HALLMARK INSURANCE COMPANY LIMITED FINANCIAL STATEMENTS

For the Quarter Ended March 31, 2013

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#### **COMPANY INFORMATION**

#### Chairman

Sheikh Humayun Sayeed

#### **Chief Executive**

Mr. Muhammad Adil

#### Directors

Sheikh Humayun Sayeed Muhammad Adil Muhammad Farrukh Bashir Saad Aftab Shamsi Haris A. Shamsi Ahtesham Ashraf Naveed Hamid

#### **Audit Committee**

Muhammad Farrukh Bashir Naveed Hamid Haris A. Shamsi

Chairman & Member Member Member

#### **External Auditors**

M/s. Muniff Ziauddin & Co. Chartered Accountants

#### Registrar

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

#### Legal Advisor

Sayeed A. Sheikh & Co., Advocates

#### Bankers

Habib Bank Limited National Bank of Pakistan Muslim Commercial Bank Limited

#### OFFICE OF THE COMPANY

#### Registered Office Karachi

Suite # 1001, Uni Centre, 10<sup>th</sup> Floor, I.I. Chundrigar Road, Karachi. Pakistan. Phone: 021-32414419, 37011105

Fax: 021-32416288

Email: hallmark@bizcorei.com

#### **DIRECTORS' REVIEW**

The Directors of the Company are pleased to present before you the Financial Statements of the Company for the quarter ended March 31, 2013.

The Company result shows net profit of Rs. 41,260 during the period under review, which has resulted in a decrease of accumulated losses to Rs. (5,106,716) carried forward to the Balance Sheet. The Company has not underwrite any insurance business during the period and the only business activity conducted by the Company is sale of old office equipments for a net gain of Rs 51,260 during the quarter. The Insurance Ordinance, 2000 requires that paid-up capital of the Company should be Rs. 300.00 million upto December 31, 2012 and due to this the Securities and Exchange Commission of Pakistan has issued a letter on 2nd April, 2013 for the winding up of the Company. However, the Company due to its non operational status and liquidity issues has been unable to fulfill this requirement but the management is making all out efforts to have the required share capital and run the business as a going concern and resolve the issues in the stipulated time.

We will be doing our best to resume in our business. We of course in this period have made strategic steps by negotiating with Central Depository Company of Pakistan to make a successful Rights offer but due to non availability of a congenial investment climate the Company finds it difficult under existing circumstances and thus the matter is still in process.

#### **Future Prospects**

The Directors of the Company are willing to make the Company a reputable Insurance and Takaful business organization. We are also planning to run its activities as of an alternative business. We intend to develop an efficient system of internal control and comply with the code of corporate governance in all respects, as soon as the minimum paid-up capital and other requirements of the Insurance Ordinance 2000 are met.

The future outlet is also dependent on improved political situation in the region, besides the continuation of economical and fiscal policies by the government, all economic indicators are, however, reasonably not positive and shall lead to a nominal growth during the year 2013. The business plans of the Company for the near future is to ensure continuous steady growth in the insurance business.

Muhammad Adil Chief Executive

### HALLMARK INSURANCE COMPANY LIMITED CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2013 (Unaudited)

Share Capital And Reserves           Authorized Share Capital         10,000,000         10,000,000           1,000,000 Ordinary Shares of Rs. 10/- each         10,000,000         5,000,000           Accumulated loss         5,000,000         5,000,000           Accumulated loss         (5,106,716)         (5,147,976)           Creditors And Accruals         1,448,238         1,448,238           Accrued expenses         585,216         575,216           Accrued expenses         585,216         575,216           Taxation - provision less payments         2,075,702         2,095,702           Other Liabilities         2,077,379         2,677,379           Unclaimed dividends         2,677,379         2,677,379           Unclaimed dividends         2,700,529         2,700,529           Contingencies and commitments         5           TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           Cash and Bank Deposits         675,928         465,234           Current Assets - Other         26,445         26,445           Stock of stationery         19,192         19,192           Sundry receivables         591,106         591,106           Fixed Assets         610,298         610,298	EQUITY AND LIABILITIES		Note	(Unaudited) Mar 31, 2013 Rupees	(Audited) Dec 31, 2012 Rupees
10,000,000 Ordinary Shares of Rs. 10/- each   10,000,000   5,000,000   5,000,000   6,000				· ·	
Sued, subscribed and paid-up capital Accumulated loss					
Accumulated loss         (5,106,716)         (5,147,976)           Creditors And Accruals         Creditors And Accruals           Accrued expenses         1,448,238         1,448,238           Accrued expenses         585,216         575,216           Taxation - provision less payments         72,248         72,248           Taxation - provision less payments         2,677,379         2,095,702           Other Liabilities         2,677,379         2,677,379           Sundry creditors         2,3150         23,150           Unclaimed dividends         5         2,000,529           Contingencies and commitments         5         4,648,255           TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           ASSETS         25         4,648,255           Cash and Other equivalent         675,928         465,245           Current and other accounts         26,445         26,445           Stock of stationery         19,192         19,192           Stock of stationery         591,106         591,106           Stock of stationery         591,106         591,06           Fixed Assets         591,106         591,06           Tangible         791,000         791,000	1,000,000 Ordinary Shares of Rs. 10/- each			10,000,000	10,000,000
Creditors And Accruals         (106,716)         (147,976)           Amount due to other insurers / reinsurers         1,448,238         1,448,238           Accrued expenses         585,216         575,216           Taxation - provision less payments         72,248         72,248           Taxation - provision less payments         2,677,379         2,677,379           Other Liabilities         2,677,379         2,677,379           Sundry creditors         23,150         23,150           Unclaimed dividends         23,150         23,150           Contingencies and commitments         5           TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           ASSETS           Cash and Bank Deposits         26,445         26,445           Current and other equivalent         675,928         465,234           Current Assets - Other         19,192         19,192           Stock of stationery         19,192         19,192           Sundry receivables         591,106         591,106           Fixed Assets         591,106         591,106           Tangible         6         936,844         1,096,278           Furniture & fixtures and office equipment         6         936,844         1,096,278				5,000,000	5,000,000
Creditors And Accruals         4,448,238         1,448,238         1,448,238         1,448,238         75,216         575,216         575,216         575,216         575,216         575,216         575,216         575,216         575,216         72,248	Accumulated loss			(5,106,716)	(5,147,976)
Amount due to other insurers / reinsurers         1,448,238         1,448,238           Accrued expenses         585,216         575,216           Taxation - provision less payments         72,248         72,248           Query Creditors         2,677,379         2,677,379           Unclaimed dividends         23,150         23,150           Contingencies and commitments         5           TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           Assets           Cash and Bank Deposits         2         26,445         26,445           Current and other equivalent         675,928         465,234         26,445           Current Assets - Other         2         702,373         491,679           Stock of stationery         19,192         19,192         19,192           Sundry receivables         591,106         591,106         591,106           Fixed Assets         591,106         591,106         591,106           Fixed Assets         591,106         591,106         591,106           Fixed Assets         6         936,844         1,096,278           Furniture & fixtures and office equipment         6         936,844         1,096,278           Intangible				(106,716)	(147,976)
Accrued expenses         585,216         575,216           Taxation - provision less payments         72,248         72,248           Other Liabilities         2,05,702         2,095,702           Sundry creditors         2,677,379         2,677,379         2,677,379           Unclaimed dividends         2         2,700,529         2,700,529           Contingencies and commitments         5           TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           Assets           Cash and Bank Deposits         3         4,699,515         4,648,255           Carrent and other equivalent         675,928         465,234         465,234           Current and other equivalent         92,454         591,106					
Accrued expenses         585,216         575,216           Taxation - provision less payments         72,248         72,248           Quotino - provision less payments         2,005,702         2,095,702           Other Liabilities         3,677,379         2,677,379         2,677,379         23,150         23,150         23,150         23,150         23,150         23,150         23,150         20,00,529         2,700,529         2,6445         2,6445         2,6445         2,6445         2,6445         2,64	Amount due to other insurers / reinsurers			1,448,238	1,448,238
Other Liabilities         2,105,702         2,095,702           Sundry creditors         2,677,379         2,677,379           Unclaimed dividends         23,150         23,150           2,700,529         2,700,529           Contingencies and commitments         5           TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           ASSETS         4,699,515         4,648,255           Cash and Bank Deposits         5         4,648,255           Cash and other equivalent         675,928         465,234           Current and other accounts         26,445         26,445           Stock of stationery         19,192         19,192           Stock of stationery         19,192         19,192           Sundry receivables         591,106         591,106           Fixed Assets         610,298         610,298           Fixed Assets         7         19,192         19,192           Turniture & fixtures and office equipment         6         936,844         1,096,278           Intangible         2,450,000         2,450,000           Computer software         2,450,000         3,386,844         3,546,278				585,216	
Other Liabilities         2,677,379         2,677,379           Sundry creditors         23,150         23,150           Unclaimed dividends         2,700,529         2,700,529           Contingencies and commitments         5           TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           ASSETS         4,699,515         4,648,255           Cash and Bank Deposits         5         4,648,255           Cash and other equivalent         675,928         465,234           Current and other accounts         26,445         26,445           Current Assets - Other         702,373         491,679           Stock of stationery         19,192         19,192         19,192           Sundry receivables         591,106         591,106         591,106           Fixed Assets         591,106         591,106         591,106           Fixed Assets         6         936,844         1,096,278           Intangible         2,450,000         2,450,000           Computer software         2,450,000         2,450,000           Assets         3,386,844         3,546,278	Taxation - provision less payments			72,248	72,248
Sundry creditors         2,677,379         2,677,379           Unclaimed dividends         23,150         23,150           2,700,529         2,700,529         2,700,529           Contingencies and commitments         5           TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           ASSETS           Cash and Bank Deposits           Cash and other equivalent         675,928         465,234           Current and other accounts         26,445         26,445           Current Assets - Other         702,373         491,679           Stock of stationery         19,192         19,192         19,192           Sundry receivables         591,106         591,106         591,106           Fixed Assets         Tangible         Furniture & fixtures and office equipment         6         936,844         1,096,278           Intangible         2,450,000         2,450,000         2,450,000           Computer software         2,450,000         3,386,844         3,546,278				2,105,702	2,095,702
Unclaimed dividends         23,150         23,150           2,700,529         2,700,529           Contingencies and commitments         5           TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           ASSETS         4,699,515         4,648,255           Cash and Bank Deposits         5         4,648,255           Cash and Other equivalent         675,928         465,234           Current and other accounts         26,445         26,445           Current Assets - Other         702,373         491,679           Stock of stationery         19,192         19,192         19,192           Sundry receivables         591,106         591,106         591,106           Fixed Assets         591,106         591,106         591,106           Fixed Assets         702,373         491,679         40,098           Fixed Assets         591,106         591,106         591,106           Fixed Assets         6         936,844         1,096,278           Furniture & fixtures and office equipment         6         936,844         1,096,278           Computer software         2,450,000         2,450,000         3,386,844         3,546,278	Other Liabilities				
Unclaimed dividends         23,150         23,150           2,700,529         2,700,529           Contingencies and commitments         5           TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           ASSETS         4,699,515         4,648,255           Cash and Bank Deposits         5         4,648,255           Cash and other equivalent         675,928         465,234           Current and other accounts         26,445         26,445           Current Assets - Other         702,373         491,679           Stock of stationery         19,192         19,192         19,192           Sundry receivables         591,106         591,106         591,106           Fixed Assets         591,106         591,106         591,106           Fixed Assets         40,298         610,298         610,298           Fixed Assets         40,096,278         60,008         610,298           Fixed Assets         40,096,278         60,008         60,008         60,008           Fixed Assets         40,096,278         60,008         60,008         60,008         60,008         60,008         60,008         60,008         60,008         60,008         60,008         60,008         60,008	Sundry creditors			2.677.379	2.677.379
Contingencies and commitments         5           TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           ASSETS         4,699,515         4,648,255           Cash and Bank Deposits         465,234         465,234           Cash and other equivalent         675,928         465,234           Current and other accounts         26,445         26,445           Current Assets - Other         702,373         491,679           Stock of stationery         19,192         19,192         19,192           Sundry receivables         591,106         591,106         591,106           Fixed Assets         591,106         591,106         591,106           Fixed Assets         702,373         40,096,278           Fixed Assets         40,096,278         40,096,278           Fixed Assets         40,096,278         40,096,278           Fixed Assets         40,096,278         40,096,278           Computer software         2,450,000         2,450,000           Computer software         2,450,000         3,386,844         3,546,278	Unclaimed dividends				
TOTAL EQUITY AND LIABILITIES         4,699,515         4,648,255           ASSETS         Cash and Bank Deposits           Cash and other equivalent         675,928         465,234           Current and other accounts         26,445         26,445           Current Assets - Other         702,373         491,679           Stock of stationery         19,192         19,192           Sundry receivables         591,106         591,106           Fixed Assets         591,106         591,106           Fixed Assets         1         596,278           Fixed Intangible         2,450,000         2,450,000           Computer software         2,450,000         2,450,000           3,386,844         3,546,278					
ASSETS  Cash and Bank Deposits Cash and other equivalent Current and other accounts  Current Assets - Other Stock of stationery Sundry receivables  Fixed Assets Tangible Furniture & fixtures and office equipment Intangible Computer software  A65,234  465,234  26,445  26,445  702,373  491,679  19,192  19,192  19,192  591,106  591,106  591,106  610,298  610,298  Fixed Assets  Tangible Computer software  2,450,000  2,450,000  3,386,844  3,546,278	Contingencies and commitments		5		
Cash and Bank Deposits         Cash and other equivalent       675,928       465,234         Current and other accounts       26,445       26,445         702,373       491,679         Current Assets - Other         Stock of stationery       19,192       19,192         Sundry receivables       591,106       591,106         Fixed Assets       610,298       610,298         Fixed Assets       Furniture & fixtures and office equipment       6       936,844       1,096,278         Intangible       2,450,000       2,450,000       2,450,000         Computer software       2,450,000       3,386,844       3,546,278	TOTAL EQUITY AND LIABILITIES			4,699,515	4,648,255
Cash and other equivalent Current and other accounts       675,928 26,445 26,445         Current and other accounts       26,445 26,445         TO2,373 491,679         Current Assets - Other       19,192 19,192         Stock of stationery       591,106 591,106         Sundry receivables       591,106 591,106         Fixed Assets       610,298         Tangible       Furniture & fixtures and office equipment       6 936,844 1,096,278         Intangible       2,450,000 2,450,000         Computer software       2,450,000 3,386,844 3,546,278	ASSETS				
Current and other accounts         26,445         26,445           Current Assets - Other         702,373         491,679           Stock of stationery         19,192         19,192           Sundry receivables         591,106         591,106           Fixed Assets         591,106         591,106           Furniture & fixtures and office equipment         6         936,844         1,096,278           Intangible         2,450,000         2,450,000           Computer software         2,450,000         3,386,844         3,546,278	Cash and Bank Deposits				
Current and other accounts         26,445         26,445           TO2,373         491,679           Current Assets - Other         19,192         19,192           Stock of stationery         19,192         19,192           Sundry receivables         591,106         591,106           Fixed Assets         610,298         610,298           Furniture & fixtures and office equipment         6         936,844         1,096,278           Intangible         2,450,000         2,450,000           Computer software         2,450,000         3,386,844         3,546,278	Cash and other equivalent			675,928	465.234
Current Assets - Other         Stock of stationery       19,192       19,192         Sundry receivables       591,106       591,106         Fixed Assets       610,298       610,298         Furniture & fixtures and office equipment       6       936,844       1,096,278         Intangible       2,450,000       2,450,000         Computer software       2,450,000       3,386,844       3,546,278	Current and other accounts				
Current Assets - Other           Stock of stationery         19,192         19,192           Sundry receivables         591,106         591,106           Fixed Assets         610,298         610,298           Furniture & fixtures and office equipment         6         936,844         1,096,278           Intangible         2,450,000         2,450,000           Computer software         2,450,000         3,386,844         3,546,278					
Sundry receivables         591,106         591,106         591,106         591,106         610,298         610,298         Fixed Assets         Tangible         Furniture & fixtures and office equipment         6         936,844         1,096,278         2,09	Current Assets - Other				
Fixed Assets Tangible Furniture & fixtures and office equipment 6 936,844 1,096,278 Intangible Computer software 2,450,000 2,450,000 3,386,844 3,546,278	Stock of stationery			19,192	19,192
Fixed Assets         Tangible       4       936,844       1,096,278         Intangible       2,450,000       2,450,000         Computer software       3,386,844       3,546,278	Sundry receivables			591,106	591,106
Tangible         Furniture & fixtures and office equipment       6       936,844       1,096,278         Intangible       2,450,000       2,450,000         Computer software       2,450,000       3,386,844       3,546,278		or proposed to		610,298	610,298
Furniture & fixtures and office equipment 6 936,844 1,096,278  Intangible  Computer software 2,450,000 2,450,000 3,386,844 3,546,278					
Intangible         2,450,000         2,450,000           Computer software         3,386,844         3,546,278					
Computer software         2,450,000         2,450,000           3,386,844         3,546,278			6	936,844	1,096,278
3,386,844 3,546,278				2 452 253	2 450 05-
	Computer Software	and the same of th			
TOTAL ASSETS 4,648,255				3,386,844	3,546,2/8
	TOTAL ASSETS			4,699,515	4,648,255

The annexed notes from 1 to 8 form an integral part of these financial statements.

Muhammad Adil
Chief Executive

Naveed Hamid Director Saad A. Shamsi

Muhammad Farrukh Bashir

Director

Director

#### HALLMARK INSURANCE COMPANY LIMITED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)

			For	the qua	ter ended March	31, 2013	
	Note	Fire and property	Marine, aviation and transport	Motor	Miscellaneous	Quarter Ended March 31, 2013	Quarter Ended March 31, 2012
Revenue account					(Rupees)		
Net premium revenue			-	•			- STORMAR
Net claims			•	-	•	•	-
Management expenses			ne see	-	•		
Net commission		VIII. 1	Mar Country		15000 PK+ 125	•	-
Underwriting result			all many	-		•	
Other income						51,260	
General and administration expenses						(10,000)	(8,190)
Profit / (loss) before taxation						41,260	(8,190)
Taxation - net						- 1700 m	(tar) (c) (c) (c) (d)
Profit / (loss) after taxation						41,260	(8,190)
Profit / (loss) per share (basic and dil	uted)					0.08	(0.02)

The annexed notes from 1 to 8 form an integral part of these financial statements.

HALLMARK INSURANCE COMPANY LIMITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)

			ven.	
			Quarter ended Mar 31, 2013	Quarter ended
			A STATE OF THE STA	Mar 31, 2012 ees) ————
			(, tap	200)
Profit / (loss) afte	r taxation		41,260	(8,190)
Other comprehen	sive income		0.05.873/2.58	(Date musicipité (18) blag amisió
Total comprehe	nsive income for	the Overter	Son Estavoren recipios	orcheepako (*)
rotal complete	iisive ilicollie for	tile Quarter	41,260	(8,190)

The annexed notes from 1 to 8 form an integral part of these financial statements.

#### HALLMARK INSURANCE COMPANY LIMITED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)

	Marion.*	Quarter ended Mar 31, 2013	Quarter ended Mar 31, 2012
		(Rup	ees)
OPERATING CASH FLOW			
a) Underwriting activities			
Premiums received		•	
Reinsurance premiums paid		same of your	settopnoto vs.T/O
Claims paid		•	•
Reinsurance and other recoveries received			
Commission paid		dent sol amond detent	dentrop late1
Commission received		-	ola la l
Other underwriting receipts			-
Net cash flow from underwriting activities		•	
b) Other operating activities			
Income tax paid			3
General management expenses paid			-
Other operating payments		•	
Net cash (outflow) from other operating activ	rities	•	
Total cash (outflow) from all operating a		-	
Profit / return received			-
Proceeds from disposal of fixed assets		210,694	• 13
Fixed capital expenditure		•	-
Total cash flow from investing activities		210,694	-
CASH FLOW FROM FINANCING ACTIVIT	IES	- 1	
Net cash inflow from all activities		210,694	
Cash and cash equivalent at the beginning of	the year	491,679	491,679
Cash and cash equivalent at the end of the y	ear	702,373	491,679
RECONCILIATION TO PROFIT AND LOSS	ACCOUNT		
Operating cash flow		•	•
Depreciation expenses			-
Increase / (decrease) in assets other than ca	sh	51,260	• 1
(Increase) / decrease in liabilities		(10,000)	-
Profit/(Loss) after taxation as per profit	t and loss account	41,260	-

The annexed notes from 1 to 8 form an integral part of these financial statements.

Muhammad AdilNaveed HamidSaad A. ShamsiMuhammad Farrukh BashirChief ExecutiveDirectorDirectorDirector

## HALLMARK INSURANCE COMPANY LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)

	Share Capital	Capital R	eserves		
	Issued, subscribed and paid-up	Reserve for issue of bonus shares	Reserve exceptional losses (Rupees)	Retained earnings	Total
Balance as at Dec 31, 2011	5,000,000			(5,028,426)	(28,426)
(Loss) for the quarter		- 1		(8,190)	(8,190)
Balance as at Mar 31, 2012	5,000,000	-		(5,036,616)	(36,616)
(Loss) for the period	1	-		(111,360)	(111,360)
Balance as at Dec 31, 2012	5,000,000	-		(5,147,976)	(147,976)
Profit for the quarter		-		41,260	41,260
Balance as at Mar 31, 2013	5,000,000	-		(5,106,716)	(106,716)

The annexed notes from 1 to 8 form an integral part of these financial statements.

Muhammad Adil Chief Executive

Naveed Hamid Director Saad A. Shamsi Director Muhammad Farrukh Bashir Director

# HALLMARK INSURANCE COMPANY LIMITED CONDENSED INTERIM STATEMENT OF PREMIUMS FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)

	Premium	Une	oremium	Premium	Reinsurance	Prepaid re	insurance	00000	Net premium revenue	n revenue
	written	reserve	ve	earned	Coded	pren	nium	alice	Ouarter ended	Olianter ended
Class		Opening Closing	Closing		sing Opening Closing expe	Opening	Closing	nses	Mar 31, 2013 Mar 31, 2012	Mar 31, 2012
Direct and facultative					)	(Rupees)				
<ol> <li>Fire and property damage</li> </ol>		ı			ud.					
2. Marine, aviation and transport		•		•			,			
3. Motor	1	•				•				
4. Miscellaneous	1			,	•		•			1
Grand total		1								

The annexed notes from 1 to 8 form an integral part of these financial statements.

Muhammad Adil Chief Executive

Naveed Hamid Director

Saad A. Shamsi Director

Muhammad Farrukh Bashir

Director

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HALLMARK INSURANCE COMPANY LIMITED CONDENSED INTERIM STATEMENT OF CLAIMS FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)

	Claims	0	ng claims	Claims	Reinsurance and other	Reinsurance recoveries rece	Reinsurance Reinsurance and otner Reinsurance Claims and other recoveries received in respect and other	Reinsurance and other	Net claims expense	exbense
	paid		including IBNR	expenses	expenses recoveries	of outstand	of outstanding claims	recoveries	recoveries Quarter ended Quarter ended	Quarter ended
		Opening Closing	Closing		received	Opening	Closing	revenue		Mar 31, 2012
Class	1					(Rupees) -	(Rupees)		***************************************	
Direct and facultative		-								
<ol> <li>Fire and property damage</li> </ol>	•	1					•			
2. Marine, aviation and transport.	•	•		•					•	
3. Motor		•		•	•	•	,			
4. Miscellaneous							1		-	-
Grand total							•			1
diama totte:	-						***************************************			

The annexed notes from 1 to 8 form an integral part of these financial statements.

Naveed Hamid

## HALLMARK INSURANCE COMPANY LIMITED CONDENSED INTERIM STATEMENT OF EXPENSES FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)

	Commission Deferred	Defe		Net	Other		Commission	Net underwrit	ing expense
	paid or	commi		commission	commission management exp	Underwriting	from	from Quarter ended Quarter ended	Quarter endec
	payable	Opening	Closing	payable Opening Closing expenses	expenses		reinsurers*	Mar 31, 2013	Mar 31, 2012
Class	-				(Kupees	(9		(Kupees)	
Direct and facultative									
<ol> <li>Fire and property damage</li> </ol>		•			ī	,	,		
2. Marine, aviation and transport	t	ı			•	1		ı	•
3. Motor	1	•		ı			ı		1
4. Miscellaneous				1		1	-	-	
1-1-1		-				1		•	•

Muhammad Farrukh Bashir Director Saad A. Shamsi Director Page 10 Naveed Hamid Director Muhammad Adil Chief Executive

HALLMARK INSURANCE COMPANY LIMITED CONDENSED INTERIM STATEMENT OF INVESTMENT INCOME FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)

	<b>Mar 31, 2012</b> Mai ( <i>Rupees</i> )	r 31, 2012
Income from trading investments	emerge. The registered office of the C	
Gain on sale of trading investments - net	STVA AN INTERPRETATION OF THE	4070
Dividend income	over the repartitional feet and expensive carriers. Carrier for calculate Ac an incumination Carrier	-
Unrealised (loss) / gain on re-measurement of securities to fair value	of all states of the side of the second	
Income from non-trading investments	Activities of the second decrease of the second control of the sec	
Held to maturity		
Return on Government Securities		•
Return on other fixed income securities and deposits - Term finance certificates	1000 000 00 00 00 00 00 00 00 00 00 00 0	
Available-for-sale	screnzarano sentre promini arrango. n encusiopen promini ed dose arres cuco	
Dividend income	majoris to Petrost House - Is use	-
Gain on sale of non-trading investments - net	restrict, for the var argest II breathfulled	- -
Provision for impairment in value of available- for-sale securities - net	STUDIES CANT ACCOUNTAINS POLICIES OF ACCOUNTS	
Investments related expenses	os cançony is de thatilla filtra fielius for	
Net investments income	IDGRESSAS ZITAMI	-
connect to ough the character as a character against a		

The annexed notes from 1 to 8 form an integral part of these financial statements.

**Muhammad Adil** Chief Executive

**Naveed Hamid** Director

Saad A. Shamsi Director

**Muhammad Farrukh Bashir** Director

## HALLMARK INSURANCE COMPANY LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)

#### 1 THE COMPANY AND ITS OPERATION

- 1.1 Hallmark Insurance Company Limited (the Company) was incorporated as a Public Limited Company on 31 October 1981 and the shares of the Company are quoted, currently at defaulter desk of the Karachi Stock Exchange. The registered office of the Company is situated at Office # 1001, Uni Centre, 10th Floor, I.I Chundrigar Road, Karachi.
- 1.2 The Company was engaged in non-life insurance business comprising of fire, marine, motor, engineering etc. With the promulgation of the Insurance Ordinance 2000, the requirement of minimum paid up capital for an insurer to operate as an insurance Company has been enhanced to Rs. 300 million. The Company does not find itself in a position to increase its paid up capital to the required minimum level and has ceased to underwrite insurance business w.e.f. January 01, 2003. Adjustments relating to the recoverability and classification of recorded assets or liabilities that may be necessary, since the Company is no more a going concern, have not been made in these financial statements as the management is making all efforts to have the required capital and run the business as a going concern. A winding up letter Dated: 02/04/2013 has been issued by the Securities Exchange Commission of Pakistan and the management has taken up necessary steps to resolve the issues in the stipulated time, hence the management is confident that they will do full efforts to revive the Company.
- 1.3 Due to suspended operations, register of members and fixed assets could not be timely updated.

#### 2 BASIS OF PREPARATION

These condensed interim financial statements are unaudited and are being circulated to the shareholders in accordance with the listing regulations of Karachi and Lahore Stock Exchanges and section 245 of the Companies Ordinance, 1984 and being prepared in condensed form in accordance with the requirements of approved accounting standards as applicable to insurance companies in Pakistan for interim financial reporting and in the format prescribed under SEC (Insurance) Rules, 2002. They do not include all of the information required for the full financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 December 2012.

#### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed interim financial statements are same as those applied by the company in its financial statements for the year ended 31 December 2012.

#### 4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements are in conformity with approved accounting standards which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statement, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2012.

## HALLMARK INSURANCE COMPANY LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)

#### 5 CONTINGENCIES AND COMMITMENT

#### 5.1 Contingencies

Due to suspended business operations, the Company could not maintain proper secretarial records as required by the Companies Ordinance 1984, and under the Insurance Ordinance, 2002 and listing regulations of Karachi Stock Exchange (KSE). In the absence of the same the Company might be liable to certain penalties which could not be quantified till the signing date.

		Quarter ended Mar 31, 2013	Quarter ended Dec 31, 2012
6	FURNITURE & FIXTURES AND OFFICE EQUIPMENT	Rupees	Rupees
	Opening book value	1,096,278	1,096,278
	Additions during the period		
	Disposal during the period	(159,434)	-
		936,844	1,096,278
	Less: Depreciation for the period	•	
	Closing book value	936,844	1,096,278

The Company is dormant. Therefore, the management has resolved not to charge depreciation for the period ended March 31, 2013.

#### 7 AUTHORIZATION FOR ISSUE

These financial statements was authorized for issue by the Board of Directors of the Company in its meeting held on April 30, 2013.

#### 8 GENERAL

Figures in the financial statement has been rounded off to the nearest rupees.