



# 3RD QUARTERLY REPORT MARCH 31, 2020 (UN-AUDITED)

HUM NETWORK LIMITED



## HUM NETWORK LIMITED





## Company Information

### Board of Directors

Chairman  
Directors

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

Chief Executive Officer  
Chief Financial Officer  
Company Secretary  
Head of Internal Audit

### AUDIT COMMITTEE

Chairman  
Members

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

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

Chairman  
Members

Secretary  
AUDITORS

Mr. Sohail Ansar  
Ms. Sultana Siddiqui  
Mrs. Mahtab Akbar Rashdi  
Mr. Hassan Jawed  
M/s. EY Ford Rhodes  
Chartered Accountants  
7th Floor Progressive Plaza,  
Beaumont Road, Karachi  
M/s. KPMG Taseer Hadi & Company  
Chartered Accountants  
1st Floor, Sheikh Sultan Trust Building  
No.2, Beaumont Road, Karachi  
M/s. Ijaz Ahmed & Associates  
No.7, 11 th Zamzama Street Phase-V  
D.H.A. Karachi.

### INTERNAL AUDITORS

### LEGAL ADVISOR

### BANKERS

Bank Alfalah Limited  
Faysal Bank Limited  
National Bank of Pakistan  
The Bank of Punjab  
Allied Bank Limited  
United Bank Limited  
Askari Bank Limited  
Habib Metropolitan Bank  
MCB Bank Limited  
Boston Private Bank & Trust  
Barclays Bank PLC  
Dubai Islamic Bank  
Wells Fargo Bank  
Hum TV, Plot No. 10/11, Hassan Ali Street,  
Off. I.I Chundrigar Road, Karachi -74000 UAN: 111 -486-111

### REGISTERED & HEAD OFFICE

### REGISTRAR/TRANSFER AGENT

M/s. Central Depository Company of Pakistan Limited (CDC)  
CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Shahra-e-Faisal, Karachi-74400  
[www.humnetwork.tv](http://www.humnetwork.tv)

### WEBSITE

### PAKISTAN STOCK EXCHANGE LIMITED

HUMNL

## Director's Report

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

### Financial Performance:

The gross profit for the 3<sup>rd</sup> quarter of the FY2020 was Rs. 211 million; compared to the gross profit of Rs. 91 million in the 2<sup>nd</sup> quarter of FY2020, resulting into net profit of Rs. 55 million during 3<sup>rd</sup> quarter; compared to net loss of Rs. 103 million in the 2<sup>nd</sup> quarter of the FY2020. The overall loss per share of the Company has been reduced from Re. 0.43 to Re. 0.35 for the nine months period ended March 31, 2020.

### Operational Performance:

HNL celebrated the 15<sup>th</sup> Anniversary of its premier entertainment channel HUM TV, on January 17, 2020 in a special transmission which was attended by prominent faces of the country's entertainment landscape. HUM TV has always been unique in presenting topics that highlight social issues to bring awareness amongst people. Its approach in presenting such topics while maintaining the entertainment factor makes it popular not only in Pakistan but throughout the world.

During the period, HUM TV aired dramas like "Ehd-e-Wafa", "YehDilMera", "Mein Na Janoo", "IshqZaheNaseeb", "Pyar Ke Sadqey" etc. which were highly appreciated by the audiences.

The 4th edition of the Hum Style Awards was held in January 2020 with a focus on style and entertainment that aimed to not only showcase the industry in the best light possible but also to reward excellence.

Pakistan's biggest family festival, "Masala Family Festival" was organised in Karachi in February 2020 which included musical performances, magic and comedy segments, live cooking demonstrations, dance and singing competitions and a chance to meet with their favorite celebrity chefs.

One of the most successful leagues across the globe and the fifth edition of Pakistan's biggest cricketing event, the "Pakistan Super League" was broadcasted exclusively in UK on HUM Masala Europe which broke the rating records.

In another landmark step, HNL aimed to honour and celebrate iconic women from across the country and abroad in a ceremony that has no equal at the moment. The inaugural edition of "HUM Women Leaders Award" patronized by the President of Pakistan in February 2020 was an event that would be remembered for a long time because of its grandeur, its elegance and bringing people from different fields and appreciating their contribution in their respective fields.

With the outbreak of COVID-19 pandemic in Pakistan, HNL implemented strict measures at its offices to combat and reduce the spread of virus as the health and well-being of the staff is of paramount importance to HNL.

During this crisis, HNL being a socially responsible organization launched the "HUMDARD" initiative for the segment of the society that were most effected by lockdown and needed immediate support comprising of daily wage workers, street vendors or people who have lost jobs due to business closures. As a part of the HUMDARD initiative, the HUM Family contributed one day's salary to a special fund and the Company also contributed an equal amount to the aforementioned fund. Many corporate organisations also joined HNL in this noble cause. HUM News also organized a telethon to raise awareness for the cause and collection of funds which was a huge success.

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

	Rupees
Revenue – net	3,396,294,664
Gross Profit	271,990,926
Loss for the period – before taxation	(615,861,059)
Loss per share	(0.65)

### Future Outlook

As COVID-19 continues to spread rapidly around the world, the global economy is under pressure. This has also impacted the fragile economy of Pakistan. However, the government of Pakistan is taking various economics measures to stabilise the economy and it is expected that Pakistan will overcome this economic pain in the coming periods.

HNL is closely monitoring the situation and like other sectors of the economy, we are expecting the advertising market also to be under pressure. However, our business and financial strategies, and the operational decision are designed to move HNL from strength to strength, and to ensure that its independence is preserved in a sustainable way during these economic crisis

### Acknowledgement:

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

April 30, 2020  
Karachi

  
**DURAIQ QURESHI**  
Chief Executive

  
**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

## ڈائریکٹرز رپورٹ

ہم ہیٹ ورک لیٹلڈ (HNL) کے ڈائریکٹرز کا بورڈ 31 مارچ 2020 کو ششم شدہ 9 ماہ کی مدت کے لیے کمپنی کی مالیاتی اور انتظامی کارکردگی پیش کرتے ہوئے خوش ہے۔

## مالیاتی کارکردگی

مالیاتی سال 2020 کی تیسری سہ ماہی کا مجموعی نتائج 21.1 ملین روپے پر جو کہ مالیاتی سال 2020 کی دوسری سہ ماہی میں 9.1 ملین روپے تھا، نتیجے میں تیسری سہ ماہی کے دوران 55 ملین روپے کا خالص نتائج حاصل ہوا جو کہ مالیاتی سال کی دوسری سہ ماہی میں 103 ملین روپے کے نقصان کے مقابلے میں بہتر کارکردگی کا اظہار ہے۔ اس صورتحال میں کمپنی کا مجموعی نقصان برائے 9 ماہ مدت ششم شدہ 31 مارچ 2020 کو 0.43 ملین روپے سے کم ہو کر 0.35 ملین روپے بنا ہے۔

## انتظامی کارکردگی

ہم ہیٹ ورک لیٹلڈ نے 17 جنوری 2020 کو آپریشنل فراہمیوں کے ذریعے اپنے پیرائیر انڈیمنٹ پمپل ہم نی وی کی 15 سالگرہ منائی جس میں ملک کی نامور شخصیات نے حصہ لیا۔ ہم نی وی ہیٹ سے اپنے موضوعات کی عکاسی کرتا ہے جس سے معاشرے کو تفریح کے ساتھ معاشرتی مسائل پر آگہی بھی پہنچائی جاسکے۔ ایسے موضوعات کی پیش کش میں تقریبی عنصر کو اپنے پیش کیا جاتا ہے جو کہ نہ صرف پاکستان بلکہ پوری دنیا میں پسند کیا جاتا ہے۔

ذریعہ جازہ مدت کے دوران ہم نی وی نے ”عہد وفا“ ”پیدل میرا“ میں دھماکوں، عشق و بے نصیب“ ”پیار کے صدمے“ وغیرہ جیسے مایہ ناز ڈرامے پیش کئے جنہیں ناظرین نے بے حد پسند کیا۔

جنوری 2020 میں ہم اسٹائل ایوارڈز کے 14 ایلیٹس کا انعقاد کیا گیا جس میں اسٹائل اور انٹرٹینمنٹ پر اس طرح توجہ دی گئی کہ نہ صرف انٹرنیٹری کو بہتر انداز میں پیش کیا جاسکے بلکہ مہاراق کو ایوارڈ کے ذریعے اجاگر بھی کیا جاسکے۔

پاکستان کے سب سے بڑے چلی فلیٹ فیشنوں ”مصالی فلیٹ فیشنوں“ کا انعقاد جنوری 2020 میں کراچی میں کیا گیا جس میں موسیقی کے مظاہرے، میٹک اور کامیڈی کے ساتھ لائیو کونگ کے مظاہرے، ڈانس اور گانے کے مقابلے مثلاً عہد کے جسے جس میں مشہور و معروف شیف کے شطفے کا موقع بھی فراہم کیا گیا۔

دنیا بھر میں بہت کامیاب ٹکس میں ایک، پاکستان کا سب سے بڑا کرکٹ مقابلہ ”پاکستان سپر لیگ“ کو برطانیہ اور ہم مصالحی یورپ کے ذریعے پیش کیا گیا جس نے ریٹنگ کے تمام ریکارڈ توڑ ڈالے۔

ہم ہیٹ ورک لیٹلڈ نے ایک اور سنگ میل اقدام اٹھاتے ہوئے پورے ملک سے نامور خواجین کو خراج تحسین پیش کرنے کا پروگرام بنایا اور ان کی تقریب منہدی جس کی اس وقت شکوہ کی مثال نہیں ملتی سرخوردگی 2020 میں صدر پاکستان کی سرپرستی میں ”ہم دو دین ایڈیٹرز ایوارڈ“ کے افتتاحی ایلیٹس کو بطور مدد تک یاد رکھا جائے گا کیونکہ اس کی عظمت اس کی خصوصیت اور تازگی کے مختلف شعبہ جات سے لوگوں جانتے اور ان کے اپنے شعبہ جات میں اعلیٰ کارکردگی کو خراج تحسین پیش کیا گیا۔

پاکستان میں COVID-19 کی وبا پھیلنے کے بعد، ہم ہیٹ ورک لیٹلڈ نے اپنی دفاتر میں سخت اقدامات پر عمل درآمد کو یقینی بنایا ہے تاکہ اس وائرس کے پھیلاؤ کو روکا جاسکے، کیونکہ ہم ہیٹ ورک کے لیے اپنے انسانی کثرت اور حفاظت بہت اہم ہے۔

ان مشکل حالات میں، ہم ہیٹ ورک لیٹلڈ نے ایک ذمہ دار ادارے کے طور پر ”بہرہ“ کے نام سے ہم کام آنا دیکھا تاکہ معاشرے کے ان افراد کو مدد کی جائے جو لاک ڈاؤن سے متاثر ہوئے ہیں اور روزانہ کی بنیاد پر کمانے والے مزدوروں، اسٹریٹ ویڈرز یا ان افراد کی فوری مدد کی جائے جن کی کاروبار بند ہونے سے نوکری ختم ہوتی ہے۔ بہرہ اقدام کے ساقی کے طور پر، ہم پہلی دن کی کھانا اور تھیل فٹز میں جمع کرائی ہے اور کوئی نے بھی اتنی رقم اس فٹز میں جمع کی ہے اس کے علاوہ دہائی کارپوریشن اداروں نے بھی ہم ہیٹ ورک کے اس عظیم کام میں تعاون کیا ہے۔ ہم ہیٹ نے بھی آگہی اور فیڈ بک جمع کرنے کے پیش نظر ٹیلی فون کا اہتمام کیا جو کہ بہت کامیاب رہی۔

ذریعہ جازہ مدت کے دوران، کمپنی کے مجموعی نتائج درج ذیل ہیں:

آمدنی - خالص	روپے
مجموعی نتائج	۳,۳۹۹,۹۲۲.۹۲۲
مدت کے دوران نقصان - قبل از ٹیکس	۲,۴۱۱,۹۹۹.۹۲۲
برائے ٹیکس پیر نقصان	(۱۵۵,۸۹۱.۰۵۴)
	(۰.۱۵)

## مستقبل کی منصوبہ بندی

جیسا کہ COVID-19 وائرس دنیا بھر میں تیزی سے پھیل رہا ہے، عالمی معیشت و باؤ کا شکار ہے۔ اس سے پاکستان کی معیشت بھی متاثر ہوئی ہے، تاہم حکومت پاکستان کی طرح کے معاشی اقدامات سے اس صورتحال میں استحکام برقرار رکھنے کے لیے کوشاں ہے اور امید کی جارہی ہے کہ پاکستان مستقبل قریب میں معاشی مسائل پر قابو پائے گا۔

ہم ہیٹ ورک لیٹلڈ موجودہ صورتحال کا جائزہ لے رہا ہے اور معیشت کے دیگر شعبہ جات کی طرح، ہمیں توقع ہے کہ لائونڈرائزنگ مارکیٹ پر بھی دباؤ ہوگا۔ تاہم، ہمارے بزنس اور معاشی منصوبہ بندیوں اور ہم ہیٹ ورک کو تقویت دینے کے لیے انتظامی فیصلے اس طرح کے جاتے ہیں کہ ان مشکل حالات میں اپنی حتمی پوزیشن کو برقرار رکھنے میں آزاد ہوں۔

## اظہار تشکر

انتظامیہ کی جانب سے، میں اس موقع پر اپنے ہیئر مینولڈرز، ملازمین، کسٹمرز، کاروبار ی شراکت داروں اور دیگر اسٹیک ہولڈرز کا کمپنی پر اعتماد کے لیے شکریہ ادا کروں گا کہ ان کے مسلسل تعاون اور مدد سے ہم ہیٹ ورک لیٹلڈ اپنے اقتصادی چیلن کے لیے آگے بڑھنے میں کامیاب رہا ہے۔

30 اپریل 2020

کرچی

منظر الحق مدنی  
چیئر مین

منظر الحق مدنی  
چیئر مین

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020 (UN-AUDITED)

		March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
	Note	Rupees	Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,440,714,817	1,494,444,226
Intangible assets		35,567,380	45,543,151
Long term investments	6	368,898,451	368,898,451
Long term deposits		24,125,472	24,479,812
Television program costs	7	124,510,302	227,228,617
Deferred tax asset		44,126,099	57,032,586
		<u>2,037,942,521</u>	<u>2,217,626,843</u>
<b>CURRENT ASSETS</b>			
Inventories		17,883,863	19,532,155
Current portion of television program costs		105,385,799	213,385,799
Trade debts	8	1,722,601,211	1,776,702,967
Short term investments	9	378,770,719	838,041,574
Advances	10	303,745,822	116,418,606
Deposits and prepayments		35,482,211	16,632,975
Other receivables	11	211,241,806	166,594,761
Taxation – net		246,353,827	175,896,680
Cash and bank balances		24,277,342	152,042,869
		<u>3,045,742,600</u>	<u>3,475,248,386</u>
<b>TOTAL ASSETS</b>		<u><b>5,083,685,121</b></u>	<u><b>5,692,875,229</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
1,500,000,000 (2019: 1,500,000,000) Ordinary shares of Re.1/- each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid-up capital		945,000,000	945,000,000
Unappropriated profit		<u>1,884,857,239</u>	<u>2,212,120,835</u>
		<u>2,829,857,239</u>	<u>3,157,120,835</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term lease liabilities		122,591,650	11,263,903
Long term financing		<u>699,457,253</u>	<u>978,644,795</u>
		<u>822,048,903</u>	<u>989,908,698</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	828,608,967	847,005,655
Accrued markup		9,538,608	5,490,094
Short term borrowings		200,660,300	299,853,260
Unclaimed dividend		5,948,490	5,948,490
Unpaid dividend		205,159	205,159
Current portion of long term financing		371,932,488	371,910,267
Current portion of long term lease liabilities		14,884,967	15,432,771
		<u>1,431,778,979</u>	<u>1,545,845,696</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>5,083,685,121</b></u>	<u><b>5,692,875,229</b></u>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

	Note	Nine months ended		Quarter-ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		----- Rupees -----	-----	----- Rupees -----	-----
Revenue	14	2,722,978,015	2,968,737,753	1,073,168,935	880,804,984
Cost of production	15	(2,344,014,913)	(2,558,932,151)	(827,547,983)	(770,964,582)
Transmission cost		(105,831,167)	(151,790,821)	(34,196,869)	(52,373,319)
		(2,449,846,080)	(2,710,722,972)	(861,744,852)	(823,337,901)
<b>Gross profit</b>		<b>273,131,935</b>	<b>258,014,781</b>	<b>211,424,083</b>	<b>57,467,083</b>
Distribution costs		(237,246,555)	(244,779,460)	(70,338,040)	(70,155,639)
Administrative expenses		(333,064,509)	(383,121,644)	(103,455,083)	(118,938,996)
Other income		151,577,837	139,982,703	72,804,437	54,046,857
Finance costs		(186,254,569)	(99,396,574)	(54,990,973)	(42,380,702)
<b>Profit/(Loss) before taxation</b>		<b>(331,855,861)</b>	<b>(329,300,194)</b>	<b>55,444,424</b>	<b>(119,961,397)</b>
Taxation					
-current		23,909,139	(31,912,718)	1,597,196	5,433,905
-prior		(6,410,387)	-	-	-
-deferred		(12,906,487)	(22,353,842)	19,891,209	(11,817,828)
		4,592,265	(54,266,560)	21,488,405	(6,383,923)
<b>Profit/(Loss) for the period</b>		<b>(327,263,596)</b>	<b>(383,566,754)</b>	<b>76,932,829</b>	<b>(126,345,320)</b>
<b>Profit/(Loss) per share – basic and diluted</b>		<b>(0.35)</b>	<b>(0.41)</b>	<b>0.08</b>	<b>(0.13)</b>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

  
**DURAID QURESHI**  
Chief Executive

  
**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

  
**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer



# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

	Nine months ended		Quarter-ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- Rupees -----			
Profit/(Loss) for the period	(327,263,596)	(383,566,754)	76,932,829	(126,345,320)
Other comprehensive income	-	-	-	-
Total comprehensive profit/(loss) for the period	<u>(327,263,596)</u>	<u>(383,566,754)</u>	<u>76,932,829</u>	<u>(126,345,320)</u>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

	March 31, 2020 ----- (Rupees) -----	March 31, 2019 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(331,855,861)	(329,300,194)
<b>Adjustments for:</b>		
Depreciation on operating fixed assets	159,655,531	173,718,744
Depreciation on right of use assets	24,470,083	-
Amortization	10,983,771	9,632,392
Finance costs	186,254,569	99,396,574
Profit on bank accounts	(10,865,889)	(17,363,791)
Loss / (gain) on disposal of operating fixed assets	(341,897)	(1,590,157)
Unrealised (gain) / loss on revaluation of investments	(1,512,897)	-
Unrealised exchange loss / (gain)	(2,847,010)	(52,916,960)
	365,796,261	210,876,802
<b>Operating loss before working capital changes</b>	<b>33,940,400</b>	<b>(118,423,392)</b>
<b>(Increase)/decrease in current assets</b>		
Inventories	1,648,292	(5,294,679)
Television program costs	108,000,000	5,978,911
Trade debts	56,948,767	90,067,325
Advances Deposits & Prepayments	(206,176,453)	23,955,159
Other receivables	(44,647,045)	(14,947,921)
	(84,226,439)	99,758,795
<b>Increase in current liabilities</b>		
Trade and other payables	(18,396,687)	231,793,862
<b>Cash (used in) / generated from operations</b>	<b>(68,682,726)</b>	<b>213,129,265</b>
Taxes paid	(52,958,397)	(51,296,249)
Finance costs paid	(182,206,055)	(98,179,505)
Profit received on deposit accounts	10,865,889	17,363,791
Long-term deposits	354,340	735,718
Television program costs	102,718,315	34,809,789
<b>Net cash used in operating activities</b>	<b>(189,908,634)</b>	<b>116,562,809</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment & intangibles	(19,556,935)	(117,743,152)
Investments during the period - net	460,783,752	(82,744,523)
Proceeds from disposal of operating fixed assets	19,218,458	3,339,066
<b>Net cash generated from / (used in) investing activities</b>	<b>460,445,275</b>	<b>(197,148,609)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease liabilities	(19,943,888)	(2,322,055)
Short term borrowings - net	(99,192,959)	-
Long term financing - net	(279,165,321)	256,400,000
<b>Net cash (used) / obtained from financing activities</b>	<b>(398,302,168)</b>	<b>254,077,945</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(127,765,527)</b>	<b>173,492,145</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>152,042,869</b>	<b>147,939,971</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>24,277,342</b>	<b>321,432,116</b>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

  
**DURAID QURESHI**  
Chief Executive

  
**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

  
**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Revenue Reserve Unappropriated Profit	Total
		Rupees	
<b>Balance as at July 01, 2018 – (Audited)</b>	<b>945,000,000</b>	<b>2,748,003,928</b>	<b>3,693,003,928</b>
Loss for the period		(383,566,754)	(383,566,754)
Other comprehensive income		-	-
Total comprehensive loss for the period		(383,566,754)	(383,566,754)
<b>Balance as at March 31, 2019</b>	<b>945,000,000</b>	<b>2,364,437,174</b>	<b>3,309,437,174</b>
<b>Balance as at July 01, 2019 – (Audited)</b>	<b>945,000,000</b>	<b>2,212,120,835</b>	<b>3,157,120,835</b>
Loss for the period		(327,263,596)	(327,263,596)
Other comprehensive income		-	-
Total comprehensive loss for the period		(327,263,596)	(327,263,596)
<b>Balance as at March 31, 2020</b>	<b>945,000,000</b>	<b>1,884,857,239</b>	<b>2,829,857,239</b>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

### 1 THE COMPANY AND ITS OPERATIONS

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

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

-International Accounting Standards (IAS 34), Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017 (the Act); and

- Provisions of and directives issued under the Act.

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

- 2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2019.
- 2.3 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.
- 2.4 These unconsolidated condensed interim financial statements is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.

### 3 ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2019 except as disclosed below:

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

The Company has adopted the following accounting standards, amendments and interpretation of IFRSs and the improvements to accounting standards which became effective for the current period:

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

### Standards, amendments and interpretation

- IFRS 16 - Leases  
 IFRIC 23 - Uncertainty over income tax treatments  
 IFRS 9 - Prepayment features with negative compensation (Amendments)  
 IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)  
 IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

### Improvements to accounting standards issued by the IASB in December 2017

- IFRS 3 - Business Combinations - Previously held Interests in a joint operation  
 IFRS 11 - Joint Arrangements - Previously held Interests in a joint operation  
 IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity  
 IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalization

The adoption of the above standards, amendments, interpretation and improvements did not have any effect on the accounting policies of the Company except for IFRS 16. The impact of adoption of IFRS 16 is explained in note 3.2 to these condensed interim financial statements.

### 3.2 IFRS 16 – Leases

IFRS 16 supersedes IAS 17 'Leases', 'IFRIC 4' Determining whether an Arrangement contains a Lease, 'SIC-15' Operating Leases Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS-16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under IFRS 16, distinction between operating and finance leases has been removed and all lease contracts, with limited exceptions, will be recognized in statement of financial position by way of right-of-use assets along with their corresponding lease liabilities. As a practical expedient, no reassessment was performed of contracts that were previously identified as leases and contracts that were not previously identified as containing a lease applying IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease.

Lease obligations of the Company comprises of lease arrangements giving it the right-of-use over properties utilized as office building and other land on rentals.

The Company adopted IFRS 16 with effect from July 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application with no restatement of comparative information. The Company elected to use the transition practical expedient allowing the Company to use a single discount rate to a portfolio of leases with the similar characteristics.

The right-of-use assets were recognized based on the amount equal to lease liabilities. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company did not have any sub-lease as on July 1, 2019.

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as at June 30, 2019 as follows:

The impact of adoption of IFRS 16 as at July 01, 2019 is as follows:	Rupees
Operating lease commitments as at June 30, 2019	220,387,519
Impact of discounting	(84,305,368)
Total lease liability as at July 01, 2019	<u>136,082,151</u>
Weighted average incremental borrowing rate as at July 01, 2019	14.13%

### The impact of adoption of IFRS 16 as at July 01, 2019 is as follows:

<b>Assets</b>	
Property, plant & equipment - right-of-use asset	<u>136,082,151</u>
<b>Liabilities</b>	
Lease liabilities	<u>136,082,151</u>

The impact of adoption of IFRS 16 for the period ended March 31, 2020 is as follows:

<b>Unconsolidated condensed interim statement of profit or loss</b>	
Depreciation charge on right-of-use assets	13,080,447
Markup on lease liabilities	<u>11,995,001</u>
	<u>25,075,448</u>

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

## 3.3 Amendment to accounting and reporting standards that are not yet effective

The following amendment to the accounting and reporting standards as applicable in Pakistan are relevant to the Company and would be effective from the date mentioned below:

Effective date  
(Annual periods  
beginning on or after)

IAS 1/ IAS 8 - Definition of Material

January 01,2020

## 4 ACCOUNTING ESTIMATES AND JUDGMENTS

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

Estimates and judgements made by management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to the annual unconsolidated financial statements of the Company for the year ended 30 June 2019, except as disclosed otherwise.

		March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
	Note	----- Rupees -----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	1,237,777,914	1,435,412,292
Capital work-in-progress		59,794,686	59,031,934
Right of use asset	5.2/3.2	143,142,217	-
		<u>1,440,714,817</u>	<u>1,494,444,226</u>
<b>5.1 Operating fixed assets</b>			
Opening balance – at book value		1,435,412,292	1,501,592,770
Additions during the period / year – at cost	5.1.1	26,479,564	170,524,461
		<u>1,461,891,856</u>	<u>1,672,117,231</u>
Less:			
Disposals during the period / year – at book value		(18,876,561)	(2,745,070)
Depreciation charged during the period / year		(159,655,531)	(233,959,869)
Transfer to right of use asset - at book value		(45,581,850)	-
		<u>(224,113,942)</u>	<u>(236,704,939)</u>
Closing balance – at book value		<u>1,237,777,914</u>	<u>1,435,412,292</u>
<b>5.1.1 Additions during the period / year – at cost</b>			
<b>Owned</b>			
Building on leasehold land		1,855,107	1,916,800
Leasehold improvements		3,823,116	5,497,657
Furniture and fittings		-	2,412,985
Motor vehicles		10,194,847	10,418,552
Audio visual equipment		4,765,501	117,099,907
Uplinking equipment		-	544,336
Office equipment		645,779	3,217,825
Computers		5,195,214	13,134,336
<b>Leased</b>			
Motor vehicles		-	16,282,063
		<u>26,479,564</u>	<u>170,524,461</u>

5.2 During the period, the additions in right of use asset amounted to Rs 5,358,108 (June 30, 2019: Rs nil/-).

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

		March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
<b>6. LONG TERM INVESTMENTS – unquoted subsidiaries</b>	<b>Holding</b>		
<b>HUM TV, Inc. – USA</b>			
10,000 Common stock of \$ 0.01 each	100%	8,603	8,603
Advance for future issue of shares		<u>18,716,750</u>	<u>18,716,750</u>
		<u>18,725,353</u>	<u>18,725,353</u>
<b>HUM Network UK Ltd.</b>			
553,677 Ordinary shares of 1 GBP	100%	95,923,751	95,923,751
<b>Skyline Publications (Private) Ltd.</b>			
3,999,997 Ordinary shares of Rs.10 each	100%	39,999,970	39,999,970
<b>HUM Network FZ LLC – UAE</b>			
2,400 Ordinary Shares of AED 1000 each	100%	69,802,371	69,802,371
Advance for future issue of shares		<u>4,446,966</u>	<u>4,446,966</u>
		<u>74,249,337</u>	<u>74,249,337</u>
<b>HUMM Co. (Private) Limited</b>			
4 ordinary shares of Rs. 10 each	100%	40	40
<b>HUM Mart. (Private) Limited</b>			
14,000,000 ordinary shares of Rs.10 each	70%	<u>140,000,000</u>	<u>140,000,000</u>
		<u>368,898,451</u>	<u>368,898,451</u>
<b>7. TELEVISION PROGRAM COSTS</b>			
Unreleased / released less amortization		176,164,851	386,400,500
In production		<u>53,731,250</u>	<u>54,213,916</u>
		<u>229,896,101</u>	<u>440,614,416</u>
Less: Current portion		<u>105,385,799</u>	<u>213,385,799</u>
		<u>124,510,302</u>	<u>227,228,617</u>
<b>8. TRADE DEBTS</b>			
Includes amount receivable from related parties as follows:			
Hum TV, Inc – USA		195,577,960	231,026,837
Hum Network UK Ltd		<u>97,486,193</u>	<u>109,041,527</u>
		<u>293,064,153</u>	<u>340,068,364</u>
<b>9. SHORT TERM INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
United Bank Limited			
16,000 TFCs having face value of Rs. 5000 each		80,000,000	80,000,000
Meezan Bank Ltd. Tier II Modaraba Sukuku		-	98,997,624
Bank of Punjab			
2,033 TFCs having face value of Rs.99,880 each		201,641,543	-
U Microfinance Bank Limited			
17,400 TFCs having face value of Rs.4,995 each		97,129,176	-
<b>Quoted Shares</b>			
Habib Bank Limited			
60,000 shares having market value of Rs. 113.26 each		-	6,795,600
Sui Nothern Gas Pipelines Ltd.			
60,000 shares having market value of Rs. 69.49 each		-	4,169,400
Inter.Steel Ltd.			
50,000 shares having market value of Rs. 39.71 each		-	1,985,500
<b>Mutual Funds</b>			
Askari High Yield Scheme			
2,958,712 units having net asset value (NAV) Rs.102.3976		-	302,965,055
BMA Empress Cash Fund			
8,045,078 shares having market value of Rs. 10.158 each		-	81,721,902
		<u>378,770,719</u>	<u>576,635,081</u>
<b>At amortized cost</b>			
Term Deposit Receipt		-	250,000,000
Add: Accrued profit thereon		-	11,406,493
		-	261,406,493
		<u>378,770,719</u>	<u>838,041,574</u>



# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

10. This includes amount paid to related party amounting to Rs 120,000,000/- (June 30, 2019: Rs 5,177,051/-).

	March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
<b>11. OTHER RECEIVABLES</b>		
Includes balances receivable from related parties as follows:		
HUM TV. Inc	23,678,421	20,785,391
HUM Mart (Private) Limited	802,343	223,116
Sky Line Publication (Private) Limited	56,039,907	50,477,705
	<b>80,520,671</b>	<b>71,486,212</b>

## 12. TRADE AND OTHER PAYABLES

This include amounts payable to related parties amounting to Rs. 246,485,255/- (June 30, 2019: Rs 356,016,204/-).

## 13. CONTINGENCIES AND COMMITMENTS

### 13.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2019.

### 13.2 Commitments

Purchase of television programs commitments with M.D Production (Private) Limited related party as at March 31, 2020 amounted to Rs.204,028,000 (June 2019: Rs. 393,586,400/-). Commitment for purchase of television programs with other than related parties as at March 31, 2020 amounted to Rs. 42,866,000 (June 30 2019: Rs. 68,207,000/-).

	Nine months ended		Quarter-ended	
	March 31, 2020 (Un-audited)	March 31, 2019 (Un-audited)	March 31, 2020 (Un-audited)	March 31, 2019 (Un-audited)
	----- Rupees -----		----- Rupees -----	
<b>14. REVENUE – net</b>				
Advertisement revenue	2,233,449,886	2,508,153,903	895,195,148	779,750,576
Production revenue	55,536,092	74,149,531	32,926,371	6,707,265
Digital sales revenue	34,574,081	12,717,449	23,240,322	6,563,087
Subscription income	382,130,013	248,754,123	121,086,965	78,955,753
Film distribution revenue	17,287,943	124,962,747	720,129	8,828,303
	<b>2,722,978,015</b>	<b>2,968,737,753</b>	<b>1,073,168,935</b>	<b>880,804,984</b>

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

Sales tax	325,910,417	356,891,516	132,373,179	110,048,752
Discount to customers	189,940,428	199,976,279	62,999,562	67,946,554
	<b>515,850,845</b>	<b>556,867,795</b>	<b>195,372,741</b>	<b>177,995,306</b>



# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

## 15. COST OF PRODUCTION

	Nine months ended		Quarter-ended	
	March 31, 2020 (Un-audited)	March 31, 2019 (Un-audited)	March 31, 2020 (Un-audited)	March 31, 2019 (Un-audited)
	----- Rupees -----		----- Rupees -----	
Cost of outsourced programs	1,145,253,790	1,168,875,024	354,148,947	398,668,148
Cost of in-house programs	176,261,852	398,459,544	55,121,483	34,216,689
Inventories consumed	343,583	-	-	-
Salaries and benefits	516,169,637	643,156,002	163,286,320	212,356,367
Depreciation	141,999,338	135,544,729	45,716,423	46,216,542
Amortisation	8,098,418	6,985,476	2,619,708	2,437,054
Traveling and conveyance	33,373,732	40,660,161	11,158,825	11,723,735
Utilities	12,225,033	14,853,391	3,207,757	3,733,767
Rent, rates and taxes	1,452,023	21,676,330	300,160	7,041,118
Insurance	17,051,314	20,497,191	5,454,698	6,437,098
Repair and maintenance	14,324,183	17,497,892	4,431,564	4,287,176
Fee and subscription	47,858,881	30,538,093	16,967,687	9,918,252
Communication expense	13,730,263	13,042,680	4,360,843	3,515,646
Security charges	-	1,959,292	-	256,810
Consultancy	3,789,518	3,731,010	1,308,825	820,998
Printing and stationery	1,365,033	666,636	687,743	199,182
	2,133,296,598	2,518,143,451	668,770,983	741,828,582
In production television programs				
- opening	54,213,916	91,472,116	52,508,250	79,819,416
In production television programs				
- closing	(53,731,250)	(50,683,416)	(53,731,250)	(50,683,416)
	2,133,779,264	2,558,932,151	667,547,983	770,964,582
Released / unreleased programs				
- opening	386,400,500	384,062,756	336,164,851	384,062,756
Released / unreleased programs				
- closing	(176,164,851)	(384,062,756)	(176,164,851)	(384,062,756)
	2,344,014,913	2,558,932,151	827,547,983	770,964,582

## 16. TRANSACTIONS WITH RELATED PARTIES

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

	Nine months ended		Quarter-ended	
	March 31, 2020 (Un-audited)	March 31, 2019 (Un-audited)	March 31, 2020 (Un-audited)	March 31, 2019 (Un-audited)
	----- Rupees -----		----- Rupees -----	
<b>Nature of transaction</b>				
<b>Associated companies (due to common directorship):</b>				
Purchases of Television programs	922,548,142	977,124,901	283,339,155	342,492,692
<b>Subsidiary Company:</b>				
Management Fee	3,575,452	-	1,246,327	-
Subscription Income	35,039,324	29,694,222	11,702,712	10,454,913
<b>Others</b>				
Key Management personnel	83,411,664	99,705,598	27,929,493	27,736,915
Contribution to Fund	27,888,683	35,392,180	8,892,980	11,202,571

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

### 17. FINANCIAL RISK MANAGEMENT , OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2019. There have been no change in any risk management policies since the year end.

### 18. FAIR VALUE OF ASSETS

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

### 19. GENERAL

19.1 Amounts have been rounded off to the nearest rupee.

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

### 19.3 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements have been authorised for issue on April 30, 2020 by the Board of Directors.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020 (UN-AUDITED)

		March 31, 2020	June 30, 2019
	Note	Rupees	
		(Un-audited)	(Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	1,471,907,700	1,530,839,523
Intangible assets		120,954,768	127,507,933
Long term investments		91,896,298	77,195,824
Long term deposits		42,953,862	41,449,670
Television program costs		124,510,302	227,228,617
Deferred tax asset		63,425,514	75,817,744
		<b>1,915,648,444</b>	<b>2,080,039,311</b>
<b>CURRENT ASSETS</b>			
Inventories		56,606,626	61,876,831
Current portion of television program costs		105,385,799	213,385,799
Trade debts	5	1,953,948,026	1,888,525,902
Short term investments		378,770,719	838,041,574
Advances		227,287,730	154,148,617
Trade deposits and short-term prepayments		46,257,944	20,483,767
Other receivables		189,753,418	204,777,946
Taxation – net		248,198,146	177,748,834
Cash and bank balances		361,149,292	361,610,061
		<b>3,567,357,700</b>	<b>3,920,599,331</b>
<b>TOTAL ASSETS</b>		<b>5,483,006,144</b>	<b>6,000,638,642</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 1,500,000,000 (2018: 1,500,000,000) Ordinary shares of Re.1/- each		<b>1,500,000,000</b>	<b>1,500,000,000</b>
Issued, subscribed and paid-up capital		945,000,000	945,000,000
Revenue Reserves		1,675,958,228	2,276,458,987
Attributable to owners of the Holding Company		2,620,958,228	3,221,458,987
Non-controlling interest		22,713,250	55,144,321
		<b>2,643,671,478</b>	<b>3,276,603,308</b>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		122,591,650	11,263,903
Long term financing		699,457,253	978,644,795
		<b>822,048,903</b>	<b>989,908,698</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,411,239,995	1,033,302,739
Accrued mark-up		9,620,690	5,572,176
Short term borrowings		200,660,300	299,853,260
Unclaimed dividend		5,948,490	5,948,490
Unpaid dividend		205,159	205,159
Taxation – net		2,793,674	1,901,774
Current portion of long term financing		371,932,488	371,910,267
Current portion of liabilities against assets subject to finance lease		14,884,967	15,432,771
		<b>2,017,285,763</b>	<b>1,734,126,636</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,483,006,144</b>	<b>6,000,638,642</b>

The annexed notes from 1 to 11 form an integral part of these consolidated financial statements.



**DURAIQ QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED PROFIT OR LOSS ACCOUNT FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

	Note	Nine months ended		Quarter-ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Rupees	Rupees	Rupees	Rupees
Revenue	7	3,396,294,664	3,514,991,374	1,267,428,749	1,084,941,088
Cost of production	8	(2,775,054,780)	(2,741,293,412)	(934,877,169)	(839,458,485)
Transmission cost		(349,248,958)	(370,340,121)	(73,840,857)	(164,881,013)
		(3,124,303,738)	(3,111,633,533)	(1,008,718,026)	(1,004,339,498)
<b>Gross profit</b>		<b>271,990,926</b>	<b>403,357,841</b>	<b>258,710,723</b>	<b>80,601,590</b>
Distribution costs		(339,729,610)	(309,868,754)	(118,387,390)	(89,331,013)
Administrative expenses		(518,570,514)	(488,193,362)	(167,364,847)	(161,445,205)
Other income		152,175,112	140,638,193	75,107,102	54,041,791
Other expenses		-	(209,312)	-	(185,628)
Finance costs		(187,129,887)	(100,417,679)	(55,248,568)	(42,620,496)
Share of net profit of associate		5,402,914		3,106,690	
<b>(Loss) before taxation</b>		<b>(615,861,059)</b>	<b>(354,693,073)</b>	<b>(4,076,290)</b>	<b>(158,938,961)</b>
Taxation		1,791,873	(72,749,718)	20,246,926	(13,546,976)
<b>Profit/(Loss) after taxation</b>		<b>(614,069,186)</b>	<b>(427,442,791)</b>	<b>16,170,636</b>	<b>(172,485,937)</b>
<b>Attributable to:</b>					
Owners of Holding Company		(581,638,115)	-	27,154,623	-
Non-controlling interests		(32,431,071)	-	(10,983,987)	-
		(614,069,186)	-	16,170,636	-
<b>Profit/(Loss) per share – basic and diluted</b>		<b>(0.65)</b>	<b>(0.45)</b>	<b>0.02</b>	<b>(0.18)</b>

The annexed notes from 1 to 11 form an integral part of these unconsolidated condensed interim financial statements.

  
**DURAID QURESHI**  
Chief Executive

  
**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman

  
**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)**

	Nine months ended		Quarter-ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rupees		Rupees	
<b>Profit/(Loss) after taxation</b>	<b>(614,069,186)</b>	(427,442,791)	<b>16,170,636</b>	(172,485,937)
Other comprehensive income/(loss)	<b>(18,862,644)</b>	54,235,908	<b>(7,515,658 )</b>	13,036,605
<b>Total comprehensive income/(loss)</b>	<b><u>(632,931,830)</u></b>	<u>(373,206,883)</u>	<b><u>8,654,978</u></b>	<u>(159,449,332)</u>

The annexed notes from 1 to 11 form an integral part of these unconsolidated condensed interim financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

	March 31, 2020	March 31, 2019
	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(615,861,059)	(354,693,073)
Adjustments for:		
Depreciation	190,972,257	177,270,563
Amortization	12,995,948	11,257,105
Finance costs	187,129,887	100,417,679
Profit on bank accounts	(11,489,834)	(17,990,251)
(Gain)/loss on disposal of property, plant and equipment	(341,897)	(1,590,157)
Unrealized Loss/(gain) on Revaluation of Investments	(1,512,897)	-
Exchange difference on translation of foreign currency	(18,862,644)	54,235,908
Provision for doubtful debts	1,313,198	-
Exchange loss/(gain)	(2,847,010)	(52,916,960)
	<u>357,357,008</u>	<u>270,683,887</u>
<b>Operating profit before working capital changes</b>	<b>(258,504,051)</b>	<b>(84,009,186)</b>
(Increase)/decrease in current assets		
Inventories	5,270,204	(38,312,810)
Television program costs	108,000,000	5,978,911
Trade debts	(63,888,311)	(121,857,424)
Advances, deposits and prepayments	(98,913,290)	13,834,659
Other receivables	15,024,528	(16,979,682)
	<u>(34,506,869)</u>	<u>(157,336,346)</u>
<b>Increase in current liabilities</b>		
Trade and other payables	377,937,256	447,264,506
	<u>(84,926,336)</u>	<u>205,918,974</u>
<b>Cash generated from operations</b>		
Taxes paid	(55,373,307)	(62,123,904)
Finance costs paid	(183,081,373)	(99,200,611)
Profit received on bank accounts	11,489,834	17,990,251
Long-term deposits	(1,504,192)	(4,243,683)
Television program costs	102,718,315	34,809,789
<b>Net cash generated from operating activities</b>	<b>40,824,387</b>	<b>93,150,816</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangibles	(26,635,949)	(139,132,183)
Investments-Net	446,083,278	(101,016,988)
Proceeds from sale of property, plant and equipment	19,218,458	3,412,816
<b>Net cash used in investing activities</b>	<b>438,665,787</b>	<b>(236,736,355)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(279,165,321)	256,400,000
Short Term Borrowing	(99,192,960)	-
Liabilities against assets subject to finance lease	(19,943,888)	(2,322,055)
Advance for future issue of shares	-	50,001,724
<b>Net cash used in financing activities</b>	<b>(398,302,169)</b>	<b>304,079,669</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(460,769)</b>	<b>160,494,130</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>361,610,061</b>	<b>358,497,776</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>361,149,292</b>	<b>518,991,906</b>

The annexed notes from 1 to 11 form an integral part of these unconsolidated condensed interim financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Foreign exchange translation reserve	Revenue Reserves		Non- controlling interest	Total
			Unappropri- ated profit	Sub-total		
Balance as at July 30, 2018	945,000,000	50,033,077	2,769,444,158	2,819,477,235	-	3,764,477,235
Net Loss for the year	-	-	(427,442,791)	(427,442,791)	-	(427,442,791)
Other comprehensive income	-	54,235,908	-	54,235,908	-	54,235,908
Total comprehensive income/(loss) for the year	-	54,235,908	(427,442,791)	(373,206,883)	-	(373,206,883)
Balance as at March 31, 2019	945,000,000	104,268,985	2,342,001,367	2,446,270,352	-	3,391,270,352
Balance as at July 1, 2019	945,000,000	151,839,386	2,124,619,601	2,276,458,987	55,144,321	3,276,603,308
Loss attributable to non-controlling interests for the year	-	-	-	-	(32,431,071)	(32,431,071)
	-	-	-	-	(32,431,071)	(32,431,071)
Net loss for the year	-	-	(581,638,115)	(581,638,115)	-	(581,638,115)
Other comprehensive loss	-	(18,862,644)	-	(18,862,644)	-	(18,862,644)
Total comprehensive loss for the year	-	(18,862,644)	(581,638,115)	(600,500,759)	-	(600,500,759)
Balance as at March 31, 2020	945,000,000	132,976,742	1,542,981,486	1,675,958,228	22,713,250	2,643,671,478

The annexed notes from 1 to 11 form an integral part of these condensed interim consolidated financial statements.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

### 1. THE GROUP AND ITS OPERATIONS

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

The 'Group' consists of

#### Holding Company

HUM Network Limited

#### Subsidiary Companies

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

### 1.3 Nature of operations of subsidiaries

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

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

HUMM Co. (Private) Limited has been established with the purpose of developing and producing contents, shows and programs. Further, a scheme of arrangement with M.D Productions (Private) Limited (a related party) is pending approval with relevant authorities as of the year end.

During the year ended June 30, 2018, HUM Mart (Private) Limited was incorporated for the business of online shopping for grocery, household items and consumer goods.

### 2. BASIS OF PRESENTATION

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

### 3. ACCOUNTING POLICES

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2019 except as disclosed in unconsolidated financial statements for the nine months ended 31, March 2020.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

		March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
	<b>Note</b>	<b>----- Rupees -----</b>	
Operating fixed assets	4.1	<b>1,268,970,797</b>	1,471,807,589
Capital work-in-progress		<b>59,794,686</b>	59,031,934
Right of Use asset		<b>143,142,217</b>	-
		<b><u>1,471,907,700</u></b>	<b><u>1,530,839,523</u></b>
<b>4.1 Operating fixed assets – owned and leased</b>			
Book value at the beginning of the period / year		<b>1,471,807,589</b>	1,533,137,692
Additions during the period / year	4.1.1	<b>28,123,795</b>	227,868,451
Less:			
Disposal during the period / year - at WDV		<b>18,876,561</b>	21,223,999
Transfer to right of use asset - at book value		<b>45,581,850</b>	
Depreciation charged during the period / year		<b>166,502,176</b>	267,974,555
		<b><u>1,268,970,797</u></b>	<b><u>1,471,807,589</u></b>
<b>4.1.1 Additions during the period</b>			
<b>Owned</b>			
Building on leasehold land		<b>1,855,107</b>	1,916,800
Leased hold improvement		<b>3,823,116</b>	5,497,657
Furniture and fittings		<b>439,773</b>	4,474,717
Vehicles		<b>10,194,847</b>	27,701,083
Audio visual equipment		<b>4,765,501</b>	136,539,907
Uplinking equipment		-	10,204,336
Office equipment		<b>696,404</b>	7,852,458
Computers		<b>6,349,047</b>	17,399,430
<b>Leased</b>			
Vehicles			16,282,063
		<b><u>28,123,795</u></b>	<b><u>227,868,451</u></b>
<b>5. TRADE DEBTS – unsecured</b>			
		<b>----- Rupees -----</b>	
Considered good		<b>1,953,948,026</b>	1,888,525,902
Considered doubtful		<b>89,145,290</b>	87,832,093
		<b><u>2,043,093,316</u></b>	<b><u>1,976,357,995</u></b>
Less: Provision for doubtful debts		<b>89,145,290</b>	87,832,093
		<b><u>1,953,948,026</u></b>	<b><u>1,888,525,902</u></b>
<b>6. CONTINGENCIES AND COMMITMENTS</b>			
<b>6.1 Contingencies</b>			
There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2019.			
<b>6.2 Commitments</b>			
Purchase of television programs commitments with M.D Production (Private) Limited related party as at March 31, 2020 amounted to Rs.204,028,000 (June 2019: Rs. 393,586,400/-). Commitment for purchase of television programs with other than related parties as at March 31, 2020 amounted to Rs. 42,866,000 (June 30 2019: Rs. 68,207,000/-).			

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

	Nine months ended		Quarter-ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
Note	----- Rupees -----		----- Rupees -----	
<b>7. REVENUE – net</b>				
Advertisement revenue	2,643,861,220	2,853,838,774	991,561,710	879,461,322
Production revenue	55,536,092	74,149,531	32,874,327	6,924,574
Digital sales revenue	34,574,081	12,717,449	23,292,366	6,345,778
Subscription income	386,197,656	296,131,906	121,011,224	95,481,396
Film distribution revenue	38,296,191	162,370,034	792,096	39,504,505
Sale of goods	237,829,424	115,783,680	97,897,026	57,223,513
7.1	<u>3,396,294,664</u>	<u>3,514,991,374</u>	<u>1,267,428,749</u>	<u>1,084,941,088</u>
<b>7.1 Revenue is net off the following items:</b>				
Sales tax	325,910,417	356,891,516	132,373,179	110,048,752
Discount to customers	189,940,428	199,976,279	62,999,562	67,946,554
	<u>515,850,845</u>	<u>556,867,795</u>	<u>195,372,741</u>	<u>177,995,306</u>
	Nine months ended		Quarter-ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	----- Rupees -----		----- Rupees -----	
<b>8. COST OF PRODUCTION</b>				
Cost of outsourced programs	1,328,637,254	1,197,174,817	361,355,567	400,866,144
Cost of in-house programs	176,261,852	398,459,544	55,121,483	34,216,689
Inventories consumed	234,018,160	96,015,676	98,333,238	49,305,475
Salaries and benefits	522,966,459	666,691,780	164,454,138	219,500,611
Depreciation	142,196,397	137,405,641	45,754,402	46,954,669
Amortisation	8,098,418	7,016,333	2,619,708	2,447,340
Traveling and conveyance	33,984,556	45,747,704	11,373,249	12,710,826
Utilities	12,235,797	15,499,990	3,207,757	4,380,366
Rent, rates and taxes	1,452,023	36,064,518	300,160	11,757,506
Insurance	17,188,951	20,658,186	5,475,294	6,468,055
Repair and maintenance	14,436,833	19,016,666	4,431,564	4,818,683
Fee and subscription	47,919,731	30,538,093	16,973,987	9,918,252
Communication expense	13,920,918	14,113,766	4,390,001	3,875,666
Security charges	-	2,616,405	-	599,432
Consultancy	4,602,682	3,731,010	1,548,825	820,998
Printing and stationery	6,416,434	9,754,583	760,796	1,681,773
	<u>2,564,336,465</u>	<u>2,700,504,712</u>	<u>776,100,169</u>	<u>810,322,485</u>
In production television programs				
- opening	54,213,916	91,472,116	52,508,250	79,819,416
In production television programs				
- closing	(53,731,250)	(50,683,416)	(53,731,250)	(50,683,416)
	<u>2,564,819,131</u>	<u>2,741,293,412</u>	<u>774,877,169</u>	<u>839,458,485</u>
Released / unreleased programs				
- opening	386,400,500	384,062,756	336,164,851	384,062,756
Released / unreleased programs				
- closing	(176,164,851)	(384,062,756)	(176,164,851)	(384,062,756)
	<u>2,775,054,780</u>	<u>2,741,293,412</u>	<u>934,877,169</u>	<u>839,458,485</u>

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2020 (UN-AUDITED)

### 9. TRANSACTIONS WITH RELATED PARTIES

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

Related Party	Nature of transaction	Nine months ended		Quarter Ended	
		March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)	March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)
		Rupees -----			
<b>Associate</b>	Purchases of television programs and movie	<b>922,548,142</b>	977,124,901	<b>283,339,155</b>	342,492,692
<b>Associate</b>	Collection on behalf of associate	<b>248,380,478</b>	-	<b>248,380,478</b>	-
<b>Key management personnel</b>	Remuneration	<b>134,376,932</b>	130,644,598	<b>39,100,469</b>	50,695,915
<b>Retirement fund</b>	Contribution to provident fund	<b>27,888,683</b>	35,392,180	<b>8,892,980</b>	11,202,571

### 10. DATE OF AUTHORIZATION

These condensed interim consolidated financial statements have been authorized for issue on April 30, 2020 by the Board of Directors of the Holding Company.

### 11. GENERAL

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

11.2 Figures have been rounded off to the nearest Rupee.



**DURAID QURESHI**  
Chief Executive



**MAZHAR-UL-HAQ SIDDIQUI**  
Chairman



**MUHAMMAD ABBAS HUSSAIN**  
Chief Financial Officer

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#### 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 21-32631676

##### Lahore Office

24-A,  
Masson Road,  
Lahore.  
Ph : +92-42- 36312501-3

##### Islamabad Office

Plot # 2A, Sector G-6/1-1  
Khayaban-e-Suhrawardy  
Road Aabpara, Islamabad.  
Ph : +92-51-8777000

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