



## TABLE OF CONTENTS

Contents	Page No.
Company Information	1
Report of Directors to the Members	2
Condensed Interim Balance Sheet	3
Condensed Interim Profit and Loss Account	4
Condensed Interim Statement of Comprehensive Income	5
Condensed Interim Statement of Cash Flows	6
Condensed Interim Statement of Changes in Equity	7
Condensed Interim Statement of Premiums	8
Condensed Interim Statement of Claims	9
Condensed Interim Statement of Expenses	10
Condensed Interim Statement of Investment Income	11
Notes to the Condensed Interim Financial Statements	12

## 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	Chairman & Member
Naveed Hamid	Member
Haris A. Shamsi	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 2<sup>nd</sup> 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)

	(Unaudited) Mar 31, 2013	(Audited) Dec 31, 2012
Note	Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>Share Capital And Reserves</b>		
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	<u>5,000,000</u>	<u>5,000,000</u>
Accumulated loss	<u>(5,106,716)</u>	<u>(5,147,976)</u>
	<u>(106,716)</u>	<u>(147,976)</u>
<b>Creditors And Accruals</b>		
Amount due to other insurers / reinsurers	<u>1,448,238</u>	<u>1,448,238</u>
Accrued expenses	<u>585,216</u>	<u>575,216</u>
Taxation - provision less payments	<u>72,248</u>	<u>72,248</u>
	<u>2,105,702</u>	<u>2,095,702</u>
<b>Other Liabilities</b>		
Sundry creditors	<u>2,677,379</u>	<u>2,677,379</u>
Unclaimed dividends	<u>23,150</u>	<u>23,150</u>
	<u>2,700,529</u>	<u>2,700,529</u>
Contingencies and commitments	5	
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>4,699,515</u></u>	<u><u>4,648,255</u></u>
<b>ASSETS</b>		
<b>Cash and Bank Deposits</b>		
Cash and other equivalent	<u>675,928</u>	<u>465,234</u>
Current and other accounts	<u>26,445</u>	<u>26,445</u>
	<u>702,373</u>	<u>491,679</u>
<b>Current Assets - Other</b>		
Stock of stationery	<u>19,192</u>	<u>19,192</u>
Sundry receivables	<u>591,106</u>	<u>591,106</u>
	<u>610,298</u>	<u>610,298</u>
<b>Fixed Assets</b>		
<b>Tangible</b>		
Furniture & fixtures and office equipment	<u>936,844</u>	<u>1,096,278</u>
<b>Intangible</b>		
Computer software	<u>2,450,000</u>	<u>2,450,000</u>
	<u>3,386,844</u>	<u>3,546,278</u>
<b>TOTAL ASSETS</b>	<u><u>4,699,515</u></u>	<u><u>4,648,255</u></u>

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 PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)**

For the quarter ended March 31, 2013						
Note	Fire and property	Marine, aviation and transport	Motor	Miscellaneous	Quarter Ended March 31, 2013	Quarter Ended March 31, 2012
				<i>(Rupees)</i>		
<b>Revenue account</b>						
Net premium revenue	-	-	-	-	-	-
Net claims	-	-	-	-	-	-
Management expenses	-	-	-	-	-	-
Net commission	-	-	-	-	-	-
<b>Underwriting result</b>						
Other income	-	-	-	-	51,260	-
General and administration expenses	-	-	-	-	(10,000)	(8,190)
<b>Profit / (loss) before taxation</b>					<b>41,260</b>	<b>(8,190)</b>
Taxation - net					-	-
<b>Profit / (loss) after taxation</b>					<b>41,260</b>	<b>(8,190)</b>
Profit / (loss) per share (basic and diluted)					<b>0.08</b>	<b>(0.02)</b>

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 COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)**

	Quarter ended Mar 31, 2013	Quarter ended Mar 31, 2012
	(Rupees)	(Rupees)
Profit / (loss) after taxation	41,260	(8,190)
Other comprehensive income	-	-
<b>Total comprehensive income for the Quarter</b>	<b>41,260</b>	<b>(8,190)</b>

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 CASH FLOWS**  
**FOR THE QUARTER ENDED MARCH 31, 2013 (UNAUDITED)**

	Quarter ended Mar 31, 2013	Quarter ended Mar 31, 2012
	(Rupees)	
<b>OPERATING CASH FLOW</b>		
<b>a) Underwriting activities</b>		
Premiums received	-	-
Reinsurance premiums paid	-	-
Claims paid	-	-
Reinsurance and other recoveries received	-	-
Commission paid	-	-
Commission received	-	-
Other underwriting receipts	-	-
Net cash flow from underwriting activities	-	-
<b>b) Other operating activities</b>		
Income tax paid	-	-
General management expenses paid	-	-
Other operating payments	-	-
Net cash (outflow) from other operating activities	-	-
<b>Total cash (outflow) from all operating activities</b>	-	-
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Profit / return received	-	-
Proceeds from disposal of fixed assets	210,694	-
Fixed capital expenditure	-	-
<b>Total cash flow from investing activities</b>	210,694	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
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 year	702,373	491,679
<b>RECONCILIATION TO PROFIT AND LOSS ACCOUNT</b>		
Operating cash flow	-	-
Depreciation expenses	-	-
Increase / (decrease) in assets other than cash	51,260	-
(Increase) / decrease in liabilities	(10,000)	-
<b>Profit/(Loss) after taxation as per profit and loss account</b>	41,260	-

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

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

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

	Share Capital	Capital Reserves		Retained earnings	Total
	Issued, subscribed and paid-up	Reserve for issue of bonus shares	Reserve exceptional losses		
	(Rupees)				
<b>Balance as at Dec 31, 2011</b>	5,000,000	-	-	(5,028,426)	(28,426)
(Loss) for the quarter	-	-	-	(8,190)	(8,190)
<b>Balance as at Mar 31, 2012</b>	5,000,000	-	-	(5,036,616)	(36,616)
(Loss) for the period	-	-	-	(111,360)	(111,360)
<b>Balance as at Dec 31, 2012</b>	5,000,000	-	-	(5,147,976)	(147,976)
Profit for the quarter	-	-	-	41,260	41,260
<b>Balance as at Mar 31, 2013</b>	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      Naveed Hamid      Saad A. Shamsi      Muhammad Farrukh Bashir  
Chief Executive      Director      Director      Director



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

Class	Premium written		Unearned premium reserve		Premium earned	Reinsurance ceded	Prepaid reinsurance premium		Reinsurance expenses	Net premium revenue	
	Opening	Closing	Opening	Closing			Opening	Closing		Quarter ended Mar 31, 2013	Quarter ended Mar 31, 2012
(Rupees)											
Direct and facultative											
1. Fire and property damage	-	-	-	-	-	-	-	-	-	-	-
2. Marine, aviation and transport	-	-	-	-	-	-	-	-	-	-	-
3. Motor	-	-	-	-	-	-	-	-	-	-	-
4. Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Grand total	-	-	-	-	-	-	-	-	-	-	-

*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

**Page 8**

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

Class	Claims paid	Outstanding claims including IBNR		Claims expenses	Reinsurance and other recoveries received	Reinsurance recoveries received in respect of outstanding claims		Reinsurance and other recoveries revenue	Net claims expense		
		Opening	Closing			Opening	Closing		Quarter ended Mar 31, 2013	Quarter ended Mar 31, 2012	
											(Rupees)
Direct and facultative											
1.	Fire and property damage	-	-	-	-	-	-	-	-	-	-
2.	Marine, aviation and transport	-	-	-	-	-	-	-	-	-	-
3.	Motor	-	-	-	-	-	-	-	-	-	-
4.	Miscellaneous	-	-	-	-	-	-	-	-	-	-
Grand total		-	-	-	-	-	-	-	-	-	-

*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

**Page 9**

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

Class	Commission paid or payable	Deferred commission		Net commission expenses	Other management expenses	Underwriting expenses	Commission from reinsurers*	Net underwriting expense	
		Opening	Closing					Quarter ended Mar 31, 2013	Quarter ended Mar 31, 2012
<b>Direct and facultative</b>									
1. Fire and property damage	-	-	-	-	-	-	-	-	-
2. Marine, aviation and transport	-	-	-	-	-	-	-	-	-
3. Motor	-	-	-	-	-	-	-	-	-
4. Miscellaneous	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	-	-	-	-	-	-	-	-	-

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

Page 10

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

Quarter ended Mar 31, 2012  
Quarter ended Mar 31, 2012  
----- (Rupees) -----

**Income from trading investments**

Gain on sale of trading investments - net  
Dividend income  
Unrealised (loss) / gain on re-measurement of securities to fair value

-	-
-	-
-	-
-	-

**Income from non-trading investments**

**Held to maturity**

Return on Government Securities

-	-
-	-
-	-
-	-

Return on other fixed income securities and deposits - Term finance certificates

**Available-for-sale**

Dividend income

-	-
-	-

Gain on sale of non-trading investments - net

-	-
---	---

Provision for impairment in value of available-for-sale securities - net

-	-
---	---

Investments related expenses

-	-
---	---

**Net investments income**

-	-
---	---

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 Rupees	Quarter ended Dec 31, 2012 Rupees
<b>6 FURNITURE &amp; FIXTURES AND OFFICE EQUIPMENT</b>		
Opening book value	1,096,278	1,096,278
Additions during the period	-	-
Disposal during the period	(159,434)	-
	<u>936,844</u>	<u>1,096,278</u>
Less: Depreciation for the period	-	-
Closing book value	<u>936,844</u>	<u>1,096,278</u>

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.

**Muhammad Adil**  
Chief Executive

**Naveed Hamid**  
Director

**Saad A. Shamsi**  
Director

**Muhammad Farrukh Bashir**  
Director