilities at fair value through Profit and Loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

(a) Loan and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

6.13.3 Offsetting of Financial Assets and Liabilities

A financial asset and a financial liability are offset, and the net amount is reported in the financial statements if, the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

6.14 Related Party Transaction

All transactions involving related parties arising in the normal course of business are conducted at arm's length, at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

6.15 Earning Per Share

Basic earning per share is calculated by dividing profit or loss attributable to shareholders of the Company, divided by weighted average number of ordinary shares outstanding during the year. Diluted earning per share is calculated by adjusting the profit or loss attributable to shareholders and the weighted average number of outstanding shares during the year for the effects of dilutive ordinary potential shares.

6.16 Functional and Presentation Currency

These financial statements are prepared and presented in Pakistani Rupees, which is also the functional currency of the Company.

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HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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7 PROPERTY, PLANT AND EQUIPMENT

Description	Furniture and fixtures	Office equipment	Generator	Computer and allied equipment	Total
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(-----Rupees-----)

FOR THE YEAR 30 JUNE 2021

COST

Balance at beginning of the year	2,807,243	829,130	45,700	184,640	3,866,713
Additions during the year	-	-	-	315,000	315,000
Disposal during the year	-	-	-	-	-
Balance as at the year end	2,807,243	829,130	45,700	499,640	4,181,713

DEPRECIATION

Accumulated depreciation at beginning of the year	2,347,726	580,800	18,715	74,342	3,021,583
Charge for the year	45,952	24,833	2,698	40,965	114,448
Reversal of Accumulated depreciation	-	-	-	-	-
Balance as at the year end	2,393,678	605,633	21,413	115,307	3,136,031

CARRYING VALUE 30 JUNE 2021

413,565	223,497	24,287	384,333	1,045,682
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Depreciation rate

10%	10%	10%	30%
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FOR THE YEAR 30 JUNE 2020

COST

Balance at beginning of the year	2,761,543	829,130	45,700	169,640	3,806,013
Additions / transfers during the year	45,700	-	-	15,000	60,700
Balance as at the year end	2,807,243	829,130	45,700	184,640	3,866,713

DEPRECIATION

Accumulated depreciation at beginning of the year	2,299,207	553,208	15,717	30,286	2,898,418
Charge for the year	48,519	27,592	2,998	44,056	123,165
Balance as at the year end	2,347,726	580,800	18,715	74,342	3,021,583

CARRYING VALUE 30 JUNE 2020

459,517	248,330	26,985	110,298	845,130
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Depreciation rate

10%	10%	10%	30%
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7.1 Reconciliation of carrying values

Items	Carrying value at July 1, 2020	Additions during the year	Depreciation Charged for the year	Disposal during the year	Carrying value at June 30, 2021
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FOR THE YEAR 30 JUNE 2021

(-----Rupees-----)

Furniture and fixtures	459,517	-	(45,952)	-	413,565
Office equipment	248,330	-	(24,833)	-	223,497
Generator	26,985	-	(2,698)	-	24,287
Computer and allied equipment	110,298	315,000	(40,965)	-	384,333
Total	845,130	315,000	(114,448)	-	1,045,682

FOR THE YEAR 30 JUNE 2020

Furniture and fixtures	462,336	45,700	(48,519)	-	459,517
Office equipment	275,922	-	(27,592)	-	248,330
Generator	29,983	-	(2,998)	-	26,985
Computer and allied equipment	139,354	15,000	(44,056)	-	110,298
Total	907,595	60,700	(123,165)	-	845,130

7.2 Allocation of depreciation

Complete amount of depreciation has been charged to administrative expenses (note 19)

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HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

		2021 <i>Rupees</i>	2020 <i>Rupees</i>
8 INTANGIBLES			
ERP Single user license		1,425,000	1,605,000
		1,425,000	1,605,000
9 TRADE DEBTS			
Trade Debts	9.1	4,204,925	1,578,052
		4,204,925	1,578,052
9.1	These includes receivable from related party <i>360 Digital Marketing LLC</i> amounting to Rs. 2,704,925 (June 30, 2020: Nil)		
9.2	Company is using provision matrix method for calculation of expected credit losses (ECL) but there is no expected loss arrived because of no unpaid receivable after the due dates; during the year and at the end of the year under review, and charged to the P/L.		
10 LOANS AND ADVANCES			
Loan to employees		-	536,500
Other Advances		24,000	-
Advance rent		-	300,000
		24,000	836,500
11 CASH AND BANK BALANCES			
Cash in hand		928,824	135,105
Cash at bank - Current		23,927	86,372
		952,751	221,477
12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
500,000 (2020: 500,000) Ordinary Shares of Rs. 10/- each fully paid in cash		5,000,000	5,000,000
13 DEFERRED TAX (ASSETS)/ LIABILITY			
Relating to deductible temporary difference			
On accelerated depreciation		105,381	65,585
On accelerated amortization		1,800	1,800
Minimum tax		(199,296)	(126,940)
		(92,115)	(59,555)
14 ACCRUED AND OTHER PAYABLES			
Audit fee payable		350,000	350,000
Salaries payable		240,250	-
Accrued charges		145,573	20,738
		735,823	370,738
15 UNCLAIMED DIVIDENDS			
For the year ended 31-12-1998		5,150	5,150
For the year ended 31-12-1995		18,000	18,000
		23,150	23,150
16 CONTINGENCIES AND COMMITMENTS			
There was no contingency or commitment at the year end (2020: Nil)			

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HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

		2021 <i>Rupees</i>	2020 <i>Rupees</i>
17 REVENUE FROM CONTRACT WITH CUSTOMER:			
Sale of goods		1,807,020	15,874,970
Rendering of services		6,882,309	-
		8,689,329	15,874,970
18 COST OF SALES			
Cost of goods sold	18.1	952,183	11,397,532
Cost of services	18.2	2,330,758	-
		3,282,941	11,397,532
18.1 Cost of Good Sold			
Opening stock		854,990	2,044,149
Purchase of imported used computers		-	9,468,829
Transportation		23,201	310,347
Packaging, inspection and handling		73,992	429,197
		952,183	12,252,522
Less: Closing stock		-	(854,990)
		952,183	11,397,532
18.2 Cost of Services			
I.T. developer charges		2,000,940	-
Travel and transportation		224,590	-
Entertainment expenses		73,890	-
Printing and stationery		31,338	-
		2,330,758	-
19 ADMINISTRATIVE EXPENSES			
Salaries		1,000,655	380,463
Printing and stationary		32,549	13,583
Advertisement		12,540	75,981
Rent and utilities		585,000	143,826
Travelling and conveyance		83,027	85,349
Entertainment		99,292	63,980
Legal and professional charges		120,000	90,000
Depreciation expense		114,448	123,165
Auditor's remuneration	19.1	525,000	500,000
Amortization		180,000	180,000
		2,752,511	1,656,347
19.1 Auditor's remuneration			
Annual audit		350,000	350,000
Review of half yearly financial statements		175,000	150,000
		525,000	500,000

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HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	2021 <i>Rupees</i>	2020 <i>Rupees</i>
20 SELLING EXPENSE		
Salaries	1,492,040	1,742,040
Printing and stationary	19,854	98,385
Advertisement	64,517	102,099
Travelling and conveyance	52,025	113,363
Entertainment	55,052	73,521
	<u>1,683,488</u>	<u>2,129,408</u>
21 TAXATION		
Current	130,340	238,125
Prior	-	(106,869)
	<u>130,340</u>	<u>131,256</u>
Deferred (reversal)/ charge	<u>(32,560)</u>	<u>(125,407)</u>
	<u>97,780</u>	<u>5,848</u>
21.1 Relationship between tax expense and accounting profit		
Accounting profit before tax	<u>337,174</u>	<u>388,681</u>
Tax on accounting profit @ 29%	97,780	-
Effect of prior year tax	-	-
Effect of tax rate difference	-	-
Effect of tax credits	-	-
	<u>97,780</u>	<u>-</u>
Average tax rate	<u>0.00%</u>	<u>0.00%</u>
22 EARNING PER SHARE		
Profit after taxation	<u>239,394</u>	<u>382,833</u>
Weighted average number of Ordinary Shares	<u>500,000</u>	<u>500,000</u>
Basic earning per share	<u>0.48</u>	<u>0.77</u>

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2021 and June 30, 2020, which could have any effect on the earnings per share.

23 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

Although, the commercial activity has been commenced but remuneration of Directors and Chief Executive have been decided as, it is no more payable, therefore, the arrears of remuneration shall neither be paid nor to be charged in these financial statements. There is no employee of the Company who meets the criteria of the executives, as defined in the Companies Act, 2017, thus no remuneration is payable by the Company.

24 TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with its associated companies including under common directorship, its directors and executive officers. Transactions with related parties essentially pertains to payment and receipts of capital contribution in nature of loan and salaries and other benefits, if any. These transactions are carried at arm's length basis or the terms decided in accordance with the approval of the Board of Directors of the Company.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers all members of their management team, including Chief Executive Officer, and Directors to be its Key Management Personnel.

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HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

		2021 <i>Rupees</i>	2020 <i>Rupees</i>
Relationship with the company	Nature of Transaction		
Key management personnel	Capital contribution repaid	-	(300,000)
	Loan from related party: Azneem Bilwani	1,403,125	-
Associated company by virtue of common ownership and directorship	Rendering of services: 360 Digital Marketing LLC	6,882,309	-

The Company operates from a place owned by executive director of the Company and all furniture and equipment are being set at that premises. The premises is controlled by the Company except for the right of sale or letting to third parties. The Company does not pay any rent or any other consideration for exercising this control on the premises.

There was no transaction with key management personnel, associated undertakings and other related parties during the year except as disclosed above.

25 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management objectives

The Company finances its operations mainly through its own working capital and from long term markup free finances from directors with a view to maintaining an appropriate mix between various sources of finance to minimize the risk.

Company's activities exposes it to a variety of financial risks:

- Market risk (including fair value interest rate risk, fuel price risk and currency risk)
- Credit risk
- Liquidity risk

The Board of directors has overall responsibility to establish and oversight the Company's risk management framework and plan and implement risk management policies. The Company's overall risk management plan focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk measured and managed by the company are explained in notes 25.1 to 25.3, of these notes.

25.1 Credit risk

Credit risk represents the risk of loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The carrying amount of financial assets represents the maximum credit exposure with quality of financial assets and other detail are as follows:

		2021 <i>Rupees</i>	2020 <i>Rupees</i>
Trade receivable		4,204,925	1,578,052
Other receivable		-	536,500
Deposit with -			
Habib Metropolitan Bank	PACRA A1+	23,927	86,372
		1,306,962	1,306,962

Deposits with Habib Metropolitan Bank Limited is provided credit ranking of A1+ for short term deposits and AA+ for long term deposit by Pakistan Credit Rating Agency (PACRA).

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HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

25.2 Market risk

Market risk is the that fair value of cash flows from financial instruments of the Company will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

25.2.1 Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future economic transactions or receivables and payables that exist due to transaction in foreign exchange.

There is no foreign currency risk arises on the financial instruments of the Company.

Sensitivity Analysis

The Company does not hold any asset or liability in foreign currency at reporting date. Therefore, any change in exchange rate of PKR against foreign currency would not affect statement of profit or loss.

25.2.2 Interest rate risk

Interest rate risk represents the risk that, the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the date of the statement of financial position the interest rate profile of the Company's interest-bearing financial instrument is NIL.

Sensitivity Analysis

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore any change in interest rate at the reporting date does not affect statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Company does not hold any variable rate financial assets or liabilities. Therefore a change in interest rates at the reporting date would not affect cash flows.

25.2.3 Other price risk

Other price risk is the risk that, the fair value of future cash flows of a financial instrument will fluctuate because of change in market price excluding the impact of changes due to interest rate or currency risk. The company does not hold any financial asset or financial liability which is traceable in open market therefore it is not exposed to any other price risk.

25.3 Liquidity risk

Liquidity risk is the risk for a Company, where it will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that, it will always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Following are the carrying amount and maturities of the Company's financial liabilities.

	2021		
	-----Rupees-----		
Non Interest Bearing	Carrying amount	Up to one year	After one year
Trade creditors	-	-	-
Unclaimed dividends	23,150	23,150	-
Accrued expenses	735,823	735,823	-
Total financial liabilities	758,973	758,973	-

	2020		
	-----Rupees-----		
Non Interest Bearing	Carrying amount	Up to one year	After one year
Trade creditors	156,050	156,050	-
Unclaimed dividends	23,150	23,150	-
Accrued expenses	370,738	370,738	-
Total financial liabilities	549,938	549,938	-

HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

25.4 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability; or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Board of director determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External evaluator may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Presently no financial or non financial asset or liability is valued at fair value. All assets are valued at their amortized cost which is the most appropriate available valuation basis.

The carrying values of financial assets and financial liabilities reported in the statement of financial position, are at approximate their fair values.

26 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital. The gearing ratio as at the end of reporting date is as follows:

	2021	2020
	Rupees	Rupees
Total borrowing	1,403,125	-
Total equity	6,952,035	6,712,641
Gearing ratio	20.18%	0.00%

The Company finances its operations mainly through equity and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

HALLMARK COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

27 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment. There was no change in the reportable segments during the year.

- 27.1 There are two sources of revenue of the segment which is from sale of used imported laptops and IT related services.
- 27.2 All non-current assets of the segment are located in Pakistan.
- 27.3 All the sales are made to customers located in Pakistan only.
- 27.4 There is no significant major customer of the segment. Sales are made to number of individuals and corporate entities on non repetitive basis.

28 NUMBER OF EMPLOYEES

Number of employees as at June 30, 2021 were 6 (2020: 6).
Average number of employees during the year were 6 (2020: 6)

29 GENERAL

- 29.1 Figures in the financial statement have been rounded off to the nearest of Rupee.
- 29.2 These financial statements were authorized for issue in accordance with a resolution of the Board of Directors on July 16, 2021.

Summa



Chief Executive



Director



Chief Financial Officer

HALLMARK COMPANY LIMITED
PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2021

Number of Shareholders	Shareholding			Number of Shares Held
	From		To	
202	1	-	100	18,995
95	101	-	500	29,475
16	501	-	1000	13,500
37	1001	-	5000	95,010
2	5001	-	10000	12,300
1	10001	-	20000	16,500
1	20001	-	350000	314,220
354				500,000

Categories of Shareholders

S.No.	Shareholder's Category	Number of Shareholders	Number of Shares	Percentage %
1	Directors /Chief Executive Office and their spous and minor children	7	17,500	3.50
2	NIT and ICP	2	300	0.00
3	General public	344	167,980	33.60
4	Major Shareholder	1	314220	62.84
		354	500,000	100

Shareholding Information















S. No.	Shareholder's Category	Number of Shareholders	Number of Shares Held	Category Wise No. of Shares	Percentage %
1	Directors/Chief Executive Office	7		17,500	3.5
	Mr.Sharjeel Abdul Sattar		2,500		
	Mr.Salman Muhammad Yousuf		2,500		
	Ms.Irsa Faruqui		2,500		
	Mr.Muhammad Saad Iqbal		2,500		
	Ms.Areej Rafique		2,500		
	Mr.Jawad Rauf		2,500		
	Mr.Muhammad Ashfaq		2,500		
2	Banks, DFIs, NBFIs, Insurance, Modarabas, Mutual Funds & Others.	2		300	0.06
	Investment Corporation of Pakistan		200		
	Karachi Investment Trust Limited		100		
Shareholders holding 5% or more voting rights					
	Total Paid up Capital		500,000	Shares	
	5% of the Paid Up Capital		25,000	Shares	
				Holding	%
	Major Shareholder				
	Mr. Azeem Bilwani			314,220	62.8



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HALLMARK COMPANY LIMITED

Regd. Office: Plot # 38/A, opposite the Intellect School, ground floor Korangi Creek, Karachi

Form of Proxy

I/We _____ of _____
_____ being member(s) of **HALLMARK COMPANY LIMITED** and holder
of _____ Ordinary Shares as per Share Register Folio/ CDC Account No. _____
_____ holding CNIC/ Passport No. _____ hereby, appoint Mr./ Ms.
_____ Folio/ CDC Account No. _____ CNIC/ Passport No. _____
_____ who is also a member of the Company as my/ our proxy to attend
and vote for me/us and on my/ our behalf at the 42st Annual General Meeting of the Company to
be held on Thursday, **August 9, 2021 at 11:00AM** and at any adjournment thereof.

Signed this _____ day of _____, 2021.

Witnesses:

Signature: _____

Name: _____

Address: _____

CNIC/ Passport No. _____

Signature: _____

Name: _____

Address: _____

CNIC/ Passport No. _____

Rs. 5.00 Revenue Stamp

IMPORTANT

1. The Member is requested:
 - (a) to affix Revenue Stamp of Rs. 5/- at the place indicated above;
 - (b) to sign in the same style of signature as is registered with the Company;
 - (c) to write down his/her Folio Number
2. This form of proxy, duly completed and signed, must be deposited at the Company's Registered Office not later than 48 hours before meeting.
3. This form should be signed by the Members or by his/ her attorney duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument.
4. Any alteration made in this instrument of proxy should be initialed by the person who signs it.
5. A member entitled to attend and vote at the meeting may appoint any other member as his/ her proxy to attend and vote on his/ her behalf except that a corporation may appoint a person who is not a member.

For CDC Account Holders/ Corporate Entities

In addition to the above, following requirements have to be met:

1. The proxy form shall be witnessed by two persons whose names, address and CNIC/ Passport No. shall be mentioned on the form.
2. Attested copies of CNIC/ Passport of the beneficial owner and the proxy shall be furnished with the proxy form.
3. The proxy shall produce his/ her original CNIC/ Passport at the time of the meeting.

In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form of the Company.