



QUARTERLY REPORT
2021
(UN-AUDITED)

FOR THE QUARTER ENDED
SEPTEMBER 30, 2021

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COMPANY INFORMATION

Chairman

Mr. Jawad Muhammad Rauf

Chief Executive

Mr. Salman Muhammad Yousuf

Directors

Mr. Jawad Muhammad Rauf	Chairman
Mr. Salman Muhammad Yousuf	Executive director
Mr. Muhammad Ashfaq	Independent director
Ms. Areej Rafique	Independent director
Ms. Irsa Faruqui	Non-executive
Mr. Muhammad Saad Iqbal	Non-executive
Mr. Sharjeel Abdul Sattar	Non-executive

Audit Committee

Mr. Muhammad Ashfaq	Chairman and Member
Mr. Jawad Muhammad Rauf	Member
Mr. Muhammad Saad Iqbal	Member

HR & Remuneration Committee

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

Chief Financial Officer

Mr. Saqib Zubair

Company Secretary

Mr. Amjad Waqar

External Auditors

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

Legal Advisor

Mr. Bhagwan Das
Advocate High court

Shares Registrar

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

Bankers

Habib Metropolitan Bank Limited

Registered Office of the Company

Plot # 38/ A, Opposite
The Intellect School,
Ground Floor, Korangi
Creek, Karachi Korangi
Sindh 75400.

Phone: 021-35155112

Email: hallmark@bizcorei.com

Web: www.hiclpk.com

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your Company are pleased to present you the un-audited condensed interim financial information for the first quarter ended on September 30, 2021.

During this quarter, public offer under the Listed companies (Substantial acquisition of controlling shares and takeovers) Regulations, 2017 (the Regulation) was completed by the Shareholder, the process of transfer of shares expected to be completed during next quarter.

Company's Performance

We are pleased to inform you that the management is able to generate a revenue of PKR 1.445 million from rendering of services. Due to the continues impact of COVID 19, on small-sized entities in Pakistan, the operations of the company were very limited due to which Company has faced operational loss of Rs.4.7 million.

Operational Results

Brief summary of the operational results is as follows:

	Quarter Ended 30-Sep-21 Rs.	Quarter Ended 30-Sep-20 Rs.
Revenue	1,445,000	1,646,120
Gross Profit	323,500	594,906
Operating (Loss) / Profit	(4,698,745)	35,183
(Loss) / Profit After Taxation	(4,871,610)	35,511
Earnings per Share	(9.74)	0.07

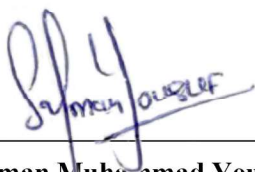
The Company has earned a Gross profit of Rs. 323,500 with a net loss of Rs. 4.7 million during the period under review, which was Rs. 594,906 and Rs. 35,183 respectively in comparative period last year. Loss per share (EPS) for the period stood at Rs. (9.74) per share and Earning Per Share was Rs. 0.07 in the comparative period last year. The reason for increase in expenses are one-off expenses amounting to Rs.2.975 million as explained in the financial statements.

Future Prospects

The Directors are expecting a change in management due to acquisition of major shareholding of the Company. Future plans of the Company will be devised by the new management and Board, same will be communicated to the Shareholders in due course.

Acknowledgement

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

A handwritten signature in blue ink, appearing to read 'Salman Yousuf', written over a horizontal line.

Salman Muhammad Yousuf
Chief Executive Officer

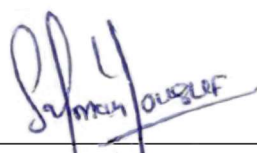
A handwritten signature in blue ink, appearing to read 'Jawad Rauf', written over a horizontal line.

Jawad Muhammad Rauf
Chairman

HALLMARK COMPANY LIMITED**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)****AS AT SEPTEMBER 30, 2021**

		(Un-Audited) 30-Sep-21 Rupees	(Audited) 30-Jun-21 Rupees
ASSETS	<i>Note</i>		
Non-Current Assets			
Furniture, fixtures and office equipment	6	758,734	1,045,682
Intangibles	7	1,380,000	1,425,000
Deferred tax asset	12	-	92,115
Security deposit for rent		-	1,500,000
		2,138,734	4,062,797
Current Assets			
Trade debts - considered good	8	-	4,204,925
Loans and advances	9	-	24,000
Cash and bank balance	10	175,931	952,751
		175,931	5,181,676
TOTAL ASSETS		2,314,665	9,244,473
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorized Share Capital			
1,000,000 (2021: 1,000,000) Ordinary Shares of Rs. 10/- each		10,000,000	10,000,000
Issued, subscribed and paid-up capital	11	5,000,000	5,000,000
Accumulated (loss) / profits		(2,919,575)	1,952,035
		2,080,425	6,952,035
Non Current Liabilities			
Long term loans from related parties		-	1,403,125
Deferred tax liability	12	59,075	-
		59,075	1,403,125
Current Liabilities			
Accrued and other payables	13	-	735,823
Unclaimed dividends	14	23,150	23,150
Provision for taxation		152,015	130,340
		175,165	889,313
TOTAL EQUITY AND LIABILITIES		2,314,665	9,244,473
Contingencies and commitments	15		

The annexed notes from 1 to 24 form an integral part of these financial information.



Chief Executive



Director

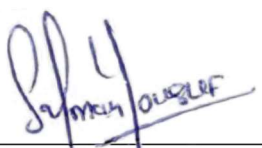


Chief Financial Officer

HALLMARK COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	<i>Note</i>	30-Sep-21 Rupees	30-Sep-20 Rupees
Revenue from contracts with customers	16	1,445,000	1,646,120
Cost of sales and services	17	(1,121,500)	(1,051,214)
Gross profit		323,500	594,906
Administrative expenses	18	(1,884,558)	(190,168)
Selling expense	19	(1,269,466)	(189,555)
Other expenses		(284,000)	(180,000)
Financial charges		(31,830)	-
Other (loss) / income		(1,552,391)	-
(Loss) / Profit before taxation		(4,698,745)	35,183
Taxation - net		(172,865)	328
(Loss) / Profit after taxation		(4,871,610)	35,511
Other comprehensive income		-	
Total comprehensive (loss) / income for the period		(4,871,610)	35,511
Earning per share	20	(9.74)	0.07

The annexed notes from 1 to 24 form an integral part of these financial information.


Chief Executive

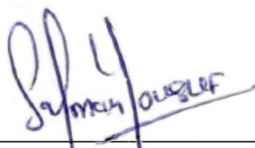

Director


Chief Financial Officer

HALLMARK COMPANY LIMITED**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 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, 2020	5,000,000	-	1,712,641	6,712,641
Total comprehensive income for the 3 months period	-	-	35,511	35,511
Capital contribution refunded to directors	-	-	-	-
Balance as at September 30, 2020	5,000,000	-	1,748,152	6,748,152
Total comprehensive income for the 9 months period	-	-	203,883	203,883
Capital contribution refunded to directors	-	-	-	-
Balance as at June 30, 2021	5,000,000	-	1,952,035	6,952,035
Total comprehensive loss for the 3 months period	-	-	(4,871,610)	(4,871,610)
Capital contribution refunded to directors	-	-	-	-
Balance as at September 30, 2021	5,000,000	-	(2,919,575)	2,080,425

The annexed notes from 1 to 24 form an integral part of these financial information.



Chief Executive



Director

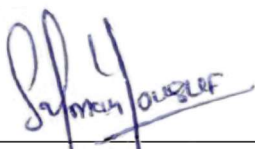


Chief Financial Officer

HALLMARK COMPANY LIMITED**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	30-Sep-21 <i>Rupees</i>	30-Sep-20 <i>Rupees</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(4,698,745)	35,183
Adjustments for:		
Depreciation	45,359	26,643
Amortization	45,000	45,000
Bad Debt	1,475,000	-
Loss on disposal	82,210	-
Gain on disposal	(4,821)	-
Finance cost	31,830	-
Operating (Loss) / Profit Before Working Capital Changes	(3,024,167)	106,826
Changes in working capital		
(Increase)/ decrease in current assets:		
Stock in trade	-	96,354
Trade receivable	2,729,925	335,601
Loan to employees	-	(79,648)
Other receivable	24,000	-
Increase / (decrease) in current liabilities:		
Trade creditor	-	(57,915)
Contract liabilities	-	-
Other payable	(767,653)	(355,285)
Total Changes In Working Capital	(1,037,895)	45,933
Finance cost paid	-	-
Taxes paid	-	-
Net Cash (Outflow) / Inflow From Operating Activities	(1,037,895)	45,933
CASH FLOWS FROM INVESTING ACTIVITIES		
Return of security deposit	1,500,000	-
Proceed received on disposal of fixed assets	164,200	-
Net Cash Inflow From Investing Activities	1,664,200	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan to shareholder	(1,403,125)	-
Net Cash Outflow From Financing Activities	(1,403,125)	-
Net (decrease) / increase in cash and cash equivalents	(776,820)	45,933
Cash and cash equivalents at the beginning of the period	952,751	221,477
Cash and cash equivalents at the end of the period	175,931	267,410

The annexed notes from 1 to 24 form an integral part of these financial information.



Chief Executive



Director



Chief Financial Officer

HALLMARK COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 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.

1.2 SIGNIFANT EVENTS

During this quarter, public offer under the Listed companies (Substantial acquisition of controlling shares and takeovers) Regulations, 2017 (the Regulation) was completed by the Shareholder. The process of transfer of shares expected to be completed during next quarter.

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 condensed interim 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 condensed interim 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 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim 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

5 SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these condensed interim financial statements are same as those applied by the company in its financial statements for the year ended on June 30, 2021.

HALLMARK COMPANY LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021****6 FURNITURE FIXTURES AND OFFICE EQUIPMENT**

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

FOR THE PERIOD ENDED 30 SEPTEMBER 2021**COST**

Balance at beginning of the period	2,807,243	829,130	45,700	499,640	4,181,713
Additions during the period	-	-	-	-	-
Disposal during the period	-	(829,130)	(45,700)	-	(874,830)
Balance at end of period	2,807,243	-	-	499,640	3,306,883

DEPRECIATION

Accumulated depreciation at beginning of the period	2,393,678	605,633	21,414	115,307	3,136,031
Charge for the period	10,339	5,587	607	28,825	45,359
Reversal of Accumulated depreciation	-	(611,220)	(22,021)	-	(633,241)
Balance at end of period	2,404,017	-	-	144,132	2,548,148

CARRYING VALUE 30 SEPTEMBER 2021**Depreciation rate**

403,226	-	-	355,508	758,734
10%	10%	10%	30%	

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 / transfers during the year	-	-	-	315,000	315,000
Disposal during the year	-	-	-	-	-
Balance at end of year	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	40,964	114,448
Reversal of Accumulated depreciation	-	-	-	-	-
Balance at end of year	2,393,678	605,633	21,414	115,307	3,136,031

CARRYING VALUE 30 JUNE 2021**Depreciation rate**

413,565	223,497	24,286	384,333	1,045,682
10%	10%	10%	30%	

6.1 Reconciliation of carrying values

Items	Carrying value at July 1, 2021	Additions during the period	Depreciation Charged for the period	Disposal during the period	Carrying value at September 30, 2021
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FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Furniture and fixtures	413,565	-	(10,339)	-	403,226
Office equipment	223,497	-	(5,587)	(217,910)	-
Generator	24,286	-	(607)	(23,679)	-
Computer and allied equipment	384,333	-	(28,825)	-	355,508
Total	1,045,682	-	(45,359)	(241,589)	758,734

FOR THE YEAR 30 JUNE 2021

Furniture and fixtures	459,517	-	(45,952)	-	413,565
Office equipment	248,330	-	(24,833)	-	223,497
Generator	26,985	-	(2,698)	-	24,286
Computer and allied equipment	110,298	315,000	(40,964)	-	384,333
Total	845,130	315,000	(114,448)	-	1,045,682

6.2 Allocation of depreciation

Complete amount of depreciation has been charged to administrative expenses (note 18)

HALLMARK COMPANY LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	(Un-Audited) 30-Sep-21 Rupees	(Audited) 30-Jun-21 Rupees
7 INTANGIBLES		
ERP Single user license	1,380,000	1,425,000
	1,380,000	1,425,000
8 TRADE RECEIVABLES		
Trade Receivables	-	4,204,925
	-	4,204,925
9 LOANS AND ADVANCES		
Loan to employees	-	-
Other Advances	-	24,000
Advance rent	-	-
	-	24,000
10 CASH AND BANK BALANCE		
Cash in hand	152,015	928,824
Cash at bank - Current	23,916	23,927
	175,931	952,751
11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
500,000 (2021: 500,000) Ordinary Shares of Rs. 10/- each fully paid in cash	5,000,000	5,000,000
12 DEFERRED TAX (ASSETS)/ LIABILITY		
Relating to deductible temporary difference		
On accelerated depreciation	78,950	105,381
On accelerated amortization	1,800	1,800
Minimum tax	(21,675)	(199,296)
	59,075	(92,115)
13 ACCRUED AND OTHER PAYABLES		
Audit fee payable	-	350,000
Salaries payable	-	240,250
Accrued charges	-	145,573
	-	735,823
14 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
15 CONTINGENCIES AND COMMITMENTS		
There was no contingency or commitment as at period end.		

HALLMARK COMPANY LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

	30-Sep-21	30-Sep-20
	Rupees	Rupees
16 Revenue from Contract Customers		
Sale of goods	-	1,646,120
Rendering of services	1,445,000	-
	1,445,000	1,646,120
17 Cost of Sales		
Cost of goods sold	-	1,051,214
Cost of services	1,021,500	-
	1,021,500	1,051,214
18 ADMINISTRATIVE EXPENSES		
Salaries	168,000	66,018
Printing and stationary	10,680	32,549
Advertisement	105,000	12,540
Rent and utilities	779,160	-
Travelling and conveyance	159,000	5,875
Entertainment	98,340	1,543
Legal and professional charges	100,000	-
Depreciation expense	45,359	26,643
Office renovation expense	374,020	-
Auditor's remuneration	-	-
Amortization	45,000	45,000
	1,884,558	190,168
19 SELLING EXPENSE		
Salaries	252,000	143,234
Printing and stationary	7,120	19,854
Advertisement	70,000	15,467
Travelling and conveyance	106,000	8,454
Entertainment	65,560	2,546
Rent and utilities	519,440	-
Office renovation expense	249,346	-
	1,269,466	189,555
20 EARNING PER SHARE		
(Loss) / Profit after taxation	(4,871,610)	35,511
Weighted average number of Ordinary Shares	500,000	500,000
Basic earning per share	(9.74)	0.07

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

HALLMARK COMPANY LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021****21 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.

22 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.

Relationship with the company	Nature of Transaction	(Un-Audited) 30-Sep-21 Rupees	(Audited) 30-Jun-21 Rupees
Key management personnel	Capital contribution repaid	-	-
	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	1,445,000	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 period except as disclosed above.

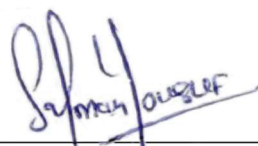
23 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

24 GENERAL

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

24.2 These condensed interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors on October 25, 2021.



Chief Executive



Director



Chief Financial Officer