



**DECEMBER 31, 2020**

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HALF YEARLY REPORT  
(UN-AUDITED)

**HUM NETWORK LIMITED**



## HUM NETWORK LIMITED



**MASALA**  
TV FOOD MAGAZINE

**Hum Mart**



## Company Information

### Board of Directors

Chairman

Directors

Mr Mazhar-ul-Haq Siddiqui  
Ms. Sultana Siddiqui  
Mrs. Mahtab Akbar Rashdi  
Mr. Shunaid Qureshi  
Lt. Gen. (R) Asif Yasin Malik  
Mr. Sohail Ansar  
Ms. Nabigha Nasser Masood  
Mr. Muhammad Ayub Younus Adhi  
Mr. Duraid Qureshi  
Mr. Muhammad Abbas Hussain  
Mr. Mohsin Naeem  
Mr. Kamran Shamshad Ahmed

Chief Executive Officer

Chief Financial Officer

Company Secretary

Head of Internal Audit

### AUDIT COMMITTEE

Chairman

Members

Mr. Sohail Ansar  
Mr. Shunaid Qureshi  
Mrs. Mahtab Akbar Rashdi  
Lt. Gen. (R) Asif Yasin Malik

### HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

Chairman

Members

Mr. Sohail Ansar  
Ms. Sultana Siddiqui  
Mrs. Mahtab Akbar Rashdi

### AUDITORS

M/s. EY Ford Rhodes  
Chartered Accountants  
7th Floor Progressive Plaza,  
Beaumont Road, Karachi  
M/s. KPMG Taseer Hadi & Company  
Chartered Accountants  
1st Floor, Sheikh Sultan Trust Building  
No.2, Beaumont Road, Karachi

### INTERNAL AUDITORS

### LEGAL ADVISOR

M/s. Ijaz Ahmed & Associates  
No.7, 11 th Zamzama Street Phase-V  
D.H.A. Karachi.

### BANKERS

Bank Alfalah Limited  
Faysal Bank Limited  
National Bank of Pakistan  
The Bank of Punjab  
Allied Bank Limited  
United Bank Limited  
Askari Bank Limited  
Habib Metropolitan Bank  
MCB Bank Limited  
Boston Private Bank & Trust  
Barclays Bank PLC  
Dubai Islamic Bank  
Wells Fargo Bank

### REGISTERED & HEAD OFFICE

Hum TV, Plot No. 10/11, Hassan Ali Street,  
Off. I.I Chundrigar Road, Karachi -74000 UAN: 111 -486-111

### REGISTRAR/TRANSFER AGENT

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

### WEBSITE

www.humnetwork.tv

### PAKISTAN STOCK EXCHANGE LIMITED

HUMNL

## Director's Report

The Board of Directors of HUM Network Limited (HNL) takes pleasure in presenting the review report on the financial and operational performance of the Company for the half year ended December 31, 2020.

### Financial Performance:

The gross profit for the 2<sup>nd</sup> quarter of the FY2021 was Rs. 509 million; compared to the gross profit of Rs. 303 million in 1<sup>st</sup> quarter of the FY2021, resulting in the overall gross profit of Rs. 812 million for the half year ended December 31, 2020. The Company posted a profit after taxation of Rs. 692 million resulting into earning per share of Re. 0.73 for the half year ended December 31, 2020 as compared to loss after taxation of Rs. 404 million resulting in loss per share of Re. 0.43 for the half year ended December 31, 2019.

### Operational Performance:

HNL aims at bringing the best entertainment and news to its audience. It is one of the largest broadcasting brands of Pakistan and also has a strong following among South Asian Diaspora around the world. The mission of HNL is to generate content on subjects of interest and relevance to a range of audiences while using best professional practices and ensuring long term continuity.

During the period, HUM TV aired dramas like "Mushk", "Saraab" etc. which were highly appreciated by the audiences.

HUM News is continuously making its mark among the news genre of Pakistan. HUM News has engaged the audience with its informative talk shows, detailed news bulletins and news alerts presented by renowned anchorpersons. Although in its nascent stage, HUM News has created huge impact by its reporting, programming and investigative pieces.

COVID-19 has also changed the way the awards are held. The first-ever digital award was held in October 2020, it was a show different from the many award shows held all the year round. The fact is that HUM Social Media Awards 2020 was one of the biggest internationally recognized social media platform. Not only it was the first digitally based award show from Pakistan that has Facebook onboard, it was also the first one to recognize deserving individuals working in different fields on the basis of their social media presence.

South Asia's first and Pakistan's only 24-hour cooking channel HUM Masala celebrated its 14th anniversary in a special transmission on October 24, 2020. HUM Masala is not only immensely popular in Pakistan but has received overwhelming response from South Asian food lovers from around the globe. The 14th anniversary celebration is a testament of the channel's dedication to provide its audience with a wide range of Pakistani and continental cuisines. As the pioneer 24-hour cooking channel in South Asia, Masala has set high standards for its current and future competitors.

During the period under review, the consolidated results were as follows:

|   | Rupees        |
|---|---------------|
| Revenue – net                           | 2,500,243,432 |
| Gross Profit                            | 935,360,625   |
| Profit for the period – before taxation | 679,234,183   |
| Profit per share                        | 0.68          |

Further, we would like to inform that as per the Order of the Honorable High Court of Sindh dated 15 July 2021 communicated through the PSX dated 16 July 2021 regarding the holding of the 16th Annual General Meeting of the Company, all the relevant compliances have been duly made as directed by the Court in the aforementioned order. However, the judgment of the Court is still awaited.

### Future Outlook:

We have taken difficult decisions to deal with the COVID-19 crisis, but this has enabled us to continue to invest in and successfully execute our strategies. We have learnt much more during these crisis including how to work more efficiently and effectively. We monitored our performance very carefully and the risks associated with COVID-19 and were extremely focused on tightly managing our costs and cash.

Delivering quality content has positioned us to better respond to the changing viewers' habits and to take advantage of the continued strong demand for quality content internationally.

Our business and financial strategies, and the operational decision that stem from the below initiatives are designed to move HNL from strength to strength, and to ensure that its independence is preserved in a sustainable way. As an enterprise we are well placed to deliver much better growth forward backed by our well-defined business strategies, excellent infrastructure and robust board are confident about what we need to do to ensure that we emerge as an even more resilient, digital and future focused media and entertainment business.

Building on strong foundations, over the past six months we have refocused our priorities and embarked on a transformation that we believe will enhance our position for the long term.

### Acknowledgement:

On behalf of the management, I take this opportunity to express gratitude to our shareholders, employees, customers, business partners and other stakeholders for their trust in the Company. With the continued facilitation and support, HNL will deliver on its objectives as we move forward.

September 23, 2021  
Karachi

  
**DURAID QURESHI**  
Chief Executive

  
**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

## ڈائریکٹرز رپورٹ

بہمید ورک لمینڈ (ایچ این ایل) کے بورڈ آف ڈائریکٹرز ۳۱ دسمبر ۲۰۲۰ کو ختم ہونے والی مدت کیلئے کمپنی کی مالیاتی اور عملی کارکردگی کا جائزہ پیش کر رہے ہیں۔

مالیاتی کارکردگی:

بالیائی سال ۲۰۲۱ء کی دوسری سہ ماہی میں جمہوری مبلغ ۵،۵۸۹ روپے راجس کا موازنہ بالیائی سال ۲۰۲۰ء کی پہلی سہ ماہی کے جمہوری مبلغ ۳۸،۶۱۷ روپے سے کیا جاسکتا ہے جس کے نتیجے میں ۴۱ فیصد کم ہو گیا۔

۲۰۲۰ء کی اختتامی سہ ماہی کے لئے جمہوری مبلغ ۳۸،۶۱۷ روپے راجس کا موازنہ بالیائی سال ۲۰۲۰ء کی پہلی سہ ماہی کے جمہوری مبلغ ۳۸،۶۱۷ روپے سے کیا جاسکتا ہے جس کے نتیجے میں ۴۱ فیصد کم ہو گیا۔

عملی کار کرو گی:

اے ایم ایل کا مقصد اے ناظرین کے لیے بہترین تقریر اور تجرِبے لانا ہے۔ یہ پاکستان کے سب سے بڑے براڈ کاسٹنگ براڈر میں سے ایک ہے اور دنیا بھر میں جنوبی ایشیائی اکیسویں صدی میں اس کی مضبوط برتری ہے۔ اے ایم ایل کا مشن بہترین تقریروں کا استعمال کرتے ہوئے اور طریقے کی تسلسل کوششیں بناتے ہوئے ناظرین کی دلچسپی اور ایک حرکت متعلقہ مقبوعات سے مراد اکتارتیا کرتا ہے۔

دورانِ مدت ہم فی وی نے ”مشک“، ”سراب“ وغیرہ جیسے ذرائعِ نشر کے جنہیں ناظرین نے بے حد سراہا۔

ہم فیڈر پاکستان کی خبروں کی صنعت میں مسلسل اپنی شناخت بنا رہا ہے۔ ہم بیورو نے اپنے معلوماتی ناک ٹویز پر تفتیشی فیڈریشن، اور معروف اینکرائسٹ شہادت کی طرف سے پیش کی گئیں خبروں کے ساتھ تاریخین کو کافی سنا کر کیا ہے۔ اگرچہ اسے ابتدائی مرحلے میں، ہم بیورو نے اپنی رورنگ، پروگرامنگ اور تحقیقاتی حصوں سے کافی اثر پیدا کیا۔

کہ وہ دواء نے ایوارڈ کے انعقاد کو طرہ کی رسمی تبدیل کر دیا ہے۔ پہلا ویکٹیکل ایوارڈ اکتوبر ۲۰۰۳ء میں منعقد ہوا، یہ ایک ایسا شہناہم نام ایوارڈ شو ہے بہت حلقہ ہجو کہ سارا سال منعقد ہونے لگے۔ حقیقت یہ ہے کہ کموشل سید یا ایوارڈ ۲۰۰۳ء میں بین الاقوامی سطح پر تسلیم و خوش سید یا فینٹ فارم میں سے ایک تھا۔ نہ صرف یہ پاکستان کا پہلا ویکٹیکل ایوارڈ تھا جس میں فیس بک آن بورڈ تھا، بلکہ یہ وہ پہلا شو تھا جس نے حلقہ میں شوں کا کام کرنے والے استحقاق فراہم کوشل سید یا کی بنیاد پر کیا۔

جنوبی ایشیا کا پہلا اور پاکستان کا صرف ۳۳ گھنٹے کا ٹاپک ہے اور ایشیائی برصغیر ۳۳ گھنٹے کا ٹاپک ہے۔ ۱۳ ویں سالگرہ منانہ رہے۔ یہ ماحول صرف پاکستان میں ہے۔ جنوبی ایشیا کا پہلا اور پاکستان کا صرف ۳۳ گھنٹے کا ٹاپک ہے اور ایشیائی برصغیر ۳۳ گھنٹے کا ٹاپک ہے۔ ۱۳ ویں سالگرہ منانہ رہے۔ یہ ماحول صرف پاکستان میں ہے۔ جنوبی ایشیا کا پہلا اور پاکستان کا صرف ۳۳ گھنٹے کا ٹاپک ہے اور ایشیائی برصغیر ۳۳ گھنٹے کا ٹاپک ہے۔ ۱۳ ویں سالگرہ منانہ رہے۔ یہ ماحول صرف پاکستان میں ہے۔

دوران مدت جائزہ کے تحت متعلقہ نمائندگی درج ذیل ہیں:

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F.A.O., P.P.F., C.C.F.

955.34-455

42967761AF

• 2/1/19

فی شیئر منافع

ہم مزید آپ کو مطلع کرنا چاہتے ہیں کہ معزز عدالت عالیہ سندھ کے حکم مورخہ ۱۵ جولائی ۲۰۲۱ء پر جت مورخہ ۱۶ جولائی ۲۰۲۱ء کو پاکستان اسٹاک ایکسچینج کے ذریعے کھینچی گئی ۱۶ ویں سالانہ اجلاس کے انعقاد کے حوالے سے تمام مختلف تقیبات تک پہنچی ہیں۔ مگر حکومت تمام مختلف تقیبات سے عدالت کی جرات کے مطابق کی گئی ہیں۔ تاہم ابھی عدالت کے فیصلے کا انتظار ہے۔

مستقبل کا جائزہ:

ہم نے کوہ نو ہوا ہے۔ نشتے کے لیے مشکل ترین فیصلے کیے ہیں لیکن اس وہاں سے جیسں سرمایہ کاری جاری رکھنے اور اپنی حکمت عملیوں کو مابانی سے عملی جامہ پہنانے کے قابل بنایا ہے۔ ہم نے اس افراط زر کے دور میں ایک نکتہ عملی نافذ کی ہے تاکہ زیادہ افادہ سے اور صحتمند حاصل کی جاسکے۔ ہم نے اپنی کارکردگی اور کوہ نو ہوا ہے سے وابستہ خطرات پر نظر رکھی اور اپنے اخراجات اور رقم کو احتیاط سے سمجھنے پر بہت زیادہ توجہ دی۔

معماری مواد کی فراہمی نے ہمیں دیکھنے والوں کی بدلتی عادات کا بہتر جواب دینے اور بین الاقوامی سطح پر معماری مواد کی مسلسل مضبوط مانگ سے فائدہ اٹھانے کی پوزیشن میں رکھا ہے۔

ہماری کاروباری اور مالیاتی حکمت عملی کا رد کارکردگی کے فیصلے کے اقدامات (مداخلتیں) اہل کار کو سنبھالنے کے لیے کئے گئے ہیں کہ اس کی آزادی مطلقہ نہیں ہے بلکہ محدود رہے گی۔ ایک اثر پذیر انداز کے طور پر ہم بڑھ چکے ہیں۔ اس بات پر یقین رکھیں کہ اگر وہ اس بات پر یقین رکھتے ہیں کہ ان کے پاس زیادہ سے زیادہ اختیار ہے تو ان کے لیے یہ بات درست ہے۔

مضبوط قاعدہ پیشین گوئیوں پر رگڑہٹہ چھ بیٹھوں میں ہم نے اپنی ترجیحات پر فوجی مرکز کی ہے اور ایک ایسی ہندوئی کا آزادی ہے جس کے بارے میں ہمیں یقین ہے کہ یہ طویل مدت کے لیے ہماری پوزیشن میں اضافہ ہوگا۔

اعلیٰ درجہ:

اختلاف کی جانب سے ہم اپنے قضا مشیر مولوی عزیز، ملازمین، سکریٹریز، کاروباری مشیر اشراف رحمت واران اور دیگر گرام سٹیج، مولوی عزیز کے ان کی مستقل سپورٹ پر خاصانہ خراج تحسین پیش کرتے ہیں جو کہ انہوں نے ہر سطح پر محنت سے آپ کی کھینچنے کیلئے بہترین کارکردگی حاصل کی اور امید ہے کہ مستقبل میں بھی ان کی سپورٹ حاصل رہے گی۔

کراچی، ۲۳ ستمبر ۲۰۲۱ء

مظہر الحق صدیقی  
چیئرمین

درید قریشی  
چیف ایگزیکٹو

### INDEPENDENT AUDITORS' REVIEW REPORT

To the members of HUM Network Limited

#### REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

##### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of HUM Network Limited (the company) as at 31 December 2020, the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, and unconsolidated condensed interim statement of changes in equity and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three-months period ended 31 December 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2020.

##### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

##### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is Mr. Omer Chughtai.

Sd/-

EY Ford Rhodes

Chartered Accountants

Place: Karachi

Date: September 23, 2021

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

|  |      | December 31,<br>2020<br>(Un-audited) | June 30,<br>2020<br>(Audited) |
|--|------|--------------------------------------|-------------------------------|
|  | Note | Rupees                               | Rupees                        |
| <b>ASSETS</b>  |      |                                      |                               |
| <b>NON-CURRENT ASSETS</b>  |      |                                      |                               |
| Property, plant and equipment                                      | 5    | 1,255,865,140                        | 1,365,363,429                 |
| Intangible assets  |      | 25,733,776                           | 32,107,487                    |
| Long term investments  | 6    | 328,898,481                          | 328,898,481                   |
| Long term deposits   |      | 24,531,723                           | 24,781,979                    |
| Television program costs   | 7    | 348,420,351                          | 360,737,951                   |
| Deferred tax asset   |      | 129,374,865                          | 144,885,503                   |
|  |      | <u>2,112,824,336</u>                 | <u>2,256,774,830</u>          |
| <b>CURRENT ASSETS</b>  |      |                                      |                               |
| Inventories  |      | 16,641,587                           | 16,984,145                    |
| Current portion of television program costs                        |      | 100,385,799                          | 105,385,799                   |
| Trade debts  | 8    | 2,098,528,895                        | 1,716,753,677                 |
| Short term investments   | 9    | 234,618,842                          | 241,505,092                   |
| Advances   | 10   | 412,773,483                          | 90,637,954                    |
| Deposits and prepayments   |      | 15,076,387                           | 22,254,922                    |
| Other receivables  | 11   | 143,134,876                          | 129,893,353                   |
| Taxation – net   |      | 171,293,223                          | 182,756,633                   |
| Cash and bank balances   |      | 232,888,730                          | 141,629,483                   |
|  |      | <u>3,425,341,822</u>                 | <u>2,647,801,058</u>          |
| Non-current asset held for sale                                    | 12   | -                                    | 16,507,087                    |
| <b>TOTAL ASSETS</b>  |      | <u><b>5,538,166,158</b></u>          | <u><b>4,921,082,975</b></u>   |
| <b>EQUITY AND LIABILITIES</b>                                      |      |                                      |                               |
| <b>SHARE CAPITAL AND RESERVES</b>                                  |      |                                      |                               |
| Authorised capital   |      |                                      |                               |
| 1,500,000,000 (2020: 1,500,000,000) Ordinary shares of Re.1/- each |      | 1,500,000,000                        | 1,500,000,000                 |
| Issued, subscribed and paid-up capital                             |      | 945,000,000                          | 945,000,000                   |
| Unappropriated profit  |      | 2,795,876,599                        | 2,104,074,108                 |
|  |      | <u>3,740,876,599</u>                 | <u>3,049,074,108</u>          |
| <b>NON-CURRENT LIABILITIES</b>                                     |      |                                      |                               |
| Long term lease liabilities  |      | 98,365,475                           | 103,701,273                   |
| Long term financing  | 13   | 418,327,886                          | 837,839,369                   |
| Deferred income - government grant                                 | 14   | 2,239,455                            | -                             |
|  |      | <u>518,932,816</u>                   | <u>941,540,642</u>            |
| <b>CURRENT LIABILITIES</b>   |      |                                      |                               |
| Trade and other payables   | 15   | 490,654,210                          | 492,872,413                   |
| Advance from customers   |      | 16,621,658                           | 13,629,128                    |
| Accrued markup   |      | 10,361,737                           | 2,860,434                     |
| Short term borrowings  |      | 391,569,786                          | 189,067,264                   |
| Unclaimed dividend   |      | 5,948,490                            | 5,948,490                     |
| Unpaid dividend  |      | 205,159                              | 205,159                       |
| Current portion of long term financing                             |      | 328,371,328                          | 196,311,600                   |
| Current portion of long term lease liabilities                     |      | 27,847,145                           | 29,573,737                    |
| Current portion of deferred income - government grant              |      | 6,777,230                            | -                             |
|  |      | <u>1,278,356,743</u>                 | <u>930,468,225</u>            |
| <b>CONTINGENCIES AND COMMITMENTS</b>                               | 16   |                                      |                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                |      | <u><b>5,538,166,158</b></u>          | <u><b>4,921,082,975</b></u>   |

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



**DURAIQ QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer



## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

|  | Note | Half-year ended      |                      | Quarter-ended        |                      |
|--|------|----------------------|----------------------|----------------------|----------------------|
|  |      | December 31,<br>2020 | December 31,<br>2019 | December 31,<br>2020 | December 31,<br>2019 |
|  |      | ----- Rupees -----   | ----- Rupees -----   | ----- Rupees -----   | ----- Rupees -----   |
| Revenue  | 17   | 2,103,950,638        | 1,649,809,080        | 1,192,433,263        | 940,580,275          |
| Cost of production                                   | 18   | (1,244,374,451)      | (1,516,466,929)      | (662,612,434)        | (814,850,189)        |
| Transmission cost                                    |      | (47,947,151)         | (71,634,298)         | (21,039,750)         | (35,173,732)         |
|  |      | (1,292,321,602)      | (1,588,101,227)      | (683,652,184)        | (850,023,921)        |
| <b>Gross profit</b>                                  |      | <b>811,629,036</b>   | <b>61,707,853</b>    | <b>508,781,079</b>   | <b>90,556,354</b>    |
| Distribution costs                                   |      | (130,100,709)        | (166,908,516)        | (86,695,845)         | (76,007,370)         |
| Administrative expenses                              |      | (395,196,568)        | (229,609,426)        | (154,414,608)        | (119,657,163)        |
| Other income   | 19   | 30,985,501           | 78,773,400           | 28,764,333           | 53,600,613           |
| Gain on sale of non-current asset held for sale      |      | 476,832,913          | -                    | -                    | -                    |
| Finance costs  | 20   | (52,594,104)         | (131,263,596)        | (30,847,986)         | (66,250,223)         |
| <b>Profit / (loss) before taxation</b>               |      | <b>741,556,069</b>   | <b>(387,300,285)</b> | <b>265,586,973</b>   | <b>(117,757,789)</b> |
| Taxation   |      |                      |                      |                      |                      |
| -current   |      | (34,242,940)         | 22,311,943           | (21,113,607)         | 8,399,805            |
| -prior   |      | -                    | (6,410,387)          | -                    | (6,410,387)          |
| -deferred  |      | (15,510,638)         | (32,797,696)         | (32,131,313)         | 12,819,373           |
|  |      | (49,753,578)         | (16,896,140)         | (53,244,920)         | 14,808,791           |
| <b>Profit / (loss) for the period</b>                |      | <b>691,802,491</b>   | <b>(404,196,425)</b> | <b>212,342,053</b>   | <b>(102,948,998)</b> |
| <b>Profit / (loss) per share – basic and diluted</b> |      | <b>0.73</b>          | <b>(0.43)</b>        | <b>0.22</b>          | <b>(0.11)</b>        |

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

|   | Half-year ended      |                      | Quarter-ended        |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | December 31,<br>2020 | December 31,<br>2019 | December 31,<br>2020 | December 31,<br>2019 |
|   | ----- Rupees -----   |                      |                      |                      |
| Profit / (loss) for the period                        | 691,802,491          | (404,196,425)        | 212,342,053          | (102,948,998)        |
| Other comprehensive income                            | -                    | -                    | -                    | -                    |
| Total comprehensive income / (loss)<br>for the period | <u>691,802,491</u>   | <u>(404,196,425)</u> | <u>212,342,053</u>   | <u>(102,948,998)</u> |

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

|   | December 31,<br>2020 | December 31,<br>2019 |
|---|----------------------|----------------------|
|   | ----- (Rupees) ----- |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                      |                      |
| Profit / (loss) before taxation                                 | 741,556,069          | (387,300,285)        |
| <b>Adjustments for:</b>   |                      |                      |
| Depreciation on operating fixed assets                          | 101,711,000          | 107,531,968          |
| Depreciation on right of use assets                             | 12,166,045           | 17,125,702           |
| Amortization  | 6,666,112            | 7,417,079            |
| Finance costs   | 52,594,104           | 131,263,596          |
| Unrealised exchange gain  | (43,419)             | 6,716,741            |
| Profit on bank accounts   | (7,709,115)          | (6,939,084)          |
| Gain on disposal of operating fixed assets                      | (3,307,907)          | 2,688,685            |
| Gain on disposal of non-current asset held for sale             | (476,832,913)        | -                    |
| Dividend Income   | (5,113,250)          | (150,000)            |
| Loss on redemption / sale of investments                        | 12,426,115           | -                    |
| Unrealised gain on revaluation of investments                   | (11,133,164)         | (2,973,852)          |
|   | <u>(318,576,392)</u> | <u>262,680,834</u>   |
| <b>Operating profit / (loss) before working capital changes</b> | <b>422,979,677</b>   | <b>(124,619,451)</b> |
| <b>(Increase)/decrease in current assets</b>                    |                      |                      |
| Inventories   | 342,558              | 2,368,198            |
| Television program costs  | 5,000,000            | 3,000,000            |
| Trade debts   | (381,731,799)        | 199,269,604          |
| Advances  | (322,135,529)        | (146,751,729)        |
| Deposits and prepayments  | 7,178,535            | (11,316,474)         |
| Other receivables   | (13,241,523)         | (29,172,161)         |
|   | <u>(704,587,758)</u> | <u>17,397,438</u>    |
| <b>Increase/(decrease) in current liabilities</b>               |                      |                      |
| Trade and other payables  | 774,327              | 84,674,955           |
| <b>Cash used in operations</b>                                  | <b>(280,833,754)</b> | <b>(22,547,058)</b>  |
| Taxes paid  | (22,779,531)         | (39,459,180)         |
| Finance costs paid  | (45,092,801)         | (130,715,081)        |
| Profit received on deposit accounts                             | 7,709,115            | 6,939,084            |
| Long-term deposits  | 250,256              | 354,340              |
| Television program costs  | 12,317,600           | 48,941,315           |
| <b>Net cash used in operating activities</b>                    | <b>(328,429,115)</b> | <b>(136,486,580)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                      |                      |
| Fixed capital expenditure                                       | (10,286,076)         | (15,754,763)         |
| Additions to intangible assets                                  | (292,400)            | (1,008,000)          |
| Short term investments - net                                    | 5,593,301            | 463,757,604          |
| Dividend received   | 5,113,250            | 150,000              |
| Proceeds from sale of non-current asset held for sale           | 493,340,000          | -                    |
| Proceeds from disposal of operating fixed assets                | 10,922,180           | 10,631,788           |
| <b>Net cash generated from investing activities</b>             | <b>504,390,255</b>   | <b>457,776,629</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |                      |                      |
| Lease rentals paid  | (8,769,345)          | (13,597,569)         |
| Long term financing - net                                       | (278,435,070)        | (186,182,199)        |
| <b>Net cash used in financing activities</b>                    | <b>(287,204,415)</b> | <b>(199,779,768)</b> |
| <b>Net (decrease) / increase in cash and cash equivalents</b>   | <b>(111,243,275)</b> | <b>121,510,281</b>   |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>(47,437,781)</b>  | <b>(147,810,391)</b> |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>(158,681,056)</b> | <b>(26,300,110)</b>  |
| <b>Cash and cash equivalents</b>                                |                      |                      |
| Cash and bank balances  | 232,888,730          | 15,660,268           |
| Short-term running finance                                      | (391,569,786)        | (41,960,378)         |
|   | <u>(158,681,056)</u> | <u>(26,300,110)</u>  |

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.

  
**DURAIQ QURESHI**  
Chief Executive

  
**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

  
**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

|  | Issued,<br>subscribed<br>and paid-up<br>capital | Revenue Reserve<br>Unappropriated<br>Profit | Total                |
|--|---|---|----------------------|
|  | Rupees  |   |                      |
| <b>Balance as at July 01, 2019 – (Audited)</b> | <b>945,000,000</b>                              | <b>2,212,120,835</b>                        | <b>3,157,120,835</b> |
| Loss for the period                            | -   | (404,196,425)                               | (404,196,425)        |
| Other comprehensive income                     | -   | -   | -                    |
| Total comprehensive loss for the period        | -   | (404,196,425)                               | (404,196,425)        |
| <b>Balance as at December 31, 2019</b>         | <b>945,000,000</b>                              | <b>1,807,924,410</b>                        | <b>2,752,924,410</b> |
| <b>Balance as at July 01, 2020 – (Audited)</b> | <b>945,000,000</b>                              | <b>2,104,074,108</b>                        | <b>3,049,074,108</b> |
| Profit for the period                          | -   | 691,802,491                                 | 691,802,491          |
| Other comprehensive income                     | -   | -   | -                    |
| Total comprehensive income for the period      | -   | 691,802,491                                 | 691,802,491          |
| <b>Balance as at December 31, 2020</b>         | <b>945,000,000</b>                              | <b>2,795,876,599</b>                        | <b>3,740,876,599</b> |

The annexed notes from 1 to 26 form an integral part of these unconsolidated condensed interim financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

### 1 THE COMPANY AND ITS OPERATIONS

- 1.1 Hum Network Limited (the Company) was incorporated in Pakistan on February 25, 2004 as a public limited company under the repealed Companies Ordinance, 1984. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.
- 1.2 The Company's principal business is to launch transnational satellite channels and aims at presenting a wide variety of cultural heritage. Its core areas of operation are production, advertisement, entertainment and media marketing. It covers a wide variety of programs with respect to information, entertainment, news, education, health, food, music and society.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These unconsolidated 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 Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

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

- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2020. These unconsolidated condensed interim financial statements are unaudited, however have been subject to limited scope review by the auditors, and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- 2.3 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.
- 2.4 These unconsolidated condensed interim financial statements is presented in Pakistan Rupees which is also the Company's functional currency.
- 2.5 The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2020 and December 31, 2019, respectively.

### 3 ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2020 except as disclosed below:

#### New / Revised standards, amendments, interpretation and improvements

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and framework for financial reporting which became effective for the current period:

#### Standards, amendments and interpretation

- IFRS 3 - Definition of a Business (Amendments);
- IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments); and
- IAS 1 / IAS 8 - Definition of Material (Amendments).

The adoption of the above amendments did not have any material impact on the condensed interim financial statements of the Company.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

## 4 ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of this unconsolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates and judgements made by management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to the annual unconsolidated financial statements of the Company for the year ended 30 June 2020, except as disclosed otherwise.

| 5. PROPERTY, PLANT AND EQUIPMENT                               | Note  | December 31,<br>2020<br>(Un-audited) | June 30,<br>2020<br>(Audited) |
|--|-------|--------------------------------------|-------------------------------|
|  |       | ----- Rupees -----                   |                               |
| Operating fixed assets   | 5.1   | 1,123,426,223                        | 1,219,674,736                 |
| Capital work-in-progress                                       |       | 15,933,877                           | 15,933,877                    |
| Right of use assets  |       | 116,505,040                          | 129,754,816                   |
|  |       | <u>1,255,865,140</u>                 | <u>1,365,363,429</u>          |
| <b>5.1 Operating fixed assets</b>                              |       |                                      |                               |
| Opening balance – at book value                                |       | 1,219,674,736                        | 1,389,830,442                 |
| Transfers from right of use assets                             |       | 1,359,081                            | 43,489,295                    |
| Additions during the period / year – at cost                   | 5.1.1 | 10,286,076                           | 83,033,078                    |
|  |       | <u>1,231,319,893</u>                 | <u>1,516,352,815</u>          |
| Less:  |       |                                      |                               |
| Disposals / transfers during the period / year – at book value | 5.1.1 | (6,182,670)                          | (56,703,829)                  |
| Depreciation charged during the period / year                  |       | (101,711,000)                        | (239,974,250)                 |
|  |       | <u>(107,893,670)</u>                 | <u>(296,678,079)</u>          |
| Closing balance – at book value                                |       | <u>1,123,426,223</u>                 | <u>1,219,674,736</u>          |

### 5.1.1 Details of additions and disposals are as follows:

|                             | Additions (Cost)     |                   | Disposals / transfers<br>(Net book value) |                   |
|-----------------------------|----------------------|-------------------|---|-------------------|
|                             | (Un-audited)         | (Audited)         | (Un-audited)                              | (Audited)         |
|                             | December 31,<br>2020 | June 30,<br>2020  | December 31,<br>2020                      | June 30,<br>2020  |
|                             | ----- Rupees -----   |                   |   |                   |
| <b><u>Owned Assets:</u></b> |                      |                   |   |                   |
| Leasehold Land              | -                    | -                 | -   | 16,507,087        |
| Building on leasehold land  | -                    | 61,289,200        | -   | -                 |
| Leasehold improvements      | 840,161              | 3,823,116         | -   | -                 |
| Motor vehicles              | 71,000               | 50,667            | 4,668,579                                 | 32,354,238        |
| Audio visual equipment      | 1,264,612            | 10,665,802        | 360,908                                   | 1,287,824         |
| Office equipment            | 169,706              | 1,015,779         | 1,097,460                                 | 6,554,680         |
| Computers                   | 7,940,597            | 6,188,514         | 55,723                                    | -                 |
|                             | <u>10,286,076</u>    | <u>83,033,078</u> | <u>6,182,670</u>                          | <u>56,703,829</u> |

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

|  |                | December 31,<br>2020<br>(Un-audited) | June 30,<br>2020<br>(Audited) |
|--|----------------|--------------------------------------|-------------------------------|
|  |                | ----- Rupees -----                   |                               |
| <b>6. LONG TERM INVESTMENTS – unquoted subsidiaries</b>  | <b>Holding</b> |                                      |                               |
| <b>HUM TV, Inc. – USA</b>  |                |                                      |                               |
| 10,000 Common stock of \$ 0.01 each  | 100%           | 8,603                                | 8,603                         |
| Advance for future issue of shares   |                | <u>18,716,750</u>                    | <u>18,716,750</u>             |
|  |                | <u>18,725,353</u>                    | <u>18,725,353</u>             |
| <b>HUM Network UK Ltd.</b>   |                |                                      |                               |
| 553,677 Ordinary shares of 1 GBP   | 100%           | 95,923,751                           | 95,923,751                    |
| <b>Skyline Publications (Private) Ltd.</b>   |                |                                      |                               |
| 3,999,997 Ordinary shares of Rs.10 each  | 100%           | 39,999,970                           | 39,999,970                    |
| Provision for impairment   |                | <u>(39,999,970)</u>                  | <u>(39,999,970)</u>           |
|  |                | -                                    | -                             |
| <b>HUM Network FZ LLC – UAE</b>  |                |                                      |                               |
| 2,400 Ordinary Shares of AED 1000 each   | 100%           | 69,802,371                           | 69,802,371                    |
| Advance for future issue of shares   |                | <u>4,446,966</u>                     | <u>4,446,966</u>              |
|  |                | <u>74,249,337</u>                    | <u>74,249,337</u>             |
| <b>HUMM Co. (Private) Limited</b>  |                |                                      |                               |
| 4 ordinary shares of Rs. 10 each   | 100%           | 40                                   | 40                            |
| <b>HUM Mart. (Private) Limited</b>   |                |                                      |                               |
| 14,000,000 ordinary shares of Rs.10 each   | 70%            | 140,000,000                          | 140,000,000                   |
|  |                | <u>328,898,481</u>                   | <u>328,898,481</u>            |
| <b>7. TELEVISION PROGRAM COSTS</b>   |                |                                      |                               |
| Unreleased / released less amortization  |                | 426,111,900                          | 427,380,500                   |
| In production  |                | <u>22,694,250</u>                    | <u>38,743,250</u>             |
|  |                | <u>448,806,150</u>                   | <u>466,123,750</u>            |
| Less: Current portion  |                | <u>100,385,799</u>                   | <u>105,385,799</u>            |
|  |                | <u>348,420,351</u>                   | <u>360,737,951</u>            |
| <b>8. TRADE DEBTS</b>  |                |                                      |                               |
| Includes amount receivable from related parties as follows:  |                |                                      |                               |
| Hum TV, Inc – USA  |                | 69,381,447                           | 73,370,300                    |
| Hum Network UK Ltd   |                | <u>92,850,318</u>                    | <u>100,932,674</u>            |
|  |                | <u>162,231,765</u>                   | <u>174,302,974</u>            |
| <b>9. SHORT TERM INVESTMENTS</b>   |                |                                      |                               |
| <b>At fair value through profit or loss</b>  |                |                                      |                               |
| Bank of Punjab   |                |                                      |                               |
| 2,033 TFCs having face value of Rs.99,880 each   |                |                                      |                               |
| (June 30, 2020: 2,033 TFCs having face value of Rs.99,860 each)  |                | -                                    | 198,901,230                   |
| U Microfinance Bank Limited  |                |                                      |                               |
| 8400 TFCs having face value of Rs.4,993 each   |                |                                      |                               |
| (June 30, 2020: 8,400 TFCs having face value of Rs.4,994 each)   |                | 41,864,359                           | 42,603,862                    |
| <b>Mutual Funds</b>  |                |                                      |                               |
| Askari High Yield Scheme   |                |                                      |                               |
| 20,777 units having net asset value (NAV) Rs.106.6482 (June 30, 2020: nil)   |                | 2,215,799                            | -                             |
| AKD Opportunity Fund   |                |                                      |                               |
| 1,766,585 units having net asset value (NAV) Rs.107.8571 (June 30, 2020: nil)  |                | 190,538,684                          | -                             |
|  |                | <u>234,618,842</u>                   | <u>241,505,092</u>            |
| <b>10. ADVANCES</b>  |                |                                      |                               |
| Includes advance given to M.D Productions (Private) Limited, a related party amounting to Rs. 282,162,882/- (June 30, 2020: Rs.nil/-) for purchase of television programs. |                |                                      |                               |

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

## 11. OTHER RECEIVABLES

Includes balances receivable from related parties as follows:

|  | December 31,<br>2020<br>(Un-audited) | June 30,<br>2020<br>(Audited) |
|--|--------------------------------------|-------------------------------|
|  | Rupees                               | Rupees                        |
| HUM TV, Inc                            | 28,111,699                           | 26,951,421                    |
| HUM Mart (Private) Limited             | 1,158,547                            | 914,519                       |
| Sky Line Publication (Private) Limited | 58,561,798                           | 57,605,219                    |
|  | 87,832,044                           | 85,471,159                    |
| Provision for impairment               | (57,605,219)                         | (57,605,219)                  |
|  | 30,226,825                           | 27,865,940                    |

## 12. NON-CURRENT ASSET HELD FOR SALE

On 16 July 2020, the management of the Company disposed off land located in Karachi at consideration of Rs. 493,340,000.

## 13. LONG-TERM FINANCING

Includes long term-financing from an Islamic bank obtained during the period of Rs.200 million under the refinance scheme for payment of wages and salaries by State Bank of Pakistan (SBP). The loan carry markup rate at the rate of SBP rate + 3% however, the loan have been recognised at the present value. The loan is repayable in 8 equal quarterly installments commencing from January 2021 discounted at effective rate of interest. The differential markup has been recognised as government grant which will be amortised to interest income over the period of loan. The facility is secured by way of registered equitable mortgage over land and property with 30% margin.

|  | December 31,<br>2020<br>(Un-audited) | June 30,<br>2020<br>(Audited) |
|--|--------------------------------------|-------------------------------|
|  | Rupees                               | Rupees                        |
| 14. DEFERRED INCOME - GOVERNMENT GRANT |                                      |                               |
| Note                                   |                                      |                               |
| Non-current portion                    | 14.1                                 | 2,239,455                     |
| Current Portion                        |                                      | 6,777,230                     |
|  |                                      | 9,016,685                     |

- 14.1 Government grant has been recorded pursuant to a salary refinance scheme introduced by the State Bank of Pakistan (IH&SMEFD Circular Nos. 07 & 14) to provide loan to businesses at concessional rates to finance salary expense during the COVID-19 outbreak. The grant has been provided to the Company as a reimbursement of average wages and salaries' bill for the months of April, May and June 2020 subject to Company's undertaking that no employees have been laid off, due/owing to cash flow limitations, for a period of three months between April 01, 2020 to June 30, 2020.

## 15. TRADE AND OTHER PAYABLES

Includes amounts payable to related parties amounting to Rs. 33,041,205/- (June 30, 2020: Rs 189,009,152/-).

## 16. CONTINGENCIES AND COMMITMENTS

### 16.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2020.

### 16.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2020 amounted to Rs.270,544,000 (June 2020: Rs. 155,579,500/-). Commitment for purchase of television programs with other than related parties as at December 31, 2020 amounted to Rs. 28,259,000 (June 2020: Rs. 84,222,500/-).

|  | Half-year ended                      |                                      | Quarter-ended                        |                                      |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
|  | December 31,<br>2020<br>(Un-audited) | December 31,<br>2019<br>(Un-audited) | December 31,<br>2020<br>(Un-audited) | December 31,<br>2019<br>(Un-audited) |
|  | Rupees                               | Rupees                               | Rupees                               | Rupees                               |
| 17. REVENUE – net                            |                                      |                                      |                                      |                                      |
| Advertisement revenue                        | 1,740,769,680                        | 1,338,254,738                        | 977,618,881                          | 755,069,504                          |
| Production revenue                           | 36,192,101                           | 22,609,721                           | 35,392,101                           | 11,411,765                           |
| Digital sales revenue                        | 21,682,833                           | 11,333,759                           | 15,476,471                           | 10,384,216                           |
| Subscription income                          | 305,306,024                          | 261,043,048                          | 163,945,810                          | 154,848,854                          |
| Film distribution revenue                    | -                                    | 16,567,814                           | -                                    | 8,865,936                            |
|  | 2,103,950,638                        | 1,649,808,080                        | 1,192,433,263                        | 940,580,275                          |
| 17.1 Revenue is net off the following items: |                                      |                                      |                                      |                                      |
| Sales tax                                    | 245,059,435                          | 193,537,238                          | 139,927,748                          | 110,311,032                          |
| Discount to customers                        | 161,537,324                          | 126,940,866                          | 103,053,963                          | 72,541,172                           |
|  | 406,596,759                          | 320,478,104                          | 242,981,711                          | 182,852,204                          |



# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

| 18. COST OF PRODUCTION            | Half-year ended   |                   | Quarter-ended     |                   |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                   | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
|                                   | (Un-audited)      | (Un-audited)      | (Un-audited)      | (Un-audited)      |
|                                   | Rupees            |                   | Rupees            |                   |
| Cost of outsourced programs       | 662,073,229       | 791,104,843       | 351,595,956       | 381,797,369       |
| Cost of in-house programs         | 36,840,075        | 121,140,369       | 29,752,759        | 100,260,675       |
| Inventories consumed              | 2,214,280         | 343,583           | 473,200           | 338,000           |
| Salaries and benefits             | 311,129,148       | 352,883,317       | 151,955,773       | 167,391,220       |
| Depreciation                      | 88,903,896        | 96,282,915        | 44,242,032        | 48,033,063        |
| Amortisation                      | 4,890,943         | 5,478,710         | 2,414,978         | 2,728,227         |
| Traveling and conveyance          | 16,533,518        | 22,214,907        | 8,069,510         | 11,536,223        |
| Utilities                         | 12,615,138        | 9,017,276         | 4,463,665         | 4,764,756         |
| Rent, rates and taxes             | 297,568           | 1,151,863         | -                 | 394,269           |
| Insurance                         | 11,490,931        | 11,596,616        | 5,464,743         | 5,533,020         |
| Repair and maintenance            | 27,691,297        | 9,892,619         | 20,127,286        | 4,476,814         |
| Fee and subscription              | 41,920,215        | 30,891,194        | 23,813,129        | 19,699,341        |
| Communication expense             | 7,669,374         | 9,369,420         | 3,290,767         | 5,838,263         |
| Consultancy                       | 2,333,742         | 2,480,693         | 1,166,871         | 1,687,465         |
| Printing and stationery           | 453,497           | 677,289           | 143,165           | 386,169           |
|                                   | 1,227,056,851     | 1,464,525,614     | 646,973,834       | 754,864,874       |
| In production television programs |                   |                   |                   |                   |
| - opening                         | 38,743,250        | 54,213,916        | 37,061,250        | 62,257,916        |
| In production television programs |                   |                   |                   |                   |
| - closing                         | (22,694,250)      | (52,508,250)      | (22,694,250)      | (52,508,250)      |
|                                   | 1,243,105,851     | 1,466,231,280     | 661,340,834       | 764,614,540       |
| Released / unreleased programs    |                   |                   |                   |                   |
| - opening                         | 427,380,500       | 386,400,500       | 427,383,500       | 386,400,500       |
| Released / unreleased programs    |                   |                   |                   |                   |
| - closing                         | (426,111,900)     | (336,164,851)     | (426,111,900)     | (336,164,851)     |
|                                   | 1,244,374,451     | 1,516,466,929     | 662,612,434       | 814,850,189       |

## 19. OTHER INCOME

Includes unrealised gain on revaluation of short term investments amounting to Rs. 11,133,164/- (December 31, 2019: Rs. 2,973,852).

## 20. FINANCE COST

|                                  | December 31, 2020 | December 31, 2019 |
|----------------------------------|-------------------|-------------------|
|                                  | (Un-audited)      | (Un-audited)      |
|                                  | Rupees            |                   |
| Mark-up on long term loan        | 35,181,007        | 91,420,791        |
| Mark-up on short term borrowings | 7,710,289         | 28,939,362        |
| Interest on lease liabilities    | 9,209,994         | 10,325,444        |
| Bank charges                     | 492,814           | 577,999           |
|                                  | 52,594,104        | 131,263,596       |

## 21. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise subsidiaries, associates, retirement funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

| Nature of transaction                    | Half-year ended   |                   | Quarter-ended     |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 |
|  | (Un-audited)      | (Un-audited)      | (Un-audited)      | (Un-audited)      |
|  | Rupees            |                   | Rupees            |                   |
| <b>Associated companies:</b>             |                   |                   |                   |                   |
| Purchases of Television programs         | 554,102,440       | 639,208,987       | 293,196,080       | 305,269,473       |
| <b>Subsidiary Company:</b>               |                   |                   |                   |                   |
| Management Fee                           | 2,484,000         | 2,329,125         | 1,242,000         | 1,158,375         |
| Subscription Income                      | 24,372,470        | 23,336,612        | 11,944,933        | 11,592,612        |
| Payments made on behalf of subsidiary    | 3,013,434         | 4,155,400         | 1,467,977         | 2,086,965         |
| Payment received on behalf of subsidiary | 18,500,000        | 13,923,250        | 12,500,000        | 7,566,000         |
| Remittance from subsidiary               | 8,895,971         | 46,397,000        | 8,895,971         | 15,445,000        |
| Payment made on behalf of the Company    | 16,164,601        | 22,060,835        | 15,925,076        | 2,721,576         |
| Professional services acquired           | 1,812,827         | -                 | 697,353           | -                 |
| <b>Others</b>                            |                   |                   |                   |                   |
| Key Management personnel                 | 210,227,069       | 55,482,171        | 68,335,379        | 27,810,601        |
| Contribution to Fund                     | 17,891,127        | 18,995,703        | 8,664,294         | 7,872,728         |

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

## 22. OPERATING SEGMENTS

For management purposes, the Company has determined following reportable operating segments on the basis of areas of operations i.e. entertainment and news.

Entertainment segment is engaged in advertisement, entertainment and media marketing.

News segment is engaged in broadcasting of news programs.

|                                       | Entertainment                     |                                   | News                              |                                   | Total                             |                                   |
|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                       | December 31, 2020<br>(Un-audited) | December 31, 2019<br>(Un-audited) | December 31, 2020<br>(Un-audited) | December 31, 2019<br>(Un-audited) | December 31, 2020<br>(Un-audited) | December 31, 2019<br>(Un-audited) |
| <b>Revenue</b>                        |                                   |                                   |                                   |                                   |                                   |                                   |
| Net sales to external customers       | 2,000,782,707                     | 1,572,135,190                     | 103,167,931                       | 77,673,890                        | 2,103,950,638                     | 1,649,809,080                     |
| <b>Result</b>                         |                                   |                                   |                                   |                                   |                                   |                                   |
| Segment profit / (loss)               | 964,923,168                       | 237,521,051                       | (283,394,841)                     | (342,721,714)                     | 681,528,327                       | (105,200,663)                     |
| Taxation                              | (48,206,059)                      | (15,731,032)                      | (1,547,519)                       | (1,165,108)                       | (49,753,578)                      | (16,896,140)                      |
| Unallocated expenses:                 |                                   |                                   |                                   |                                   |                                   |                                   |
| Administrative expenses               |                                   |                                   |                                   |                                   | (395,196,568)                     | (229,609,426)                     |
| Other income                          |                                   |                                   |                                   |                                   | 507,818,414                       | 78,773,400                        |
| Finance costs                         |                                   |                                   |                                   |                                   | (52,594,104)                      | (131,263,596)                     |
| <b>Profit / (loss) for the period</b> |                                   |                                   |                                   |                                   | <b>691,802,491</b>                | <b>(404,196,425)</b>              |
| <b>Other information</b>              |                                   |                                   |                                   |                                   |                                   |                                   |
| Amortization                          | (4,051,091)                       | (4,861,152)                       | (2,615,020)                       | (2,555,927)                       | (6,666,111)                       | (7,417,079)                       |
| Depreciation                          | (113,877,044)                     | (35,614,620)                      | (92,462,902)                      | (89,043,050)                      | (206,339,946)                     | (124,657,670)                     |

  

|                     | Entertainment                     |                            | NEWS                              |                            | Total                             |                            |
|---------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|
|                     | December 31, 2020<br>(Un-audited) | June 30, 2020<br>(Audited) | December 31, 2020<br>(Un-audited) | June 30, 2020<br>(Audited) | December 31, 2020<br>(Un-audited) | June 30, 2020<br>(Audited) |
| Segment assets      | 319,016,514                       | 360,646,848                | 962,582,366                       | 1,053,331,155              | 1,281,598,880                     | 1,413,978,003              |
| Unallocated Assets  | -                                 | -                          | -                                 | -                          | 4,256,567,278                     | 3,507,104,972              |
|                     |                                   |                            |                                   |                            | <b>5,538,166,158</b>              | <b>4,921,082,975</b>       |
| Capital Expenditure | 7,502,187                         | 72,735,426                 | 2,783,889                         | 10,297,652                 | 10,286,076                        | 83,033,078                 |
| Segment liabilities | 840,472,276                       | 669,553,359                | 956,817,283                       | 1,202,455,508              | 1,797,289,559                     | 1,872,008,867              |

All non-current assets of the Company as at December 31, 2020 and 2019 are located in Pakistan.

Revenue from three major customers of the Company during the period constituted 76%. (December 31, 2019: 65% - 3 Customers ) of the total revenue.

## 23. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2020. There have been no change in any risk management policies since the year end.

## 24. FAIR VALUE OF ASSETS

There were no transfers amongst level of fair value analysis of financial assets during the period.

## 25. GENERAL

25.1 Amounts have been rounded off to the nearest rupee.

25.2 Corresponding figures have been reclassified / rearranged wherever necessary for better presentation.

## 26. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been authorised for issue on September 23, 2021 by the Board of Directors.

  
**DURAIQ QURESHI**  
 Chief Executive

  
**MAZHAR-UL-HAQ SIDDIQUI**  
 Chairman

  
**MUHAMMAD ABBAS HUSSAIN**  
 Chief Financial Officer

**CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL STATEMENTS**

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

|  |      | December 31,<br>2020   | June 30,<br>2020     |
|--|------|------------------------|----------------------|
|  | Note | Rupees<br>(Un-audited) | Rupees<br>(Audited)  |
| <b>ASSETS</b>  |      |                        |                      |
| <b>NON-CURRENT ASSETS</b>  |      |                        |                      |
| Property, plant and equipment  | 4    | 1,285,639,024          | 1,399,715,699        |
| Intangible assets  |      | 102,747,204            | 110,838,386          |
| Long term investments  |      | -                      | 73,387,086           |
| Long term deposits   |      | 26,772,480             | 27,032,386           |
| Television program costs   |      | 348,420,351            | 360,737,951          |
| Deferred tax asset   |      | 139,055,867            | 161,689,721          |
|  |      | <b>1,902,634,926</b>   | <b>2,133,401,229</b> |
| <b>CURRENT ASSETS</b>  |      |                        |                      |
| Inventories  |      | 26,435,262             | 44,130,860           |
| Current portion of television program costs  |      | 100,385,799            | 105,385,799          |
| Trade debts  | 5    | 2,310,100,830          | 2,089,810,853        |
| Short term investments   |      | 234,618,842            | 241,505,092          |
| Advances   |      | 419,096,460            | 106,122,200          |
| Trade deposits and short-term prepayments  |      | 81,022,014             | 42,495,903           |
| Other receivables  |      | 190,681,002            | 110,529,571          |
| Taxation – net   |      | 173,088,196            | 180,574,832          |
| Cash and bank balances   |      | 280,498,296            | 268,697,823          |
|  |      | <b>3,815,926,701</b>   | <b>3,189,252,933</b> |
| Non-current asset held for sale  |      | -                      | 16,507,087           |
| <b>TOTAL ASSETS</b>  |      | <b>5,718,561,627</b>   | <b>5,339,161,249</b> |
| <b>EQUITY AND LIABILITIES</b>  |      |                        |                      |
| <b>SHARE CAPITAL AND RESERVES</b>  |      |                        |                      |
| Authorised capital<br>1,500,000,000 (2019: 1,500,000,000) Ordinary shares of Re.1/- each |      | <b>1,500,000,000</b>   | <b>1,500,000,000</b> |
| Issued, subscribed and paid-up capital   |      | 945,000,000            | 945,000,000          |
| Revenue Reserves   |      | <b>2,753,352,006</b>   | <b>2,096,403,506</b> |
| Attributable to owners of the Holding Company  |      | <b>3,698,352,006</b>   | <b>3,041,403,506</b> |
| Non-controlling interest   |      | <b>(17,406,284)</b>    | <b>1,064,284</b>     |
|  |      | <b>3,680,945,721</b>   | <b>3,042,467,790</b> |
| <b>NON-CURRENT LIABILITIES</b>   |      |                        |                      |
| Long term lease liabilities  |      | 98,409,152             | 104,833,723          |
| Long term financing  |      | 418,327,886            | 837,839,369          |
| Deferred in Deferred in Deferred income Deferred income - government grant               |      | 2,239,455              | -                    |
| Staff retirement benefits  |      | <b>29,856,835</b>      | <b>28,453,198</b>    |
|  |      | <b>548,833,328</b>     | <b>971,126,290</b>   |
| <b>CURRENT LIABILITIES</b>   |      |                        |                      |
| Trade and other payables   |      | 702,474,007            | 895,681,562          |
| Accrued mark-up  |      | 10,711,452             | 3,210,149            |
| Short term borrowings  |      | 399,789,786            | 189,067,264          |
| Unclaimed dividend   |      | 5,948,490              | 5,948,490            |
| Unpaid dividend  |      | 205,159                | 205,159              |
| Current portion of deferred income - government grant                                    |      | 6,777,230              | -                    |
| Current portion of long term lease liabilities   |      | 34,505,126             | 35,142,945           |
| Current portion of long term financing   |      | <b>328,371,328</b>     | <b>196,311,600</b>   |
|  |      | <b>1,488,782,578</b>   | <b>1,325,567,169</b> |
| <b>CONTINGENCIES AND COMMITMENTS</b>   | 6    |                        |                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <b>5,718,561,627</b>   | <b>5,339,161,249</b> |

The annexed notes from 1 to 13 form an integral part of these consolidated financial statements.



**DURAIQ QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

## CONDENSED INTERIM CONSOLIDATED PROFIT OR LOSS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

|  | Note | Half-year ended        |                        | Quarter-ended        |                        |
|--|------|------------------------|------------------------|----------------------|------------------------|
|  |      | December 31,<br>2020   | December 31,<br>2019   | December 31,<br>2020 | December 31,<br>2019   |
|  |      | ----- Rupees -----     | ----- Rupees -----     | ----- Rupees -----   | ----- Rupees -----     |
| Revenue  | 7    | 2,500,243,432          | 2,128,865,915          | 1,387,091,663        | 1,224,061,581          |
| Cost of production                                   | 8    | (1,450,725,073)        | (1,840,177,611)        | (762,648,031)        | (1,068,201,060)        |
| Transmission cost                                    |      | (114,157,734)          | (275,408,101)          | (41,975,707)         | (144,522,500)          |
|  |      | <u>(1,564,882,807)</u> | <u>(2,115,585,712)</u> | <u>(804,623,738)</u> | <u>(1,212,723,560)</u> |
| <b>Gross profit</b>                                  |      | <b>935,360,625</b>     | <b>13,280,203</b>      | <b>582,467,925</b>   | <b>11,338,021</b>      |
| Distribution costs                                   |      | (237,908,804)          | (221,342,221)          | (170,888,289)        | (106,960,556)          |
| Administrative expenses                              |      | (479,600,851)          | (350,001,059)          | (172,127,054)        | (182,947,769)          |
| Other income   |      | 37,537,756             | 77,068,010             | 37,017,940           | 52,778,631             |
| Other expenses                                       |      | -                      | (1,204,607)            | -                    | (1,089,385)            |
| Gain on sale of non-current asset held for sale      |      | 476,832,913            | -                      | -                    | -                      |
| Finance costs  |      | (52,987,456)           | (131,881,319)          | (31,042,911)         | (66,618,075)           |
| Share of net profit of associate                     |      | -                      | 2,296,224              | -                    | 1,140,480              |
| <b>Profit / (loss) before taxation</b>               |      | <b>679,234,183</b>     | <b>(611,784,769)</b>   | <b>245,427,611</b>   | <b>(292,358,653)</b>   |
| Taxation   |      | (52,236,411)           | (18,455,053)           | (54,448,219)         | 14,156,165             |
| <b>Profit / (loss) after taxation</b>                |      | <b>626,997,772</b>     | <b>(630,239,822)</b>   | <b>190,979,392</b>   | <b>(278,202,488)</b>   |
| <b>Attributable to:</b>                              |      |                        |                        |                      |                        |
| Owners of Holding Company                            |      | 645,468,340            | (608,792,738)          | 197,343,508          | (267,255,328)          |
| Non-Controlling Interests                            |      | (18,470,568)           | (21,447,084)           | (6,364,116)          | (10,947,160)           |
|  |      | <u>626,997,772</u>     | <u>(630,239,822)</u>   | <u>190,979,392</u>   | <u>(278,202,488)</u>   |
| <b>Profit / (loss) per share – basic and diluted</b> |      | <b>0.68</b>            | <b>(0.64)</b>          | <b>0.21</b>          | <b>(0.28)</b>          |

The annexed notes from 1 to 13 form an integral part of these consolidated financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

|   | Half-year ended      |                      | Quarter-ended        |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | December 31,<br>2020 | December 31,<br>2019 | December 31,<br>2020 | December 31,<br>2019 |
|   | ----- Rupees -----   |                      |                      |                      |
| Profit / (loss) for the period                        | 626,997,772          | (630,239,822)        | 190,979,392          | (278,202,488)        |
| Other comprehensive income                            | 11,480,160           | (11,346,986)         | 19,087,227           | 6,967,323            |
| Total comprehensive income / (loss)<br>for the period | <u>638,477,932</u>   | <u>(641,586,808)</u> | <u>210,066,619</u>   | <u>(271,235,165)</u> |

The annexed notes from 1 to 13 form an integral part of these consolidated financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

|   | Issued,<br>subscribed<br>and paid-up<br>capital | Foreign<br>exchange<br>translation<br>reserve | Revenue Reserves         |               | Non-<br>controlling<br>interest | Total         |
|---|---|---|--------------------------|---------------|---------------------------------|---------------|
|   |   |   | Unappropriated<br>profit | Sub-total     |                                 |               |
| Balance as at July 01, 2019 (Audited)                       | 945,000,000                                     | 151,839,386                                   | 2,124,619,601            | 2,276,458,987 | 55,144,321                      | 3,276,603,308 |
| Loss attributable to non-controlling interests for the year | -   | -   | -                        | -             | (21,447,084)                    | (21,447,084)  |
|   | -   | -   | -                        | -             | (21,447,084)                    | (21,447,084)  |
| Loss for the year   | -   | -   | (608,792,738)            | (608,792,738) | -                               | (608,792,738) |
| Other comprehensive income                                  | -   | (11,346,986)                                  | -                        | (11,346,986)  | -                               | (11,346,986)  |
| Total comprehensive income / (loss) for the year            | -   | (11,346,986)                                  | (608,792,738)            | (620,139,724) | -                               | (620,139,724) |
| Balance as at December 31, 2019                             | 945,000,000                                     | 140,492,400                                   | 1,515,826,863            | 1,656,319,263 | 33,697,237                      | 2,635,016,500 |
| Balance as at July 01, 2020 (Audited)                       | 945,000,000                                     | 159,680,622                                   | 1,936,722,884            | 2,096,403,506 | 1,064,284                       | 3,042,467,790 |
| Profit/(Loss) for the year                                  | -   | -   | 645,468,340              | 645,468,340   | (18,470,568)                    | 626,997,771   |
| Other comprehensive income                                  | -   | 11,480,160                                    | -                        | 11,480,160    | -                               | 11,480,160    |
| Total comprehensive income / (loss) for the year            | -   | 11,480,160                                    | 645,468,340              | 656,948,500   | (18,470,568)                    | 638,477,931   |
| Balance as at June 30, 2020                                 | 945,000,000                                     | 171,160,782                                   | 2,582,191,224            | 2,753,352,006 | (17,406,284)                    | 3,680,945,721 |

The annexed notes from 1 to 13 form an integral part of these consolidated financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

|   | December 31, 2020    | December 31, 2019    |
|---|----------------------|----------------------|
|   | ----- Rupees -----   |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                      |                      |
| Profit / (Loss) before Taxation                                 | 679,234,182          | (611,784,769)        |
| <b>Adjustment for:</b>  |                      |                      |
| Depreciation  | 118,914,688          | 129,570,634          |
| Amortization  | 8,091,285            | 9,324,004            |
| Finance costs   | 52,987,456           | 131,881,319          |
| Profit received on deposit accounts                             | (7,832,939)          | (7,446,016)          |
| (Gain)/Loss on disposal of property, plant and equipment        | (3,307,907)          | 2,688,685            |
| Gain on disposal of non-current asset held for sale             | (476,832,913)        | -                    |
| Unrealized Loss/(gain) on Revaluation of Investments            | (11,133,164)         | (2,973,852)          |
| Exchange difference on translation of foreign currency          | 11,480,160           | (11,346,986)         |
| Provision for doubtful debts                                    | (28,000,518)         | (789,276)            |
| Provision for employee retirement benefits                      | 1,403,637            | -                    |
| Gain/(loss) on redemption / sale of investments                 | 12,426,115           | -                    |
| Exchange Loss/(Gain)  | 627,263              | 6,716,741            |
|   | (321,176,837)        | 257,625,253          |
| <b>Operating Profit before working capital changes</b>          | <b>358,057,346</b>   | <b>(354,159,516)</b> |
| <b>(Increase)/decrease in current assets</b>                    |                      |                      |
| Inventories   | 17,695,598           | 4,494,487            |
| Television program costs  | 5,000,000            | 3,000,000            |
| Trade debts   | (192,916,724)        | (1,137,161)          |
| Advances, deposits and prepayments                              | (351,500,371)        | (89,737,744)         |
| Other receivables   | (80,151,431)         | 39,261,517           |
|   | (601,872,928)        | (44,118,901)         |
| <b>Increase in current liabilities</b>                          |                      |                      |
| Trade and other payables  | (193,207,554)        | 249,859,743          |
| <b>CASH GENERATED FROM OPERATIONS</b>                           | <b>(437,023,136)</b> | <b>(148,418,674)</b> |
| Taxes paid  | (22,115,921)         | (39,473,747)         |
| Finance cost paid   | (45,486,153)         | (131,332,804)        |
| Profit received on bank accounts                                | 7,832,939            | 7,446,016            |
| Long-term deposits  | 259,906              | (477,119)            |
| Television program costs  | 12,317,600           | 48,941,315           |
| <b>Net cash (used in) / generated from operating activities</b> | <b>(484,214,765)</b> | <b>(263,315,013)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                      |                      |
| Purchase of property, plant and equipment and intangibles       | (10,745,436)         | (23,757,756)         |
| Investments-Net   | 78,980,385           | 466,771,647          |
| Proceeds from disposal of operating fixed assets                | 10,922,180           | 10,631,788           |
| Proceeds from sale of non-current asset held for sale           | 493,340,000          | -                    |
| <b>Net cash (used in) / generated from investing activities</b> | <b>572,497,129</b>   | <b>453,645,679</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |                      |                      |
| Long term financing   | (278,435,070)        | (186,182,199)        |
| Liabilities against assets subject to finance lease             | (8,769,342)          | (13,597,570)         |
| <b>Net cash (used in) / generated from financing activities</b> | <b>(287,204,412)</b> | <b>(199,779,769)</b> |
| <b>Net increase / (decrease) in cash and cash equivalents</b>   | <b>(198,922,049)</b> | <b>(9,449,103)</b>   |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>79,630,559</b>    | <b>61,756,801</b>    |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>(119,291,490)</b> | <b>52,307,698</b>    |
| <b>Cash and cash equivalents</b>                                |                      |                      |
| Cash and bank balances  | 280,498,296          | 94,268,076           |
| Short-term running finance                                      | (399,789,786)        | (41,960,378)         |
|   | <b>(119,291,490)</b> | <b>52,307,698</b>    |

The annexed notes from 1 to 13 form an integral part of these consolidated financial statements.



**DURAIQ QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

### 1 THE GROUP AND ITS OPERATIONS

- 1.1** HUM Network Limited (the Holding Company) was incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance). The shares of the Holding Company are quoted on Pakistan Stock Exchange.
- 1.2** The Holding Company's principal business is to launch transnational satellite channels and aims at presenting a wide variety of cultural heritage. Its core areas of operation are production, advertisement, entertainment and media marketing. It covers a wide variety of programmes with respect to information, entertainment, news, education, health, food, music and society.

The 'Group' consists of

#### Holding Company

HUM Network Limited

#### Subsidiary Companies

|   | 2020                  | 2019 |
|---|-----------------------|------|
|   | Percentage of holding |      |
| HUM TV, Inc.                            | 100%                  | 100% |
| HUM Network UK Limited                  | 100%                  | 100% |
| Sky Line Publications (Private) Limited | 100%                  | 100% |
| HUM Network FZ LLC                      | 100%                  | 100% |
| HUMM Co. (Private) Limited              | 100%                  | 100% |
| HUM Mart (Private) Limited              | 70%                   | 70%  |

### 1.3 Nature of operations of subsidiaries

HUM TV, Inc., HUM Network UK LTD and HUM Network FZ LLC have been established with the purpose of providing entertainment programmes to the South Asian community by increasing presence in the United States of America (USA), Canada, UK and UAE respectively. HUM Network UK LTD has 100% equity in HUM News Limited, which is engaged in business of transmission of news for UK audience. The subsidiary companies will also serve as a platform for the Holding Company to explore avenues for greater distribution of the Holding Company brands in USA, Canada, UK and UAE and will establish relations with advertisers, as well as develop US-based media materials, such as dramas, documentaries and other entertainment shows and events.

Skyline Publications (Private) Limited (SPL) is engaged-in the publications of books and magazines.

HUM Mart (Private) Limited engaged in the business of online shopping for grocery, household items and consumer goods.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

These condensed interim consolidated financial statements have been prepared under the historical cost convention except of certain investments that have been measured at fair value.

## 3 ACCOUNTING POLICES

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2020.

## 4 PROPERTY, PLANT AND EQUIPMENT

|                          | December 31,<br>2020 | June 30,<br>2020     |
|--------------------------|----------------------|----------------------|
| Note                     | (Un-audited)         | (Audited)            |
| Operating fixed assets   | 1,146,157,288        | 1,246,984,186        |
| Right of use assets      | 123,547,859          | 136,797,636          |
| Capital work-in-progress | 15,933,877           | 15,933,877           |
|                          | <b>1,285,639,024</b> | <b>1,399,715,699</b> |

### 4.1 Operating fixed assets – owned and leased

|  |                      |                      |
|--|----------------------|----------------------|
| Book value at the beginning of the period / year     | 1,246,984,186        | 1,426,291,636        |
| Additions during the period / year                   | 10,745,372           | 85,590,151           |
| Transfer to right of use asset - at book value       | 1,359,081            | 14,910,383           |
|  | <b>1,259,088,639</b> | <b>1,526,792,170</b> |
| Less:  |                      |                      |
| Disposal/ transfer during the period / year - at WDV | (6,182,708)          | (58,043,845)         |
| Depreciation charged during the period / year        | (106,748,644)        | (221,764,139)        |
|  | <b>(112,931,351)</b> | <b>(279,807,984)</b> |
|  | <b>1,146,157,288</b> | <b>1,246,984,186</b> |

#### 4.1.1 Additions during the period/year

##### Owned Assets:

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Building on leasehold land | -                 | 61,289,200        |
| Furniture and fixtures     | 152,108           | 626,690           |
| Leasehold improvements     | 840,161           | 3,823,116         |
| Motor vehicles             | 71,000            | 50,667            |
| Audio visual equipment     | 1,264,612         | 10,665,802        |
| Office equipment           | 245,706           | 1,066,404         |
| Computers                  | 8,171,785         | 8,068,272         |
|                            | <b>10,745,372</b> | <b>85,590,151</b> |

| December 31,<br>2020 | June 30,<br>2020 |
|----------------------|------------------|
| (Un-audited)         | (Audited)        |

## 5 TRADE DEBTS – unsecured

|                                    |                      |                      |
|------------------------------------|----------------------|----------------------|
| Considered good                    | 2,310,100,830        | 2,089,810,853        |
| Considered doubtful                | 61,539,117           | 89,539,634           |
|                                    | <b>2,371,639,947</b> | <b>2,179,350,487</b> |
| Less: Provision for doubtful debts | (61,539,117)         | (89,539,634)         |
|                                    | <b>2,310,100,830</b> | <b>2,089,810,853</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

### 6. CONTINGENCIES AND COMMITMENTS

#### 6.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2020.

#### 6.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited, a related party as at December 31, 2020 amounted to Rs.270,544,000 (June 2020: Rs. 155,579,500/-). Commitment for purchase of television programs with other than related parties as at December 31, 2020 amounted to Rs. 28,259,000 (June 2020: Rs. 84,222,500/-).

|                           | Half-year ended      |                      | Quarter-ended        |                      |
|---------------------------|----------------------|----------------------|----------------------|----------------------|
|                           | December 31,<br>2020 | December 31,<br>2019 | December 31,<br>2020 | December 31,<br>2019 |
|                           | (Un-audited)         | (Un-audited)         | (Un-audited)         | (Un-audited)         |
|                           | ----- Rupees -----   |                      | ----- Rupees -----   |                      |
| <b>7. REVENUE – net</b>   |                      |                      |                      |                      |
| Advertisement revenue     | 2,033,273,521        | 1,652,299,512        | 1,199,071,773        | 940,389,510          |
| Production revenue        | 36,192,101           | 22,661,765           | 35,392,101           | 11,473,166           |
| Digital sales revenue     | 21,682,834           | 11,281,715           | 15,476,471           | 10,322,815           |
| Subscription income       | 254,816,038          | 265,186,432          | 65,122,750           | 156,898,729          |
| Film distribution revenue | -                    | 37,504,095           | -                    | 27,891,304           |
| Sale of goods             | 154,278,938          | 139,932,396          | 72,028,567           | 77,086,057           |
|                           | <b>2,500,243,432</b> | <b>2,128,865,915</b> | <b>1,387,091,663</b> | <b>1,224,061,581</b> |

#### 7.1 Revenue is net off the following items:

|                       |                    |                    |                    |                    |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
| Sales tax             | 245,059,435        | 193,537,238        | 139,927,748        | 110,311,032        |
| Discount to customers | 162,949,343        | 126,940,866        | 103,926,923        | 72,541,172         |
|                       | <b>408,008,778</b> | <b>320,478,104</b> | <b>243,854,671</b> | <b>182,852,204</b> |

### 8. COST OF PRODUCTION

|                                   |                      |                      |                    |                      |
|-----------------------------------|----------------------|----------------------|--------------------|----------------------|
| Cost of outsourced programs       | 686,625,300          | 967,281,666          | 373,642,590        | 556,047,946          |
| Cost of in-house programs         | 36,840,075           | 121,140,369          | 29,752,759         | 100,260,675          |
| Inventories consumed              | 148,844,806          | 135,684,922          | 66,925,443         | 72,145,660           |
| Salaries and benefits             | 327,033,071          | 358,512,321          | 159,032,126        | 170,270,981          |
| Depreciation                      | 91,011,946           | 96,441,995           | 44,290,934         | 48,111,929           |
| Amortisation                      | 4,936,407            | 5,478,710            | 2,414,979          | 2,728,227            |
| Traveling and conveyance          | 24,778,552           | 22,611,307           | 11,355,073         | 11,740,668           |
| Utilities                         | 14,131,710           | 9,028,040            | 5,324,065          | 4,767,985            |
| Rent, rates and taxes             | 5,841,568            | 1,151,863            | 2,772,000          | 391,005              |
| Insurance                         | 11,490,931           | 11,713,657           | 5,464,743          | 5,593,406            |
| Repair and maintenance            | 28,227,189           | 10,005,269           | 20,232,269         | 4,522,008            |
| Fee and subscription              | 41,920,215           | 30,945,744           | 23,813,129         | 19,753,891           |
| Communication expense             | 7,695,194            | 9,530,917            | 679,286            | 5,907,155            |
| Consultancy                       | 2,333,742            | 3,053,857            | 1,166,871          | 1,997,298            |
| Printing and stationery           | 1,696,767            | 5,655,639            | 143,165            | 3,976,911            |
|                                   | <b>1,433,407,473</b> | <b>1,788,236,296</b> | <b>747,009,431</b> | <b>1,008,215,745</b> |
| In production television programs |                      |                      |                    |                      |
| - opening                         | 38,743,250           | 54,213,916           | 37,061,250         | 62,257,916           |
| In production television programs |                      |                      |                    |                      |
| - closing                         | (22,694,250)         | (52,508,250)         | (22,694,250)       | (52,508,250)         |
|                                   | <b>1,449,456,473</b> | <b>1,789,941,962</b> | <b>761,376,431</b> | <b>1,017,965,411</b> |
| Released / unreleased programs    |                      |                      |                    |                      |
| - opening                         | 427,380,500          | 386,400,500          | 427,383,500        | 386,400,500          |
| Released / unreleased programs    |                      |                      |                    |                      |
| - closing                         | (426,111,900)        | (336,164,851)        | (426,111,900)      | (336,164,851)        |
|                                   | <b>1,450,725,073</b> | <b>1,840,177,611</b> | <b>762,648,031</b> | <b>1,068,201,060</b> |

### 9. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise subsidiaries, associates, retirement funds, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

| Nature of transaction            | Half-year ended      |                      | Quarter-ended        |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | December 31,<br>2020 | December 31,<br>2019 | December 31,<br>2020 | December 31,<br>2019 |
|                                  | (Un-audited)         | (Un-audited)         | (Un-audited)         | (Un-audited)         |
|                                  | ----- Rupees -----   |                      | ----- Rupees -----   |                      |
| <b>Associated companies:</b>     |                      |                      |                      |                      |
| Purchases of Television programs | 554,102,440          | 639,208,987          | 293,196,080          | 305,269,473          |
| <b>Others</b>                    |                      |                      |                      |                      |
| Key Management personnel         | 245,817,869          | 95,276,463           | 85,735,104           | 47,582,893           |
| Contribution to Fund             | 17,891,127           | 18,995,703           | 8,664,294            | 7,872,728            |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

## 10 OPERATING SEGMENTS

For management purposes, the Group has determined following reportable operating segments on the basis of areas of operations i.e. entertainment and news.

Entertainment segment is engaged in advertisement, entertainment and media marketing.

News segment is engaged in broadcasting of news programs.

|                                     | Entertainment     |                   | News              |                   | Others            |                   | Total                |                      |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|
|                                     | Half-year ended   |                   | Half-year ended   |                   | Half-year ended   |                   | Half-year ended      |                      |
|                                     | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 | December 31, 2020 | December 31, 2019 | December 31, 2020    | December 31, 2019    |
|                                     | (Un-Audited)      |                   |                   |                   |                   |                   |                      |                      |
|                                     | (Rupees)          |                   |                   |                   |                   |                   |                      |                      |
| <b>Revenue</b>                      |                   |                   |                   |                   |                   |                   |                      |                      |
| Net revenue from external customer  | 2,238,805,549     | 1,904,998,493     | 104,870,148       | 82,692,869        | 156,767,734       | 141,174,553       | 2,500,243,431        | 2,128,865,915        |
| <b>Result</b>                       |                   |                   |                   |                   |                   |                   |                      |                      |
| Segment profit / (loss)             | 1,011,388,294     | 174,215,048       | (284,768,258)     | (349,712,390)     | (28,168,214)      | (32,564,676)      | 697,451,821          | (208,062,018)        |
| Taxation                            | (48,314,843)      | (15,859,381)      | (1,570,052)       | (1,165,108)       | (2,351,516)       | (1,430,564)       | (52,236,411)         | (18,455,053)         |
| Unallocated income / (expenses):    |                   |                   |                   |                   |                   |                   |                      |                      |
| Administrative expenses             |                   |                   |                   |                   |                   |                   | (479,606,851)        | (350,001,059)        |
| Other income                        |                   |                   |                   |                   |                   |                   | 514,370,669          | 77,088,010           |
| Other Expenses                      |                   |                   |                   |                   |                   |                   | -                    | (1,204,607)          |
| Share of Profit from Associate      |                   |                   |                   |                   |                   |                   | -                    | 2,296,224            |
| Finance cost                        |                   |                   |                   |                   |                   |                   | (52,987,456)         | (131,881,319)        |
| <b>Profit / Loss for the period</b> |                   |                   |                   |                   |                   |                   | <b>626,997,772</b>   | <b>(630,239,822)</b> |
| <b>Other information</b>            |                   |                   |                   |                   |                   |                   |                      |                      |
| Amortization                        | (5,385,336)       | (8,404,367)       | (2,615,020)       | (2,555,927)       | (90,929)          | (363,710)         | (8,091,285)          | (9,324,004)          |
| Depreciation                        | (22,357,219)      | (39,478,931)      | (92,462,902)      | (89,043,050)      | (4,094,568)       | (1,048,653)       | (118,914,688)        | (129,570,634)        |
|                                     |                   |                   |                   |                   |                   |                   |                      |                      |
|                                     | Entertainment     |                   | News              |                   | Others            |                   | Total                |                      |
|                                     | As at             |                   | As at             |                   | As at             |                   | As at                |                      |
|                                     | December 31, 2020 | June 30, 2020     | December 31, 2020 | June 30, 2020     | December 31, 2020 | June 30, 2020     | December 31, 2020    | June 30, 2020        |
|                                     | (Un-audited)      | (Audited)         | (Un-audited)      | (Audited)         | (Un-audited)      | (Audited)         | (Un-audited)         | (Audited)            |
|                                     | (Rupees)          |                   |                   |                   |                   |                   |                      |                      |
| Segment assets                      | 404,738,873       | 449,468,113       | 962,582,366       | 1,053,331,155     | 21,065,056        | 105,855,418       | 1,388,386,295        | 1,608,654,686        |
| Unallocated Assets                  | -                 | -                 | -                 | -                 | -                 | -                 | 4,336,537,295        | 3,730,506,563        |
|                                     |                   |                   |                   |                   |                   |                   | <b>5,724,923,590</b> | <b>5,339,161,249</b> |
| Segment liabilities                 | 826,641,298       | 1,101,063,509     | 956,817,283       | 1,133,453,097     | 260,518,746       | 82,176,853        | 2,043,977,328        | 2,296,693,459        |

## 11. SUBSEQUENT EVENT

The Board of Directors of the Holding Company in their meeting held on September 23, 2021 has recommended an interim cash dividend of Nil per share.

## 12. GENERAL

12.1 Amounts have been rounded off to the nearest rupee.

12.2 Corresponding figures have been reclassified / rearranged wherever necessary for better presentation.

## 13. DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been authorised for issue on September 23, 2021 by the Board of Directors of the Holding Company.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

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**MASALA**  
TV FOOD MAG

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