Annual Report 2013

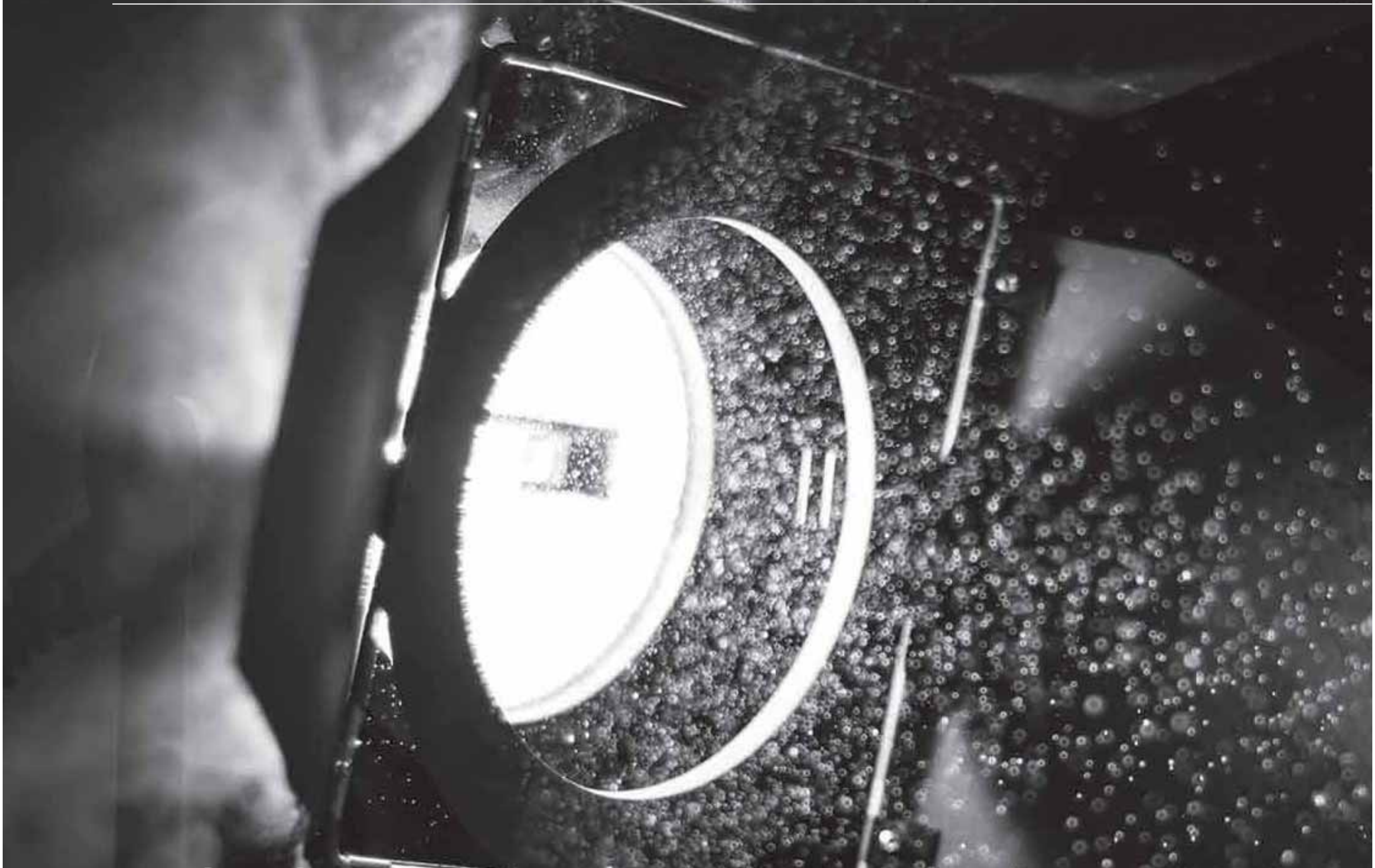
HUM NETWORK

HUM NETWORK LIMITED

Annual Report 2013

HUM NETWORK LIMITED

www.hum.tv | www.hum2.tv | www.masala.tv | www.style360.tv | masalatvmagazine | style360glam



VISION

Inspired by the finest cultural, corporate and creative values to present content which entertains and enriches audiences.

MISSION

To enable the origination of outstanding content on subjects of interest and relevance to a range of audiences while using the best professional practices and ensuring long-term continuity

HUM NETWORK

THE HUM NETWORK STORY

HUM Network Ltd was launched with the mission to generate outstanding content on subjects of interest - such as drama, food and lifestyle – for the majority of the populace. With its flagship channel, HUM TV, launched on January 17, 2005, the Network expanded to include, in a short span of eight years, two more highly successful brands under its folds – Masala and HUM 2.

Today, HUM has become the numero uno general entertainment channel of Pakistan with its plays avidly viewed around the globe. Masala, the first 24-hour food channel in South Asia became a trend-setter n its own right, creating and developing chefs like never witnessed before in Pakistan's history, while on great popular demand HUM2, a hybrid channel, came into being offering HUM plays as well as lifestyle and fashion programming of HUM's erstwhile channel, Style360. All three channels have a die-hard fan following and are viewed the world over.

Aside from the channels, the network also boasts its own publications:

Masala TV Food Magazine, a monthly magazine for all those food lovers who want to collect their favourite recipes in both English and Urdu by their favourite Masala chefs. It is a homemaker's guide to becoming a domestic expert.

G.L.A.M, a monthly magazine that focuses on glamour, lifestyle, arts and media. It is a must-have for today's informed woman.

Timeless Elegance, a much-sought after bi-annual catalogue that features the creations of the designers that participate in the Bridal Couture Week, organized by Style360 twice a year.

Masala Cookbooks, a highly in-demand series which features the recipes of any one chef of Masala in a cookbook form, with recipes in English and Urdu. The first in the series was the sold-out Manpasand Live@9 with Chef Gulzar.

Committed to bringing the best to its viewers and readers, HUM Network resolves to continue providing quality entertainment and publications to its fans not only in Pakistan but also around the globe.

TABLE OF CONTENTS

Notice of the 9th Annual General Meeting

Notice is hereby given that the (9th) Annual General Meeting of Hum Network Limited will be held on Tuesday, October 22, 2013 at 02:00 pm at Arts Council Auditorium Karachi to transact the following businesses:

ORDINARY BUSINESS:

1- To confirm the minutes of the 8th Annual General Meeting held on October 25, 2012.

2- To receive, consider and adopt Annual Audited Financial Statements of the Company together with the Directors' and Auditors' reports thereon for the year ended June 30, 2013 together with the Consolidated Audited Financial Statements of the Company and the Auditors' report thereon for the year ended June 30, 2013.

3- To consider, declare and approve final cash dividend of Rs.6.00 (Rupees Six) per share i.e. 60% and bonus shares in proportion of 2 shares for every 5 shares, i.e. 40%, held by the existing shareholders, as recommended by the Board of Directors for the financial year ended June 30, 2013.

4- To appoint Auditors' of the Company for the financial year ending June 30, 2014 and to fix their remuneration.

- The retiring Auditors' M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants being eligible have *offered themselves for re-appointment for the year ending June 30, 2014.*

- *The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed the name of retiring auditors M/s Ernst & Young Ford Rhodes Siddat Hyder, Chartered Accountant, for their appointment as external auditors' for the year ending June 30, 2014.*

SPECIAL BUSINESS:

5- To consider and, if thoughts fit, to pass the following Resolution, with or without modification, as a Special Resolution:

(a) "Resolved that the authorized Capital of the company be and is hereby increased from Rs. 700,000,000 (Seven Hundred Million) to Rs.1,500,000,000 (Rupees One Billion Five Hundred Million only) by increasing of 80,000,000 (Eighty Million) Ordinary shares of Rs. 10/- each. The new shares shall rank pari passu with the existing share in all respect."

(b) "Further Resolved that Clause "VI" of the Memorandum of Association and Clause "4" of the Articles of Association of the Company be and hereby altered for the increase in Authorized Capital from Rs. 700,000,000 (Seven Hundred Million) to Rs.1,500,000,000 (Rupees One Billion Five Hundred Million only) by substituting the above clauses to be read as under:

Clause-VI of the Memorandum of Association:
The share capital of the Company is Rs.1,500,000,000 (Rupees One Billion Five Hundred Million Only) divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of Rs.10/- each with the rights, privileges, and conditions attaching thereto as are provided by the regulations of the Company for the time being in the capital for the time being into ordinary shares and to attach thereto such rights, privileges or conditions as to profits votes and other benefits proportionate to the paid up value of shares as may be determined by the Company in accordance with the regulation of the Company."

Clause-4 of the Articles of Association:
The authorized share capital of the company is Rs.1,500,000,000/- (Rupees One Billion Five Hundred Million only) divided into 150,000,000 (One hundred fifty Million) ordinary shares of Rs. 10/- each.

(c) "Further Resolved that the Chief Executive Officer (CEO) and/or Company Secretary be and are hereby authorized and empowered to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required in connection with the above resolution."

6- To consider and, if thoughts fit, to pass the following Resolution, as an Ordinary Resolution, to give effect to the bonus issue:

(a) "Resolved that a sum of Rs.200,000,000/- be capitalized out of the unappropriate profits/free reserves of the Company and be applied for the issuance of 20,000,000 of Rs.10/- each bonus shares to be allotted in the proportion of Two (2) ordinary share for every Five (5) ordinary shares i.e. 40%. The Share shall be treated for all purposes as an increase in paid-up capital of the Company and shall rank pari passu in future with existing shares in all respect. The bonus shares to be allotted to those shareholders whose names will appear on the member's register and the entitlement list to be provided by the CDC, at the close of business on October 14, 2013."

(b) "Further Resolved that the bonus shares so allotted will not be eligible for the final cash dividend of 60% for the year ended June 30, 2013."

(c) "Further Resolved that the fractional entitlements of less than one share be consolidated and disposed-off through a member of stock exchange. The proceeds shall be distributed amongst the shareholders according to their entitlements."

(d) "Further Resolved that for the purpose of giving effect to the above resolutions, the Chief Executive Officer of the Company be and is hereby authorized to take all necessary actions and do all acts, deeds and things and to settle any question or difficulties that may arise in regard to the allotment and the distribution of the said bonus shares as he thinks fit."

7- Any other business with the permission of the chair.

Statements under Section 160 (I) (b) of the Companies Ordinance 1984 in respect of the special business of the Agenda at item numbers 5 and 6 to be considered at the meeting is being sent to the Members alongwith a copy of this notice.

By Order of the Board

Sd/-

Nasir Jamal
Company Secretary

Dated: **October 01, 2013**
Place: **Karachi**

Note: -

1. The share transfer books of the Company will remain closed from October 15, 2013 to October 21, 2013 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. Central Depository Company of Pakistan Limited, CDC House, Block B, SMCHS, Main Shahrah-e-Faisal, Karachi – 74400, by the close of business on October 14, 2013, will be considered in time for the determination of the entitlements, as recommended by the Board of Directors, to attend and vote at the meeting. The Proxy form is attached in the Annual Report 2013.

2. A member of the Company is entitled to attend, speak and vote and may appoint another member of the Company as his/her proxy to attend, speak and vote for his/her behalf. The instrument of Proxy i.e. Proxy Form must be received at the registered office of the Comapny not less than 48 hours before the time of the meeting.

3. The form of proxy must be submitted with the Comapny within the stipulated time, witnessed by two (2) persons whose name, address and valid CNIC number must be mentioned on the form alongwith the attested copies of the CNIC or passport of the beneficial owner and the proxy.

4. In case of Corporate entity, the Board of Directors resolution/power of attorney with the specimen signature(s) shall be submitted with the proxy form.

5. Beneficial owners of the physical shares and the shares registered in the name of Central Depository Company of Pakistan Ltd. (CDC) and / or their proxies are required to produce their original Computerized National Identity Card (CNIC) or Passport for identification purpose at the time of attending the meeting.

6. Members are requested to submit copies of their CNICs and notify any change in their addresses immediately to the Share Registrar M/s. Central Depository Company of Pakistan Limited.

7. SECP vide SRO No. 831(1)/2012 dated July 05, 2012 directed the companies to issue dividend warrant only crossed as "A/c Payee only" and should bear the Computerized National Identity Card (CNIC) of the registered member. Members, who have not yet submitted photocopy of their valid CNICs are requested to send the same at the earliest directly to the Company's Share Registrar.

8. Dividend Mandate Forms are available at the Registered Office of the Company/Share Registrar Office. Members are encouraged to provide, duly filled in dividend mandate form, to receive the cash dividend declared by the Company, if any, directly into their bank account through e-dividend payment mechanism, as advised by the Securities and Exchange Commission of Pakistan vide its communication reference No. 8(4)SM/CDC2008 dated April 05, 2013. The members who wish to avail e-Dividend payment facility shall not receive the dividend warrant. Members not providing dividend mandate shall continue to be paid through the dividend warrants.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

This statement sets-out the material facts concerning "Special Business" to be transacted at the 09th Annual General Meeting of the Company to be held on Tuesday, October 22, 2013 at 02:00 pm at Arts Council Auditorium, Karachi.

Agenda Item # 5 of Notice of the AGM-2013 – Approval for Increase in Authorized Share Capital of the Company:

The present Authorized share Capital and Paid-up Capital of the Company are Rs.700,000,000 and Rs.500,000,000 respectively. Keeping in view the expected future growth, the Company may require additional capital to finance the upcoming projects and capital expenditure in the years to come. Therefore, it is proposed to increase the Authorized Capital, in accordance with Article 4 of the Articles of Association of the Company and section 92 of the Companies Ordinance 1984 from Rs.700,000,000 to Rs.1,500,000,000 divided into 150,000,000 ordinary shares of Rs. 10/- each.

To consider the above and, if thought fit, to pass the following Resolution as a Special Resolution:

(a) **"Resolved that** the authorized Capital of the company be and is hereby increased from Rs. 700,000,000 (Seven Hundred Million) to Rs.1,500,000,000/- (Rupees One Billion Five Hundred Million only) by increasing of 80,000,000 (Eighty Million) Ordinary shares of Rs. 10/- each. The new shares shall rank pari passu with the existing share in all respect."

(b) **Further Resolved that** Clause "VI" of the Memorandum and Clause "4" of the Articles of Association of the Company be and hereby altered for the increase in Authorized Capital from **Rs.700,000,000/-** to **Rs.1,500,000,000/-** by substituting the above clauses to be read as under:

Clause-VI of the Memorandum of Association:

The share capital of the Company is Rs.1,500,000,000 (Rupees One Billion Five Hundred Million only) divided into 150,000,000 (One hundred fifty Million) ordinary shares of Rs.10/- each with the rights, privileges, and conditions attaching thereto as are provided by the regulations of the Company for the time being in the capital for the time being into ordinary shares and to attach thereto such rights, privileges or conditions as to profits votes and other benefits proportionate to the paid up value of shares as may be determined by the Company in accordance with the regulation of the Company.

Clause-4 of the Articles of Association:

The authorized Capital of the company is **Rs.1,500,000,000/-** (Rupees One Billion Five Hundred Million only) divided into **150,000,000** (One hundred fifty Million) ordinary shares of Rs. 10/- each.

(c) Further Resolved that the Chief Executive Officer (CEO) and/or Company Secretary be and are hereby authorized and empowered to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required in connection with the above resolution."

The Directors/CEO of the Company are not directly or indirectly, personally interested in this business except to the extent of their respective shareholdings in the Company.

Agenda Item # 6 of Notice of the AGM-2013 – Approval for Issuance of Bonus Share out of un-appropriate profit/free reserves of the Company:

The Directors of the Company are of the view that the Company's financial position justifies the capitalization of a sum of **Rs.200,000,000/-** out of the Company's un-appropriate profits/free reserves enabling the issuance of **20,000,000** fully paid bonus shares of Rs.10 each. These shares shall be issued to those Members whose names appear in the Register of Members at the close of business on October 14, 2013. The bonus shares shall be issued in the proportion of two (2) share for every five (5) shares held by a Member. After the issuance of these bonus shares, the paid up capital of the Company would increase from **Rs.500,000,000/-** to **Rs.700,000,000/-** Accordingly, it is proposed to pass the following resolutions namely:

(a)"**Resolved that** a sum of **Rs.200,000,000/-** be capitalized out of the unappropriate profits/free reserves of the Company and be applied for the issuance of **20,000,000** of Rs.10/- each bonus shares to be allotted in the propor tion of **Two (2)** ordinary share for every **Five (5)** ordinary shares i.e. 40%. The Share shall be treated for all purposes as an increase in paid-up capital of the Company and shall rank pari passu in future with existing shares in all respect. The bonus shares to be allotted to those shareholders whose names will appear on the member's register and the entitlement list to be provided by the CDC, at the close of business on October 14, 2013."

(b)"**Further Resolved that** the bonus shares so allotted will not be eligible for the final cash dividend of 60% for the year ended June 30, 2013."

(c)"**Further Resolved that** the fractional entitlements of less than one share be consolidated and disposed-off through a member of stock exchange. The proceeds shall be distributed amongst the shareholders according to their entitlements."

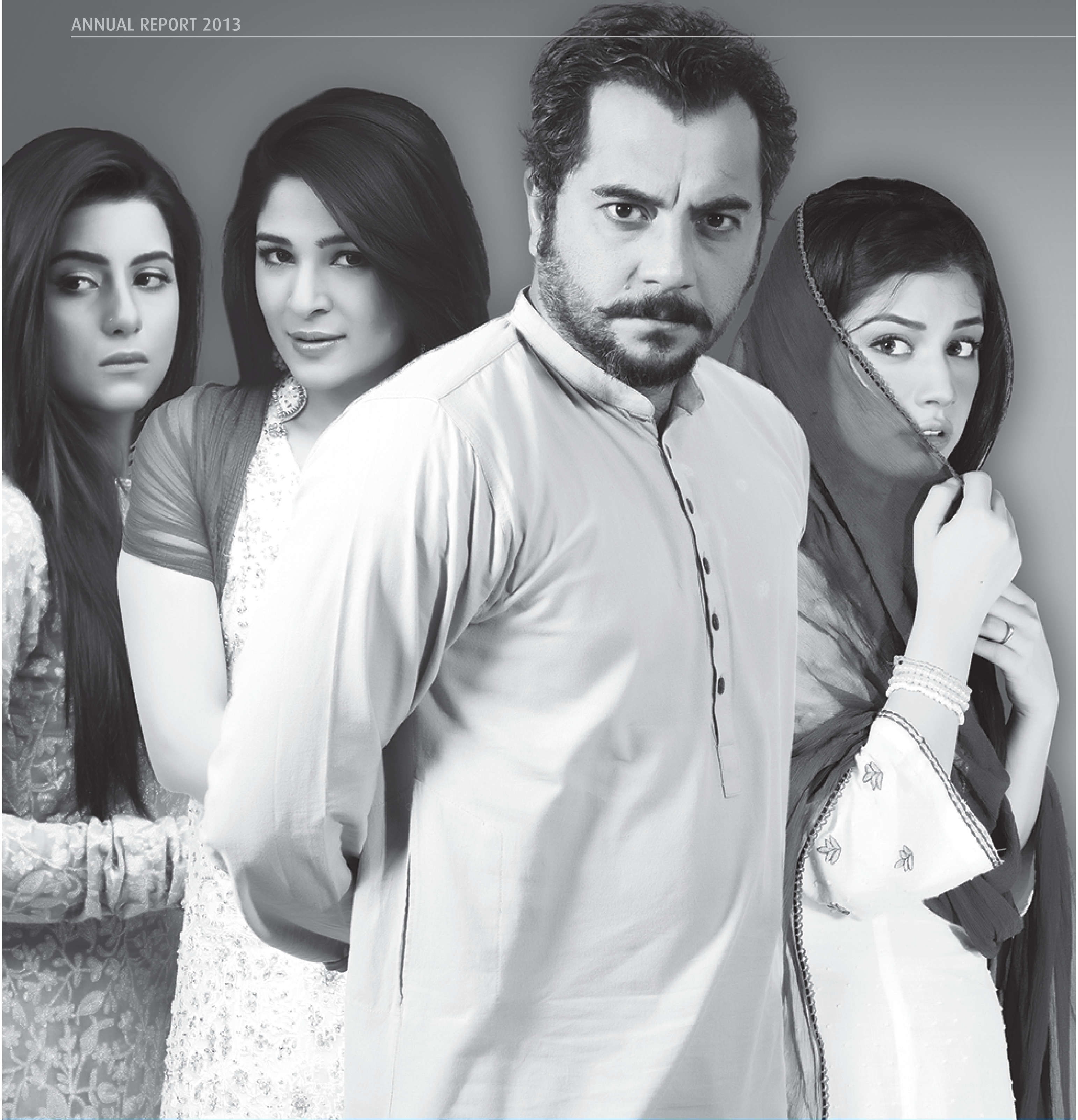
(d)"**Further Resolved that** for the purpose of giving effect to the above resolutions, the Chief Executive Officer of the Company be and is hereby authorized to take all necessary actions and do all acts, deeds and things and to settle any question or difficulties that may arise in regard to the allotment and the distribution of the said bonus shares as he thinks fit."

The Directors/CEO of the Company are not directly or indirectly, personally interested in this business except to the extent of their respective shareholdings in the Company.

Dated: **October 01, 2013**
Place: **Karachi**

Company Information

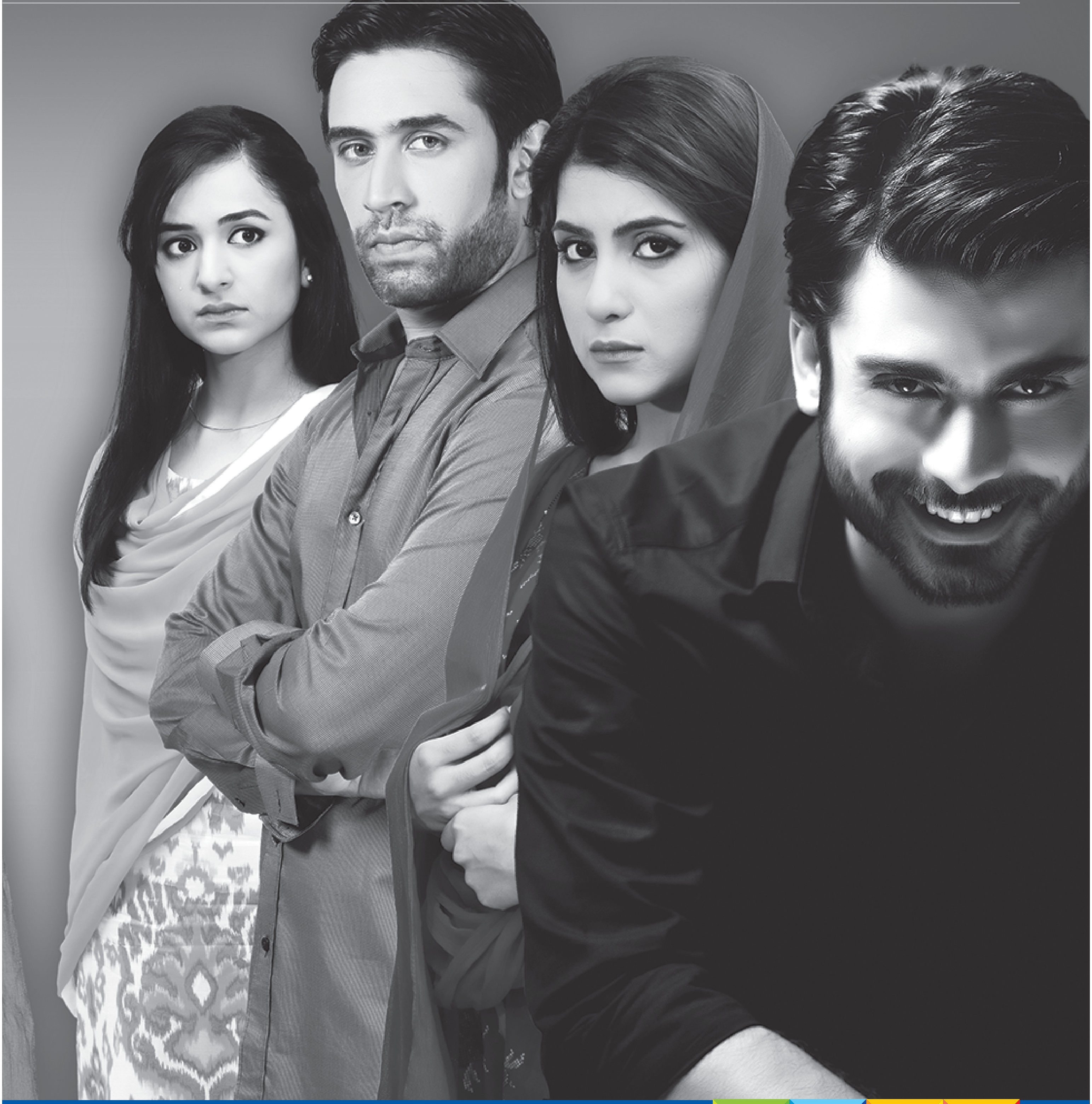
BOARD OF DIRECTORS	
Chairman	Mr. Mazhar -ul-Haq Siddiqui
Directors	Ms. Sultana Siddiqui Mr. Munawar Alam Siddiqui Mr. Shunaid Qureshi Mrs. Mahtab Akbar Rashdi Mr. Abdul Hamid Dagia Mr. Muhammad Ayub Younus Adhi
Chief Executive Officer	Mr. Duraid Qureshi
Chief Financial Officer	Mr. Islam Ahmed Khan
Company Secretary	Mr. Nasir Jamal
Head of Internal Audit	Mr. Kamran Shamshad Ahmed
AUDIT COMMITTEE	
Chairman	Mr. Shunaid Qureshi
Members	Ms. Sultana Siddiqui Mr. Muhammad Ayub Younus Adhi
HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE	
Chairman	Mr. Mazhar -ul-Haq Siddiqui
Members	Mr. Munawar Alam Siddiqui Mrs. Mahtab Akbar Rashdi Mr. Shunaid Qureshi Mr. Duraid Qureshi
AUDITORS	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants 7th Floor Progressive Plaza, Beaumont Road, Karachi
INTERNAL AUDITORS	KPMG Taseer Hadi & Company Chartered Accountants 1st Floor, Sheikh Sultan Trust Building No.2, Beaumont Road, Karachi
LEGAL ADVISOR	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 KASB Bank Limited JS Bank Limited Allied Bank Limited United Bank Limited Askari Bank Limited Standard Chartered Bank Limited Bank of America
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	Central Depository Company (CDC) CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400
WEBSITES' INFORMATION	HUM NETWORK LIMITED: www.humnetwork.tv
KARACHI STOCK EXCHANGE SYMBOL	HUMNL



Directors' Report

"We take pride in being renowned for our content inspired by the finest cultural, corporate and creative values, which entertains and enriches our audience, worldwide."

The Directors of Hum Network Limited present the Annual Report together with the Company's audited financial statement for the year ended 30 June 2013. Reflected herein are the operations, financial results, corporate responsibilities adhered to, key business achievements and the challenges faced during the year.

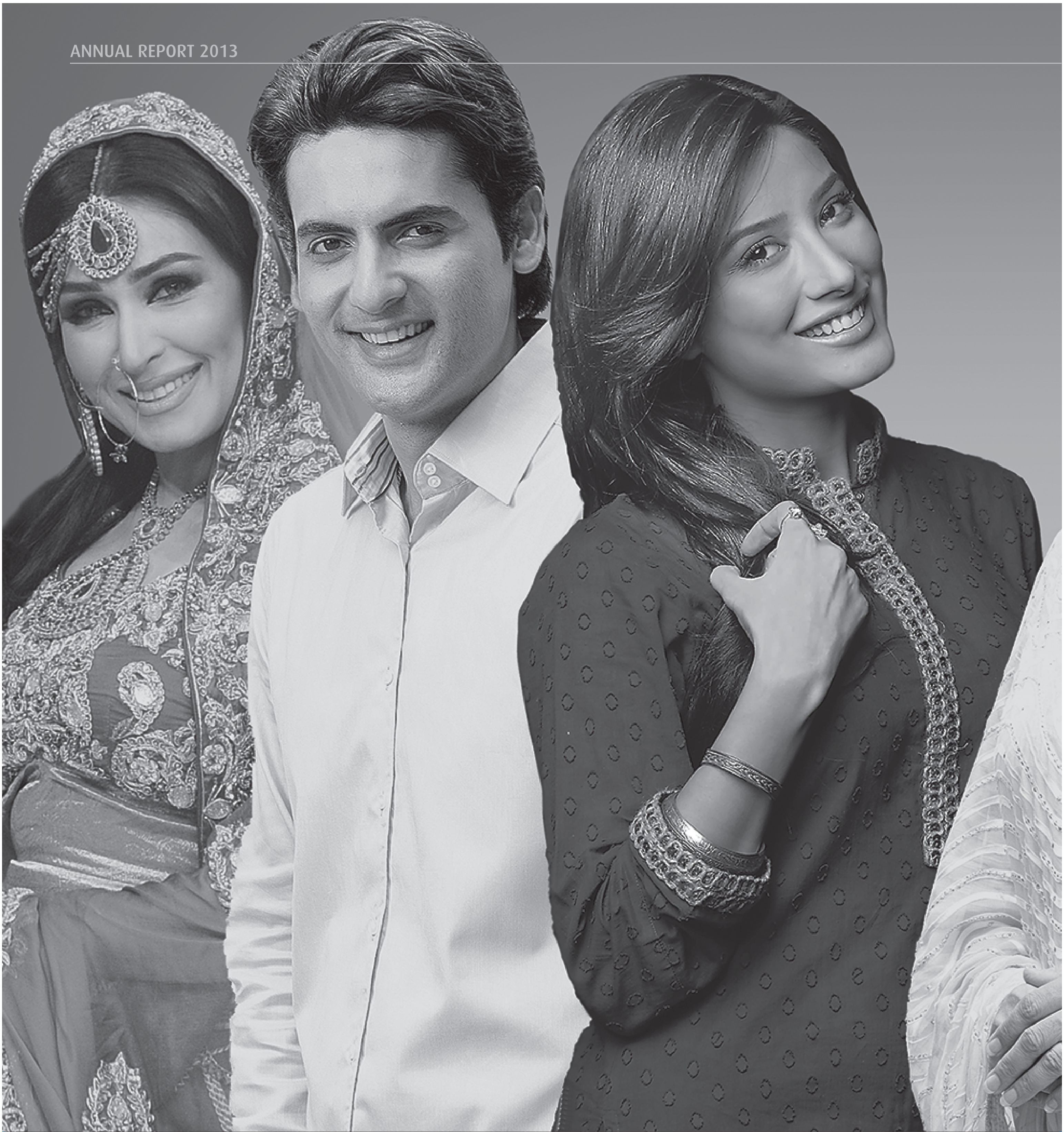


Principal Activities

Hum Network Limited is the market leader in electronic media, competing in a variety of genres. The network's current portfolio consists of three channels namely HUM, HUM2 and HUM Masala; all falling under the HUM-umbrella.

The External Environment

This year we witnessed increased competition from the existing players and new entrants. However, despite the given environment, your Network was successful in increasing its market share, showing a commendable growth of over 30% in the net revenue.



Company Performance

This year your Network's net profit after tax has doubled; from approximate by Rs. 196 M to almost Rs. 388M, which is due to the strategy of Hum Brand in the content industry.

Launch Of Channel HUM2

The management has embarked on the strategy of diversification in the same industry in the form of launching of a new channel HUM2. This channel offers a collage of programs including narratives, lifestyle, cooking etc. and caters to a large audience.

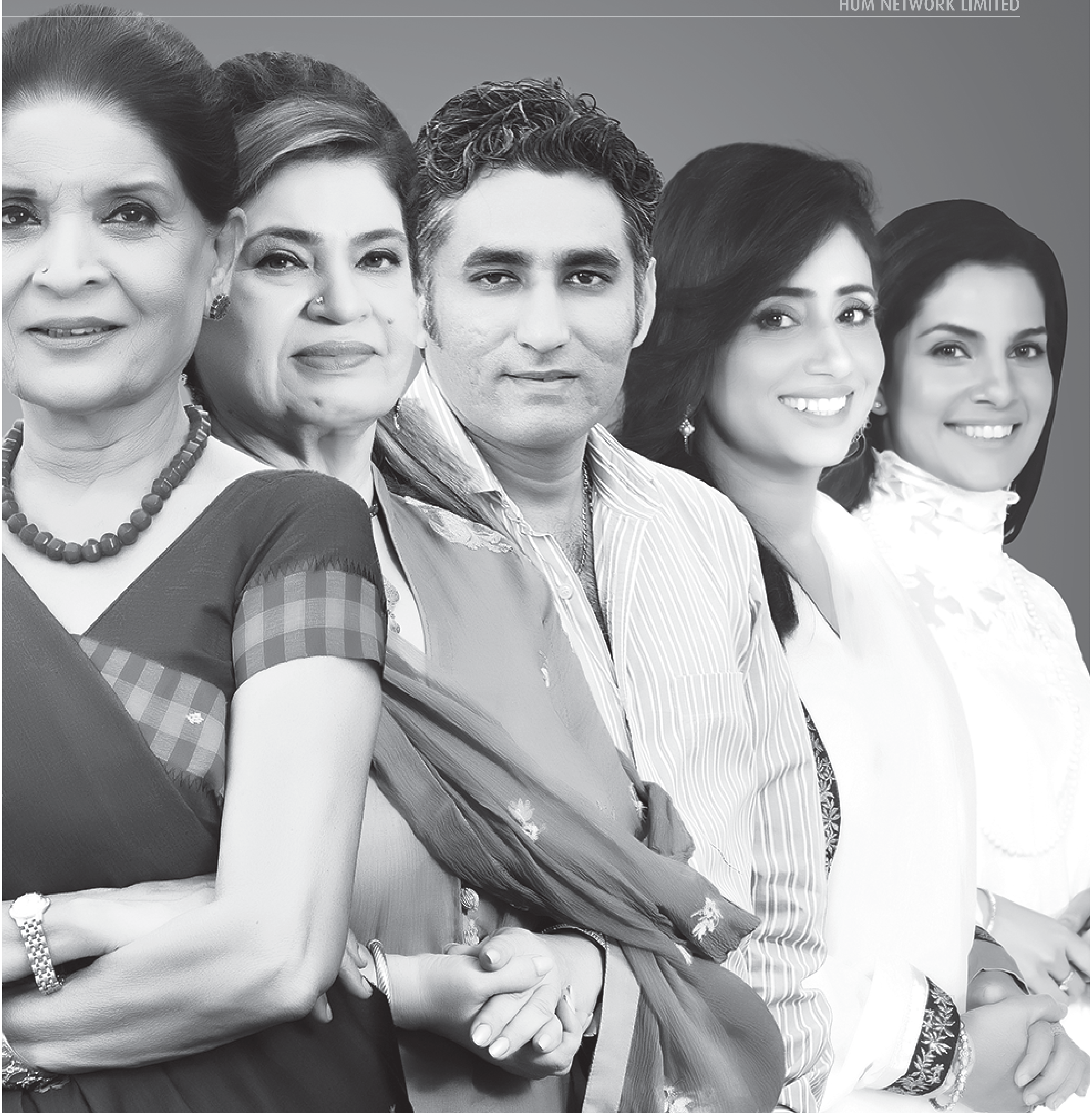
EVENTS
First HUM Awards

Hum Network Limited in line with its reputation organized the first ever Hum Awards exclusively for the Network's own content. It was the first ever occasion that a local satellite channel organized an awards function exclusively for its own content.

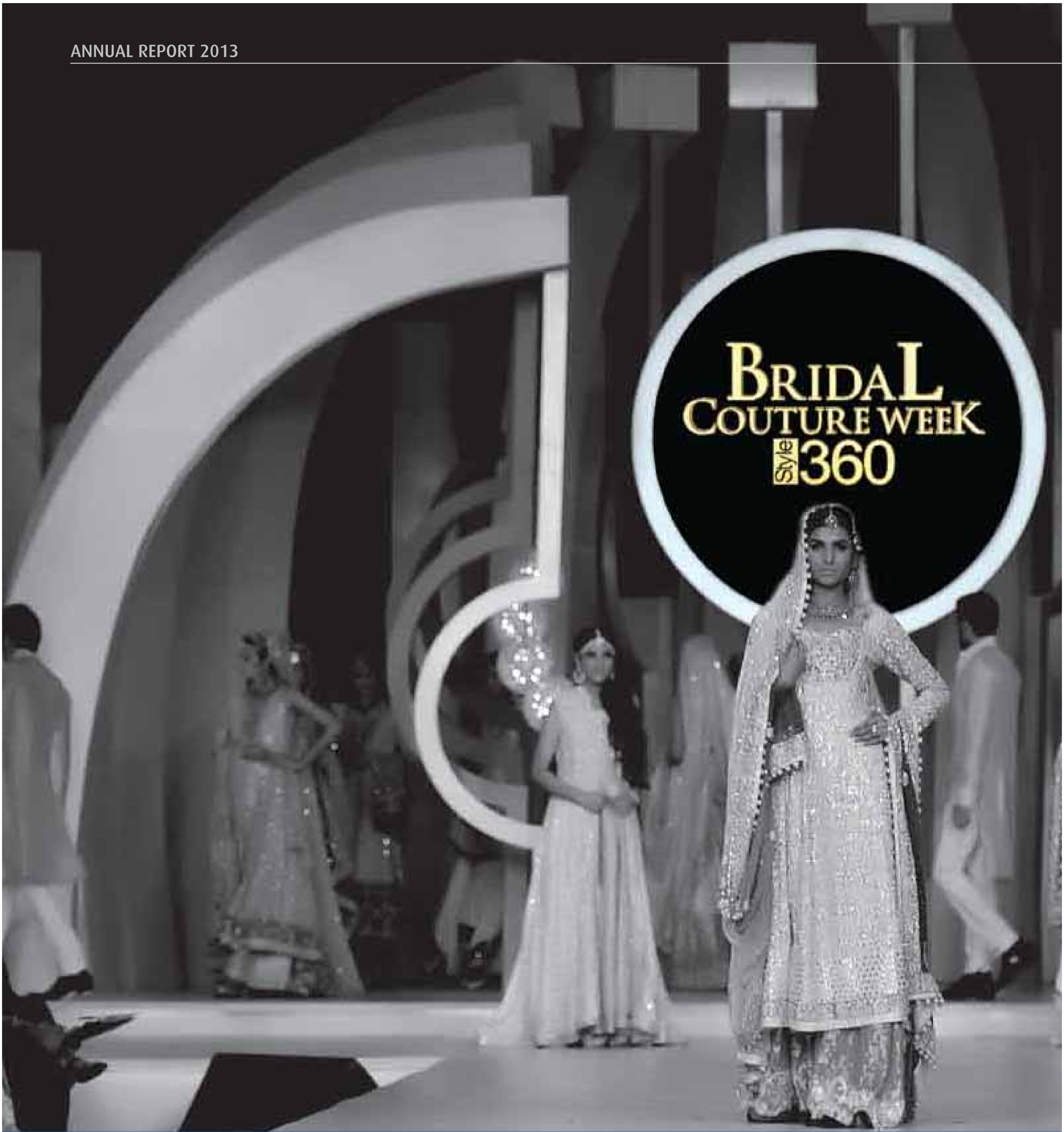
The event was attended by numerous star personalities of the fraternity to honor those behind the success of the Channel. The event was also much appreciated by its audience for the honorary awards given away to the legends of the Pakistani television and music industry.

Masala Family Festival

Keeping in view the remarkable success of the first Masala Food Festival, the 2nd Masala Food Festival was held in Karachi. The festival was attended by huge numbers and enjoyed by people of all ages, showing the loyalty towards Masala Tv and the chefs.

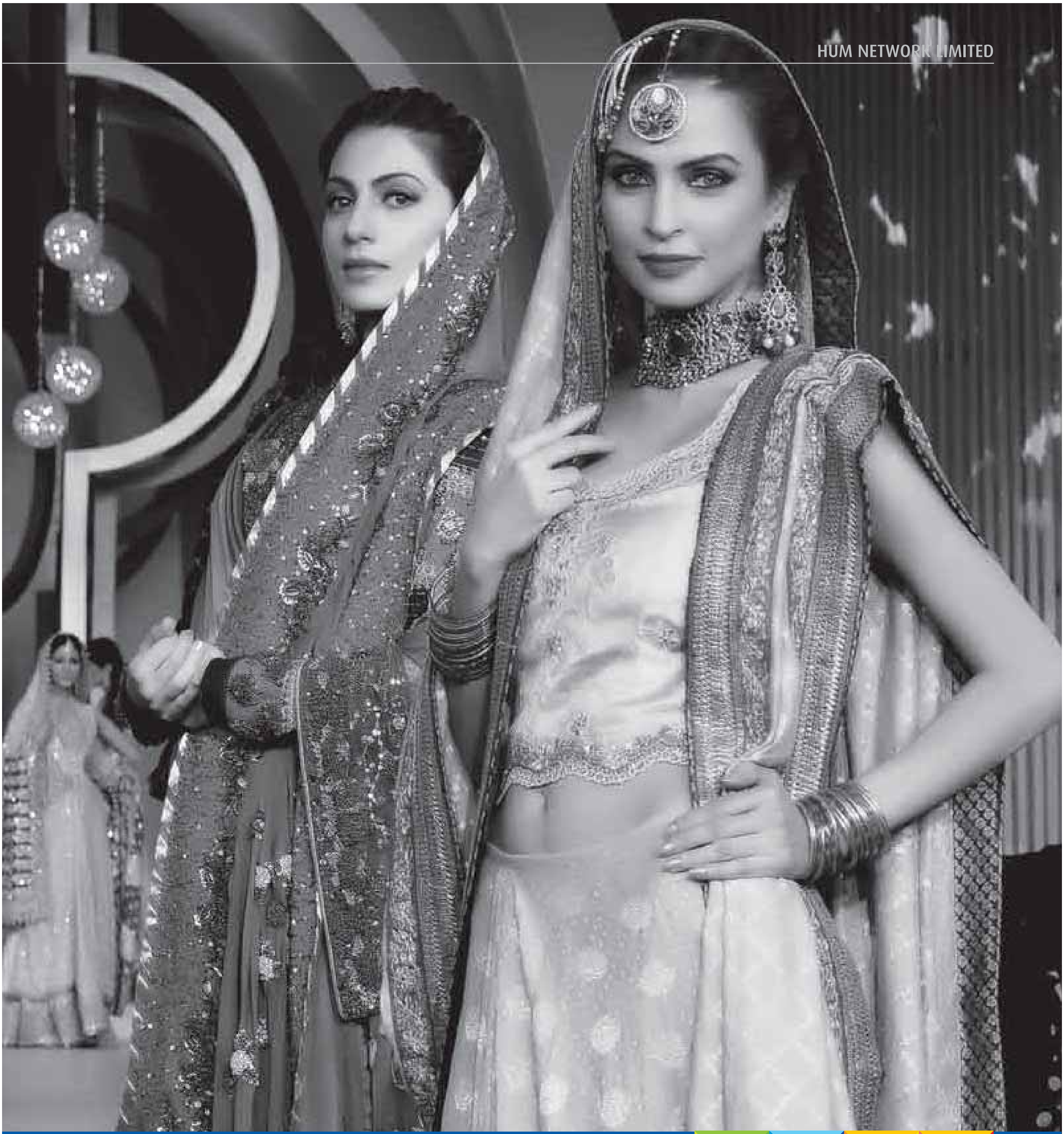


The event, apart from increasing viewers' loyalty, also contributed significantly to the overall revenue stream.



Bridal Couture Week (BCW)

The BCW duo was much-admired, as always, being the country's best Bridal Couture event. The event is raising the bar for itself each time and is always packed with a new set of entertainment to astonish its audience.



This year's was a star studded event, where several designers, legends and newbies, showcased their collection, in addition to jewellery exhibition, dance performances and hair mobs.

Achievements & Awards

Not for the first time, Hum Network Limited outshone its competitors by sweeping the Lux Style Awards in all relevant categories. We received awards for:
Best Play (Satellite): Humsafar (M.D Productions)
Best TV Actress (Satellite): Mahira Khan – Humsafar (M.D Productions)

Best TV Actor (Satellite): Fawad Khan – Humsafar (M.D Productions)
Best TV Director: Sarmad Khoosat – Humsafar (M.D Productions)
Best Original Sound track: Zindagi Gulzar Hai (M.D Productions)
This is ample testimonyof prowess when it comes to presenting top quality entertainment content in the country.

SAFETY, HEALTH & ENVIRONMENT

Hum network gives utmost importance to safety, health and environment in order to ensure safe business operations and the best environment for all its stakeholders. We are pleased to report that no major safety incidents were reported during the year.

Your Network has been conscious of its responsibility to improve the environment for which additional steps have been taken. Firstly, the Hum Home has been made smoke free, with no exceptions, which definitely promotes healthy working environment. Secondly, all light bulbs have been replaced with energy savers for energy conservation. Last but not the least; two floors of the Head office have been revamped with particular emphasis on improved sunlight, energy conservation and better working conditions.

HUMAN RESOURCE MANAGEMENT

Hum Network Limited views its human resource as the most valuable asset and pays special attention to develop an atmosphere which fosters growth, high performance, adherence to organizational values and business ethics. We believe in investing in the employees' personal and professional growth and keeping them motivated by means of rewards and appreciation. Special focus was given to performance evaluation, training needs assessment and objective setting this year.

ADVERTISEMENT SALES

The Network managed to direct its efforts in the right direction by focusing on program quality and needs of the customers. This has paid off in the form of increased revenues by almost two folds over the last year.

PRODUCTION

Against the backdrop of stiff competition and new entrants in the market, the Company managed to maintain its GRPs (Gross Rating Points) within the top three most viewed network in the entertainment genre. Although the cost of production has elevated in the overall media industry the company managed to keep the cost within predefined budgets and has delivered quality content which was appreciated not only by the masses but also by the industry as a whole.

CORPORATE SOCIAL RESPONSIBILITY

Hum Network Limited values the environment that it operates in and is conscious of the significant role it can play in overall improvement of the society.

Community Welfare

During the year ended 30 June 2013, the Network with its commitment to promote public well being took several initiatives. A considerable portion of airtime was devoted to LRBT, SIUT and Fakhr Imdad Foundation.

Employee Welfare

For the welfare of the employees and to further protect their interest, the Network has created a Provident Fund. Under the arrangement, the investments, and the returns hereon, would be handled independently of the Company and would also enable the employees to withdraw funds, if required. Moreover, the fund being recognized allows the Company and the employee, both, to take advantage of the tax benefit.

GLOBAL REACH

We take pride in the fact that Hum Tv is not only the viewer's first choice in Pakistan but is also consistently reaching new heights internationally. There is a continuously growing international demand for the channel. Moreover, foreign channels and distributors are demanding subtitled content for airing in different parts of the world. Hum Tv has been launched in the Middle East and North African region through PEHLA, which is the largest provider of Pay tv in the region. Our international beam, Hum World, offers programming of various genres; namely entertainment, cooking and lifestyle.
A UK based channel achieved record ratings for airing Hum Tv's hit drama serial "Humsafar" in the UK. It was the first non-film show to attract highest BARB rating at the weekend slot.

We are confident that our global beam will continue to grow and attract more viewership in the years to come. Further syndication of our content on other foreign channel is also being actively explored.

OVERSEAS SUBSIDIARY

HUM TV Inc., the 100% wholly owned subsidiary of the Network started its operations last year. It has not only attracted viewership from South Asian Community in the region, but also penetrated the advertising revenue market in the North American region.

Your Network is also moving forward to form a wholly owned subsidiary in the United Kingdom to expand its global reach and increase its share of revenues from the expat market.

DIGITAL SALES

Being the pioneer of leadership and diversity, your network takes pride in now having entered the domain of Digital Sales. Starting off with small steps, we have high hopes for the future; whereby we expect a considerable portion in terms of revenue and client base.

MAGAZINES AND PUBLICATIONS

The Network currently has three regular publications; namely GLAM, Masala Magazine and the BCW. Additionally, Gulzar's cook book, under the name of the popular program "Live @ 9 with Chef Gulzar", was launched which exceeded market expectations. Considering the popularity of the first cookbook, the Network has decided to continue the cookbook series in future.

FUTURE PROSPECTS & CHALLENGES

Keeping in mind its track record, Hum Network is confident of exceeding Insha Allah the expectations of its stake holders in the coming years. The network remains committed to growth, to increase its viewership, brand loyalty and returns for its shareholders.

CREDIT RATING

The Pakistan Credit Rating Agency Limited (PACRA) maintained the long-term and short-term entity ratings of Hum Network Limited at "A+" and "A1", respectively. These ratings denote a low expectation of credit risk and the network's established market position.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have taken place between the end of the year and the date of this report.

MEETING OF THE DIRECTORS

During the year, 6 (six) Board of Directors and 4 (four) Audit Committee meetings were held. Attendance by each Director was as follows:

NAME OF DIRECTOR	BOARD OF DIRECTOR ATTENDANCE	AUDIT COMMITTEE ATTENDANCE
Mr. Mazhar-ul-Haq Siddiqui	6	
Ms. Sultana Siddiqui	6	3
Mr. Munawar Alam Siddiqui	6	
Mrs. Mahtab Akbar Rashdi	5	
Mr. Shunaid Qureshi	5	3
Mr. Abdul Hamid Dagia	2	
Mr. Ayub Younus Adhi	6	4
Mr. Duraid Qureshi	6	

Leave was granted to the members of the Board who were unable to attend the Board meetings.

AUDITORS

The present auditors Messers Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants shall retire and may be considered for re-appointment for the year 2013-14.

CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- Key operating and financial data for the last six years is summarized and attached herein.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- There has been no departure from the best practices of transfer pricing as detailed in the listing regulations.
- Outstanding taxes and levies are given in the Notes to the Financial Statement.
- During the year one of the directors attended training program and the rest of the Directors will be trained within the prescribed time period ending on June 30, 2016. All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies.
- There are no outstanding loans, TFCs, sukuks or any other debt instruments.
- Statement of value of investments in respect of employees' retirement plan is given in Notes to the Financial Statements.
- Pattern of Shareholding is included in the annexed shareholders' information.
- Trading of Shares by the Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary, their spouse and minor children:

	Acquisition	Transfer
CEO	-	-
Director	7,000	201,500
CFO & Company Secretary	-	-
Spouses & Minor Children	6,000	-

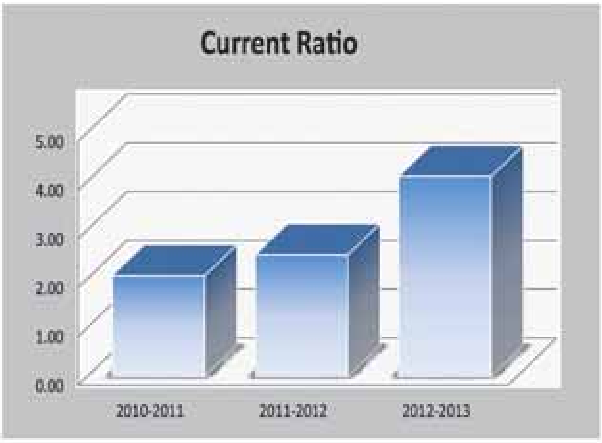
DIVIDEND AND APPROPRIATIONS

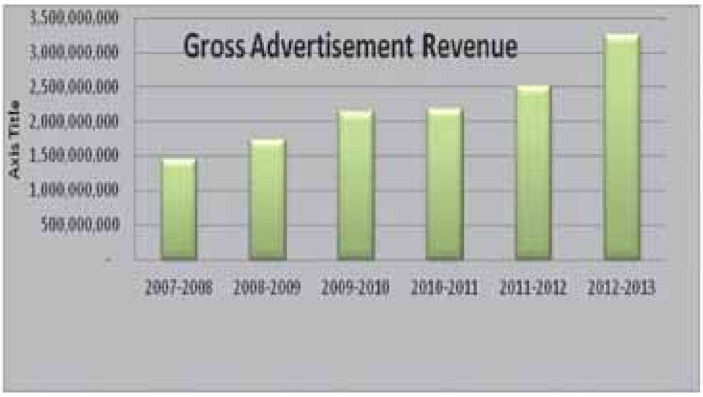
Based on these results, the Board announced a final cash dividend of Rs. 6 per share along with 40% bonus share on the existing paid up capital.

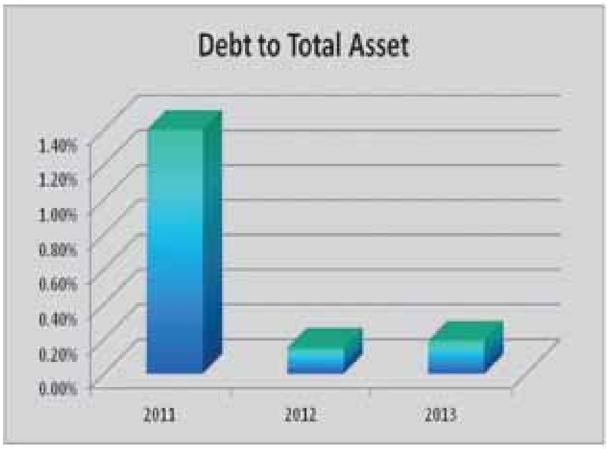
For & On behalf of the Board of Directors
Sd/-
Duraid Qureshi
Chief Executive Officer

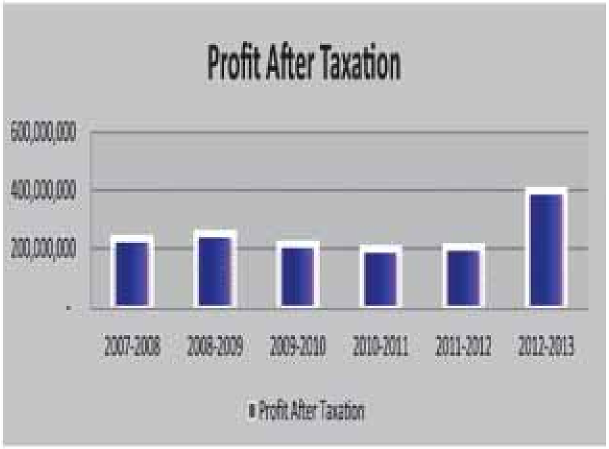
Dated: **September 26, 2013**
Place: **Karachi**

GRAPHICAL PRESENTATION









Previous Years At A Glance

Key Financial Data

OPERATING DATA	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Net Revenues	909,762,224	1,116,856,291	1,284,272,631	1,436,505,007	1,742,473,618	2,291,450,649
Cost of Production	(320,373,944)	(459,622,610)	(689,448,618)	(773,760,901)	(1,096,060,018)	(1,295,622,120)
Gross Profit	589,388,280	657,233,681	594,824,013	662,744,106	646,413,600	995,828,529
PROFIT AFTER TAXATION						
Profit before taxation	355,075,212	363,545,408	313,819,416	297,727,777	262,339,103	565,238,231
Taxation	(129,769,075)	(122,612,433)	(108,183,460)	(108,925,441)	(66,463,317)	(177,441,038)
Net Profit for the year	225,306,137	240,932,975	205,635,956	188,802,336	195,875,786	387,797,193
Earning per share Rs.	4.51	4.82	4.11	3.78	3.92	7.76

Financial Ratios

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Current Ratios	3.92	1.99	1.69	2.07	2.5	4.11
Quick ratio	3.07	1.30	1.10	1.28	1.67	3.16
Debt/ Equity Ratio	0.12	0.10	0.05	0.02	0.002	0.002
Cash flow per share- Rs.	1.28	1.3	2.75	0.91	2.73	0.31
Return on equity - %	44.44	32.90	28.34	22.64	19.13	34.68
Share Price per share - Rs.	58.90	29.4	23.22	15.06	21.00	38.00
Break-up value per share - Rs.	14.79	14.71	16.98	21.20	23.39	29.08
	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13
Gross Profit / (Loss) to Sales - %	64.78	60.32	46.32	46.14	37.07	43.46
Net profit / (Loss) to Sales - %	24.77	21.57	16.01	13.14	11.23	16.92
Intrest Cover - number of times	33.19	10.94	12.39	8.86	9.21	78.69
Debtors Turnover (number of days)	131.93	121.25	119.00	114.00	99.00	92.08
Administrative Expenses to Sales - %	16.71	16.94	12.12	13.20	10.97	10.49
Cost of Production To Sales- %	35.22	39.68	41.16	46.28	56.56	52.61
Price earning ratio	13.07	6.10	5.65	3.99	5.37	4.90
Turn Over to Total Asset Ratio	0.89	0.94	0.86	0.90	1.05	1.295
Net Revenues	909,762,224	1,116,856,291	1,284,272,631	1,436,505,007	1,742,473,618	2,291,450,649
Profit/(loss) after taxation	225,306,137	240,932,975	205,635,956	188,802,336	195,875,786	387,797,193
Earnings/(loss) per share Rs.	4.51	4.82	4.11	3.78	3.92	7.76

HUM NETWORK

www.humnetwork.tv

Pattern of Shareholding

Combined Pattern of CDC and Physical Shareholdings as at June 30, 2013

1. Incorporation Number: 0046904
2. Name of Company: HUM NETWORK LIMITED
3. Pattern of holding of the shares held by the shareholders as at 30-Jun-13

No. Of Shareholders	Shareholdings'Slab		Total Shares Held
	From	To	
305	1	100	3,661
126	101	500	58,420
51	501	1000	46,910
77	1001	5000	238,821
28	5001	10000	233,298
11	10001	15000	155,346
4	15001	20000	69,000
4	20001	25000	93,500
2	25001	30000	56,500
2	30001	35000	68,500
1	35001	40000	36,000
2	40001	45000	84,000
1	45001	50000	50,000
2	50001	55000	107,813
2	55001	60000	117,942
1	65001	70000	68,500
1	70001	75000	74,399
1	85001	90000	87,500
1	90001	95000	92,000
1	95001	100000	100,000
1	120001	125000	122,500
1	140001	145000	143,400
1	155001	160000	160,000
1	200001	205000	205,000
1	225001	230000	229,000
1	245001	250000	245,500
1	270001	275000	272,000
1	290001	295000	293,500
1	400001	405000	405,000
2	495001	500000	1,000,000
1	500001	505000	502,000
1	595001	600000	600,000
1	845001	850000	849,875
1	1490001	1495000	1,490,233
1	1790001	1795000	1,793,500
1	1795001	1800000	1,800,000
1	2215001	2220000	2,220,000
1	2400001	2405000	2,401,000
1	2495001	2500000	2,499,000
1	3690001	3695000	3,692,189
1	4995001	5000000	4,999,500
1	6430001	6435000	6,430,193
1	6995001	7000000	7,000,000
1	8800001	8805000	8,804,500
648			**50,000,000**

Additional Information

As on June 30, 2013

S. NO.S	NAME OF SHAREHOLDERS	TOTAL SHARES HELD	FACE VALUE	%age
DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE AND MINOR CHILDREN				
1	Mr. Duraid Qureshi	6,430,194	10	12.860
2	Ms. Sultana Siddiqui	3,692,190	10	7.384
3	Mr. Mazhar-ul-Haq Siddiqui	1	10	0.000002
4	Mr. Munawar Alam Siddiui	501	10	0.001002
5	Ms. Nadia Munawar	6,000	10	0.0120
6	Mrs. Mahtab Akbar Rashdi	1	10	0.000002
7	Mr. M. Ayub Younus Adhi	2,300,000	10	4.60
8	Mr. Abdul Hamid Dagia	4,500	10	0.009
9	Mr. Shunaid Qureshi	11,829,500	10	23.659
		24,262,887		**48.525**
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES				
1	Jahangir Siddiqui & Co. Ltd.	7,000,000	10	14.0000
		7,000,000		**14.0000**
EXECUTIVES				
		-	-	-
PUBLIC SECTOR COMPANIES AND CORPORATIONS				
		-	-	-
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS				
1	Silkbank Limited	2,499,000	10	4.9980
2	EFU General Insurance	1,490,233	10	2.9805
3	Trustee - Pakistan Pension Fund - Equity Sub Fund	21,500	10	0.0430
		4,010,733		**8.0215**
MUTUAL FUNDS				
1	Golden Arrow Selected Stocks Fund Limited	33	10	0.0001
2	CDC - Trustee AKD Index Tracker Fund	4,000	10	0.0080
		4,033		**0.0081**
OTHERS				
1	WE Commodities (Pvt.) Ltd.	350	10	0.0007
2	Al-Abbas Sugar Mills Ltd.	405,000	10	0.8100
3	Azee Securities (Pvt.) Ltd.	4,390	10	0.0088
4	Multiline Securities (Pvt.) Ltd.	1,000	10	0.0020
5	Stock Master Securities (Pvt.) Ltd.	500	10	0.0010
6	Darson Securities (Pvt.) Ltd	3,500	10	0.0070
7	Stock Street (Pvt.) Ltd.	100	10	0.0002
8	Arif Habib Ltd.	2,401,000	10	4.8020
9	Mohammad Munir Mohammad Aahmed Khanani Securities (Pvt.) Ltd.	92,000	10	0.1840
10	Horizon Securities Ltd.	10,000	10	0.0200
11	Fikree's (SMC - Pvt.) Ltd.	2,000	10	0.0040
		2,919,840		**5.8397**
General Public - Local				
1	Local Individuals (General Public)	11,802,507	10	23.6050
		11,802,507		**23.6050**
General Public - Foreign				
		-	-	-
GRAND TOTAL		**50,000,000**		**100.000**

"STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNENCE"

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of Chapter XI of Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Name	Designation	Category
Mr. Mazhar ul Haq Siddiqui	Chairman	Non-Executive
Ms. Sultana Siddiqui	Director	Executive
Mr. Duraid Qureshi	CEO	Executive
Mr. Shunaid Qureshi	Director	Non-Executive
Mrs. Mahtab Akbar Rashdi	Director	Non-Executive
Mr. Abdul Hamid dagia	Director	Non-Executive
Mr. Munawar Alam Siddiqui	Director	Non-Executive
Mr. M. Ayub Younus Adhi	Director	Non-Executive

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a Development Financial Institution (DFI) or a Non-Banking Financial Institution (NBFI), or being a member of stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred in the Board during the period under review.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the Board. No new appointment of CEO has been made neither there is any change in the remuneration of non-executive directors during the year.

8. The meetings of the Board were presided over by the Chairman. The Board met six times during the year. Written notices of the Board meetings, along with the agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranges orientation course for its directors as and when needed to apprise them of their duties and responsibilities. Two directors have already passed Corporate Governance Leadership Skills (CGLS) Program of the

Pakistan Institute of Corporate Governance (PICG).

10. No new appointment of the Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit has been made during the year. However, any changes to the remuneration, terms and conditions of the employment of CFO, Company Secretary and Head of Internal Audit have been determined by the CEO with the approval of the Board of Directors.

11. The details of all related party transactions have been placed before the Audit Committee of the Company and upon recommendations of the Audit Committee the same have been placed before the Board for review and approval, and all transactions were made on the terms equivalent to those that prevail in arm's length transaction. The Company maintains a detail record of related party transactions along with all documents.

12. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

14. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

15. The Company has complied with all the corporate and financial reporting requirements of the CCG.

16. The Board has formed an Audit Committee. It comprises of three members, two of whom are non-executive directors including Chairman of the Audit Committee.

17. The meetings of the Audit Committee were held at least once every quarter prior to the approval of the interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

18. The Board has formed a Human Resources and Remuneration Committee. It comprises of five members, of whom four are non-executive directors including Chairman of the Committee.

19. The Board has outsourced the Internal Audit function to M/s. KPMG Taseer Hadi & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the ICAP.

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

22. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to the directors, employees and stock exchange(s).

23. Material/price sensitive information has been disseminated amongst all the market participants at once through the stock exchange(s).

24. We confirm that all other material principles enshrined in the CCG have been complied with.

For & On behalf of the Board of Directors

Sd/-

Duraid Qureshi

Chief Executive Officer

Dated: **September 26, 2013**

Place: **Karachi**

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) for the year ended **30 June 2013** prepared by the Board of Directors (the Board) of HUM Network Limited (the Company) to comply with the Listing Regulations no. 35 of the Karachi Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub - Regulation (x) of Listing Regulation 35 notified by The Karachi Stock Exchange Limited requires the Company to place before the Board for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code for the year ended **30 June 2013**.

September 26, 2013
Karachi

Sd/-
ERNST & Y0UNG FORD RHODES SIDAT HYDER
Chartered Accountants
Audit Engagement Partner: Omer Chugtai

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **HUM NETWORK LIMITED** (the Company) as at **30 June 2013** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

  (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 2.1 to the accompanying financial statements with which we concur;

  (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

  (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2013** and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

September 26, 2013
Karachi

Sd/
ERNST & Y0UNG FORD RHODES SIDAT HYDER
Chartered Accountants
Audit Engagement Partner: Omer Chugtai

BALANCE SHEET
AS AT JUNE 30, 2013

	Note	2013	2012
		---------- Rupees	----------
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**228,844,288**	182,147,192
Intangible assets	5	**9,923,463**	10,784,432
Long term investment	6	**18,725,353**	8,682,103
Long term deposits	7	**25,409,181**	24,170,381
Television program costs	8	**197,195,117**	281,055,788
Deferred tax asset	9	**2,241,543**	27,008,002
		482,338,945	533,847,898
CURRENT ASSETS			
Inventories		**893,927**	570,580
Current portion of television program costs	8	**289,858,307**	368,979,393
Trade debts	10	**682,276,965**	473,817,210
Advances	11	**71,266,218**	50,496,568
Deposits and prepayments	12	**6,655,633**	4,626,578
Accrued profit		**-**	725,247
Other receivables	13	**32,344,438**	4,204,333
Taxation – net		**50,711,832**	83,422,421
Cash and bank balances	14	**155,726,559**	136,260,326
		1,289,733,879	1,123,102,656
TOTAL ASSETS		**1,772,072,824**	1,656,950,554
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 70,000,000 (2012: 70,000,000) Ordinary shares of Rs.10/- Each		**700,000,000**	700,000,000
Issued, subscribed and paid-up capital	15	**500,000,000**	500,000,000
Unappropriated profit		**956,330,609**	618,533,416
		1,456,330,609	1,118,533,416
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	16	**1,571,449**	1,190,126
Deferred liabilities	17	**-**	78,264,793
		1,571,449	79,454,919
CURRENT LIABILITIES			
Trade and other payables	18	**310,813,456**	264,888,547
Accrued mark-up		**-**	6,371,365
Short term borrowing	19	**-**	186,370,897
Unclaimed dividend		**1,518,113**	7,800
Current portion of liabilities against assets subject to finance lease	16	**1,839,197**	1,323,610
		314,170,766	458,962,219
COMMITMENTS	20		
TOTAL EQUITY AND LIABILITIES		**1,772,072,824**	1,656,950,554

The annexed notes from 1 to 37 form an integral part of these financial statements.

Sd/-	**Sd/-**
MAZHAR-UL-HAQ SIDDIQUI	**DURAID QURESHI**
Chairman	**Chief Executive**

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	2012
		----------- Rupees ----------	
Revenue – net	21	**2,291,450,649**	1,742,473,618
Cost of production	22	**(1,205,632,497)**	(985,565,273)
Transmission cost		**(89,989,623)**	(110,494,745)
		(1,295,622,120)	(1,096,060,018)
Gross profit		**995,828,529**	646,413,600
Distribution costs	23	**(237,671,437)**	(198,328,899)
Administrative expenses	24	**(240,323,037)**	(191,242,011)
		517,834,055	256,842,690
Other operating income	25	**66,433,595**	43,392,713
		584,267,650	300,235,403
Finance costs	26	**(7,493,945)**	(32,542,441)
Other charges	27	**(11,535,474)**	(5,353,859)
Profit before taxation		**565,238,231**	262,339,103
Taxation	28	**(177,441,038)**	(66,463,317)
Profit after taxation		**387,797,193**	195,875,786
Earnings per share – basic and diluted	29	**7.76**	3.92

The annexed notes from 1 to 37 form an integral part of these financial statements.

Sd/-	**Sd/-**
MAZHAR-UL-HAQ SIDDIQUI	**DURAID QURESHI**
Chairman	**Chief Executive**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
	----------- Rupees ----------	
Profit after taxation	**387,797,193**	195,875,786
Other comprehensive income	**-**	**-**
Total comprehensive income for the year	**387,797,193**	195,875,786

The annexed notes from 1 to 37 form an integral part of these financial statements.

Sd/-	**Sd/-**
MAZHAR-UL-HAQ SIDDIQUI	**DURAID QURESHI**
Chairman	**Chief Executive**

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	2012
		----------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	30	**486,082,372**	410,801,049
Taxes paid		**(125,374,181)**	(119,641,950)
Finance costs paid		**(13,865,310)**	(35,455,030)
Profit received on deposit accounts		**12,774,085**	6,722,524
Long term deposits		**(1,238,800)**	(1,692,310)
Gratuity paid		**(79,164,793)**	(2,598,599)
Television program costs		**71,057,507**	27,998,490
Net cash generated from operating activities		**350,270,880**	286,134,174
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(26,464,954)**	(22,720,904)
Addition to capital work-in-progress		**(57,683,558)**	(5,630,402)
Addition to intangible assets		**(1,465,000)**	(1,207,500)
Long term investment in a subsidiary		**(10,043,250)**	(8,673,500)
Proceeds from the disposal of operating fixed assets		**1,292,230**	9,353,765
Net cash used in investing activities		**(94,364,532)**	(28,878,541)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**-**	(13,999,997)
Repayment of liabilities against assets subject to finance lease		**(1,579,531)**	(5,044,215)
Dividends paid		**(48,489,687)**	(102,372,321)
Net cash used in financing activities		**(50,069,218)**	(121,416,533)
Net increase in cash and cash equivalents		**205,837,130**	135,839,100
Cash and cash equivalents at the beginning of the year		**(50,110,571)**	(185,949,671)
Cash and cash equivalents at the end of the year		**155,726,559**	(50,110,571)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	14	**155,726,559**	136,260,326
Short term borrowing	19	**-**	(186,370,897)
		155,726,559	(50,110,571)

The annexed notes from 1 to 37 form an integral part of these financial statements.

Sd/-
MAZHAR-UL- HAQ SIDDIQUI
Chairman

Sd/-
DURAID QURESHI
Chief Executive

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2013

	Issued, subscribed and paid-up capital	Unappropriated Profit	Total
	----------Rupees----------		
Balance as at June 30, 2011	500,000,000	522,657,630	1,022,657,630
Profit for the year	-	195,875,786	195,875,786
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	195,875,786	195,875,786
Final dividend for the year ended 30 June 2011: Re. 1.00 per share	-	(50,000,000)	(50,000,000)
Interim dividend 2012: Re. 1.00 per share	-	(50,000,000)	(50,000,000)
Balance as at June 30, 2012	500,000,000	618,533,416	1,118,533,416
Profit for the year	-	387,797,193	387,797,193
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	387,797,193	387,797,193
Final dividend for the year ended 30 June 2012: Re. 1.00 per share	-	(50,000,000)	(50,000,000)
Balance as at June 30, 2013	**500,000,000**	**956,330,609**	**1,456,330,609**

The annexed notes from 1 to 37 form an integral part of these financial statements.

Sd/-
MAZHAR-UL- HAQ SIDDIQUI
Chairman

Sd/-
DURAID QURESHI
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. THE COMPANY AND ITS OPERATIONS

1.1 HUM Network Limited (the Company) was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 (the Ordinance). The shares of the Company are quoted on Karachi 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 programmes with respect to information, entertainment, news, education, health, food, music and society.

1.3 These financial statements are separate financial statements of the Company in which investment in a subsidiary is accounted for on the basis of direct equity interest and is not consolidated.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Ordinance, provisions of and directives issued under the Ordinance. In case requirements differ, the provisions or directives of the Ordinance shall prevail.

2.1 New and amended standards

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:

The Company has adopted the following amendments to IFRSs which became effective for the current year:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the financial statements except for IAS 1 which has affected the presentation of items of other comprehensive income.

2.2 Standards, amendments and interpretation to approved accounting standards that are not yet effective:

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Standards or interpretation	Effective date (annual periods beginning on or after)
IFRS 7 – Financial Instruments : Disclosures – (Amendments) Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	January 01, 2013
IAS 19 – Employee Benefits – (Revised)	January 01, 2013
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	January 01, 2014
IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine	January 01, 2013

The Company expects that the adoption of the above revisions, amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

In addition to the above amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2013. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2015
IFRS 10 – Consolidated Financial Statements	January 01, 2013
IFRS 11 – Joint Arrangements	January 01, 2013
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2013
IFRS 13 – Fair Value Measurement	January 01, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention.

3.2 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Company’s accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

Property, plant and equipment and intangible assets

The Company reviews appropriateness of the rate of depreciation / amortisation, useful life and residual value used in the calculation of depreciation / amortisation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and intangible assets, with corresponding effects on the depreciation / amortisation charge and impairment.

Income taxes

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Trade debts

The Company reviews its doubtful trade debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

Television program costs

Television program costs represent unamortised cost of completed television programs and television programs in production. In order to determine the amount to be charged to profit and loss account, the management estimates future revenues from each program. Estimates of future revenues can change significantly due to a variety of factors, including advertising rates and the level of market acceptance of the production in different geographical locations. Accordingly, revenue estimates are reviewed periodically and amortisation is adjusted, if necessary. Such adjustments could have a material effect on results of operations in future periods.

3.3 Fixed assets and depreciation

3.3.1 Property, plant and equipment

Owned

Operating property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is charged to profit and loss account using straight line method so as to write off the historical cost of the assets over their estimated useful lives at the rates specified in Note 4.1. Depreciation on additions is charged from the month in which the asset is available to use and no depreciation is charged for the month in which asset is disposed off.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss account in the year the asset is derecognised.

The assets' residual values, useful lives and method of depreciation are revised, and adjusted if appropriate, at each balance sheet date.

Leased
Assets held under finance lease are stated at cost less accumulated depreciation and accumulated impairment loss, if any. These are accounted for by recording the asset at the lower of present value of minimum lease payments under the lease agreements and the fair value of asset acquired. The related obligation under the lease is accounted for as liability. Financial charges are allocated to the accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Assets acquired under finance lease are depreciated using the same basis as for owned assets.

Income on sale and lease back arrangement is deferred and amortised over the lease term.

3.3.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. It consists of expenditures incurred and advances made in respect of specific assets during the construction period. These are transferred to specific assets as and when assets are available for use.

3.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in profit and loss account in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss account when the asset is derecognised.

3.5 Investment in a subsidiary

Investment in shares of the Company's subsidiary is stated at cost. Provision is made for permanent impairment in the value of investment, if any.

3.6 Television program costs

Television program costs represent unamortised cost of completed television programs and television programs in production. These costs include direct production costs, cost of inventory consumed, production overheads and are stated at the lower of cost, less accumulated amortisation and net realisable value (NRV). NRV is estimated by the management on the basis of future revenue generation capacity of the program. Where the recoverable amount is less than its carrying amount, the program cost is written down to its recoverable amount and the impairment loss is recognised as an expense in the profit and loss account in the year in which it arises. Acquired television program licenses and rights are recorded when the license period begins and the program is available for use. Marketing, distribution and general and administrative costs are expensed as incurred.

Television program costs and acquired television program licenses and rights are charged to expense based on the ratio of the total revenues earned till to date to gross revenues from all sources including estimated revenues less cost expensed in prior years on an individual production basis.

3.7 Inventories

Raw tapes cassettes, VCDs, DVDs and other materials and supplies are valued on average cost basis and are stated at the lower of cost and NRV.

3.8 Trade debts

Trade debts originated by the Company are recognised and carried at original invoice amount less an allowance for doubtful debts. Provision for doubtful debts is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

3.9 Loans, advances and other receivables

These are stated at cost less provision for doubtful balance, if any.

3.10 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any or on 0.5 percent of turnover under Section 113 of the Income Tax Ordinance, 2001, whichever is higher.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all major temporary differences arising at the balance sheet date between tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current and deposit accounts and running finance under mark-up arrangements. Running finance under mark-up arrangements is shown in the current liabilities.

3.12 Long term and short term borrowings

These are recorded at the amount of proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued mark-up to the extent of the amount remaining unpaid.

3.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.15 Revenue

Advertisement revenue gross of agency commission is recognised when the related advertisement or commercial appears before the public i.e., telecast.

Revenue from barter transactions are considered realized when goods or services are exchanged, and the amount of the proceeds and cost, as well as economic benefits, can be clearly measured. Revenue is recognized at the market value of the bartered item or service and may be adjusted with an additional cash payment / receipt.

Production revenue is recognised when production work is completed.

Subscription fees are earned over the period the services are provided. Subscription revenue arises from the monthly billing to subscribers for services provided by the Company. Revenue is recognised in the month the service is rendered.

Profit on bank deposits is accounted for on an accrual basis.

3.16 Staff retirement benefits

Defined benefit plan

The Holding company operated an unfunded gratuity scheme for all its permanent employees up till June 30, 2012. Effective July 1, 2012 the Company discontinued the gratuity scheme for all the permanent employees except for the Chief Executive Officer (CEO). Accordingly, no actuarial valuation was carried out as at June 30, 2013, however, the liability recognised up to June 30, 2012 is payable to the employees at the end of their service. During the year the Company has transferred the entire liability to a recognized gratuity fund scheme.

Defined contribution plan

Effective July 01, 2012 the Company has started a recognised provident fund scheme for all its permanent employees except CEO. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 8.33% of the basic salary.

3.17 Financial instruments

Financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and are derecognised in case of assets, when the contractual rights under the instrument are realised, expired or surrendered and in case of liability, when the obligation is discharged, cancelled or expired.

3.18 Off setting of financial assets and liabilities

A financial asset and a financial liability is only offset and the net amount is reported in the balance sheet if the Company has legally enforceable right to offset the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

3.19 Foreign currency translations

Foreign currency transactions are translated into Pakistani Rupees using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to profit and loss account currently.

3.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are capitalized as a part of the cost of related asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

3.21 Ijarah rentals

Ijarah payments under an Ijarah agreement are recognized as an expense in profit and loss account on a straight line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user's benefit.

3.22 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

3.23 Impairment

3.23.1 Financial assets

Financial asset are assessed at each reporting date to determine whether there is any objective evidence of impairment . A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect of the estimated future cash flows of that asset.

3.23.2 Non-financial assets

The carrying value of non-financial assets other than inventories and deferred tax assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the recoverable amount is estimated. An impairment loss is recognised, as an expense in the profit and loss account, for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash generating units).

3.24 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

			2013	2012
4.	**PROPERTY, PLANT AND EQUIPMENT**	**Note**	**----------- Rupees**	**----------**
	Operating fixed assets	4.1	**194,942,693**	176,516,790
	Capital work-in-progress	4.4	**33,901,595**	5,630,402
			228,844,288	182,147,192

4.1 Operating fixed assets

	2013							
	Cost			**Accumulated depreciation**			**Book value**	**Depreciation**
	As at July 01, 2 0 1 2	**Additions/ (Deletion)**	**As at June 30, 2 0 1 3**	**As at July 01, 2 0 1 2**	**Charge for the year (Note 4.3)**	**As at June 30, 2 0 1 3**	**as at June 30, 2 0 1 3**	**Rate % per annum**
	----------	----------	----------	Rupees	----------	----------	----------	
Owned								
Leasehold land	63,257,901	-	63,257,901	7,073,795	1,327,721	8,401,516	54,856,385	2.04 - 2.13
Building on leasehold land	33,820,879	-	33,820,879	17,317,953	3,382,088	20,700,041	13,120,838	10
Leasehold improvements	33,221,684	6,233,732	39,455,416	27,240,190	3,680,349	30,920,539	8,534,877	33
Furniture and fittings	7,128,734	1,308,746	8,437,480	3,047,109	790,256	3,837,365	4,600,115	10
Vehicles	34,305,080	-	32,328,580	18,970,019	4,373,177	22,099,828	10,228,752	33
		(1,976,500)			(1,243,368)			
Audio visual equipment	100,641,817	14,034,930	114,602,227	71,398,682	8,391,497	79,740,033	34,862,194	25
		(74,520)			(50,146)			
Uplinking equipment	37,127,693	23,789,931	60,917,624	16,230,476	3,491,776	19,722,252	41,195,372	10
Office equipment	34,468,834	2,196,479	36,665,313	17,952,339	4,301,088	22,253,427	14,411,886	15
Computers	41,534,375	5,837,059	47,371,434	32,835,373	5,868,326	38,703,699	8,667,735	33
	385,506,997	53,400,877	436,856,854	212,065,936	35,606,278	246,378,700	190,478,154	
		(2,051,020)			(1,293,514)			
Leased								
Vehicles	4,249,000	2,476,441	6,725,441	1,173,271	1,087,631	2,260,902	4,464,539	33
2 0 1 3	**389,755,997**	**55,877,318**	**443,582,295**	**213,239,207**	**36,693,909**	**248,639,602**	**194,942,693**	
		(2,051,020)			**(1,293,514)**			

	2012							
	Cost			**Accumulated depreciation**			**Book value**	**Depreciation**
	As at July 01, 2 0 1 1	**Additions/ * transfers/ (Deletion)**	**As at June 30, 2 0 1 2**	**As at July 01, 2 0 1 1**	**Charge for the year (Note 4.3)**	**As at June 30, 2 0 1 2**	**as at June 30, 2 0 1 2**	**Rate % per annum**
	----------	----------	----------	Rupees	----------	----------	----------	
Owned								
Leasehold land	63,257,901	-	63,257,901	5,746,074	1,327,721	7,073,795	56,184,106	2.04 - 2.13
Building on leasehold land	33,820,879	-	33,820,879	13,935,864	3,382,089	17,317,953	16,502,926	10
Leasehold improvements	30,512,172	2,709,512	33,221,684	22,584,003	4,656,187	27,240,190	5,981,494	33
Furniture and fittings	5,408,941	1,719,793	7,128,734	2,473,664	573,445	3,047,109	4,081,625	10
Vehicles	29,529,601	19,790,343	34,305,080	11,225,780	18,939,094	18,970,019	15,335,061	33
		(15,014,864)			(11,194,855)			
Audio visual equipment	98,166,892	2,474,925	100,641,817	62,567,822	8,830,860	71,398,682	29,243,135	25
Uplinking equipment	35,912,241	1,215,452	37,127,693	12,989,258	3,241,218	16,230,476	20,897,217	10
Office equipment	28,519,922	7,292,049	34,468,834	15,098,219	3,600,915	17,952,339	16,516,495	15
		(1,343,137)			(746,795)			
Computers	35,499,813	6,034,562	41,534,375	25,269,600	7,565,773	32,835,373	8,699,002	33
	360,628,362	41,236,636	385,506,997	171,890,284	52,117,302	212,065,936	173,441,061	
		(16,358,001)			(11,941,650)			
Leased								
Vehicles	22,764,732	*(18,515,732)	4,249,000	11,934,016	2,479,547	1,173,271	3,075,729	33
					(13,240,292)			
2 0 1 2	**383,393,094**	**41,236,636**	**389,755,997**	**183,824,300**	**54,596,849**	**213,239,207**	**176,516,790**	
		(34,873,733)			**(25,181,942)**			

4.2. Disposal of operating fixed assets:

	Cost	Accumulated depreciation	Written down value	Sale price	Gain	Mode of disposal	Particulars of buyer
Vehicles	-------------------------------	Rupees	-------------------------------				
Mini truck	550,000	550,000	-	500,000	500,000	Tender	
Cars	1,426,500	693,368	733,132	792,230	59,098	Employee scheme	Osman Gilani
	1,976,500	1,243,368	733,132	1,292,230	559,098		
Audio Visual equipment							
Video Cam	74,520	50,146	24,374	-	(24,374)	Stolen	
	2,051,020	**1,293,514**	**757,506**	**1,292,230**	**534,724**		

	Note	2 0 1 3	2 0 1 2
		---------- Rupees	----------
4.3 Depreciation for the year has been allocated as follows:			
Cost of production	22	**22,378,794**	24,553,950
Distribution costs	23	**2,928,619**	4,267,498
Administrative expenses	24	**11,386,496**	12,535,109
		36,693,909	41,356,557
4.4 Capital Work In Progress			
Opening balance		**5,630,402**	-
Addition during the year		**57,683,558**	6,953,884
Transfers to operating fixed assets		**(29,412,365)**	(1,323,482)
Closing balance	4.4.1	**33,901,595**	5,630,402

4.4.1 The closing balance includes an amount of Rs. 31.6 Million (2012: Nil) in respect of purchase of uplinking equipment.

5. INTANGIBLE ASSETS

2013

	Cost			Accumulated amortization			Book value	
Description	**As at July 01, 2 0 1 2**	**Additions**	**As at June 30, 2 0 1 3**	**As at July 01, 2 0 1 2**	**For the year (Note 5.1)**	**As at June 30, 2 0 1 3**	**as at June 30, 2 0 1 3**	**Amorti-sation rate %**
	------------------	------------------	------------------	Rupees	------------------	------------------	------------------	**per annum**
Computer softwares	10,374,542	-	10,374,542	7,120,298	1,196,869	8,317,167	2,057,375	20 – 33
License fee	10,500,000	-	10,500,000	4,007,430	700,350	4,707,780	5,792,220	6.67
Trade Mark	1,707,500	1,465,000	3,172,500	669,882	428,750	1,098,632	2,073,868	20
2 0 1 3	**22,582,042**	**1,465,000**	**24,047,042**	**11,797,610**	**2,325,969**	**14,123,579**	**9,923,463**	

2012

	Cost			Accumulated amortization			Book value	
Description	**As at July 01, 2 0 1 1**	**Additions**	**As at June 30, 2 0 1 2**	**As at July 01, 2 0 1 1**	**For the year (Note 5.1)**	**As at June 30, 2 0 1 2**	**as at June 30, 2 0 1 2**	**Amorti-sation rate %**
	------------------	------------------	------------------	Rupees	------------------	------------------	------------------	**per annum**
Computer softwares	9,974,542	400,000	10,374,542	5,816,838	1,303,460	7,120,298	3,254,244	20 – 33
License fee	10,500,000	-	10,500,000	3,307,080	700,350	4,007,430	6,492,570	6.67
Trade Mark	900,000	807,500	1,707,500	513,590	156,292	669,882	1,037,618	20
2 0 1 2	**21,374,542**	**1,207,500**	**22,582,042**	**9,637,508**	**2,160,102**	**11,797,610**	**10,784,432**	

	Note	2 0 1 3	2 0 1 2
		---------- Rupees	----------
5.1 Amortisation for the year has been allocated as follows:			
Cost of production	22	**1,738,110**	1,514,152
Administrative expenses	24	**587,859**	645,950
		2,325,969	2,160,102

		Note	2013	2012
			---------- Rupees	----------
6. LONG TERM INVESTMENT				
HUM TV, Inc., unquoted subsidiary - at cost	**Holding**			
10,000 Common stock, $ 0.01 at par	100%		**8,603**	8,603
Paid-in-capital			**18,716,750**	8,673,500
			18,725,353	8,682,103

7. LONG TERM DEPOSITS

	Note	2013	2012
Security deposits			
- Lease		**704,550**	465,350
- Rent		**1,055,000**	1,055,000
- Trade	7.1	**23,379,125**	22,379,525
- Others		**270,506**	270,506
		25,409,181	24,170,381

7.1 This includes trade deposit of Rs. 16.28 million (2012: Rs. 16.02 million) kept with Asia Satellite for uplinking transmission.

	Note	2013	2012
		---------- Rupees	----------
8. TELEVISION PROGRAM COSTS			
Unreleased / released less amortisation		**481,135,313**	635,864,418
In production		**5,918,111**	14,170,763
		487,053,424	650,035,181
Less: Current portion of television program costs		**289,858,307**	368,979,393
		197,195,117	281,055,788
9. DEFERRED TAX			
Deductible temporary differences			
Provision for staff retirement benefits		**-**	27,392,678
Provision for doubtful debts		**10,635,957**	11,102,007
Others		**9,710,061**	3,109,785
		20,346,018	41,604,470
Taxable temporary differences			
Accelerated tax depreciation / amortisation allowances		**(18,104,475)**	(14,342,632)
Others		**-**	(253,836)
		(18,104,475)	(14,596,468)
		2,241,543	27,008,002
10. TRADE DEBTS - unsecured			
Considered good		**682,276,965**	473,817,210
Considered doubtful		**31,282,227**	31,720,019
		713,559,192	505,537,229
Less: Provision for doubtful debts	10.1	**31,282,227**	31,720,019
		682,276,965	473,817,210

		Note	2013	2012
			---------- Rupees	----------
10.1	The movement in provision for doubtful debts is as follows:			
	Balance as at the beginning of the year		**31,720,019**	31,900,792
	Reversal made during the year	23	**-**	(180,773)
	Written off during the year		**(437,792)**	-
	Balance as at the end of the year		**31,282,227**	31,720,019
	The aging of trade debts as at June 30 is as follows:			
	Neither past due nor impaired		**510,624,878**	284,466,354
	Past due but not impaired			
	- 60 to 90 days		**154,740,447**	169,118,246
	- over 90 days		**16,911,640**	20,232,610
			682,276,965	473,817,210

11. ADVANCES - unsecured, considered good

	Note	2013	2012
Advances to:			
- producers	11.1	**54,705,583**	42,233,555
- suppliers		**14,474,154**	6,299,918
- employees against salary		**450,606**	13,635
- executives against salary		**462,438**	252,263
- employees against expenses		**1,173,437**	1,697,197
		71,266,218	50,496,568

11.1 Include Rs. 12,892,500/- (2012: Nil) and Rs. 6,202,500/- (2012: Nil) paid to M.D Production (Private) Limited and MNM Productions, related parties respectively.

	Note	2013	2012
		---------- Rupees	----------

12. DEPOSITS AND PREPAYMENTS

	Note	2013	2012
Deposits		**1,542,180**	1,237,480
Prepayments		**5,113,453**	3,389,098
		6,655,633	4,626,578

13. OTHER RECEIVABLES – considered good

	Note	2013	2012
Receivable from HUM TV, Inc., subsidiary		**25,148,356**	45,649
Receivable from M. records		**4,443,416**	1,911,495
Sales tax receivable		**2,101,517**	2,247,189
Others		**651,149**	-
		32,344,438	4,204,333

14. CASH AND BANK BALANCES

	Note	2013	2012
Cash in hand		**88,422**	319,412
Cash at bank			
- in current accounts		**17,406,353**	9,190,874
- in deposit accounts	14.1	**138,231,784**	126,750,040
		155,638,137	135,940,914
		155,726,559	136,260,326

14.1 These carry profit at the rates ranging from 8.5% to 9% (2012: 10%) per annum.

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2013	2012		2013	2012
No. of shares			---------- Rupees	----------
50,000,000	50,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	**500,000,000**	500,000,000

15.1 Includes 7,000,000 shares representing 14 (2012: 14) percent holding by Jahangir Siddiqui & Co. Ltd., an associated company.

16. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2013		2012	
	Minimum lease payments	Present value	Minimum lease payments	Present value
	---------- Rupees ----------			
Not later than one year	**2,141,284**	**1,839,197**	1,728,900	1,323,610
Later than one year and not later than five years	**1,478,063**	**1,571,449**	1,296,675	1,190,126
Total minimum lease payments	**3,619,347**	**3,410,646**	3,025,575	2,513,736
Less: Financial charges allocated to future periods	**(208,701)**	**-**	511,839	-
Present value of minimum lease payments	**3,410,646**	**3,410,646**	2,513,736	2,513,736
Less: Current portion shown under current liabilities	**1,839,197**	**1,839,197**	1,323,610	1,323,610
	1,571,449	**1,571,449**	1,190,126	1,190,126

16.1 The value of minimum lease payments has been discounted at implicit rate of 21% (2012: 21%) per annum to arrive at their present values.

16.2 The above represent finance leases entered into by the Company with local banks for vehicles. Total lease rentals due under various lease agreements amount to Rs. 3.619 million (2012: Rs.3.026 million) and are payable in monthly installments latest by 2016. Overdue rental payments are subject to an additional charge of 0.1 percent per day for the number of days the rentals remain overdue. Taxes, repairs, replacement and insurance costs are to be borne by the Company. In case of termination of agreement, the Company has to pay the entire rent for the unexpired period. The leases have floating rate of 3 months KIBOR plus 2.15 (2012: 2.15) percent per annum.

	Note	2013	2012
		---------- Rupees ----------	
17. DEFERRED LIABILITIES			
Staff gratuity	17.1	**-**	**78,264,793**

17.1 Movement in liability

	2013	2012
Opening balance	**78,264,793**	52,708,977
Charge for the year	**900,000**	28,154,415
Payments during the year	**(79,164,793)**	(2,598,599)
Closing balance	-	78,264,793

18. TRADE AND OTHER PAYABLES

	Note	2013	2012
Creditors	18.1	**171,585,156**	192,524,222
Accrued liabilities		**113,058,171**	55,294,439
Withholding tax payable		**6,701,891**	6,477,271
Sales tax payable		**3,271,960**	2,115,219
Advances from customers		**1,257,947**	1,289,947
Workers' welfare fund		**11,535,474**	5,353,859
Others		**3,402,857**	1,833,590
		310,813,456	264,888,547

18.1 Include Rs. 30,855,500/- (2012: Rs. 6,200,000/-), Rs. 17,616,000/- (2012: Nil), Rs. 846,000/- (2012: Rs. 25,217,500) and Rs. Nil (2012: Rs. 12,300,000) due to related parties, namely M.D Production (Private) Limited, MNM Productions, Creations and Media Gurus respectively.

19. SHORT TERM BORROWING - secured

Running finance under mark-up arrangement

The financing facilities available from commercial banks as at June 30, 2013 amounted to Rs. 300 million (2012: Rs. 250 Million), of which Rs. 300 million (2012: 63.629 Million) remained unutilized as at the year end. These facilities are secured by way of Pari Passu charge on all current assets of the company and carries mark up rate ranging from 3 Months KIBOR + 1.25%-1.50% (2012: 3 months KIBOR + 1.25% per annum) and the facility is maturing within twelve months.

20. COMMITMENTS

20.1 Purchase of television programs commitments with M.D Production (Private) Limited and MNM Productions, related parties as at June 30, 2013 amounted to Rs. 34,750,000/- and Rs. 6,000,000/- (2012: Rs. 38,700,700/- and Nil) respectively. Commitment for purchase of television programs with other than related parties as at June 30, 2013 amounted to Rs. 218,054,964/- (2012: Rs. 107,640,500/-).

20.2 Commitment in respect of capital expenditure as at June 30, 2013 amounted to Rs. Nil (2012: Rs. 2,888,892/-)

20.3 Commitment for rentals under Ijarah finance agreement:

	Note	2013	2012
		---------- Rupees	----------
Within one year		**1,852,062**	364,896
After one year but not more than five years		**2,014,329**	364,896
	20.3.1	**3,866,391**	729,792

20.3.1 This represents Ijarah Finance Facility entered into with Islamic Bank in respect of a vehicle. Total Ijarah payments due under the agreement is Rs. 3.866 million (2012: Rs. 0.73 million) and are payable in monthly installments latest by November 2015. Taxes, repairs and replacement and insurance costs are to be borne by the muj'ir (lessor). These facilities are secured by on demand promissory note of Rs. 5.928 million (2012: Rs. 1.128 million).

21. REVENUE – net

	2013	2012
	---------- Rupees	----------
Advertisement revenue	**3,265,001,779**	2,520,544,878
Less: Agency commission	**412,264,288**	307,114,556
Sales tax	**439,831,524**	327,017,711
Discount to customers	**208,650,205**	242,269,832
	1,060,746,017	876,402,099
	2,204,255,762	1,644,142,779
Subscription income	**51,027,387**	52,327,632
Production revenue	**36,167,500**	46,003,207
	2,291,450,649	1,742,473,618

	Note	2 0 1 3	2 0 1 2
		---------- Rupees ----------	
22. COST OF PRODUCTION			
Cost of outsourced programs		**653,534,906**	575,839,828
Cost of in-house programs		**96,726,622**	89,961,452
Cost of inventory consumed		**1,207,503**	1,432,914
Salaries, wages and benefits	22.1	**203,261,216**	169,218,966
Depreciation	4.3	**22,378,794**	24,553,950
Traveling and conveyance		**18,480,466**	17,280,096
Utilities		**11,209,362**	12,211,930
Rent, rates and taxes		**4,166,559**	6,977,960
Insurance		**6,385,281**	4,644,951
Repair and maintenance		**10,152,116**	9,400,207
Fee and subscription		**2,315,000**	4,792,000
Communication		**5,447,685**	5,811,951
Security charges		**1,500,804**	1,772,123
Amortisation	5.1	**1,738,110**	1,514,152
Consultancy		**3,801,919**	3,806,727
Printing and stationery		**344,397**	559,352
		1,042,650,740	929,778,559
In production television programs - opening		**14,170,763**	17,263,445
In production television programs - closing		**(5,918,111)**	(14,170,763)
		1,050,903,392	932,871,241
Released / unreleased programs - opening		**635,864,418**	688,558,450
Released / unreleased programs - closing		**(481,135,313)**	(635,864,418)
		1,205,632,497	985,565,273

22.1 This includes 7,500,353/- (2012: Rs. 15,809,142/-) in respect of staff retirement benefits.

	Note	2 0 1 3	2 0 1 2
		---------- Rupees ----------	
23. DISTRIBUTION COSTS			
Advertisement and promotion		**110,400,853**	101,202,125
Salaries, wages and benefits	23.1	**96,714,229**	70,765,069
Reversal of provision for doubtful debts	10.1	**-**	(180,773)
Traveling and conveyance		**14,012,400**	10,189,277
Rent, rates and taxes		**2,592,244**	2,423,786
Utilities		**2,517,929**	2,102,680
Depreciation	4.3	**2,928,619**	4,267,498
Communication		**2,870,781**	1,502,717
Insurance		**987,922**	1,263,409
Repair and maintenance		**2,111,754**	2,336,620
Fees and subscription		**1,186,325**	1,720,132
Security charges		**151,151**	148,960
Printing and stationery		**579,405**	587,399
Ijarah rental		**617,825**	-
		237,671,437	198,328,899

23.1 This includes Rs. 4,698,497/- (2012: Rs. 4,727,843/-) in respect of staff retirement benefits.

	Note	2 0 1 3	2 0 1 2
		---------- Rupees	----------
24. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	24.1	**148,097,020**	95,964,181
Technical advisory fee	24.2	**30,000,000**	34,800,000
Depreciation	4.3	**11,386,496**	12,535,109
Repair and maintenance		**8,386,621**	6,959,460
Communication		**2,021,826**	2,122,611
Traveling and conveyance		**10,067,677**	9,556,007
Fee and subscription		**4,631,600**	4,853,868
Utilities		**4,426,943**	4,168,740
Legal and professional charges		**8,518,276**	3,617,885
Printing, stationery and periodicals		**2,006,929**	2,243,269
Rent, rates and taxes		**6,548,289**	6,234,644
Insurance		**710,497**	1,404,467
Amortisation	5.1	**587,859**	645,950
Auditors' remuneration	24.3	**1,709,406**	2,036,196
Ijarah rentals		**962,598**	369,624
Security charges		**61,000**	-
Donations	24.4	**200,000**	3,730,000
		240,323,037	191,242,011

24.1 This includes Rs. 4,029,654/- (2012: Rs. 7,617,430/-) in respect of staff retirement benefits.

24.2 This represents fee paid to director for technical advisory services rendered in terms of the technical advisory agreement duly approved by the Board of directors.

	2 0 1 3	2 0 1 2
	---------- Rupees	----------
24.3 Auditors' remuneration		
Audit fee	**600,000**	600,000
Half yearly review	**250,000**	250,000
Fee for audit of consolidated Financial statements and other certifications	**384,998**	350,000
Tax services	**250,008**	614,897
Out of pocket expenses	**224,400**	221,299
	1,709,406	2,036,196

24.4 The chief executive, directors and their spouses do not have any interest in the donee funds.

	Note	2 0 1 3	2 0 1 2
		---------- Rupees	----------
25. OTHER OPERATING INCOME			
Income from financial assets			
Profit on deposit accounts		**12,048,838**	7,219,807
Exchange (loss)/gain - net		**(2,970,566)**	1,847,421
		9,078,272	9,067,228
Income from non financial assets			
Gain on disposal of operating fixed assets	4.2	**534,724**	4,937,414
Magazine, DVD sale and others		**56,820,599**	29,388,071
		57,355,323	34,325,485
		66,433,595	43,392,713
26. FINANCE COSTS			
Mark-up on long term finance		-	650,602
Mark-up on short term running finance		**6,604,794**	30,187,540
Finance lease charges		**483,293**	915,775
Bank charges		**405,858**	788,524
		7,493,945	32,542,441

	Note	2013	2012
		---------- Rupees	----------
27. OTHER CHARGES			
Workers' welfare fund		**11,535,474**	5,353,859
28. TAXATION			
Current		**156,981,777**	80,106,356
Prior		**(4,307,198)**	(1,888,678)
		152,674,579	78,217,678
Deferred		**24,766,459**	(11,754,361)
		177,441,038	66,463,317
Reconciliation between tax expense and accounting profit			
Accounting profit for the year before taxation		**565,238,231**	262,339,103
Tax at applicable rate of 35% (2012: 35%)		**197,833,381**	91,818,686
Net tax effect of amounts not (taxable) / deductible for tax purposes		**(4,448,564)**	(461,612)
Tax effect of prior years		**(4,307,198)**	(1,888,678)
Tax rebates		**(11,636,581)**	(23,005,079)
		177,441,038	66,463,317
29. EARNINGS PER SHARE – basic and diluted			
Profit after taxation	**Rupees**	**387,797,193**	195,875,786
Weighted average number of ordinary shares outstanding during the year		**50,000,000**	50,000,000
Earnings per share	**Rupees**	**7.76**	3.92

29.1 Basic earning per share has no dilution effect.

	2013	2012
	---------- Rupees ----------	
30. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**565,238,231**	262,339,103
Adjustments for :		
Depreciation	**36,693,909**	41,356,557
Amortisation of intangible assets	**2,325,969**	2,160,102
Finance costs	**7,493,945**	32,542,441
Exchange loss	**2,970,566**	-
Profit on deposit accounts	**(12,048,838)**	(7,219,807)
Gain on disposal of operating fixed assets	**(534,724)**	(4,937,414)
Movement in provisions	**12,435,474**	33,327,501
	49,336,301	97,229,380
Operating profit before working capital changes	**614,574,532**	359,568,483
Working capital changes		
Decrease / (increase) in current assets		
Inventories	**(323,347)**	(317,928)
Television program costs	**91,924,250**	27,788,224
Trade debts	**(208,897,547)**	(5,492,921)
Advances	**(20,769,650)**	(23,217,447)
Deposits and prepayments	**(2,029,055)**	74,978
Other receivables	**(28,140,105)**	41,530,156
	(168,235,454)	40,365,062
Increase in current liabilities		
Trade and other payables	**39,743,294**	10,867,504
Cash generated from operations	**486,082,372**	410,801,049

31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including all benefits to the Chief Executive, Director and Executives are as follows:

	2013			2012		
	Chief Executive	Director	Executives	Chief Executive	Directors	Executives
	Rupees					
Managerial remuneration	**14,040,000**	**-**	**80,575,284**	13,921,200	-	54,536,453
Bonus	**64,310,946**	**-**	**14,216,233**	24,332,294	-	2,507,237
Retirement benefits	**900,000**	**-**	**3,963,464**	4,243,835	-	6,533,607
House rent	**6,264,000**	**-**	**28,430,340**	6,264,000	-	24,541,071
Utilities	**1,296,000**	**-**	**6,317,857**	1,414,800	-	5,467,623
Technical advisory fee	**-**	**30,000,000**	**-**	-	34,800,000	-
Fuel and conveyance	**856,349**	**646,899**	**7,105,977**	946,349	915,788	6,133,137
	87,667,295	**30,646,899**	**140,609,155**	51,122,478	35,715,788	99,719,128
Number	**1**	**1**	**61**	1	2	50

31.1 The Chief Executive, Directors and certain Executives are also provided with free use of company maintained cars in accordance with the Company's policy.

31.2 Aggregate amount charged in the financial statements for fee to three directors was Rs. 140,000/- (2012: Rs. 160,000/-).

32. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company includes Jahangir Siddiqui & Co. Ltd., HUM TV, Inc., M.D Production (Private) Limited, Eye Entertainment, MD production associated companies, retirement funds, directors and executives. The Company in the normal course of business carries out transactions with various related parties. Amount due from and due to related parties, amount due from executives and remuneration of directors are disclosed in the relevant notes to the financial statements. Other material transactions with related parties are given below:

Related Party	Nature of relationship	Nature of transactions	2013	2012
			---------- Rupees	----------
M.D. Production (Private) Limited	Chief Executive's spouse is Chief Executive Officer	Purchase of television programs	**144,150,000**	116,700,000
MNM Productions	Chief Executive's spouse is partner	Purchase of television programs	**68,250,000**	-
Creations	Chief Executive's Father-in-law is the owner	Purchase of television programs	**74,550,000**	100,700,000
Media Gurus	Chief Executive's Sister-in-law is the owner	Purchase of television programs	**92,800,000**	65,700,000
HUM TV, Inc.	Wholly owned subsidiary	Investment in a subsidiary	**10,043,250**	8,673,500
HUM TV, Inc.	Wholly owned subsidiary	Collection on behalf of Hum Network Limited	**36,865,802**	49,792,847
Hum Network Limited Employees' Provident Fund	Retirement fund	Contribution to fund	**7,945,101**	-
Hum Network Limited Employees' Gratuity Fund	Retirement fund	Contribution to fund	**79,164,793**	-
HUM TV, Inc.	Wholly owned subsidiary	Subscription income	**29,190,000**	-
HUM TV, Inc.	Wholly owned subsidiary	Remittance from HUM TV, Inc.	**33,247,374**	85,114,823
HUM TV, Inc.	Wholly owned subsidiary	Payment made on behalf of HUM Network Limited	**577,642**	-
HUM TV, Inc.	Wholly owned subsidiary	Purchase of equipment on behalf of HUM Network Limited.	**6,799,919**	-

33. PROVIDENT FUND

	2013	2012
	(Rupees in 000')	
	-------------Un-audited	----------
Size of the fund	**12,462**	-
Cost of investments made	**10,307**	-
Percentage of investments made	**83%**	-
Fair value of investments	**10,857**	-

Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2013		2012	
	Investments (Rs '000)	% of investment as size of the fund	Investments (Rs '000)	% of investment as size of the fund
	------------------------------Un-audited	------------------------------		
Mutual funds	**10,307**	**83%**	-	-

In view of the first year of the provident fund, total investments are made in the mutual fund units which will be regularized in the next year.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

34.1 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policy and processes during the year ended June 30, 2013.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt.

During 2013, the Company's strategy was to maintain gearing between 5% to 15%. The gearing ratios as at June 30, 2013 and 2012 were as follows:

	2 0 1 3	2 0 1 2
	---------- Rupees	----------
Liabilities against assets subject to finance lease	**3,410,646**	2,513,736
Trade and other payables	**310,813,456**	264,896,347
Accrued mark-up	**-**	6,371,365
Short term borrowing	**-**	186,370,897
Total debt	**314,224,102**	460,152,345
Cash and bank balances	**(155,726,559)**	(136,260,326)
Net debt	**158,497,543**	323,892,019
Issued, subscribed and paid-up capital	**500,000,000**	500,000,000
Unappropriated profit	**956,330,609**	618,533,416
Equity	**1,456,330,609**	1,118,533,416
Equity and liabilities	**1,614,828,152**	1,442,425,435
Gearing ratio	**10%**	**22%**

34.2 Credit risk and concentration of credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company’s performance to developments affecting a particular industry.

The Company is exposed to credit risk on trade debts, loans and advances and long-term deposits. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable.

34.3 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	2013	2012
	---------- Rupees ----------	
Trade Debts		
Customers with no defaults in the past one year	**369,242,546**	257,068,096
Customers with some defaults in past one year which have been fully recovered	**141,382,332**	27,398,258
	510,624,878	284,466,354
Cash at bank and short-term deposits		
A1+	**145,929,860**	128,790,065
A1	**5,212,117**	7,147,055
A3	**4,496,160**	3,794
	155,638,137	135,940,914

34.4 Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarises the maturity profile of the Company's financial liabilities as at the following reporting dates:

Year ended 30 June 2013	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	---------- Rupees ----------					
Short term borrowing	**-**	**-**	**-**	**-**	**-**	**-**
Liabilities against assets subject to finance lease	**-**	**-**	**1,839,197**	**1,571,449**	**-**	**3,410,646**
Trade and other payables	**-**	**123,032,022**	**187,781,434**	**-**	**-**	**310,813,456**
Accrued mark-up	**-**	**-**	**-**	**-**	**-**	**-**
		123,032,022	**189,620,631**	**1,571,449**		**314,224,102**

Year ended 30 June 2012	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	---------- Rupees ----------					
Short term borrowing	-	-	186,370,897	-	-	186,370,897
Liabilities against assets subject to finance lease	-	-	1,323,610	1,190,126	-	2,513,736
Trade and other payables	-	61,771,710	203,124,637	-	-	264,896,347
Accrued mark-up	-	6,371,365	-	-	-	6,371,365
	-	68,143,075	390,819,144	1,190,126	-	460,152,345

34.5 Foreign currency risk management

Foreign currency risk is the risk that the value of financial assets or financial liabilities will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in the foreign currency. The Company's exposure to foreign currency risk is as follows:

	2013	2012
	---------- US Dollars ----------	
Trade debts	**-**	156,563
Other receivables	**250,232**	477
Trade and other payables	**(597,198)**	(767,007)
Net (payable) / receivable	**(346,966)**	(609,967)

The following significant exchange rates have been applied at the reporting dates:

	---------- Rupees ----------	
Average Exchange Rates	**100.5**	**94.20**

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company’s profit before taxation and the Company’s equity.

	Change in US dollar rate (%)	Effect on profit	Effect on equity
		---------- Rupees ----------	
30 June 2013	**+10**	**(3,487,008)**	**(2,266,555)**
	-10	**3,487,008**	**2,266,555**
30 June 2012	+10	(5,745,889)	(3,734,828)
	-10	5,745,889	3,734,828

34.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in the market interest rates. The Company's interest rate risk arises from finance lease obligations. The Company manages these risks through risk management strategies. All the borrowings of the Company are obtained in the functional currency.

Sensitivity analysis:

The following figures demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Company's profit before taxation:

	Increase / decrease in basis points	Effect on profit before taxation Rupees
30 June 2013	**+100**	**(34,106)**
	-100	**34,106**
30 June 2012	+100	(3,175,392)
	-100	3,175,392

34.7 Equity price risk

Equity price risk is the risk that the fair value of the future cashflows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As of balance sheet date, the Company is not exposed to such risk.

34.8 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all financial assets and liabilities is considered not significantly different from book value.

35. FINAL DIVIDEND

The Board of Directors in their meeting held on September 26, 2013 have recommended a final cash dividend Rs. 6/- per share @ 60% amounting to Rs. 300,000,000 (2012: Re. 1/- per Share) along with bonus shares of 40% (2012: NIL) on the existing paid-up value of the ordinary share capital for approval of shareholders in the Annual General Meeting.

These financial statements for the year ended June 30, 2013 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

36. DATE OF AUTHORIZATION

These financial statements have been authorised for issue on September 26, 2013 by the Board of Directors of the Company.

37. GENERAL

37.1 There were no material reclassifications that could affect the financial statements.

37.2 The number of employees as at June 30, 2013 was 424 (2012: 412) and average number of employees during the year was 422 (2012: 407)

37.3 Figures have been rounded off to the nearest Rupee.

Sd/-	**Sd/-**
MAZHAR-UL- HAQ SIDDIQUI	**DURAID QURESHI**
Chairman	**Chief Executive**

CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF THE DIRECTORS ON CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is pleased to present the Consolidated Audited Financial Statements of HUM Network Limited (the Company) and its subsidiary HUM TV Inc, for the year ended June2013.

Your Company holds 100% shares in the subsidiary which is now actively involved in exploring advertising market in the United States, Canada, Middle East North Africa and Europe. The subsidiary also serves as a platform for HUM Network to explore avenues greater distribution of the HUM Network's brands internationally and establish relations with advertisers, as well as to develop media materials and content targeted for the said audience.

The consolidated financials are as follows:

	2013
Revenue – net	2,328,234,233
Gross Profit	1,024,711,353
Profit of the year	384,995,634
Earnings per share	7.70

The Directors' Report on Hum Network Limited for the year ended 30th June 2013 has been separately presented in the annual report

26th September, 2013

Karachi

For and on behalf of the Board of Directors

Sd/-

Duraid Qureshi

Chief Executive

AUDITORS' REPORT TO THE MEMBERS ON CONSOLIDATED FINANCIAL STATEMENTS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of HUM Network Limited (the Holding Company) and its subsidiary company (the Group) as at 30 June 2013 and the related consolidated profit and loss account, consolidated statement of comprehensive Income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of the Holding company. The financial statements of HUM TV, Inc. were audited by other firm of auditors whose report has been furnished to us and our opinion, in so far as it relates to the amounts included for such company, is based solely on the report of such other auditor. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Group as at 30 June 2013 and the results of its operations for the year then ended.

September 26, 2013
Karachi

Sd/
ERNST & Y0UNG FORD RHODES SIDAT HYDER
Chartered Accountants
Audit Engagement Partner: Omer Chugtai

CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2013

	Note	2013	2012
		---------- Rupees	----------
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**233,302,670**	184,974,649
Goodwill		**1,304,892**	1,242,569
Intangible assets	5	**9,923,463**	10,784,432
Long term deposits	6	**26,552,369**	24,170,381
Television program costs	7	**197,195,117**	281,055,788
Deferred tax asset	8	**5,725,778**	28,613,561
		474,004,289	530,841,380
CURRENT ASSETS			
Inventories		**893,927**	570,580
Current portion of television program costs	7	**289,858,307**	368,979,393
Trade debts	9	**686,257,871**	476,949,088
Advances	10	**71,266,218**	50,975,068
Deposits and prepayments	11	**9,296,070**	5,715,166
Accrued profit		**-**	725,247
Other receivables	12	**8,046,312**	4,158,684
Taxation – net		**50,711,832**	83,422,421
Cash and bank balances	13	**232,725,438**	136,440,625
		1,349,055,975	1,127,936,272
TOTAL ASSETS		**1,823,060,264**	1,658,777,652
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorised capital 70,000,000 (2011: 70,000,000) Ordinary shares of Rs.10/- Each		**700,000,000**	700,000,000
Issued, subscribed and paid-up capital	14	**500,000,000**	500,000,000
Reserves		**952,853,578**	617,078,388
		1,452,853,578	1,117,078,388
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	15	**1,571,449**	1,190,126
Deferred liabilities	16	**-**	78,264,793
		1,571,449	79,454,919
CURRENT LIABILITIES			
Trade and other payables	17	**365,277,927**	268,178,473
Accrued mark-up		**-**	6,371,365
Unclaimed dividend		**1,518,113**	-
Short term borrowing	18	**-**	186,370,897
Current portion of liabilities against assets subject to finance lease	15	**1,839,197**	1,323,610
		368,635,237	462,244,345
COMMITMENTS	19		
TOTAL EQUITY AND LIABILITIES		**1,823,060,264**	1,658,777,652

The annexed notes from 1 to 36 form an integral part of these consolidated financial statements.

Sd/-	**Sd/-**
MAZHAR-UL- HAQ SIDDIQUI	**DURAID QURESHI**
Chairman	**Chief Executive**

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	2012
		---------- Rupees ----------	
Revenue – net	20	**2,328,234,233**	1,748,721,451
Cost of production	21	**(1,205,632,497)**	(985,565,273)
Transmission cost		**(97,890,383)**	(111,695,996)
		(1,303,522,880)	1,097,261,269
Gross profit		**1,024,711,353**	651,460,182
Distribution costs	22	**(247,596,037)**	(198,328,899)
Administrative expenses	23	**(263,684,378)**	(197,448,587)
		513,430,938	255,682,696
Other operating income	24	**66,433,595**	43,392,713
		579,864,533	299,075,409
Finance costs	25	**(7,509,902)**	(32,545,855)
Other charges	26	**(11,535,474)**	(5,353,859)
Profit before taxation		**560,819,157**	261,175,695
Taxation	27	**(175,823,523)**	(66,070,625)
Profit after taxation		**384,995,634**	195,105,070
Earnings per share – basic and diluted	28	**7.70**	3.90

The annexed notes from 1 to 36 form an integral part of these consolidated financial statements.

Sd/-
MAZHAR-UL-HAQ SIDDIQUI
Chairman

Sd/-
DURAID QURESHI
Chief Executive

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
	----------- Rupees ----------	
Profit after taxation	**384,995,634**	195,105,070
Other comprehensive income		
To be reclassified to profit and loss account in subsequent periods		
Effect of translation of net investment in foreign subsidiary	**779,556**	278,105
Total comprehensive income for the year	**385,775,190**	195,383,175

The annexed notes from 1 to 36 form an integral part of these consolidated financial statements.

Sd/-
MAZHAR-UL-HAQ SIDDIQUI
Chairman

Sd/-
DURAID QURESHI
Chief Executive

CONSOLIDATED CASH FLOW STATMENT
FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	2012
		----------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	**544,828,808**	361,538,075
Taxes paid		**(125,697,667)**	(119,634,572)
Finance costs paid		**(13,881,267)**	(35,458,444)
Profit received on deposit accounts		**12,774,085**	6,722,524
Long term deposits		**(2,381,988)**	(1,692,310)
Gratuity paid		**(79,164,793)**	(2,598,599)
Television program costs		**83,860,671**	27,998,490
Net cash generated from operating activities		**420,337,849**	236,875,164
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(29,756,593)**	(25,687,413)
Addition to capital work-in-progress		**(57,683,558)**	(5,630,402)
Addition to intangible assets		**(1,465,000)**	(1,207,500)
Proceeds from the disposal of operating fixed assets		**1,292,230**	9,353,765
Net cash used in investing activities		**(87,612,921)**	(23,171,550)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**-**	(13,999,997)
Repayment of liabilities against assets subject to finance lease		**(1,579,531)**	(5,044,215)
Dividends paid		**(48,489,687)**	(102,372,321)
Net cash used in financing activities		**(50,069,218)**	(121,416,533)
Net increase in cash and cash equivalents		**282,655,710**	92,287,081
Cash and cash equivalents at the beginning of the year		**(49,930,272)**	(142,217,353)
Cash and cash equivalents at the end of the year		**232,725,438**	(49,930,272)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	**232,725,438**	136,440,625
Short term borrowing	18	**-**	(186,370,897)
		232,725,438	(49,930,272)

The annexed notes from 1 to 36 form an integral part of these consolidated financial statements.

Sd/-	Sd/-
MAZHAR-UL- HAQ SIDDIQUI	**DURAID QURESHI**
Chairman	**Chief Executive**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2013

	Issued, subscribed and paid-up capital	Reserves			Total
		Foreign exchange translation reserve	Unappropriated Profit	Sub-total	
		------------------------Rupees------------------------			
Balance as at June 30, 2011	500,000,000	(18,296)	521,713,509	521,695,213	1,021,695,213
Profit for the year	-	-	195,105,070	195,105,070	195,105,070
Other comprehensive income	-	278,105	-	278,105	278,105
Total comprehensive income for the year	-	278,105	195,105,070	195,383,175	195,383,175
Final dividend for the year ended 30 June 2011: Re. 1.00 per share	-	-	(50,000,000)	(50,000,000)	(50,000,000)
Interim dividend 2012: Re. 1.00 per share	-	-	(50,000,000)	(50,000,000)	(50,000,000)
Balance as at June 30, 2012	500,000,000	259,809	616,818,579	617,078,388	1,117,078,388
Profit for the year	-	-	384,995,634	384,995,634	384,995,634
Other comprehensive income	-	779,556	-	779,556	779,556
Total comprehensive income for the year	-	779,556	384,995,634	385,775,190	385,775,190
Final dividend for the year ended 30 June 2012: Re. 1.00 per share	-	-	(50,000,000)	(50,000,000)	(50,000,000)
Balance as at June 30, 2013	**500,000,000**	**1,039,365**	**951,814,213**	**952,853,578**	**1,452,853,578**

The annexed notes from 1 to 36 form an integral part of these consolidated financial statements.

Sd/-
MAZHAR-UL-HAQ SIDDIQUI
Chairman

Sd/-
DURAID QURESHI
Chief Executive

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

1. THE COMPANY AND ITS OPERATIONS

The 'Group' consists of

1.1 Holding Company

HUM Network Limited (the Company) was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 (the Ordinance). The shares of the Company are quoted on Karachi Stock Exchange. The registered office of the Holding Company is situated at Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi, Pakistan.

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.

1.2 Subsidiary Company

HUM TV, Inc. (the subsidiary company), having registered office at 4546 El Camino Real, #223 Los Altos, CA 94022, has been established with the purpose of providing entertainment programmes to the South Asian community by increasing presence in the United States of America (USA) and Canada. The subsidiary company will also serve as a platform for the Holding Company to explore avenues for greater distribution of the Holding Company brands in USA and Canada and will establish relations with advertisers, as well as develop US-based media materials, such as dramas, documentaries and other entertainment shows and events.

The subsidiary company is a wholly owned subsidiary of the Holding Company with effect from April 01, 2011.

Subsidiary Company	Holding		Total Assets	Total liabilities
	2013	2012	2013	
	%	%	(Rupees)	
HUM TV, Inc.	100	100	**94,191,314**	**80,247,843**

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Ordinance, provisions of and directives issued under the Ordinance. In case requirements differ, the provisions or directives of the Ordinance shall prevail.

2.1 New and amended standards

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as described below:

The Group has adopted the following amendments to IFRSs which became effective for the current year:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 12 – Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on the financial statements except for IAS 1 which has affected the presentation of items of other comprehensive income.

2.2 Standards, amendments and interpretation to approved accounting standards that are not yet effective:

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or interpretation:

Standards or interpretation	Effective date (annual periods beginning on or after)
IFRS 7 – Financial Instruments : Disclosures – Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	January 01, 2013
IAS 19 – Employee Benefits – (Amendment)	January 01, 2013
IAS 32 – Offsetting Financial Assets and Financial liabilities – (Amendment)	January 01, 2014
IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine	January 01, 2013

The Group expects that the adoption of the above revisions, amendments and interpretation of the standards will not affect the Group's financial statements in the period of initial application.

In addition to the above amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2013. The Group expects that such improvements to the standards will not have any material impact on the Group's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2015
IFRS 10 – Consolidated Financial Statements	January 01, 2013
IFRS 11 – Joint Arrangements	January 01, 2013
IFRS 12 – Disclosure of Interests in Other Entities	January 01, 2013
IFRS 13 – Fair Value Measurement	January 01, 2013

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention.

3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiary (the Group). The financial statements of the subsidiary are prepared for the same reporting period as of the Holding Company, using consistent accounting policies.

The assets and liabilities of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

All material intra-group balances, transactions income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

A change in ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of any consideration received
- Recognises the fair value of any investment retained
- Recognises a surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

3.3 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Group’s accounting policies, management has made the following estimates and judgments which are significant to the consolidated financial statements:

Property, plant and equipment and intangible assets

The Group reviews appropriateness of the rate of depreciation / amortisation, useful life and residual value used in the calculation of depreciation / amortisation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Group uses the technical resources available with the Group. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and intangible assets, with corresponding effects on the depreciation / amortisation charge and impairment.

Income taxes

In making the estimate for income tax payable by the Group, the Group takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Trade debts

The Group reviews its doubtful trade debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

Television program costs

Television program costs represent unamortised cost of completed television programs and television programs in production. In order to determine the amount to be charged to profit and loss account, the management estimates future revenues from each program. Estimates of future revenues can change significantly due to a variety of factors, including advertising rates and the level of market acceptance of the production in different geographical locations. Accordingly, revenue estimates are reviewed periodically and amortisation is adjusted, if necessary. Such adjustments could have a material effect on results of operations in future periods.

3.4 Fixed assets and depreciation

3.4.1 Property, plant and equipment

Owned

Operating property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is charged to profit and loss account using straight line method so as to write off the historical cost of the assets over their estimated useful lives at the rates specified in Note 4.1. Depreciation on additions is charged from the month in which the asset is available to use and no depreciation is charged for the month in which asset is disposed off.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Group.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss account in the year the asset is derecognised.

The assets' residual values, useful lives and method of depreciation are revised, and adjusted if appropriate, at each balance sheet date.

Leased

Assets held under finance lease are stated at cost less accumulated depreciation and accumulated impairment loss, if any. These are accounted for by recording the asset at the lower of present value of minimum lease payments under the lease agreements and the fair value of asset acquired. The related obligation under the lease is accounted for as liability. Financial charges are allocated to the accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Assets acquired under finance lease are depreciated using the same basis as for owned assets.

Income on sale and lease back arrangement is deferred and amortised over the lease term.

3.4.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. It consists of expenditures incurred and advances made in respect of specific assets during the construction period. These are transferred to specific assets as and when assets are available for use.

3.5 Business combination and goodwill

Business combinations are accounted for using the purchase method of accounting. The cost of an acquisition is measured as the cash paid and the fair value of other assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized.

3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in profit and loss account in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss account when the asset is derecognised.

3.7 Television program costs

Television program costs represent unamortised cost of completed television programs and television programs in production. These costs include direct production costs, cost of inventory consumed, production overheads and are stated at the lower of cost, less accumulated amortisation and net realisable value (NRV). NRV is estimated by the management on the basis of future revenue generation capacity of the program. Where the recoverable amount is less than its carrying amount, the program cost is written down to its recoverable amount and the impairment loss is recognised as an expense in the profit and loss account in the year in which it arises. Acquired television program licenses and rights are recorded when the license period begins and the program is available for use. Marketing, distribution and general and administrative costs are expensed as incurred.

Television program costs and acquired television program licenses and rights are charged to expense based on the ratio of the total revenues earned till to date to gross revenues from all sources including estimated revenues less cost expensed in prior years on an individual production basis.

3.8 Inventories

Raw tapes cassettes, VCDs, DVDs and other materials and supplies are valued on average cost basis and are stated at the lower of cost and NRV.

3.9 Trade debts

Trade debts originated by the Group are recognised and carried at original invoice amount less an allowance for doubtful debts. Provision for doubtful debts is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

3.10 Loans, advances and other receivables

These are stated at cost less provision for doubtful balance, if any.

3.11 Taxation

Current

The charge for current taxation is based on taxable income, earned from local as well as foreign operations at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all major temporary differences arising at the balance sheet date between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

3.12 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current and deposit accounts and running finance under mark-up arrangements. Running finance under mark-up arrangements is shown in the current liabilities.

3.13 Long term and short term borrowings

These are recorded at the amount of proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued mark-up to the extent of the amount remaining unpaid.

3.14 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

3.15 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.16 Revenue

Advertisement revenue gross of agency commission is recognised when the related advertisement or commercial appears before the public i.e., telecast.

Revenue from barter transactions are considered realized when goods or services are exchanged, and the amount of the proceeds and cost, as well as economic benefits, can be clearly measured. Revenue is recognized at the market value of the bartered item or service and may be adjusted with an additional cash payment / receipt.

Production revenue is recognised when production work is completed.

Subscription fees are earned over the period the services are provided. Subscription revenue arises from the monthly billing to subscribers for services provided by the Group. Revenue is recognised in the month the service is rendered.

Profit on bank deposits is accounted for on an accrual basis.

3.17 Staff retirement benefits

Defined benefit plan

The Holding company operated an unfunded gratuity scheme for all its permanent employees up till June 30, 2012. Effective July 1, 2012 the Company discontinued the gratuity scheme for all the permanent employees except for the Chief Executive Officer (CEO). Accordingly, no actuarial valuation was carried out as at June 30, 2013, however, the liability recognised up to June 30, 2012 is payable to the employees at the end of their service. During the year the Company has transferred the entire liability to a recognized gratuity fund scheme.

Defined contribution plan

Effective July 01, 2012 the Company has started a recognised provident fund scheme for all its permanent employees except CEO. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 8.33% of the basic salary.

3.18 Financial instruments

Financial assets and liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument and are derecognised in case of assets, when the contractual rights under the instrument are realised, expired or surrendered and in case of liability, when the obligation is discharged, cancelled or expired.

3.19 Off setting of financial assets and liabilities

A financial asset and a financial liability is only offset and the net amount is reported in the balance sheet if the Group has legally enforceable right to offset the recognized amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

3.20 Foreign currency translations

Foreign currency transactions are translated into Pakistani Rupees using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to profit and loss account currently.

The assets and liabilities of foreign subsidiary are translated to Pak rupees at exchange rates prevailing at the balance sheet date. The income and expenses of foreign subsidiary are translated at average rate of exchange for the year. Translation gains and losses arising on the translation of net investment in foreign subsidiary are taken to equity under "Foreign Exchange Translation Reserve" and on disposal are recognised in the profit and loss account.

3.21 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are capitalized as a part of the cost of related asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

3.22 Ijarah rentals

Ijarah payments under an Ijarah agreement are recognized as an expense in profit and loss account on a straight line basis over the Ijarah term unless another systematic basis is representative of the time pattern of the user's benefit.

3.23 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the consolidated financial statements in the period in which these are approved.

3.24 Impairment

3.24.1 Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect of the estimated future cash flows of that asset.

3.24.2 Non-financial assets

The carrying value of non-financial assets other than inventories and deferred tax assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, then the recoverable amount is estimated. An impairment loss is recognised, as an expense in the profit and loss account, for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows (cash generating units).

3.25 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

4. PROPERTY, PLANT AND EQUIPMENT	Note	2013	2012
		----------- Rupees ----------	
Operating fixed assets	4.1	**199,401,075**	179,344,247
Capital work-in-progress	4.4	**33,901,595**	5,630,402
		233,302,670	184,974,649

4.1 Operating fixed assets

2013

	Cost			Accumulated depreciation			Book value	Depreciation
	As at July 01, 2012	Additions/ (Deletion)	As at June 30, 2013	As at July 01, 2012	Charge for the year (Note 4.3)	As at June 30, 2013	as at June 30, 2013	Rate % per annum
	---------- Rupees ----------							
Leasehold land	63,257,901	-	63,257,901	7,073,795	1,327,721	8,401,516	54,856,385	2.04 - 2.13
Building on leasehold land	33,820,879	-	33,820,879	17,317,953	3,382,088	20,700,041	13,120,838	10
Leasehold improvements	35,646,052	6,233,732	41,879,784	27,379,242	4,493,777	31,873,019	10,006,765	33
Furniture and fittings	7,670,875	1,308,746	8,979,621	3,047,109	845,425	3,892,534	5,087,087	10
Vehicles	34,305,080	3,186,417	35,514,997	18,970,019	5,165,296	22,891,947	12,623,050	33
		(1,976,500)			(1,243,368)			
Audio visual equipment	100,641,817	14,034,930	114,602,227	71,398,682	8,391,497	79,740,033	34,862,194	25
		(74,520)			(50,146)			
Uplinking equipment	37,127,693	23,789,931	60,917,624	16,230,476	3,491,776	19,722,252	41,195,372	10
Office equipment	34,468,834	2,301,703	36,770,537	17,952,339	4,301,088	22,253,427	14,517,110	15
Computers	41,534,375	5,837,059	47,371,434	32,835,373	5,868,326	38,703,699	8,667,735	33
	388,473,506	56,692,518	443,115,004	212,204,988	37,266,994	248,178,468	194,936,536	
		(2,051,020)			(1,293,514)			
Leased								
Vehicles	4,249,000	2,476,441	6,725,441	1,173,271	1,087,631	2,260,902	4,464,539	33
2013	**392,722,506**	**59,168,959**	**449,840,445**	**213,378,259**	**38,354,625**	**250,439,370**	**199,401,075**	
		(2,051,020)			**(1,293,514)**			

2012

	Cost			Accumulated depreciation			Book value	Depreciation
	As at July 01, 2011	Additions/ * transfers/ (Deletion)	As at June 30, 2012	As at July 01, 2011	Charge for the year (Note 4.3)	As at June 30, 2012	as at June 30, 2012	Rate % per annum
	---------- Rupees ----------							
Leasehold land	63,257,901	-	63,257,901	5,746,074	1,327,721	7,073,795	56,184,106	2.04 - 2.13
Building on leasehold land	33,820,879	-	33,820,879	13,935,864	3,382,089	17,317,953	16,502,926	10
Leasehold improvements	30,512,172	5,133,880	35,646,052	22,584,003	4,795,239	27.379,242	8,266,810	33
Furniture and fittings	5,408,941	2,261,934	7,670,875	2,473,664	573,445	3,047,109	4,623,766	10
Vehicles	29,529,601	19,790,343	34,305,080	11,225,780	18,939,094	18,970,019	15,335,061	33
		(15,014,864)			(11,194,855)			
Audio visual equipment	98,166,892	2,474,925	100,641,817	62,567,822	8,830,860	71,398,682	29,243,135	25
Uplinking equipment	35,912,241	1,215,452	37,127,693	12,989,258	3,241,218	16,230,476	20,897,217	10
Office equipment	28,519,922	7,292,049	34,468,834	15,098,219	3,600,915	17,952,339	16,516,495	15
		(1,343,137)			(746,795)			
Computers	35,499,813	6,034,562	41,534,375	25,269,600	7,565,773	32,835,373	8,699,002	33
	360,628,362	44,203,145	388,473,506	171,890,284	52,256,354	212,204,988	176,268,518	
		(16,358,001)			(11,941,650)			
Leased								
Vehicles	22,764,732	-	4,249,000	11,934,016	2,479,547	1,173,271	3,075,729	33
		*(18,515,732)			*(13,240,292)			
2012	**383,393,094**	**44,203,145**	**392,722,506**	**183,824,300**	**54,735,901**	**213,378,259**	**179,344,247**	
		(34,873,733)			**(25,181,942)**			

4.2. Disposal of operating fixed assets:

	Cost	Accumulated depreciation	Written down value	Sale price	Gain	Mode of disposal	Particulars of buyer
Vehicles	-------------------------------	Rupees	-------------------------------				
Mini truck	550,000	550,000	-	500,000	500,000	Tender	
Cars	1,426,500	693,368	733,132	792,230	59,098	Employee scheme	Osman Gilani
	1,976,500	1,243,368	733,132	1,292,230	559,098		
Audio Visual equipment							
Video Cam	74,520	50,146	24,374	-	(24,374)	Stolen	
	2,051,020	**1,293,514**	**757,506**	**1,292,230**	**534,724**		

	Note	2 0 1 3	2 0 1 2
		---------- Rupees	----------
4.3 Depreciation for the year has been allocated as follows:			
Cost of production	21	**22,378,794**	24,553,950
Distribution costs	22	**2,928,619**	4,267,498
Administrative expenses	23	**13,047,212**	12,674,161
		38,354,625	41,495,609
4.4 Capital Work In Progress			
Opening Balance		**5,630,402**	-
Addition during the year		**57,683,558**	6,953,884
Transfers to operating fixed assets		**(29,412,365)**	(1,323,482)
Closing balance	4.4.1	**33,901,595**	5,630,402

4.4.1 The closing balance includes an amount of Rs. 31.6 Million (2012. Nil) in respect of purchase of uplinking equipment.

5. INTANGIBLE ASSETS

2013

Description	Cost: As at July 01, 2 0 1 2	Cost: Additions	Cost: As at June 30, 2 0 1 3	Accumulated amortisation: As at July 01, 2 0 1 2	Accumulated amortisation: for the year (Note 5.1)	Accumulated amortisation: As at June 30, 2 0 1 3	Book value as at June 30, 2 0 1 3	Amorti-sation rate %
	------------------	------------------	------------------	Rupees	------------------	------------------	------------------	per annum
Computer softwares	10,374,542	-	10,374,542	7,120,298	1,196,869	8,317,167	2,057,375	20 – 33
License fee	10,500,000	-	10,500,000	4,007,430	700,350	4,707,780	5,792,220	6.67
Trade Mark	1,707,500	1,465,000	3,172,500	669,882	428,750	1,098,632	2,073,868	20
2 0 1 3	**22,582,042**	**1,465,000**	**24,047,042**	**11,797,610**	**2,325,969**	**14,123,579**	**9,923,463**	

2012

Description	Cost: As at July 01, 2 0 1 1	Cost: Additions	Cost: As at June 30, 2 0 1 2	Accumulated amortisation: As at July 01, 2 0 1 1	Accumulated amortisation: for the year (Note 5.1)	Accumulated amortisation: As at June 30, 2 0 1 2	Book value as at June 30, 2 0 1 2	Amorti-sation rate %
	------------------	------------------	------------------	Rupees	------------------	------------------	------------------	per annum
Computer softwares	9,974,542	400,000	10,374,542	5,816,838	1,303,460	7,120,298	3,254,244	20 – 33
License fee	10,500,000	-	10,500,000	3,307,080	700,350	4,007,430	6,492,570	6.67
Trade Mark	900,000	807,500	1,707,500	513,590	156,292	669,882	1,037,618	20
2 0 1 2	**21,374,542**	**1,207,500**	**22,582,042**	**9,637,508**	**2,160,102**	**11,797,610**	**10,784,432**	

	Note	2 0 1 3	2 0 1 2
		---------- Rupees	----------
5.1 Amortisation for the year has been allocated as follows:			
Cost of production	21	**1,738,110**	1,514,152
Administrative expenses	23	**587,859**	645,950
		2,325,969	2,160,102

6. LONG TERM DEPOSITS

	Note	2013	2012
		---------- Rupees	----------
Security deposits			
- Lease		**704,550**	465,350
- Rent		**1,213,288**	1,055,000
- Trade	6.1	**24,364,025**	22,379,525
- Others		**270,506**	270,506
		26,552,369	24,170,381

6.1 This includes trade deposit of Rs. 16.28 million (2012: Rs. 16.02 million) kept with Asia Satellite for uplinking transmission.

7. TELEVISION PROGRAM COSTS

	Note	2013	2012
		---------- Rupees	----------
Unreleased / released less amortisation		**481,135,313**	635,864,418
In production		**5,918,111**	14,170,763
		487,053,424	650,035,181
Less: Current portion of television program costs		**289,858,307**	368,979,393
		197,195,117	281,055,788

8. DEFERRED TAX

		2013	2012
Deductible temporary differences			
Provision for staff retirement benefits		**-**	27,392,678
Provision for doubtful debts		**10,635,957**	11,102,007
Tax losses		**2,271,803**	1,320,650
Others		**11,557,553**	3,394,694
		24,465,313	43,210,029
Taxable temporary differences			
Accelerated tax depreciation / amortisation allowances		**(18,739,535)**	(14,342,632)
Others		**-**	(253,836)
		(18,739,535)	(14,596,468)
		5,725,778	28,613,561

9. TRADE DEBTS – unsecured

	Note	2013	2012
Considered good		**686,257,871**	476,949,088
Considered doubtful		**31,282,227**	31,720,019
		717,540,098	508,669,107
Less: Provision for doubtful debts	9.1	**31,282,227**	31,720,019
		686,257,871	476,949,088

9.1 The movement in provision for doubtful debts is as follows:

	Note	2013	2012
Balance as at the beginning of the year		**31,720,019**	31,900,792
Reversal made during the year	22	**-**	(180,773)
Written off during the year		**(437,792)**	-
Balance as at the end of the year		**31,282,227**	31,720,019

	Note	2013	2012
		---------- Rupees	----------
The aging of trade debts as at June 30 is as follows:			
Neither past due nor impaired		**514,605,784**	287,598,232
Past due but not impaired			
- 60 to 90 days		**154,740,447**	169,118,246
- over 90 days		**16,911,640**	20,232,610
		686,257,871	476,949,088

10. ADVANCES - unsecured, considered good

	Note	2013	2012
Advances to:			
- producers	10.1	**54,705,583**	42,233,555
- suppliers		**14,474,154**	6,778,418
- employees against salary		**450,606**	13,635
- executives against salary		**462,438**	252,263
- employees against expenses		**1,173,437**	1,697,197
		71,266,218	50,975,068

10.1 Include Rs. 12,892,500/- (2012: Nil) and Rs. 6,202,500/- (2012: Nil) paid to M.D Production (Private) Limited and MNM Productions related parties respectively.

11. DEPOSITS AND PREPAYMENTS

	Note	2013	2012
		---------- Rupees	----------
Deposits		**1,542,180**	2,326,068
Prepayments		**7,753,890**	3,389,098
		9,296,070	5,715,166

12. OTHER RECEIVABLES – considered good

	Note	2013	2012
Receivable from M. records		**4,443,416**	1,911,495
Sales tax receivable		**2,101,517**	2,247,189
Others	12.1	**1,501,379**	-
		8,046,312	4,158,684

12.1 Include Rs. 850,230/- (2012: Nil) due from Ms. Momal Shunaid a related party.

13. CASH AND BANK BALANCES

	Note	2013	2012
Cash in hand		**88,422**	319,412
Cash at bank			
- in current accounts		**94,405,232**	9,371,173
- in deposit accounts	13.1	**138,231,784**	126,750,040
		232,637,016	136,121,213
		232,725,438	136,440,625

13.1 These carry profit at the rates ranging from 8.5% to 9% (2012: 10%) per annum.

14. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2013	2012		2013	2012
No. of shares			---------- Rupees	----------
50,000,000	50,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	**500,000,000**	500,000,000

14.1 Includes 7,000,000 shares representing 14 (2012: 14) percent holding by Jahangir Siddiqui & Co. Ltd., an associated company.

15. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2013		2012	
	Minimum Lease payments	Present value	Minimum lease payments	Present value
	---------- Rupees ----------			
Not later than one year	**2,141,284**	**1,839,197**	1,728,900	1,323,610
Later than one year and not later than five years	**1,478,063**	**1,571,449**	1,296,675	1,190,126
Total minimum lease payments	**3,619,347**	**3,410,646**	3,025,575	2,513,736
Less: Financial charges allocated to future periods	**(208,701)**	**-**	511,839	-
Present value of minimum lease payments	**3,410,646**	**3,410,646**	2,513,736	2,513,736
Less: Current portion shown under current liabilities	**1,839,197**	**1,839,197**	1,323,610	1,323,610
	1,571,449	**1,571,449**	1,190,126	1,190,126

15.1 The value of minimum lease payments has been discounted at implicit rate of 21% (2012: 21%) per annum to arrive at their present values.

15.2 The above represent finance leases entered into by the Group with local banks for vehicles. Total lease rentals due under various lease agreements amount to Rs. 3.619 million (2012: Rs. 3.026 million) and are payable in monthly installments latest by 2016. Overdue rental payments are subject to an additional charge of 0.1 percent per day for the number of days the rentals remain overdue. Taxes, repairs, replacement and insurance costs are to be borne by the Group. In case of termination of agreement, the Group has to pay the entire rent for the unexpired period. The leases have floating rate of 3 months KIBOR plus 2.15 (2012: 2.15) percent per annum.

	Note	2013	2012
		---------- Rupees ----------	
16. DEFERRED LIABILITIES			
Staff gratuity	16.1	**-**	78,264,793

16.1 Movement in liability

	2013	2012
Opening balance	**78,264,793**	52,708,977
Charge for the year	**900,000**	28,154,415
Payments during the year	**(79,164,793)**	(2,598,599)
Closing balance	**-**	78,264,793

17. TRADE AND OTHER PAYABLES

	Note	2013	2012
Creditors	17.1	**171,585,156**	192,524,221
Accrued liabilities		**117,272,639**	58,561,637
Withholding tax payable		**6,701,891**	6,477,271
Sales tax payable		**3,271,960**	2,115,219
Advances from customers		**51,507,947**	1,289,947
Workers' welfare fund		**11,535,474**	5,353,859
Others		**3,402,860**	1,848,519
		365,277,927	268,178,473

17.1 Include Rs. 30,855,500/- (2012: Rs. 6,200,000/-), Rs. 17,616,000/- (2012: Nil), Rs. 846,000/- (2012: Rs. 25,217,500) and Rs. Nil (2012: Rs. 12,300,000) due to related parties, namely M.D Production (Private) Limited, MNM Productions, Creations and Media Gurus respectively.

18. SHORT TERM BORROWING – secured

Running finance under mark-up arrangement

The financing facilities available from commercial banks as at June 30, 2013 amounted to Rs. 300 million (2012: Rs. 250 Million), of which Rs. 300 million (2012: 63.629 Million) remained unutilized as at the year end. These facilities are secured by way of Pari Passu charge on all current assets of the company and carries mark up rate ranging from 3 Months KIBOR + 1.25%-1.50% (2012: 3 months KIBOR + 1.25% per annum) and the facility is maturing within twelve months.

19. COMMITMENTS

19.1 Purchase of television programs commitments with M.D Production (Private) Limited and MNM Productions, related parties as at June 30, 2013 amounted to Rs. 34,750,000/- and Rs 6,000,000/- (2012: Rs. 38,700,700/- and Nil) respectively. Commitment for purchase of television programs with other than related parties as at June 30, 2013 amounted to Rs. 218,054,964/- (2012: Rs. 107,640,500/-).

19.2 Commitment in respect of capital expenditure as at June 30, 2013 amounted to Rs.Nil (2012: Rs. 2,888,892/-)

19.3 Commitment for rentals under Ijarah finance agreement:

	Note	2013	2012
		---------- Rupees	----------
Within one year		**1,852,062**	364,896
After one year but not more than five years		**2,014,329**	364,896
	19.3.1	**3,866,391**	729,792

19.3.1 This represents Ijarah Finance Facility entered into with Islamic Bank in respect of a vehicle. Total Ijarah payments due under the agreement is Rs.3.866 million (2012: Rs. 0.73 million) and are payable in monthly installments latest by November 2015. Taxes, repairs and replacement and insurance costs are to be borne by the muj'ir (lessor). These facilities are secured by on demand promissory note of Rs. 5.928 million (2012: Rs. 1.128 million).

19.4 Minimum future lease payments under the non-cancellable operating lease as of June 30, 2013 amounted to Rs. 1,894,139 (2012: Rs. 1,431,959/-).

20. REVENUE – net

	2013	2012
	---------- Rupees	----------
Advertisement revenue	**3,335,614,530**	2,528,875,382
Less: Agency commission	**416,903,455**	309,197,227
Sales tax	**439,831,524**	327,017,711
Discount to customers	**208,650,205**	242,269,832
	1,065,385,184	878,484,770
	2,270,229,346	1,650,390,612
Subscription income	**21,837,387**	52,327,632
Production revenue	**36,167,500**	46,003,207
	2,328,234,233	1,748,721,451

	Note	2 0 1 3	2 0 1 2
		---------- Rupees	----------

21. COST OF PRODUCTION

	Note	2013	2012
Cost of outsourced programs		**653,534,906**	575,839,828
Cost of in-house programs		**96,726,622**	89,961,452
Cost of inventory consumed		**1,207,503**	1,432,914
Salaries, wages and benefits	21.1	**203,261,216**	169,218,966
Depreciation	4.3	**22,378,794**	24,553,950
Traveling and conveyance		**18,480,466**	17,280,096
Utilities		**11,209,362**	12,211,930
Rent, rates and taxes		**4,166,559**	6,977,960
Insurance		**6,385,281**	4,644,951
Repair and maintenance		**10,152,116**	9,400,207
Fee and subscription		**2,315,000**	4,792,000
Communication		**5,447,685**	5,811,951
Security charges		**1,500,804**	1,772,123
Amortisation	5.1	**1,738,110**	1,514,152
Consultancy		**3,801,919**	3,806,727
Printing and stationery		**344,397**	559,352
		1,042,650,740	929,778,559
In production television programs - opening		**14,170,763**	17,263,445
In production television programs - closing		**(5,918,111)**	(14,170,763)
		1,050,903,392	932,871,241
Released / unreleased programs - opening		**635,864,418**	688,558,450
Released / unreleased programs - closing		**(481,135,313)**	(635,864,418)
		1,205,632,497	985,565,273

21.1 This includes 7,500,353/- (2012: Rs. 15,809,142/-) in respect of staff retirement benefits.

22. DISTRIBUTION COSTS

	Note	2 0 1 3	2 0 1 2
		---------- Rupees	----------
Advertisement and promotion		**114,098,253**	101,202,125
Salaries, wages and benefits	22.1	**102,941,429**	70,765,069
Reversal of provision for doubtful debts	9.1	**-**	(180,773)
Traveling and conveyance		**14,012,400**	10,189,277
Rent, rates and taxes		**2,592,244**	2,423,786
Utilities		**2,517,929**	2,102,680
Depreciation	4.3	**2,928,619**	4,267,498
Communication		**2,870,781**	1,502,717
Insurance		**987,922**	1,263,409
Repair and maintenance		**2,111,754**	2,336,620
Fees and subscription		**1,186,325**	1,720,132
Security charges		**151,151**	148,960
Printing and stationery		**579,405**	587,399
Ijarah rental		**617,825**	-
		247,596,037	198,328,899

22.1 This includes Rs. 4,698,497/- (2012: Rs. 4,727,843/-) in respect of staff retirement benefits.

	Note	2013	2012
		---------- Rupees	----------
23. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	23.1	**159,652,076**	95,964,181
Technical advisory fee	23.2	**30,000,000**	34,800,000
Depreciation	4.3	**13,047,212**	12,674,161
Repair and maintenance		**8,556,604**	6,959,460
Communication		**2,611,853**	2,122,611
Traveling and conveyance		**11,188,184**	9,556,007
Fee and subscription		**4,771,420**	4,853,868
Utilities		**4,643,825**	4,168,740
Legal and professional charges		**11,982,448**	5,252,973
Printing, stationery and periodicals		**2,111,429**	2,243,269
Rent, rates and taxes		**8,586,919**	9,876,488
Insurance		**1,474,205**	1,476,339
Amortisation	5.1	**587,859**	645,950
Auditors' remuneration	23.3	**3,071,606**	2,754,916
Ijarah rentals		**962,598**	369,624
Security charges		**61,000**	-
Donations	23.4	**375,140**	3,730,000
		263,684,378	197,448,587

23.1 This includes Rs. 4,125,142/- (2012: Rs. 7,617,430/-) in respect of staff retirement benefits.

23.2 This represents amount paid / payable to director of the Holding Company for technical advisory services rendered in terms of the technical advisory agreement duly approved by the Board of Directors.

	2013	2012
	---------- Rupees	----------
23.3 Auditors' remuneration		
Audit fee	**1,718,950**	1,318,720
Half yearly review	**250,000**	250,000
Fee for audit of consolidated accounts and other certifications	**384,998**	350,000
Tax services	**493,258**	614,897
Out of pocket expenses	**224,400**	221,299
	3,071,606	2,754,916

23.4 The chief executive, directors and their spouses do not have any interest in the donee funds.

	Note	2013	2012
		---------- Rupees	----------
24. OTHER OPERATING INCOME			
Income from financial assets			
Profit on deposit accounts		**12,048,838**	7,219,807
Exchange (loss)/ gain – net		**(2,970,566)**	1,847,421
		9,078,272	9,067,228
Income from non financial assets			
Gain on disposal of operating fixed assets	4.2	**534,724**	4,937,414
Magazine, DVD sale and others		**56,820,599**	29,388,071
		57,355,323	34,325,485
		66,433,595	43,392,713
25. FINANCE COSTS			
Mark-up on long term finance		-	650,602
Mark-up on short term running finance		**6,604,794**	30,187,540
Finance lease charges		**483,293**	915,775
Bank charges		**421,815**	791,938
		7,509,902	32,545,855

	Note	2013	2012
		---------- Rupees ----------	

26. OTHER CHARGES

		2013	2012
Workers' welfare fund		**11,535,474**	5,353,859

27. TAXATION

	2013	2012
Current	**157,105,251**	80,106,355
Prior	**(4,307,198)**	(1,888,678)
	152,798,053	78,217,677
Deferred	**23,025,470**	(12,147,052)
	175,823,523	66,070,625

Reconciliation between tax expense and accounting profit	2013	2012
	---------- Rupees ----------	
Accounting profit for the year before taxation	**560,819,157**	261,175,695
Tax at applicable rate of 35% (2012: 35%)	**196,286,705**	91,411,493
Net tax effect of amounts not (taxable) / deductible for tax purposes	**(4,519,403)**	(447,111)
Tax effect of prior years	**(4,307,198)**	(1,888,678)
Tax rebates	**(11,636,581)**	(23,005,079)
	175,823,523	66,070,625

28. EARNINGS PER SHARE – basic and diluted

		2013	2012
Profit after taxation	**Rupees**	**384,995,634**	195,105,070
Weighted average number of ordinary shares outstanding during the year		**50,000,000**	50,000,000
Earnings per share	**Rupees**	**7.70**	3.90

28.1 Basic earning per share has no dilution effect.

		2013	2012
		---------- Rupees ----------	
29.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	**560,819,157**	261,175,695
	Adjustments for :		
	Depreciation	**38,354,625**	41,495,609
	Amortisation of intangible assets	**2,325,969**	2,160,102
	Gain on disposals of fixed assets	**(534,724)**	(4,937,414)
	Finance costs	**7,509,902**	32,545,855
	Exchange difference on translation of foreign subsidiary	**779,556**	278,105
	Exchange loss	**2,970,566**	-
	Profit on deposit accounts	**(12,048,838)**	(7,219,807)
	Movement in provisions	**12,435,474**	33,320,123
		51,792,530	97,642,573
	Operating profit before working capital changes	**612,611,687**	358,818,268
	Working capital changes		
	Decrease / (increase) in current assets		
	Inventories	**(323,347)**	(317,928)
	Television program costs	**79,121,086**	27,788,224
	Trade debts	**(209,746,575)**	(8,624,799)
	Advances	**(20,291,150)**	(23,695,947
	Deposits and prepayments	**(3,580,904)**	(1,013,610)
	Other receivables	**(3,887,628)**	(2,465,320)
		(158,708,518)	(8,329,380)
	Increase in current liabilities		
	Trade and other payables	**90,925,639**	11,049,187
	Cash generated from operations	**544,828,808**	361,538,075

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including all benefits to the Chief Executive, Director and Executives are as follows:

	2013			2012		
	Chief Executive	Director	Executives	Chief Executive	Directors	Executives
	---------- Rupees ----------					
Managerial remuneration	**14,040,000**	**-**	**94,975,684**	13,921,200	-	54,536,453
Bonus	**64,310,946**	**-**	**14,216,233**	24,332,294	-	2,507,237
Retirement benefits	**900,000**	**-**	**3,963,464**	4,243,835	-	6,533,607
House rent	**6,264,000**	**-**	**28,430,340**	6,264,000	-	24,541,071
Utilities	**1,296,000**	**-**	**6,317,857**	1,414,800	-	5,467,623
Technical advisory fee	**-**	**30,000,000**	**-**	-	34,800,000	-
Fuel and conveyance	**856,349**	**646,899**	**7,105,977**	946,349	915,788	6,133,137
	87,667,295	**30,646,899**	**155,009,555**	51,122,478	35,715,788	99,719,128
Number	**1**	**1**	**63**	1	2	50

30.1 The Chief Executive, Directors and certain Executives are also provided with free use of Group maintained cars in accordance with the Group's policy.

30.2 Aggregate amount charged in the consolidated financial statements for fee to two directors was Rs.140,000/- (2012: Rs. 160,000/-).

31. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group includes Jahangir Siddiqui & Co. Ltd., M.D Production (Private) Limited, Eye Entertainment, MD production associated companies, retirement funds, directors and executives. The Group in the normal course of business carries out transactions with various related parties. Amount due from and due to related parties, amount due from executives and remuneration of directors are disclosed in the relevant notes to the consolidated financial statements. Other material transactions with related parties are given below:

Related Party	Nature of relationship	Nature of transactions	2013	2012
			---------- Rupees	----------
M.D. Production (Private) Limited	Chief Executive's spouse is chief executive officer	Purchase of television programs	**144,150,000**	116,700,000
MNM Productions	Chief Executive's spouse is partner	Purchase of television programs	**68,250,000**	-
Creations	Chief Executive's Father-in-law is the owner	Purchase of television programs	**74,550,000**	100,700,000
Media Gurus	Chief Executive's Sister-in-law is the owner	Purchase of television programs	**92,800,000**	65,700,000
Hum Network Limited Employees' Provident Fund	Retirement fund	Contribution to fund	**7,945,101**	-
Hum Network Limited Employees' Gratuity Fund	Retirement fund	Contribution to fund	**79,164,793**	-
Ms. Moomal Shunaid	Spouse of a Director	Managerial remuneration	**8,173,200**	-
Ms. Malika Junaid	Director of HUM TV, Inc.	Repayment of amount due	-	1,518,986

32. PROVIDENT FUND

	2013	2012
	(Rupees in 000')	
	-------------Un-audited	----------
Size of the fund	**12,462**	-
Cost of investments made	**10,307**	-
Percentage of investments made	**83%**	-
Fair value of investments	**10,857**	-

Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2013		2012	
	Investments (Rs '000)	% of investment as size of the fund	Investments (Rs '000)	% of investment as size of the fund
	------------------------------Un-audited		------------------------------	
Mutual funds	**10,307**	**83%**	-	-

In view of the first year of the provident fund, total investments are made in the mutual fund units which will be regularized in the next year.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

33.1 Capital risk management

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policy and processes during the year ended June 30, 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt.

During 2013, the Group's strategy was to maintain gearing between 5% to 15%. The gearing ratios as at June 30, 2013 and 2012 were as follows:

	2013	2012
	---------- Rupees	----------
Current portion of long term financing	**-**	-
Liabilities against assets subject to finance lease	**3,410,646**	2,513,736
Trade and other payables	**365,277,927**	268,178,473
Accrued mark-up	**-**	6,371,365
Short term borrowing	**-**	186,370,897
Total debt	**368,688,573**	463,434,471
Cash and bank balances	**(232,725,438)**	(136,440,625)
Net debt	**135,963,135**	326,993,846
Issued, subscribed and paid-up capital	**500,000,000**	500,000,000
Unappropriated profit	**952,853,578**	617,078,388
Equity	**1,452,853,578**	1,117,078,388
Equity and liabilities	**1,588,816,713**	1,444,072,234
Gearing ratio	**9%**	23%

33.2 Credit risk and concentration of credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group is exposed to credit risk on trade debts, loans and advances and long-term deposits. The Group seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable.

33.3 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

	2013	2012
	---------- Rupees	----------
Trade Debts		
Customers with no defaults in the past one year	**373,223,452**	260,199,974
Customers with some defaults in past one year which have been fully recovered	**141,382,332**	27,398,258
	514,605,784	287,598,232
Cash at bank and short-term deposits		
A1+	**145,929,860**	128,790,065
A+	**76,998,879**	180,299
A1	**5,212,117**	7,147,055
A3	**4,496,160**	3,794
	232,637,016	136,121,213

33.4 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarises the maturity profile of the Group's financial liabilities as at the following reporting dates:

Year ended 30 June 2013	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	----------	----------	---------- Rupees	----------	----------	----------
Short term borrowing	-	-	-	-	-	
Liabilities against assets subject to finance lease	-	-	1,839,197	1,571,449	-	3,410,646
Trade and other payables	-	127,246,493	187,781,434	-	-	315,027,927
Accrued mark-up	-	-	-	-	-	
	-	127,246,493	189,620,631	1,571,449	-	318,438,573

Year ended 30 June 2012	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	----------	----------	---------- Rupees	----------	----------	----------
Short term borrowing	-	-	186,370,897	-	-	186,370,897
Liabilities against assets subject to finance lease	-	-	1,323,610	1,190,126	-	2,513,736
Trade and other payables	-	64,661,477	203,516,996	-	-	268,178,473
Accrued mark-up	-	6,371,365	-	-	-	6,371,365
	-	71,032,842	391,211,503	1,190,126	-	463,434,471

33.5 Foreign currency risk management

Foreign currency risk is the risk that the value of financial assets or financial liabilities will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in the foreign currency. The Group's exposure to foreign currency risk is as follows:

	2013	2012
	---------- US Dollars ----------	
Trade debts	**39,611**	189,289
Deposits	**11,375**	-
Trade and other payables	**(639,133)**	(767,007)
Net (payable) / receivable	**(588,147)**	(577,718)

The following significant exchange rates have been applied at the reporting dates:

	---------- Rupees ----------	
Average Exchange Rates	**100.5**	94.20

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group’s profit before taxation and the Group’s equity.

	Change in US dollar rate (%)	Effect on profit	Effect on equity
		---------- Rupees ----------	
30 June 2013	**+10**	**(5,910,877)**	**(3,842,070)**
	-10	**5,910,877**	**3,842,070**
30 June 2012	+10	(5,442,104)	(3,537,367)
	-10	5,442,104	3,537,367

33.6 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in the market interest rates. The Group's interest rate risk arises from finance lease obligations. The Group manages these risks through risk management strategies. All the borrowings of the Group are obtained in the functional currency.

Sensitivity analysis:

The following figures demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group’s profit before taxation:

	Increase / decrease in basis points	Effect on profit before taxation Rupees
30 June 2013	**+100**	**(34,106)**
	-100	**34,106**
30 June 2012	+100	(3,175,392)
	-100	3,175,392

33.7 Equity price risk

Equity price risk is the risk that the fair value of the future cashflows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As of balance sheet date, the Group is not exposed to such risk.

33.8 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all financial assets and liabilities is considered not significantly different from book value.

34. FINAL DIVIDEND

The Board of Directors of the Holding Company in their meeting held on September 26, 2013 have recommended a final cash dividend Rs. 6/- per share @ 60% amounting to Rs. 300,000,000 (2012: Re. 1/- per Share) along with bonus shares of 40% (2012: NIL) on the existing paid-up value of the ordinary share capital for approval of shareholders in the Annual General Meeting.

These financial statements for the year ended June 30, 2013 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

35. DATE OF AUTHORIZATION

These consolidated financial statements have been authorised for issue on September 26, 2013 by the Board of Directors of the Holding Company.

36. GENERAL

36.1 There were no material reclassifications that could affect the consolidated financial statements.

36.2 The number of employees as at June 30, 2013 was 427 (2012: 412) and average number of employees during the year was 424 (2012: 407)

36.3 Figures have been rounded off to the nearest Rupee.

Sd/-	**Sd/-**
MAZHAR-UL- HAQ SIDDIQUI	**DURAID QURESHI**
Chairman	**Chief Executive**

THIS PAGE IS INTENTIONALLY LEFT BLANK

FORM OF PROXY

The Company Secretary,

HUM NETWORK LIMITED,
Karachi

I/We, ______________________ S/O. D/O. W/O. ______________________, holder of CNIC No. ______________________ Resident of ______________________ of ______________________, being member(s) of HUM NETWORK LIMITED, holding ______________________ ordinary shares as per Registered CDC A/C. # ______________________ hereby appoint ______________________ or failing him/ her Mr./Ms. ______________________ of (full address) ______________________ who is/are also member(s) of the Company, as my/our proxy to attend, act and vote for me/ us and on my / our behalf at the 9th Annual General Meeting (AGM) of the Company to be held on **Tuesday, October 22, 2013 at 02:00 PM** at **Arts Council Auditorium, Karachi** and / or any Adjournment thereof.

As witness my / our hand / seal this ______________ day of ______________________ 2013.

Signed by ______________________________ in the presence of;

Witness:

1. Name:

   Signature______________________

   Address: ______________________

   ____

   CNIC or Passport No.:

   ____

Signature on Revenue Stamp of Appropriate Value of Rs.5/-

The Signature should agree with the Specimen registered with the Company

2. Name:

   Signature______________________

   Address: ______________________

   ____

   CNIC or Passport No.:

   ____

Note:

1. The proxy form, duly completed and signed, must be received at the Registered Office of the Company, Hum Network Limited, Plot No. 10/11, Hassan Ali Street, Off. I.I. Chundrigar Road, Karachi.
2. All members are entitled to attend and vote at the meeting.
3. A member eligible to attend and vote at the Meeting may appoint another member as his/her proxy to attend, and vote instead of him/her.
4. An instrument of proxy applicable for the meeting is being provided with the notice sent to members. Further copies of the instrument of proxy may be obtained from the registered office of the Company during normal office hours.
5. An instrument of proxy and the power of attorney or other authority (if any), under which it is signed or a notarily certified copy of such power or authority must, to be valid, be deposited at the registered office not less than 48 hours before the time of the meeting.
6. Members are requested to notify any changes in their addresses immediately.
7. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular 1, dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

For CDC Account Holders/Corporate Entities:
In addition to above, the following requirements have to be met:

i) The proxy form shall be witnessed by two (2) persons whose names, addresses and CNIC numbers shall be mentioned on the form.
ii) Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
iii) The proxy shall produce his original CNIC or original passport at the time of meeting.
iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

HUM NETWORK LIMITED

Karachi Office
Building No. 10/11, Hassan Ali Street,
Off I.I. Chundrigar Road Karachi-74000.
UAN: 111-486-111
Fax : +92 21-3262 8840

Lahore Office
Siddique Trade Center, 305, Third Floor,
Main Boulevard, Gulberg, Lahore.
Ph : +92 42-35817154-6
Fax : +92 42-35817157

Islamabad Office
House No. 45, Street # 20,
F - 7/2, Islamabad.
Ph : +92 51-260 9256-58
Fax : +92 51-260 9259

www.humnetwork.tv