



**NINE MONTH REPORT
2022
(UN-AUDITED)**

**FOR THE NINE MONTH
PERIOD ENDED
MARCH 31, 2022**

COMPANY INFORMATION

Chairman

Mr. Jawad Muhammad Rauf

Chief Executive

Mr. Irtaza Zafar Sheikh

Directors

Mr. Jawad Muhammad Rauf
Mr. Muhammad Ashfaq
Mr. Irtaza Zafar Sheikh
Ms. Medina Zafar Sheikh
Ms. Wanda Zafar Sheikh
Mr. Kamran Ahmed
Mr. Owais Ali Khan

Chairman
Independent Director
CEO / Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Audit Committee

Mr. Muhammad Ashfaq
Mr. Jawad Muhammad Rauf
Ms. Wanda Zafar Sheikh

Chairman and Member
Member
Member

H.R. & Remuneration Committee

Mr. Jawad Muhammad Rauf
Ms. Wanda Zafar Sheikh
Ms. Medina Zafar Sheikh

Chairman and Member
Member
Member

Chief Financial Officer

Mr. Ejaz Rasool

Company Secretary

Mr. Muhammad Bilal

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

204, 2nd Floor,
Horizon Tower, Block 3,
Scheme No:5, Clifton,
Karachi, Pakistan

Phone: 021-35155112

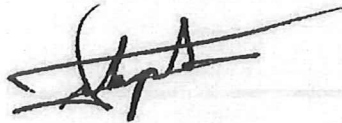
Email: hallmark@bizcorei.com


Web: www.hiclpk.com


HALLMARK COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2022

ASSETS	Note	31-Mar-22 Rupees (Unaudited)	30-Jun-21 Rupees (Audited)
Non-Current Assets			
Property, plant & equipment	5	687,498	1,045,682
Intangibles asset	6	1,290,000	1,425,000
Deferred tax asset		-	92,115
Security deposit for rent		-	1,500,000
		<u>1,977,499</u>	<u>4,062,797</u>
Current Assets			
Stock in trade		-	-
Trade debts - net	7	985,000	4,204,925
Loan and advances		-	24,000
Cash and bank balance	8	175,931	952,751
		<u>1,160,931</u>	<u>5,181,676</u>
TOTAL ASSETS		<u><u>3,138,429</u></u>	<u><u>9,244,473</u></u>
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorized share capital			
1,000,000 Ordinary shares of Rs. 10/- each		<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and paid-up capital	9	5,000,000	5,000,000
Accumulated (loss) / profits		<u>(4,487,432)</u>	<u>1,952,035</u>
		<u>512,568</u>	<u>6,952,035</u>
Non Current Liabilities			
Long term loans from related parties	10	-	1,403,125
Deferred tax liability		59,075	
Current Liabilities			
Trade creditors		-	-
Accrued and other payables		2,391,621	735,823
Unclaimed dividends		23,150	23,150
Provision for taxation		152,015	130,340
		<u>2,566,786</u>	<u>889,313</u>
Contingencies and commitments	11	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>3,138,429</u></u>	<u><u>9,244,473</u></u>

The annexed notes from 1 to 20 form an integral part of these financial statements.


Chief Executive

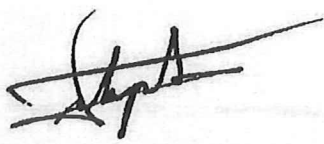

Director


Chief Financial Officer

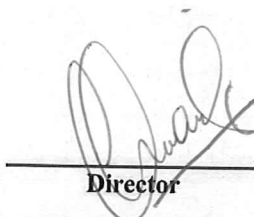
HALLMARK COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Notes	Jul - Mar 2022 (Amounts in Rupees)	Jul - Mar 2021 (Amounts in Rupees)	Jan - Mar 2022 (Amounts in Rupees)	Jan - Mar 2021 (Amounts in Rupees)
Turnover					
Sale of goods		-	1,807,020	-	-
Rendering of services		<u>2,430,000</u>	<u>4,132,309</u>	<u>-</u>	<u>2,200,000</u>
		2,430,000	5,939,329	-	2,200,000
Cost of sales and services		<u>(1,415,500)</u>	<u>(2,415,366)</u>	<u>-</u>	<u>(510,750)</u>
Gross profit		1,014,500	3,523,963	-	1,689,250
Administrative expenses	12	(4,103,849)	(986,073)	(701,492)	(168,542)
Selling expenses	13	<u>(990,692)</u>	<u>(472,305)</u>	<u>-</u>	<u>(126,000)</u>
Operating (loss) / profit		(4,080,041)	2,065,585	(701,492)	1,394,708
Other expenses	14	(2,154,729)	(1,270,435)	(200,000)	(748,672)
Finance cost		<u>(31,830)</u>	<u>(43,707)</u>	<u>-</u>	<u>(31,138)</u>
(Loss) / profit before taxation		(6,266,600)	751,443	(901,492)	614,898
Taxation - net		<u>(172,867)</u>	<u>3,583</u>	<u>-</u>	<u>2,912</u>
(Loss) / profit after taxation		(6,439,467)	755,026	(901,493)	617,811
(Loss) / earnings per share	15	<u>(12.88)</u>	<u>1.51</u>	<u>(1.80)</u>	<u>1.24</u>

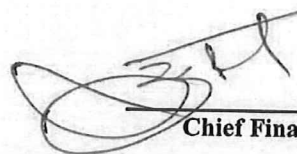
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Chief Executive



Director

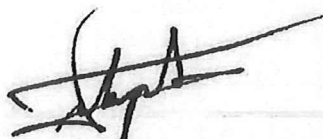


Chief Financial Officer

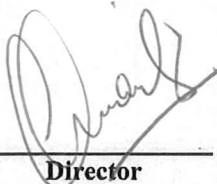
HALLMARK COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Jul - Mar 2022 (Amounts in Rupees)	Jul - Mar 2021	Jan - Mar 2022 (Amounts in Rupees)	Jan - Mar 2021
(Loss) / profit after taxation	(6,439,467)	755,026	(901,493)	617,811
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u><u>(6,439,467)</u></u>	<u><u>755,026</u></u>	<u><u>(901,493)</u></u>	<u><u>617,811</u></u>

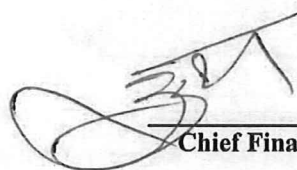
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Chief Executive Officer



Director

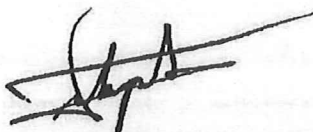


Chief Financial Officer

HALLMARK COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Issued, Subscribed and Paid-up	Accumulated Profits / (Loss) (Rupees)	Total
Balance as at June 30, 2020	5,000,000	1,712,641	6,712,641
Total comprehensive income for the nine months period	-	755,026	755,026
Balance as at March 31, 2021	5,000,000	2,467,667	7,467,667
Balance as at June 30, 2021	5,000,000	1,952,035	6,952,035
Total comprehensive loss for the nine months period	-	(6,439,467)	(6,439,467)
Balance as at March 31, 2022	5,000,000	(4,487,432)	512,568

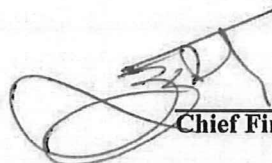
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Chief Executive Officer



Director



Chief Financial Officer

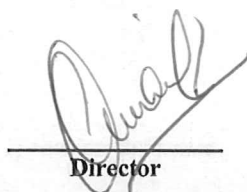
HALLMARK COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Jul - Mar 2022	Jul - Mar 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	<i>Rupees</i> (Unaudited) (6,266,600)	<i>Rupees</i> (Audited) 751,443
Adjustments for:		
Loss on disposal	77,389	
Depreciation	116,594	76,748
Write off	1,475,000	
Amortization	135,000	135,000
Finance cost	31,830	43,707
Operating (loss) / profit before working capital changes	(4,430,787)	1,006,898
Changes in working capital		
(Increase)/ decrease in current assets:		
Stock in trade	-	854,990
Trade receivables	1,744,925	(3,868,723)
Other receivables	-	(50,000)
Loan to employees	24,000	220,352
Increase/ (decrease) in current liabilities:		
Trade creditors	-	(156,050)
Accrued and other payables	1,655,797	714,871
Cash used in operations	(1,006,065)	(1,277,662)
Taxes paid	-	(238,125)
Net cash outflow from operating activities	(1,006,065)	(1,515,787)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds for security deposit	1,500,000	-
Fixed capital expenditure	164,200	-
Net cash outflow from investing activities	1,664,200	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance cost paid	(31,830)	-
Loan from shareholder	(1,403,125)	1,403,125
Net cash inflow from financing activities	(1,434,955)	1,403,125
Net decrease in cash and cash equivalents	(776,820)	(112,662)
Cash and cash equivalents at the beginning of the period	952,751	221,477
Cash and cash equivalents at the end of the period	<u>175,931</u>	<u>108,815</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

HALLMARK COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

1 LEGAL STATUS AND BUSINESS ACTIVITIES OF THE COMPANY

The Hallmark Company Limited (the Company) was incorporated as a Public Limited Company on 31 October, 1981 under the repealed Companies Act, 1913 (now the Companies Act, 2017), and subsequently obtained registration under the repealed Insurance Act, 1938, (now the Insurance Ordinance, 2000) as an insurer. Subsequently, on application from the Company, the insurance license of the Company got revoked from the SECP Insurance Division, vide the S.R.O.1079(I)/2016 dated 22 November, 2016. Consequently the principal activity was changed, and the Company engaged in trading of computer and allied I.T. equipment, and products. The company is now engaged in rendering I.T related services to local and international clients. The registered head office of the Company is situated at Office no. 204, 2nd Floor, Horizon Tower, Block 3, Scheme no. 5, Clifton, Karachi, Sindh 75400.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

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

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

These condensed interim financial statements are prepared in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statement, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended on June 30, 2021.

		31-Mar-22 <i>Rupees</i> (Unaudited)	30-Jun-21 <i>Rupees</i> (Audited)
5	PROPERTY, PLANT & EQUIPMENT		
	Furniture and fixture	383,317	413,565
	Office equipment	-	223,497
	Generator	-	24,287
	Computer and allied equipment	304,182	384,333
		<u>687,498</u>	<u>1,045,682</u>
6	INTANGIBLES		
	Net book value at the end of period	<u>1,290,000</u>	<u>1,425,000</u>
7	TRADE DEBTS - NET		
	7.1	<u>985,000</u>	<u>4,204,925</u>

7.1 These includes receivable from related party 360 Digital Marketing LLC amounting to Rs. Nil (June 30, 2021: Rs. 2,704,925)

8	CURRENT AND OTHER ACCOUNTS		
	Cash in hand	152,015	928,824
	Cash at bank - Current	23,916	23,927
		<u>175,931</u>	<u>952,751</u>
9	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
	500,000 Ordinary Shares of Rs. 10/- each fully paid in cash	<u>5,000,000</u>	<u>5,000,000</u>
10	LONG TERM LOANS FROM RELATED PARTIES		
	Loan from shareholder	-	1,403,125

10.1 This represents unsecured and interest bearing loan @ 9% p.a from shareholder.

11 CONTINGENCIES AND COMMITMENTS

11.1 Commitments

There were no commitments as at end of the period and, its comparative period.

	Jul - Mar 2022 (Amounts in Rupees)	Jul - Mar 2021	Jan - Mar 2022 (Amounts in Rupees)	Jan - Mar 2021
12 ADMINISTRATIVE EXPENSES				
Salaries	165,375	401,818	-	84,000
Printing and stationary	25,976	32,549	-	-
Advertisement	78,225	12,540	-	-
Travelling and conveyance	255,328	5,875	-	-
Entertainment	91,385	1,543	-	-
Security expenses	719,366		-	
Rent expense and utility expenses	1,349,600	300,000	-	-
Legal and professional charges	957,000	20,000	622,000	15,000
Depreciation expense	116,594	76,748	34,492	24,542
Amortization	135,000	135,000	45,000	45,000
Miscellaneous expenses	210,000	-	-	-
	4,103,849	986,073	701,492	168,542

	Jul - Mar 2022 (Amounts in Rupees)	Jul - Mar 2021	Jan - Mar 2022 (Amounts in Rupees)	Jan - Mar 2021
13 SELLING EXPENSES				
Salaries	359,625	376,934	-	126,000
Printing and stationary	15,854	19,854	-	-
Advertisement	96,775	64,517	-	-
Travelling and conveyance	367,423	8,454	-	-
Entertainment	151,015	2,546	-	-
	<u>990,692</u>	<u>472,305</u>	<u>-</u>	<u>126,000</u>
14 OTHER EXPENSES				
Fee and subscription	202,340	513,526	-	166,763
Auditors remuneration	400,000	200,000	200,000	25,000
Other loss - sale on asset	77,389	-	-	-
Write off	1,475,000	556,909	-	556,909
	<u>2,154,729</u>	<u>1,270,435</u>	<u>200,000</u>	<u>748,672</u>
15 BASIC AND DILUTED EARNINGS PER SHARE				
Profit after taxation	<u>(6,439,467)</u>	<u>755,026</u>	<u>(901,493)</u>	<u>617,810</u>
Weighted average number of Ordinary shares	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
(loss) / earnings per share	<u>(12.88)</u>	<u>1.51</u>	<u>(1.80)</u>	<u>1.24</u>

There is no dilutive impact on earnings per share.

16 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES

The commercial activity has been commenced but remuneration of Directors and Chief Executive have not yet been decided therefore, arrears of remuneration shall be paid and charged in the period in which the decision is made.

17 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out at arm's length. Amounts due from and to related parties and key management personnel, if any, are shown under receivables and payables. Details of transactions made with related parties during the period are as follows:

Relationship with the company	Nature of Transaction				
	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	-	4,132,309	-	2,200,000

18 FINANCIAL RISK MANAGEMENT

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

19 DATE OF AUTHORISATION


These condensed interim financial statement were authorized for issue in accordance with a resolution of the Board of Directors on

20 GENERAL

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



Chief Executive Officer



Director



Chief Financial Officer