



HALLMARK
COMPANY LIMITED



1st Quarterly Report
September 30,

2023

OUR VISION

Our vision is to be a state-of-the-art supplier of Information Technology (I.T.) I.T. enabled services and allied products in the local and International market and ambitions to be 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 if we are better than make ourselves be the best not focusing on the 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 Information

Chairman (Non – Executive)

Syed Aamir Hussain

Independent Directors

Mr. Asad Mujtaba Naqvi
Mrs. Fabzia Ahsen

Non – Executive Directors

Mr. Jamal Nasir Khan
Syed Hashim Ali
Syed Imran Haider Jaffery

Chief Executive Officer & Director

Mr. Waseem Ahmad

Chief Financial Officer

Mr. Subhan Ali Bhatti

Company Secretary

Mr. Muhammad Farhan Saeed

Board Audit Committee

Mr. Asad Mujtaba Naqvi – Chairman
Syed Aamir Hussain – Member
Syed Hashim Ali – Member

Human Resource & Remuneration Committee

Mr. Asad Mujtaba Naqvi – Chairman
Mr. Waseem Ahmad – Member
Mrs. Fabzia Ahsen – Member

Legal Advisor

Bhagwan Das Advocate High Court

Registrar and Share Transfer Office

F.D. Registrar Services (PVT) Ltd 17th Floor,
Saima Trade Tower-A, I.I. Chundrigar Road
Karachi-74000.

External Auditors

S. M. Suhail & Co.

Registered Office

4th Floor, World Trade Center, 10-Khayaban-e-
Roomi, Clifton, Karachi
Pakistan

Phone: (+92-21) 38330000 | (+92-21)
38553750

Email: hallmark@corporate.super.net.pk

Website

www.hiclpk.com

Bank

Habib Metropolitan Bank Limited

Directors Report

The Board of Directors of Hallmark Company Limited are pleased to present the Financial Statements and review of your Company's performance for the period ended 30 September 2023.

Intimation of Change of Management and Substantial Shareholders

The acquisition of shares constituting 62.84% of the issued paid up share capital by Supernet Infrastructure Solutions Private Limited (a wholly owned subsidiary of Supernet Limited) was successfully concluded, resulting in the change of management and Board Members as of 15 August 2023.

Financial Performance

The Company was under process of acquisition and change of management resulting in significant decrease in revenue and corresponding profits.

The Gross Profit has decline compared to Gross Profit in the corresponding period last year attributable to decline in revenue. The Company has reported a loss after taxation of PKR. (0.38) million as against a loss of PKR. (0.22) million during the corresponding financial period. The Earning Per Share (EPS) stood at PKR. (0.77) compared to a loss of PKR. (0.46) same period last year.

Due to the foregoing reasons, the Directors, Chief Executive Officer, Company Secretary and Chief Financial Officer of the Company are still not receiving any remuneration from the Company with their consent allowing the Company to save significant costs.

Future Outlook - Challenges and Way Forward

Looking ahead, our future outlook is filled with promise and determination. As envisaged earlier, the Company is gearing-up to explore multiple avenues in Technology and other Sectors synchronized with the prevailing market demands to establish and reinforce our position as a forward-thinking player in the market.

Acknowledgement

We feel that we are at an exciting juncture of our growth and are confident that concerted efforts by all stakeholders will yield positive results in months to come. We would, at this point-in-time, like to thank our shareholders for their support and our management team and employees at all levels for their steadfast loyalty, professionalism and service.

On behalf of the Board



Waseem Ahmad
Chief Executive Officer / Director

Date: October 30, 2023, Karachi

HALLMARK COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2023

		(Un-Audited) 30-Sep-23 Rupees	(Audited) 30-Jun-23 Rupees
ASSETS	<i>Note</i>		
Non-Current Assets			
Property and equipment	5	500,811	523,310
Intangible assets	6	1,020,000	1,065,000
Deferred tax asset	10	23,565	23,565
		1,544,376	1,611,875
Current Assets			
Trade debts	7	-	-
Cash and bank balances	8	93,867	93,867
		93,867	93,867
TOTAL ASSETS		1,638,243	1,705,742
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorized Share Capital 1,000,000 (2023: 1,000,000) Ordinary Shares of Rs. 10/- each		10,000,000	10,000,000
Issued, subscribed and paid-up capital	9	5,000,000	5,000,000
Accumulated (loss)		(4,764,490)	(4,379,771)
		235,510	620,229
Non Current Liabilities			
Deferred tax liability	10	-	-
Current Liabilities			
Accrued and other liabilities	11	1,302,220	985,000
Unclaimed dividend	12	23,150	23,150
Provision for taxation		77,363	77,363
		1,402,733	1,085,513
TOTAL EQUITY AND LIABILITIES		1,638,243	1,705,742
Contingencies and commitments	13	-	-

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


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, 2023

	Note	(Un-Audited) 30-Sep-23 Rupees	(Un-Audited) 30-Sep-22 Rupees
Revenue from contracts with customers	14	-	1,806,250
Cost of services	15	-	(537,294)
Gross profit		-	1,268,956
Administrative expenses	16	(384,719)	(783,623)
Selling expenses	17	-	(461,780)
Other Expenses		-	(202,000)
Finance cost		-	(36,000)
		(384,719)	(1,483,403)
Other income / (loss)		-	-
(Loss) before taxation		(384,719)	(214,447)
Taxation		-	(15,506)
(Loss) / after taxation		(384,719)	(229,953)
Other comprehensive income		-	-
Total Comprehensive (Loss) For The Year		(384,719)	(229,953)
(Loss) per share	18	(0.77)	(0.46)

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

HALLMARK COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	Capital and Reserves		Revenue reserves	Total Equity
	Issued subscribed and paid up capital	Advance subscription money	Accumulated profit / (loss)	
	----- (Rupees) -----			
Balance as at June 30, 2022 (Audited)	5,000,000	-	(1,539,900)	3,460,100
Total comprehensive loss for the 3 month period	-		(229,953)	(229,953)
Balance as at September 30, 2022	5,000,000	-	(1,769,853)	3,230,147
Total comprehensive loss for the 9 month period			(2,609,918)	(2,609,918)
Balance as at June 30, 2023 (Audited)	5,000,000		(4,379,771)	620,229
Total comprehensive loss for the 3 months period	-		(384,719)	(384,719)
Balance as at September 30, 2023	5,000,000		(4,764,490)	235,511

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

HALLMARK COMPANY LIMITED**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	(Un-Audited) 30-Sep-23 <i>Rupees</i>	(Un-Audited) 30-Sep-22 <i>Rupees</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(384,719)	(214,447)
Adjustments for:		
Depreciation	22,499	29,483
Amortization	45,000	45,000
Finance cost	-	36,000
Operating (Loss) Before Working Capital Changes	(317,220)	(103,964)
Changes in working capital		
(Increase)/ decrease in current assets:		
Trade debts	-	(1,806,250)
Increase / (decrease) in current liabilities:		
Trade creditor	-	173,163
Other payable	317,220	-
Total Changes In Working Capital	-	(1,737,051)
Finance cost paid	-	(36,000)
Net Cash Inflow / (Outflow) From Operating Activities	-	(1,773,051)
CASH FLOWS FROM FINANCING ACTIVITIES		
Subscription money received		2,000,000
Net Cash Inflow / Outflow From Financing Activities	-	2,000,000
Net (decrease) in cash and cash equivalents	-	226,949
Cash and cash equivalents at the beginning of the year	93,867	175,931
Cash and cash equivalents at the end of the year	93,867	402,881

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.


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, 2023

1 CORPORATE INFORMATION, OPERATIONS AND LEGAL STATUS

The Hallmark Company Limited (HCL) 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, as an insurer. In November 2016 get revoked the Insurance License, consequently, the principal activity was changed to trading of computer and allied I.T. equipment. Currently, the Company mainly engaged in I.T. Enabled export services.

1.1 Geographical Location And Address Of Business Units - Address	Purpose
4th Floor, Tower B, World Trade Centre, Khayaban-e-Roomi, Block 5, Clifton Karachi.	Registered office

1.2 Significant Events

During the year ended June 30, 2023, the Company received a notice of public announcement of intention from Supernet Infrastructure Solutions (Pvt) Ltd, through authorized Manager, to acquire more than 51% 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 was meticulously executed and concluded in April 2023, which proceeded to the takeover proceedings (refer note 26 to these financial statements).

2 BASIS OF PREPARATION

2.1 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 standard, the provisions and directives issued under the Companies Act, 2017 have been followed.

2.2 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.

2.3 Functional and Presentation Currency

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

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statement, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended on June 30, 2023.

4 SIGNIFICANT ACCOUNTING POLICIES

The principal 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.

HALLMARK COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023
5 PROPERTY AND EQUIPMENT

Description	Furniture and fixtures	Office equipment	Generator	Computer and allied equipment	Total
	(-----Rupees-----)				
Depreciation rate	10%	10%	10%	30%	
FOR THE FIRST QUARTER 30 SEPTEMBER 202					
COST					
Balance at beginning of the year	2,807,243	-	-	499,640	3,306,883
Additions during the year	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Balance as at the year end	2,807,243	-	-	499,640	3,306,883
DEPRECIATION					
Accumulated depreciation at beginning of the year	2,472,256	-	-	311,317	2,783,573
Charge for the year	8,375	-	-	14,124	22,499
Reversal of Accumulated depreciation	-	-	-	-	-
Balance as at the year end	2,480,630	-	-	325,441	2,806,072
CARRYING VALUE 30 SEPTEMBER 2023	326,613	-	-	174,199	500,811
Depreciation rate	10%	10%	10%	30%	
FOR THE YEAR 30 JUNE 2023					
COST					
Balance at beginning of the year	2,807,243	-	-	499,640	3,306,883
Additions during the year	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Balance as at the year end	2,807,243	-	-	499,640	3,306,883
DEPRECIATION					
Accumulated depreciation at beginning of the year	2,435,035	-	-	230,607	2,665,642
Charge for the year	37,221	-	-	80,710	117,931
Reversal of Accumulated depreciation	-	-	-	-	-
Balance as at the year end	2,472,256	-	-	311,317	2,783,573
CARRYING VALUE 30 JUNE 2023	334,987	-	-	188,323	523,310

HALLMARK COMPANY LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	(Un-Audited) 30-Sep-23 <i>Rupees</i>	(Audited) 30-Jun-23 <i>Rupees</i>
6 INTANGIBLE ASSETS		
ERP Single user license		
COST		
Balance at beginning of the year	1,800,000	1,800,000
Additions during the year	-	-
Disposal during the year	-	-
Balance as at the year end	1,800,000	1,800,000
AMORTIZATION		
Accumulated amortization at beginning of the year	735,000	555,000
Charge for the period / year	45,000	180,000
Balance as at the year end	780,000	735,000
CARRYING VALUE	1,020,000	1,065,000
6.1 The amortization expense is being charged over 10 years at straight line basis.		
7 TRADE DEBTS		
Trade Debts	-	4,485,000
	-	4,485,000
8 CASH AND BANK BALANCES		
Cash in hand	69,951	69,951
Cash at bank - Current	23,916	23,916
	93,867	93,867
9 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
500,000 (2022: 500,000) Ordinary Shares of Rs. 10/- each - fully paid in cash	5,000,000	5,000,000
10 DEFERRED TAX (ASSETS)/ LIABILITY		
Relating to deductible temporary difference		
On accelerated depreciation	34,229	34,229
On accelerated amortization	1,800	1,800
Minimum tax	(59,594)	(59,594)
	(23,565)	(23,565)
11 ACCRUED AND OTHER LIABILITIES		
Audit fee payable	460,000	460,000
Salaries payable	300,000	300,000
Legal and professional charges payable	542,220	225,000
Other payable	-	-
	1,302,220	985,000
12 UNCLAIMED DIVIDEND		
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

HALLMARK COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

13 CONTINGENCIES AND COMMITMENTS

There was no contingency or commitment at the year end (2023: Nil)

	(Un-Audited) 30-Sep-23 <i>Rupees</i>	(Un-Audited) 30-Sep-22 <i>Rupees</i>
14 REVENUE FROM CONTRACT WITH CUSTOMERS		
Rendering of services	-	1,806,250
	<u>-</u>	<u>1,806,250</u>

15 COST OF SERVICES

I.T. developer charges	-	450,249
Travel and transportation	-	28,920
Entertainment expenses	-	40,814
Printing and stationery	-	17,310
	<u>-</u>	<u>537,294</u>

16 ADMINISTRATIVE EXPENSES

Salaries	-	281,400
Printing and stationery	-	17,400
Advertisement	-	38,450
Rent and utilities	-	72,100
Repair and maintenance	-	-
Travelling and conveyance	-	68,750
Entertainment	-	50,400
Legal and professional charges	317,220	85,640
Security expenses	-	95,000
Depreciation	22,499	29,483
Amortization	45,000	45,000
	<u>384,719</u>	<u>783,623</u>

16.1 Auditor's remuneration

Annual audit	-	415,800
Review of half yearly financial statements	-	216,000
	<u>-</u>	<u>631,800</u>

17 SELLING EXPENSE

Salaries	-	237,600
Printing and stationery	-	11,600
Advertisement	-	35,000
Rent and utilities	-	25,955
Travelling and conveyance	-	55,745
Entertainment	-	65,880
Security expenses	-	30,000
Bad debt expense	-	-
	<u>-</u>	<u>461,780</u>

HALLMARK COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	(Un-Audited) 30-Sep-23 <i>Rupees</i>	(Un-Audited) 30-Sep-22 <i>Rupees</i>
18 (LOSS) PER SHARE		
(Loss) after taxation	<u>(384,719)</u>	<u>(229,953)</u>
Weighted average number of Ordinary Shares	<u>500,000</u>	<u>500,000</u>
Basic (loss) per share	<u>(0.77)</u>	<u>(0.46)</u>

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2023 and September 30, 2022, which could have any effect on the earnings per share.

19 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

As the Company is in a phase of business development and striving hard to improve, the Directors and Chief Executive have decided that the remuneration shall neither be paid nor to be charged in the financial statements. Further, 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.

20 TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and includes the parent company, subsidiary companies, associated companies, directors, and key management personnel. There is a nil balance with the related party at the end of the quarter.

21 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, 2022.

22 GENERAL

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

22.2 These condensed interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 30 October 2023.


Chief Executive


Director


Chief Financial Officer